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Levers for fair work in hospitality in Scotland

Report for the Fair Work Convention

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Executive summary

1. This Report presents stakeholder views on fair work challenges and opportunities in the hospitality industry in Scotland. The research underpinning the report is linked to a wider investigation of potential fair work policy levers available to the Scottish Government. The research involved in-depth interviews with 15 key stakeholders spanning 11 hospitality organisations over Autumn 2023. The aim of this report is to consider a range of policy levers available to the Scottish Government and how these may be received among hospitality industry stakeholders.
2. The hospitality industry in Scotland offers business opportunity, jobs and careers, but also a range of fair work challenges. The sector is heterogeneous, delivering a broad range of products and services and catering to a wide variety of markets and customers.
3. Parts of the industry are characterised by high levels of non-standard employment contracts, underemployment, low pay, unsocial hours, significant staff turnover (reflecting high part-time and temporary/seasonal employment), and the workforce is disproportionately made up of women, young people, racialized and migrant workers. Jobs themselves are diverse and span a wide range of skills, though most workers are in elementary occupations.
4. For many, hospitality is not an attractive industry in which to work. Skills shortages could stimulate a business model shift geared toward the retention of workers, and fair work practices may well assist in improving the reputation of the industry as a place of work.
5. The research used a model of change toward fair work that focussed on increasing awareness; improving understanding; building endorsement; identifying relevant actions; providing support for implementation; supporting monitoring and evaluation; and enhancing knowledge sharing and learning on effective practice.
6. The research framed the approach of government to leveraging fair work by drawing on Hood and Margett's (2007) NATO approach, where governments can use Nodality – their position of influence in networks; Authority – their regulatory power; Treasure – the use of government resources; and Organisation – human and organisational assets available to government. In Scotland, the devolution settlement defines the Scottish Government's authority powers.
7. Stakeholders identified a number of key business challenges facing the hospitality industry: rising operating costs; available housing and transport in their locale; attraction and retention, stemming in part from the industry's poor reputation; uneven pattern of demands for services; and visa restrictions affecting labour supply.
8. Key fair work challenges affecting the industry were identified as low pay; unsocial working hours and patterns; challenges in delivering training in the context of variable shift patterns and high operational pressure points; and work intensity and stress.
9. However, many saw that the industry was improving in fair work terms; that there were pockets of good practice; and that the need to improve attraction and retention was driving greater attention to fair work. Specifically mentioned were the industry's offer in terms of

progression and social mobility for some; the offer of flexible working hours for those needing to work flexibly; and the provision of important non-pay benefits such as subsidised accommodation for some.

10. Beyond the fair work dimension of opportunity, stakeholders pointed to the presence of more stable ‘career’ workers; a range of mainly informal voice channels (though little collective voice); and fulfilling work that was sociable, offered opportunities for travel and exposure to different work contexts, relatively autonomous working and opportunities for ongoing learning. Respect at work was considered more variable, with good practice sitting alongside pressurised workplaces and traditional and not always respectful management.
11. It was widely agreed that hospitality needs to improve its reputation, promote the industry as an attractive career, and leave behind what many saw as legacy issues that were inconsistent with fair work – alongside strong industry leadership in encouraging and supporting improved practice and in deterring poor practice.
12. The interaction between addressing business challenges and fair work was, however, contested: some thought addressing business challenges took precedence before improving fair work; others felt prioritising fair work could help address businesses challenges.
13. The stakeholders had a range of views about what fair work levers are needed or might work most effectively. Some favoured incentives for business. Others believed that any lever for fair work had to deliver clear benefits for employers to ensure its effectiveness.
14. The table below identifies the range of levers by the mechanism of policy influence. The colour coding system identifies strong stakeholder support (grey), mixed stakeholder support or a limited range of views (light grey) and limited stakeholder support (black).

Potential policy levers by mechanism of influence			
Authority	Treasure	Nodality	Organisation
Targeted awareness campaign	Further conditionality	Development of accredited fair work training	Business support, tools and diagnostics
Embedding fair work in employability provision	Strategic joint capacity investments	Support for fair work charters	Support for a fair work hub
Support for Real Living Hours – minimum number of hours 4 weeks notice of schedule change		Support for formal fair work accreditation – externally monitored	
SG, public sector/body and ILG fair work champions		Support for fair work communities of practice	

15. There was support among the stakeholders for targeted awareness raising of fair work in hospitality, and a mixed view of how much awareness there was in the industry. Several stakeholders felt that the time was right for a broader discussion of fair work, with businesses more receptive due to widespread recruitment and retention difficulties.
16. More business appropriate language might, according to stakeholders, highlight the business benefits of fair work, alongside attention to the specific needs of sub-sectors of the industry and different locations.
17. Few stakeholders had experience or strong views on employability provision, or of how policy to embed fair work more deeply in the provision might deliver. However, of those who did have a view, engaging with fair work through employability services was considered to be of potential benefit to their business.
18. Real Living Hours accreditation was considered a challenge for some in the industry, given their patterns of demand and ability to plan staffing in advance. Living Hours accreditation requires real Living Wage accreditation, and some businesses were not so accredited. Some stakeholders could not see how a commitment to living hours could be aligned with their current business models or the business models adopted by many in the industry.
19. Stakeholders recognised that Living Hours might be important to staff, and more were likely to say they could deliver 16 hours minimum contracts than those who believed they could deliver four weeks' notice of shift changes.
20. There was significant support for fair work champions at industry leadership level and, potentially, within trade bodies and associations, and a general recognition that greater capacity in fair work, and dedicated capacity especially, could support greater understanding of, and actions to deliver, fair work across the hospitality industry.
21. Stakeholder views on further conditionality were mixed. Some felt that conditionality rewarded businesses already delivering fair work. Others felt that fair work conditions should help businesses more on their journey to fair work, that is, by putting them in the position to deliver fair work more effectively.
22. According to some stakeholders, fair work conditionality is currently a substantial driver of improved practice in hospitality, with employers adopting fair work practices to access support, for example, from public agencies. Contact with public agencies on conditionality can also initiate wider discussions with businesses about fair work and how to support it.
23. Employer stakeholders were also strongly of the view that conditionality should be seen in the wider context of the specific challenges facing, for example, rural and island hospitality businesses, in relation to transport and housing infrastructure, and how these affected their ability to meet fair work conditions.
24. Stakeholders did not offer detailed views on strategic joint capacity investment as a lever, but generally agreed that further capacity is key to delivering fair work in the industry. While most discussion focussed on capacity for employers, specifically through trade organisations, and only a few stakeholders raised capacity building by supporting capacity investment for workers or unions. Notably, only one comment focussed on the potential of unions and employers developing capacity together.

25. There was strong stakeholder support for fair work education and training. It was felt that this was important for leaders and managers as well as staff. Training would only be effective, however, according to many stakeholders, if it was industry-led and delivered in ways that made it accessible across small businesses and the different industry sub-sectors.
26. Stakeholders showed no real support for formal external fair work accreditation either at industry or sub-sector level, raising concerns both about potential complexity and cost. The sole exception was where employers felt that formal external accreditation might assist them in engaging wider stakeholder groups in education and training and help improve recruitment prospects.
27. There was more – although mixed – support for a hospitality industry charter. Those who supported it believed it had to be industry-driven and bring identifiable business benefits. Crucially, many argued that engagement with a charter had to be across businesses, not just key managers, and include front line staff.
28. One limitation of charters that some stakeholders referred to was the lack of enforcement mechanisms. One response to this is to have greater worker engagement with charters but also the potential to develop joint employer-union charters that would have mechanisms of joint enforcement that avoided the costs of external monitoring.
29. Stakeholders voiced considerable support for industry-based communities of practice, viewing peer-to-peer learning on fair work as a crucial source of information and insight. Support to develop such networks was considered valuable.
30. Several businesses gave highly positive feedback on the approach to fair work taken by Highlands and Islands Enterprise. This involved identifying key players in the industry with good examples of fair work practice, learning from their practice and their challenges, using their insights and outcomes to engage other businesses and spreading knowledge and understanding of fair work. HIE's approach connected businesses in what was effectively a community of practice.
31. Overall, support for networks or communities of practice was strong, and policy support may be a crucial catalyst to establishing and developing such networks, alongside access to appropriate support materials.
32. Hospitality stakeholders also recognised the importance of good intelligence, data and business support tools, and were not all confident about where to access fair work support materials in general, or on specific aspects such as equality, diversity and inclusion or wellbeing. In this regard, the fair work website operated by Highlands and Islands Enterprise provided a good example of practice, giving employers insight and access to supporting documentation which appears to have stimulated interest in fair work.
33. Beyond the potential efficacy of the proposed levers, many stakeholders thought there was significant negativity towards government policy within the industry, making discussions of policy levers more challenging. These views ranged from concerns over a confused policy landscape; discontent over policy differences between Scotland and England, specifically in relation to rates relief; and perceptions that the Scottish Government isn't sufficiently supportive of business.

34. Concerns were also raised in relation to local government policy, particularly in relation to licencing processes, with complaints of bureaucracy, delays, a lack of fitness for purpose and inconsistency in the treatment of different businesses at different times. Some policy supports were welcomed, however, such as public funding for talent development in hospitality.
35. Three specific requests of policymakers were made by stakeholders: to develop a more positive and forward focussed narrative about the industry itself; from employers, to provide fiscal relief or incentives to deliver fairer work, and to work with the industry to drive improvement – to co-produce tailored solutions rather than to rely solely on ‘carrots and sticks’.
36. Across all stakeholder discussions was a strong sense of the diversity of the industry and the limits of a one size fits all approach to leveraging fair work. Some of this diversity reflected industry sub-sectors who faced different demand pressures.
37. Overall, stakeholders understood that no single policy lever on its own was likely to effect significant change, but that combinations of levers had potential to enhance fair work in the industry.

Introduction

This Report presents stakeholder views on fair work challenges and opportunities in the hospitality industry in Scotland. The research underpinning the report is linked to a wider investigation of potential fair work policy levers available to the Scottish Government,¹ which outlined the importance of fair work, presented a model of change as to how fair work is delivered, and a framework for considering how policy interventions might leverage fair work in Scotland.

The research involved contacting over twenty organisations who play a role in the hospitality industry to seek their experiences and views on fair work, on the challenges and opportunities the industry faces in delivering fair work, and on the kind of policy actions that might help further embed fair work in the industry. Fifteen stakeholders (spanning eleven organisations) were able to allocate time to participate in the research. Interviews took place in Autumn 2023 and lasted between 45 and 90 minutes. Participating organisations and individuals spanned central and rural geographies and included, small and medium-sized businesses, sector membership organisations, Industry Leadership Groups, enterprise and regional sector agencies, a trade union and a third sector organisation. Specific employer insight was gained from four employers from hotels, bars and restaurants sub-sectors. Most of the organisations invited to participate were identified through sector publications and news industry reports of their work or experiences of challenges around fair work. A more general perspective of the opportunities and challenges around fair work in hospitality was gained from the participation of seven sector-related support organisations (as detailed above). In addition to the stakeholder interviews, the Fair Work Convention Hospitality Industry [Inquiry Group members](#) were given the opportunity to consider how the types of levers identified in our earlier report might be relevant to the hospitality industry. The following analysis combines insights from both the interviews and the consultation with Inquiry Group members.

The report begins with a brief overview of the hospitality industry in Scotland, followed by a discussion of how fair work might be enhanced and the role of policy in driving change towards fair work. Then, stakeholder views on the challenges facing the industry and future industry needs are explored. Thereafter, a range of policy levers are identified and stakeholder views on their likely efficacy are considered.

Hospitality in Scotland

The hospitality industry in Scotland offers business opportunity, jobs and careers, but also a range of fair work challenges. Hospitality businesses range in scale and ownership from micro, sole-trader and family businesses to major multinational corporations. The sector is

¹ Findlay, P., Stewart, R., Lindsay, C., McQuarrie, J. and Remnant, J. (2024) Fair work policy levers in Scotland. Report for the Scottish Government.

heterogeneous, delivering a broad range of products and services and catering to a wide variety of markets and customers. While hospitality may not generate large proportions of either Scotland's GDP or its workforce, it makes a significant contribution to economic activity, particularly in rural areas that would otherwise struggle to attract investment and retain local populations. Crucially, it also contributes to the quality of local community life across Scotland.

The industry has long been characterised by high levels of non-standard employment contracts, underemployment, significant staff turnover (reflecting high part-time and temporary/seasonal employment), and greater use of foreign-born migrant workers and those from minority ethnic backgrounds compared to other sectors.² Employment contracts are diverse, spanning open-ended and full-time contracts through part time to precarious casual and seasonal contracts, including zero hours contracts. Employment is characterised in large part by low pay, precarity, unsocial hours and work patterns. Women, young people, racialized and migrant workers are over-represented in the industry. A recent FAI study of workers in hospitality in Scotland characterises the workforce as younger and mainly female; over half of workers are in households either without dependent children or are single parents.³ At industry level, hospitality has the lowest levels of average hourly pay and weekly hours relative to other sectors. There are concerns over issues of sexual harassment in parts of the industry.⁴

Jobs themselves are diverse and span a wide range of skills. Although skill levels in the sector are mixed, most workers are in elementary occupations. Following a period of growth, the impact of the pandemic and Brexit have led to significant labour and skills shortages in the industry. Most hospitality workers are employed in private sector restaurant, pub or hotel-related businesses, with many in roles where staff behaviours (rather than technical competence) make a substantial difference to customer experience.

For many, hospitality is not an attractive industry: current skill shortages reflect low numbers of applicants with the required skills and not enough people interested in doing low paying jobs with shift working and unsociable hours.⁵ The sector has been one of the hardest hit by the impacts of the Covid-19 pandemic and is likely to be further negatively affected by the current cost of living crisis and ongoing economic uncertainty.

For the industry, skills shortages could stimulate a business model shift geared toward the retention of workers: for example, skill building, flexibility in shifts around school hours and the

² [Hospitality industry and Covid19](#)

³ [Workers in the tourism and hospitality sector: who are they and what support may they need in the future?](#)

⁴ Hadjisolomou, A., Booyens, I., Nickson, D., Cunningham, T. and Baum, T. (2022). Fair work for all? A review of employment practices in the Scottish hospitality industry. Research report: University of Strathclyde. See also Booyens, I., Hadjisolomou, A., Nickson, D., Cunningham, T. and Baum, T. (2022). 'It's not a big deal': Customer misbehaviour and social washing in hospitality, *International Journal of Contemporary Hospitality Management*, 34 (1), 4123-4141.

⁵ [Skills and workforce profile Hospitality and tourism](#)

greater use of older workers – all of which are consistent with fair work practices. In reality, however, rising energy and food costs might mean that fair work may be seen as a threat by employers. Delivering fair work presents several challenges for hospitality and tourism employers, particularly around the Real Living Wage; the issue of tipping; the use of non-standard contracts; underemployment and skills underutilisation; training; careers progression; staff engagement; equality and diversity issues including concerns over sexual harassment; and union recognition.

The research leading to this (and the preceding) report aimed to identify and explore the range of policy levers available in Scotland to encourage and embed a commitment to fair work generally and on specific dimensions, and to examine what levers can be best applied to advance fair work in the hospitality industry and how these might be received by industry stakeholders. The overarching aim of this report is to help inform the deliberations and recommendations of the Fair Work Convention's Hospitality Inquiry Group.

Routes to change

The research used a model of change toward fair work that focussed on increasing awareness of fair work; improving understanding of its key dimensions and practices; building endorsement of the need to improve the fairness of work; identifying relevant actions; identifying or providing support for implementation; supporting robust monitoring and evaluation; and enhancing knowledge dissemination and learning. The trajectory and pace of fair work adoption will differ across occupations, organisations, industries and sectors, so leveraging each element of change can take place simultaneously. For individual organisations, the trajectory of change is more likely to be sequential, though in both the organisational and policy context, the model of change for fair work forms a learning loop, with lessons learned from implementing fair work feeding back into strategies to improve understanding and support for fair work.

What can government do?

The research framed the approach of government to leveraging fair work by drawing on Hood and Margett's (2007) NATO approach.⁶ Put simply, the NATO approach identifies the various forms of influence that governments can use. NATO stands for Nodality, Authority, Treasure and Organisation. *Nodality* refers to the role and importance of government and policymakers within networks, where they can aid flows of information across key workplace actors. *Authority* refers to the power of government to regulate to ensure changes in or uptake of particular practices. *Treasure* refers to the resources that governments and policymakers can deploy to influence or shape practice, either by incentivising good practice or disincentivising

⁶ Hood, C. and Margetts, H., 2007. *The tools of government in the digital age*. Bloomsbury Publishing.

poor practice. *Organisation* refers to the assets (human and material) available to government and policymakers to support the activities of other actors, for example, by deploying their own staff/officials to support other actors or networks.

Devolved government in the UK shapes the authority power of the Scottish Government. Considering powers that might be relevant to the hospitality industry and to fair work, the Scottish Government has devolved powers in relation to economic development, rural development, education and training, housing, local government (including business rates), transport and (some) infrastructure, and tourism. However, important relevant powers are reserved to the Westminster Parliament, including fiscal, economic and monetary policy; regulation of businesses and competition law; energy; immigration; employment and industrial relations; health and safety and equalities law. This inevitably constrains the extent to which the Scottish Government can use regulatory powers and requires reliance on other influencing strategies.

Key challenges facing the hospitality industry

Hospitality industry stakeholders were asked for their views on the current challenges facing the industry to provide important context around the discussion of fair work. There was a substantial consensus about what those challenges are. The most pressing challenge related to rising operating costs, specifically energy, supplier and labour costs, and their negative impact on profit margins and business viability.

For some industry stakeholders, and particularly in remote or rural businesses, ongoing difficulties were identified in relation to housing availability for staff, and transport infrastructure for both staff and customers. Hospitality businesses operating in the islands were facing significant issues arising from the operation of ferry services.

Stakeholders identified staff attraction and retention as ongoing concerns Scotland-wide but most acutely in remote or rural businesses. They recognised that the industry has something of an image problem in attracting staff. In part, they believed this related to legacy issues, where poor employment practices and management behaviours in the past had damaged the industry's reputation, but many argued that these approaches were diminishing – though still present in parts of the industry. Some stakeholders also believed that the industry was seen as low status time-limited work that staff did "*while waiting for a proper job*". Difficulties in attracting and retaining staff were viewed as costly, particularly for small businesses where sunk training costs were felt disproportionately.

Other internal and external factors contributed to staff attraction and retention challenges. Internal factors included business model constraints – for example, patterns of demand for services/products that drove part-time or seasonal employment. External factors identified included the longer-term impact of the Covid19 pandemic restrictions and how these continued to shape patterns of demand and resourcing in some parts of the industry. Notably, for many stakeholders, post-EU exit shifts in access to migrant labour and the difficulties in negotiating the UK visa system reduced the pool from which hospitality businesses often recruited. Internal and external factors can interact to exacerbate attraction and retention difficulties: for example, a lack of affordable local housing either reduced the pool of labour available or increased wage pressures.

Fair work challenges and opportunities in hospitality

Clearly some of the above are both industry and fair work challenges, and stakeholders acknowledged the areas and practices of fair work that were particularly problematic for the industry. Looking at the issues most cited, stakeholders first recognised that low pay was more of a problem relative to other industries, but some highlighted variation across subsectors of the industry and across occupations, with pockets of competitive and high pay.

Second, they also noted that the nature of the product or service offer in the industry can often involve distinctive working hours patterns (including evenings, weekends and important public holidays), long shifts and split shifts that impact on caring responsibilities and work-life balance. Stakeholders recognised that these patterns made it difficult to recruit into and retain staff in parts of the industry.

Third, and related to the scheduling of work and the operation of shift systems, stakeholders talked of the challenges in accessing and delivering appropriate training and learning to all staff, notwithstanding the importance of training and learning in ensuring professional customer service.

Last, some stakeholders highlighted pressure at times of peak demand that can be difficult for staff with mental health issues and can also lead to conflict between and across staff and management that requires effective management responses. For some, this was more problematic where more traditional or what they termed ‘old school’ management approaches dominated. It was recognised that addressing these issues might require changes to working conditions and to management styles.

However, there was a strong view across stakeholders that the industry is better at delivering good working conditions than it was in the past, and that the need to do so was recognised by

most employers. Interestingly, some employers who perceived themselves as long-standing adopters of progressive employment practices now felt that others in the industry were catching up with them. While it was agreed that many in the industry might not have a specific or shared idea of what fair work means in Scotland, many businesses were still seen as delivering it. The need to retain and attract staff was seen as the key driver of better practice, while the potential of fair work to support better work, careers and pay in the industry, enhance the profile of hospitality and enhance business performance was also widely recognised.

Looking more specifically at the dimensions of fair work in the industry, stakeholders believed that employment could offer real opportunities for social mobility for some, citing examples of individuals who had started in entry level positions but progressed to very senior roles. As one stakeholder noted:

“Hospitality is an absolute meritocracy. You can climb the ladder and you can grow and develop. You can thrive more than I think in any other kind of industry. It’s an industry that gives people opportunity.”

Stakeholders also acknowledged, however, that the range of opportunities available may not be sufficiently visible to impact on perceptions of careers in hospitality. The industry is also seen to offer significant flexibility to staff, especially young people, students or those who work in hospitality as a supplementary job.

Stakeholders could point to sub-sectors of the industry and occupations (e.g. chefs⁷) where starting salaries and benefits were competitive with other industries, and expressed a view that pay and benefits were gradually improving across the sector. There was significant indignation by stakeholders that some rewards for staff – that are clearly costs to the employer – are not recognised, such as tips, provision of meals, subsidised accommodation, car use, and access to leisure and social facilities. As one stakeholder noted,

“We invest in staff accommodation ... paying for people's driving lessons to try and encourage them to learn to drive ... so they could get themselves to work as opposed to relying on the buses. That's a pure cost to my business, but it's an innovative solution to the problems of getting staff.”

⁷ Chef is one of the few hospitality jobs on the skilled shortage list for the UK, and one of the few hospitality occupations for which sponsorship (employer) for skilled workers can be offered.

Examples were also offered of reported staff preferences for tips, for example, rather than a small increase in the hourly rate, but there is little systematic or robust evidence available on these or any other preferences.

The provision (or not) of secure and stable employment is undoubtedly connected to the range of business models operated in hospitality. Stakeholders talked about career workers as distinct from more transient workers, and their reliance on core and casual workers. For some this was a direct consequence of the business model they had adopted, and subsequent patterns of demand for hospitality services, particularly for rural businesses where demand can be concentrated in specific parts of the week. The challenge in aligning customer demand and staff working hours also meant that some rural businesses reported being unable to open on occasion due to a lack of staff availability or shortages. For employers who recognised the importance of stable and secure employment and hours, but with highly variable patterns of demand, the challenge was in ensuring that employee preferences were accommodated as far as possible (especially in a context of staff shortages), though they recognised that this could not always be achieved.

Understanding staff preferences is clearly linked to the opportunities for effective employee voice. Stakeholders recognised the importance of better communications and communications channels suited to the whole employee group, for example, particular mechanisms favoured by younger workers. But operational issues created barriers to voice: shift systems created pressure on consistent communications in some cases, as did pressure of work, and the diversity of the sector created a range of different challenges in employee voice. Some employers pointed to different types of voice channels, many informal but some more formalised, but noted that these were used variably, and there was little systematic insight into their effectiveness in dealing with employee concerns. Turning to collective voice, none of our respondents questioned the legitimacy of a union role in the industry in principle, though there were significant criticism of union activity in practice and stated preferences for more constructive voice from within and beyond unions.

On the remaining dimensions of fair work, employment in hospitality was seen by most as fulfilling and personally rewarding. Usefully, a number of stakeholders highlighted the attractions of a career in hospitality: that it was often a highly social setting in which to work, with varied customer interactions; that it could involve travel and exposure to different environments, experiences and cultures; that it provided opportunities to develop problem solving skills in response to customer needs; that it involved working autonomously; and that staff were able to learn on an ongoing basis.

On respect as a dimension of fair work, while some employers pointed to their own respect policies and practices and stressed their commitment to respectful treatment at work for all, operational stresses and economic pressures were seen regrettably as capable of undermining respectful treatment in some circumstances. Further, and notwithstanding the above challenges around working hours and patterns, some stakeholders noted that the industry offers flexible working opportunities that are sensitive to peoples' life stages and caring responsibilities.

Several key stakeholders argued that, despite these strengths in fair work, the industry itself doesn't "*shout about it enough*", nor does it stress and proclaim sufficiently the community benefits delivered by hospitality businesses across Scotland.

Perceptions of future industry needs

Looking to the future, it was widely agreed that hospitality needs to improve its reputation and leave behind what many saw as legacy issues that were inconsistent with fair work. There was also very strong consensus on the need to promote the industry as an attractive career, primarily to respond to tighter labour markets and the distinct demands of a younger workforce, who were perceived by some as unable to accept more traditional ways of working. Both issues were felt to require better understanding of the characteristics, benefits and challenges of fair work, which was not considered to be the case currently in the industry. But in principle, many stakeholders believed there was strong support for improving the fairness of work across the industry. As stakeholders reported:

"... many are completely supportive of Fair work principles, and try very hard in our own businesses ... I believe they all want to provide fair work. I can't think of any reason why people who have struggled to recruit and seen the impact of the damage on the industry of not being able to recruit – they want to provide those things. There's no difference between a a pub, a bar or a café on this."

"We have always believed that fair work helps survival".

"... development of the tourism strategy which took place through 2019 and 2020 ... there was a strong commitment from the sector and the recognition of the need for the sector as a whole to adopt the fair work agenda and actually move much more into that space."

Also required was strong industry leadership in encouraging and supporting improved practice and in deterring poor practice. This links with the expressed need for better/improved

organisational, and accordingly work, cultures in which leadership at the organisational or business level has a key role to play.

Stakeholders were somewhat split, however, between those arguing that taking steps to ensure business survival in difficult economic times takes priority over improvements in fair work, and those who argued that improvements in fair work would drive both the staff commitment and responsiveness required to make business survival more likely. Both groups recognised that labour shortages could tip the balance of power in the industry from an employer-driven market to one in which employees and their preferences were increasingly influential.

Stakeholders identified a range of other developments and/or approaches that could help the industry face the future, including improved professionalism; better use of technology, both to support the business operationally but also, for example, to make scheduling more open, fair and responsive to employees; and greater supply chain innovation (for example, among small businesses collaborating together and with suppliers to improve supply arrangements). Interestingly, a small number of stakeholders were robust in their views that hospitality has significant churn and that there needs to be a degree of realism that business failure will occur and that this may be a consequence of not delivering fair work, which will in turn improve the overall standards of work and employment in the industry. As one noted:

“I feel unfortunately that there will be those who are just so rooted into it, a particular type of behaviour, that they're not about to listen to anyone or change their ways of working. But on the flip side, I view it as that they are the ones that will fail. They're the ones that will fall over, and if they're not here in a few years' time, that's not a bad thing. That's a good thing for Scottish tourism. Let's get the best operators and there are some fantastic operators out there”.

Fair work levers

The stakeholders had a range of views about what fair work levers are needed or might work best to improve fair work in hospitality. One set of stakeholders believed that incentives were required to drive fair work practice: either in the form of some offset to business rates or more general business support, or indeed in the form of conditionality represented by Fair Work First in tying fair work conditions to public contracts and grants. Others were more convinced that the business case for fair work was likely to be the most influential lever – that is, that fair work practice will improve because it is required to address recruitment and retention challenges. Both groups agreed, however, that any lever for fair work had to contain or highlight clear benefits for employers to ensure its effectiveness.

Where possible, we discussed with key stakeholders the types of policy levers that Scottish Government might use to improve fair work in hospitality that are summarised in the Table below. Some stakeholders commented on all potential levers; others focussed on specific levers that had greater relevance to their businesses/organisations and experience.

Potential policy levers by mechanism of influence			
Authority	Treasure	Nodality	Organisation
Targeted awareness campaign	Further conditionality	Development of accredited fair work training	Business support, tools and diagnostics
Embedding fair work in employability provision	Strategic joint capacity investments	Support for fair work charters	Support for a fair work hub
Support for Real Living Hours		Support for formal fair work accreditation	
SG, public sector/body and ILG fair work champions		Support for fair work communities of practice	

Targeted awareness-raising campaign

Fair work in hospitality might be enhanced through a targeted awareness-raising campaign aimed at employers and other industry stakeholders that stimulates better knowledge on fair work across the industry.

Our earlier research identified potential value in the Scottish Government leading the design, testing and evaluation of targeted awareness-raising campaigns communicating tailored messages on the importance of fair work to employers, industry representatives and other key stakeholder communities. Information is often a first step towards changing how people think, feel and act, though information may be a necessary but insufficient ingredient of changed practice and targeted awareness raising would need to be aligned with other levers, such as advice and support for action.

There was support among the stakeholders for targeted awareness raising of fair work in hospitality. While some stakeholders were well versed in the wider policy context of, and approach to, fair work, others had heard little or nothing on the subject, as the comments below highlight:

I think it's [fair work] largely unknown in the sector ... it isn't fully understood by everybody. A lot of people will just look at it through the lens of pay; they won't see the broader base".

"... a lot of our organisations don't really know even now. We're still getting calls from federations or groups ... saying can you give us an update on Fair Work conditionality and what it means."

For those with limited awareness, some were able to speculate reasonably accurately on what fair work might look like, although as the first comment above indicates, such speculation might focus only on particular aspects of fair work, like pay, which presented an obstacle for businesses who believed themselves unable to improve their pay offer. Notwithstanding the importance of pay to staff, a more nuanced understanding of fair work by employers and key industry stakeholders might allow for progress towards other fair work dimensions. Several stakeholders felt that the time was right for a broader discussion of fair work in hospitality, with businesses more receptive to such discussions in the context of widespread recruitment and retention difficulties.

Stakeholders were supportive of increasing awareness using language that would be understood and seen as relevant by businesses,

" ... simplifying some of the terminology used, the language used. Breaking that down so that it it's seen as something that's more relevant to the day-to-day workings of an organisation as opposed to, you know, something that's being imposed on you as a business or as a social enterprise ... making it resonate with the businesses themselves".

More business appropriate language might, according to stakeholders, highlight the business benefits of fair work. As one noted:

" ... portray that fair work's not just about sort of fluffy stuff. This is actually affecting your bottom line ... this is something that you want to embed to make your business run as effectively as possible".

Some stakeholders highlighted the importance not just of general awareness raising on fair work, but on what fair work looked like in different industries or geographical contexts. This raises an interesting point about the levels of any targeted awareness raising campaign and potential tensions of what one stakeholder described as one-size-fits-all approaches that

supported wider sharing of information and learning, and more bespoke awareness raising suited to specific contexts, for example, of a region of the Scottish economy or an industry.

Further embedding fair work criteria in employability provision

Embedding fair work further into the operation and outcome indicators of Scotland's employability support might influence hospitality employers who recruit (or could recruit) via employability providers to engage more directly with fair work practices.

Existing employability provision funded and supported by the Scottish Government could play an important role in achieving fair work outcomes where the Scottish Government, Local Employability Partnerships and partners focus on prioritising and stretching fair work outcome indicators in assessing the performance of Scotland's employability services. The Scottish Government and local government partners have direct responsibility for the employability policy agenda and therefore have authority to shape its focus on fair work issues such as secure work, supporting opportunity and inclusion, incentivising progression and promoting respect at work. Such an approach might involve providers working more intensively with employers to identify opportunities for progression and learning post-job entry, and to consider a broader range of flexible working opportunities that might assist people with caring responsibilities and/or managing disability/health conditions to enter work. It might also require additional resourcing in engaging and supporting employers in lower value-added sectors.

Few of our stakeholders in hospitality had any direct connection with employability services and did not have a developed view on the effectiveness of embedding fair work more centrally into employability provision in Scotland, not least because the predominance of small organisations in hospitality limits interaction with public employability services for some. However, there are examples of charities helping migrants and those recovering from addition/homelessness entering work through hospitality initiatives. There were examples, however, of hospitality businesses recruiting through job centres and finding these effective channels. As one employer noted:

“I'd say over the 10 years, 4 to 5 members of staff that have been suggested through the job centre or through education as part of a work placement or back to work schedule and they've all proved to be brilliant members of staff that have stuck with me for a considerable amount of time until they moved on to their next career progression or university or whatever it may be”.

This employer's assessment of engaging with fair work through employability support services was that it would be worthwhile for their business. Additionally, several employers voiced a desire to engage more with employability providers and with schools and colleges as a way of

developing access to and engagement with potential labour supply. This may signal an important area of collaboration between hospitality employers and employability providers.

Supporting real Living Hours

Scottish Government support for real Living Hours accreditation could help improve fair work in hospitality by improving income security and predictability of workers and improve planning by employers.

Looking at the potential impact of specific actions, our earlier research identified potential value in the Scottish Government providing further financial, policy and campaigning support for Living Hours, and for further evaluation of the impact of such a campaign. This might include helping employers to better assess the extent to which different workplaces and jobs provide sufficient hours. Living Hours commitments address the variability and unpredictability of hours of work in sectors like hospitality and, combined with adopting the real Living Wage, address the fair work dimension of security. The Living Hours accreditation scheme requires prior real Living Wage Accreditation (which some hospitality employers have) and commits employers to providing a minimum of 16 hours per week (unless the worker requests otherwise); a contract that reflects the hours generally worked and four weeks' notice of shifts (or payment for shifts cancelled within this notice period). Living Hours may also deliver benefits beyond improved income security as greater hours predictability can better support employees to access training and opportunities for career progression. Moreover, Living Hours Accreditation requires dialogue between the parties to discuss their respective needs and agree on minimum hours which could, in turn, improve worker voice.

Stakeholders had, perhaps unsurprisingly, differing views on whether support by the Scottish Government for living hours accreditation could drive practice in the industry. Given that living hours accreditation is built on real living wage accreditation, only those with the latter could engage, and there is early evidence of trade unions working with some employers on the living hours agenda. Some stakeholders, however, could not see how a commitment to living hours could be aligned with their current business models or the business models adopted by many in the industry and did not think that efforts to encourage real living hours accreditation – or practice consistent with accreditation – would land with the industry.

Other stakeholders were more neutral, supporting the provision of living hours to staff but advising that aspects of accreditation could be difficult in some hospitality contexts. Specifically, a commitment to four weeks' notice for shifts was seen as challenging given that bookings/demand can vary considerably week to week, and employers were interested in the potential for adaptability within the 4 weeks' notice requirement. In addition, concerns were raised that requiring contracts with a minimum of 16 hours might eliminate some staff such as

high school students, single parents, and those working in hospitality for a supplementary income, exacerbating staff shortages. In the latter context, flexibility for employees to be able to refuse a minimum hours' contract was seen as essential and is permitted under Living Hours Accreditation.

Importantly, however, for some of the employers interviewed it was clear that if the offering of real living hours was required by staff, they would work hard to deliver this. As two employers from different parts of the industry noted:

“If I had to give somebody 16 hours in order to get, you know, the staff in for a weekend, I'm sure we could find a way to do that”.

“In relation to the fair living hours stuff, again, I think that's, you know, would be brilliant to be able to do something like that. And 16 hours, I don't think it's a problem at all for us to guarantee as a business”.

Such views showed both recognition of the demand for more stable and sufficient hours and a willingness to be creative in providing such a benefit to worker while also benefitting as employers in access to scarce staff. Many understood that stability and predictability of hours was also what they would want for themselves if they were employees or for their family members, and the legitimacy of any demand for real living hours was well accepted.

Fair work champions

Supporting the development of fair work champions in the hospitality Industry Leadership Group may advance fair work through enhancing fair work capacity and commitment at an industry leadership level.

Evidence suggests that workplace champions have some success in raising awareness of specialist workplace issues and ensuring them priority attention, particularly where they operate in a wider network of champions. Consequently, fair work champions might identify opportunities to raise the awareness of fair work issues; support the design and development of fair work policy; ensure that local or frontline issues inform fair work priorities; monitor progress and develop actions to address gaps; share best practice and signpost managers and workers to appropriate policies and supports. Such a role may be beneficial on Industry Leadership Groups in Scotland, on which industry-specific stakeholders provide a strategic interface with government to progress industry ambitions and provide leadership and a collective voice. The role would, however, require training and support.

Hospitality industry stakeholders were positive about the potential of fair work champions, drawing on experience of other types of champion, as the comments below highlight:

“Champions work really well”.

“Net zero champions have been a proven, tried and tested way of encouraging others to just have a little think about what that might mean for their business or their organisation”.

In terms of where champions would operate, hospitality industry stakeholders had very different perceptions of where industry leadership lay, though in part this related to the existence of sector and sub-sector bodies. Some saw the Scottish Tourism Alliance as the champion of the industry in Scotland. Some were aware of the operation of the Hospitality Industry Leadership Group (ILG) and others were not. Amongst those with awareness of the ILG, stakeholders had different levels of knowledge of what the ILG does and subsequently of its potential role as a champion of fair work. For some stakeholders, however, there is significant potential for the ILG, supported by a fair work champion, to take a driving role in fair work in the sector:

“My view is that the industrial leadership group is about future proofing the sector. So how do we make the sector better, how to make it fit for future, how do we pick up the big-ticket items from a workforce point of view. How do we drive the sector forward to address fair work?”

“I think the fundamental lever is getting people that sit on the ILG to understand the role and to be committed to driving forward standards and not focusing on ‘I’m here representing my business and I’m just going to say my business is fantastic and we don’t need to do anything’. The government really needs to be telling the ILGs, if you want to be part of this, you need to sign up to some basic principles which are improving minimum standards”.

While some stakeholders were unsure how or whether ILG members were accountable to the industry, stakeholders with closer engagement with the ILG reported that it already had a focus on fair work and that a fair work champion could certainly build on this.

“I think the ILG is important. And there is definitely, I think, a real momentum and focus on fair work on that group. I’m part of the group that’s looking at developing the mission

around pride and value ... a big focus within that on fair work and game changing actions”.

“I was sceptical ... of joining that group [Hospitality ILG]. But I actually think it’s been one of the most positive environments to exchange understandings from different groups that would not normally agree and to change people’s perspectives of each other as well and work together better. Most importantly, it’s got a lot of leaders of change from within chains and hospitality venues, but also from within unions”.

While there was no detailed reflection on how this might happen, there was a general recognition that greater capacity in fair work, and dedicated capacity especially, could support greater understanding of, and actions to deliver, fair work across the hospitality industry.

Further conditionality

There are opportunities to develop fair work conditionality through, for example, fair work criteria in Small Business Bonus Scheme or through attaching fair work conditions to relevant licensing processes.

Governments can use market power to pursue social objectives by making the awarding of a contract or grant subject to meeting qualifying conditions. There has been limited evaluation of conditionality in Scotland, and initiatives like Fair Work First are too recent to have been robustly evaluated, though such evaluation is planned. Looking across the research evidence, there is potential for greater linkage of public contracting and public spending to fair work practices to avoid public spending embedding poor labour standards. This has budgetary implications for how the Scottish Government, local councils and other public bodies and agencies.

Over £100 billion of public spending in Scotland is a potentially powerful lever to shape the behaviour of those businesses in receipt of public funding or contracting with the public sector. Beyond Fair Work First, there are policy areas in which further conditionality might be applied. For example, there are currently no conditions attached to the Small Business Bonus SBBS, only eligibility criteria. Yet this is a significant spend (£279m in 2020). Evaluation⁸ has found that receipt of the Bonus had only a marginal impact on payment of the real living wage.

Conditionality might also be applied outside of funding contexts, for example, in relation to the granting of licences. There are current examples in Scotland of licencing conditions that relate to

⁸ Fraser of Allander Institute (2022) ‘*An Evaluation of the Small Business Bonus Scheme*’, Scottish Government: Edinburgh.

health and safety, an important element of fair work. There is potential value in Scottish Government, local councils and other public bodies/agencies exploring specifically the acceptability, legality and potential costs and benefits associated with a range of additional conditional approaches that might link the allocation of Scottish Government spending/funding to specified action(s) on fair work, beyond the current practice.

According to some stakeholders, conditionality is currently a substantial driver of improved fair work practice in hospitality, with employers adopting fair work practices to access support, for example, from public agencies. Contact with public agencies around conditionality can also initiate wider discussions with businesses about fair work and how to support it.

Looking at the example of paying the real Living Wage, some stakeholders reported meeting this condition as a serious challenge (and reported reducing staff numbers to fund the increased pay) while others found it more straightforward to meet this condition. Several stakeholders were concerned about future uplifts in the real Living Wage in the context of difficult financial challenges facing the industry.

There was something of a fundamental tension in stakeholder responses as to how fair work conditionality should operate. Some accepted that businesses had to show that conditions are currently being met to be in receipt of a contract or business support. Several others, however, argued in favour of recognition of those businesses trying to work towards fairer work practices, preferring that conditionality should hinge on what businesses **will do** (with support of a grant/contract) rather than what they **are doing** at present. This approach, they argued, would enable more businesses to engage with fair work (though they acknowledged that hospitality businesses already meeting specified conditions might feel differently):

“Businesses should be supported while they are transitioning and doing their very best to deliver Fair Work.”

“Displaying or working towards is also a positive. It shows that a business is trying to be better and potentially needs you know new recruits or new involvement to help it reach the final step. But at the same time, a clear black and white of ‘is the business achieving’ makes it very easy for everybody to assess where a business is at. What would worry me about the progression side of it is, at what stage?”

“I believe that it's good to have that conditionality if we're sure that businesses can actually afford to pay it. But we need to be really careful of the unintended consequences.”

Another theme from employers was the nature of the relationship with Scottish and local government in the context of conditionality, specifically that policymakers needed to ensure that factors in their control (such as housing and transport infrastructure) did not obstruct businesses from meeting fair work conditions, and that conditionality could feel punitive for employers. As some employers noted:

“I think the government still look at specific support for businesses in terms of the impact of infrastructure issues, and how this interacts with conditionality.”

“That's not a partnership that's been suggested here. That's just a great big stick.”

“I think that right now the biggest challenge that we have around Fair Work is probably the relationship that the Scottish Government ... I think we needed a far more creative and new approach than we're actually seeing from the Scottish Government at the moment. They are trying hard to reset that relationship, but they still got some way to go”.

Strategic joint capacity investment

There is potential in Scottish Government and hospitality industry partners jointly investing in specialist fair work capability to support employers in delivering fair work.

The Scottish Government recognises the importance of collaboration with hospitality stakeholders in achieving its policy objectives. Developing fair work capability and capacity might requires upfront investment in key organisations to drive change. Capacity investments in key organisations in Scotland could support employers, unions and third sector organisations to develop the capacity and capability to engage in activities that contribute to the achievement of social and economic policy goals, including the delivery of fair work. Investments jointly funded across stakeholders both improve capacity but also bind them more closely to the purpose of the investment.

Given current financial constraints affecting the Scottish Government and beyond, there is significant potential to design, develop and evaluate a programme of strategic joint investment to support the development of specialist capability in fair work delivery. This might involve a partnership with industry organisations, for example, the Scottish Tourism Alliance, to appoint a dedicated fair work specialist to support STA members with advice and information on fair work and to liaise with other fair work networks and expertise.

While stakeholders saw the rationale for investment in fair work capacity in industry or sub-sector organisations, most discussion focussed on capacity for employers, specifically through trade organisations, and only a few stakeholders raised capacity building by supporting capacity

investment for workers or unions. Notably, only one comment focussed on the potential of unions and employers developing capacity together.

Development of accredited fair work education and training

There is potential in developing accredited fair work education and training for hospitality industry staff and managers to improve understanding of fair work practice, and stakeholders supported fair work training for staff, managers and within unions.

Developing and supporting education and training on the role of fair work in enhancing organisational performance and citizen wellbeing might leverage greater awareness and understanding of fair work, develop internal organisational support for fair work approaches and stimulate greater adoption of fair work practices. Accredited training acts as an important quality marker. Training could both generate a critical mass of informed fair work learners and embed a sense of employer accountability for fair work practices as accredited learners deploy insights from training in their job and organisation. These positive outcomes hinge, however, on employer engagement with training for fair work.

Stakeholders were able to outline their own training and development approaches, and/or industry level training and learning platforms currently available, and recognised public sector support (for example, by Skills Development Scotland) for training staff and management. There were concerns over gaps in some elements of vocational training but also a recognition of gaps in leadership and line management training. Vocational skills training, it was felt, had suffered in recent years, making it difficult for employers to find staff with the right skills particularly at the management level. Notably for this research, some stakeholders identified a gap in ongoing management training with any emphasis on fair work and advocated for existing provision (e.g. through UHI or public agencies) to promote fair work specifically in training on business skills development, leadership and management at all levels. As one stakeholder noted, “... *managers have to be trained to be fair*”.

All stakeholders who commented on this lever welcomed additional and specific fair work training, and voiced preferences for training to be industry-led or co-designed for it to land effectively, and to be delivered online and bite size to address time and shift challenges - “*they want it to be industry-led and an industry voice and industry narrative.*”

“The focus on training and accredited training is really important, and I think a good, good focus would be as well as developing new training or bespoke training is building the work into existing programmes, so particularly on the apprenticeship frameworks.”

“At the moment we’re redesigning the hospitality and travel frameworks and are very keen to make sure that fair work is in there. But similarly, I think it should be in college provision and higher education, hospitality management, tourism management.”

Examples were given of how effective training can be in changing practice in hospitality as ideas and capabilities developed in training are deployed operationally, such as accredited stewarding training that focusses on prevention of conflict rather than just addressing conflict when it arises.

Turnover patterns in the industry can, however, limit the impact of training when businesses lose trained staff:

“Access to training and development is something that I'm very keen for as well. Unfortunately the staffing levels that we've got have meant that I've got all these promises I want to give to the staff, but I haven't had anybody long enough to actually deliver on a lot of these things”.

While the hospitality industry has had a poor reputation for training, particularly management training, the stakeholders in this research saw fair work training as having significant potential to effect change, not just in terms of training managers and workers, but also in terms of training that would support leaders in the industry. As one stakeholder noted of ILG members:

“I think they probably have no real understanding [of fair work] ... so yeah, maybe some kind of pre training for groups before the ILGS are set up might be quite useful.”

[Fair work industry charters/accreditation](#)

A fair work industry charter for hospitality, designed developed by key industry stakeholders representing owners, managers and employees, has potential to encourage stronger collective engagement with, support for, and monitoring of, fair work practices. There was little support for more extensive, externally monitored accreditation processes.

The suggested mechanism of change at work in accreditation, charters and codes is through increasing awareness and acceptance of the need for practices to change; establishing new norms that guide actions. For example, in the priority attached to and senior management responsibility for the issue; allocating organisational assets (people, time, money) to address the issue; and developing observable implementation resources, practices and tools.

Yet there is an inherent tension in accreditation processes that aim to improve workplace practice. Formal accreditation with external monitoring is more likely to ensure relevant workplace standards than voluntary commitments by employers without external monitoring. But such a system is costly to develop and maintain. What rigorous formal accreditation may offer in terms of depth of engagement with fair work more context-specific mechanisms such as industry charters may eclipse in reach to a broader range of employing organisations.

Industry charters can act as a form of soft regulation that engages employers in fair work by providing examples of the types of workplace practices expected, supporting a commitment to engage in specific practices, offer a way of publicly endorsing these practices and, over time, offering ascending levels of engagement with the charter. Industry charters require an appropriate industry group to lead their development and adoption, and effective industry charters should have some degree of monitoring and enforcement built in.

Stakeholders showed no real support for formal external fair work accreditation either at industry or sub-sector level, raising concerns both about potential complexity and cost. The sole exception was where employers felt that some formal external accreditation might assist them in engaging wider stakeholder groups in education and training and help improve recruitment prospects:

“Having fair work accreditation for local businesses and having that that stamp of approval means that the colleges, the lecturers, the institutions we have can confidently guide their pupils to employment, to employment locally. They'll be vital for identifying responsible employers and where their students can get the best development. I think”.

From the responses it did not appear that stakeholders were opposed to accreditation in principle. Stakeholders from bars and licensed premises spoke positively about Best Bar None Scotland, a national accreditation and award scheme for licensed premises that focuses on safety, avoiding crime, and improving management standards. Specifically highlighted was the need to monitor and to provide evidence of meeting the relevant standards, and the positive impact not just on business operations but on customer perceptions.

Stakeholders also identified existing charters such as the UK Hospitality Hoteliers Charter, in operation since 2020, which aims to improve the industry's profile and offer to staff in relation to training and career development; work life balance; communication; feedback and recognition and respect. The Charter is, however, silent on fair pay, contracts and employee representation. While some reported signatories in Scotland, take-up was more concentrated in England and especially London. This Charter appears to take the form of a simple pledge and lacks both enforcement mechanisms or measures of effectiveness and impact.

There were mixed views as to the potential effectiveness of another hospitality industry charter focussed on fair work in Scotland. One concern was how it would sit alongside other accreditations. As one stakeholder organisation noted,

“We as an organisation don't really have a front row in terms of accreditations and charters and so on. By and large, they're operated within commercial worlds. But I would be a wee bit wary about that approach, just because of the almost saturation of that. I think we need to be careful with introducing more schemes and more badges and stamps because we are quite busy in that landscape already”.

A common theme among employers and some other stakeholders was that any such charter had to be industry-driven: as one noted, *“minimum care standards are good, but it needs to be industry-driven”*. Additionally, some stakeholders felt that charters are only effective if endorsing them brings business benefits – that is, customers – and they were sceptical that customers would be influenced by a fair work charter.

Concerns were raised as to the ownership of charters inside firms. Charter endorsement – and responsibility for practice consistent with any charter – often sits with business owners or HR managers, and not with the wider organisation or indeed with staff. One stakeholder criticised charters on the basis that *“... it only lives and breathes with the HR manager or the general manager or the owner of the property ... it doesn't reach down to the shop floor”*. Stakeholders felt that wider management and especially staff endorsement was necessary for charters to drive any change in practice. Indeed, many felt that only a charter that was genuinely driven by the industry, rather than by government and policymakers, would have any relevance.

It is clear from the responses that there are examples of where charters can have impact on wider practice in the industry, and that this impact is predicated on engaging managers and workers and having a degree of monitoring and enforcement. The costs of charter compliance remain a concern. Yet without any monitoring or enforcement, charters can be criticised for lacking ‘teeth’. Taking these issues together, there appears to be more potential in charters that are genuinely designed and owned by managers and workers in the industry, and for mechanisms of joint enforcement at workplace level. This approach was endorsed by key industry stakeholders:

“I think there is a whole issue of culture here and how do you establish a culture within an entire business ... I've always had the view that the Charter needs to be signed not just by the general manager or the owner of the organisation. It needs to be signed up to by every single employee in the business. So they want to achieve the same aims.”

“The hoteliers Charter ... doesn't necessarily have fair work embodied in it ... but the Unite hospitality charter reinforces that ... so I think both of them do complement each other and that's an example of where the ILG could bring together two charters that I think can honestly combine to make almost a wish list that is actually reasonable for the sector”.

“It's the employees that you want to get to sign up to it because the employees' behaviour has to deliver and breathe through it in terms of the Charter values. So not just a single individual who, who might, you know, be at the top of the tree”.

“I think what we really need to be looking at is moving to a point where we have guidance which we're all signed up to and the Scottish Government has signed up to as well”.

Fair work networks / communities of practice

Hospitality industry stakeholders are supportive of peer-to-peer learning on fair work that could be facilitated by developing fair work networks or communities of practice.

Developing CoPs – within and across organisations - provides a potentially effective way to advance fair work in Scotland and could be a useful policy lever to raise awareness, understanding and endorsement of fair work; help guide employer actions; promote monitoring, learning and evaluation; and improve dissemination and learning about fair work, its outcomes and impact.

Different types of stakeholder might establish such a fair work community. In the context of fair work in Scotland, this would allow for ongoing activity for employers, unions, professions and regulators in the fair work space.

Stakeholders voiced considerable support for industry-based communities of practice as an idea, although few had set ideas about how these would operate in practice. Peer to peer networks were highly valued – indeed, a few stakeholders talked of experiences during the COVID-19 pandemic and how it encouraged more collective behaviours, but these had not been sustained thereafter:

“Sub-sector groups (e.g. hoteliers/ bar owners/ HIT Scotland/ STA, city-rural...) were particularly important during Covid”.

“Covid brought people together (SHG consortia) but industry has not managed to sustain this”.

Other examples were given of when bringing businesses together brought collective benefits, often in an area context:

“I think that there's definitely a drive for it. It would have to come from the businesses, but it puts me in mind of you have business development corporations that that are generally for the bigger cities. So it's a committee of, you know, local businesses that have decided they want to work together to make the general area more populous, more profitable, more more safe or whatever it might be.”

“Something like peer-to-peer learning facilitating that would be important to think that's something that we've heard from employers within our network - learning from other employers has been a big piece of it.”

Given this, stakeholders could see how communities of fair work practice might support dissemination and learning about fair work.

“Fair work being part of a wider project to develop the businesses as a collective group ... I think that would be that would be brilliant.”

It was recognised that fair work communities of practice would need to be facilitated through workshops and training, and that industry or trade bodies should help to lead or co-lead such educational activities, to avoid policy-heavy language and approaches that some businesses find off-putting. As one stakeholder noted:

“Having industry speak to industry as opposed to it being from on high, the public sector organisations coming along to tell me that I need to do fair work ... making it something that's actually more of a sort of conversation between the industry themselves, about the benefits.”

Stimulating greater willingness to work together and to act as a community of businesses was viewed as a challenge by stakeholders. Several businesses gave highly positive feedback on the approach to fair work taken by Highlands and Islands Enterprise. This involved identifying key players in the industry with good examples of fair work practice, learning from their practice and their challenges, using their insights and outcomes to engage other businesses and

spreading knowledge and understanding of fair work. The idea of learning from other businesses doing fair work well was a common theme:

“We have a number of employers who have been embedding for work way before the pandemic, and actually that, you know, they're reaping the rewards of that.”

“There's just some brilliant examples of businesses who are already engaged in the fair work agenda, and I think that you know, if we can try and pull some of that stuff out and get some of that peer-to-peer information out there on a more regular basis then I think that that will work”.

“You have to allow those that can accelerate forward to really go through it and also help to point their around guidance of how you help guide others through those, those you know murky waters too”.

HIE's approach not only provided tailored one-to-one support and advice; it also connected businesses in what was effectively a community of practice.

“ ... giving a constructive challenge and allowing organisations to work together to maybe come up with some of the solutions.”

Stakeholders felt that any support for establishing communities of practice would need to be sensitive in identifying relevant existing or potential networks in any area of sub-sector of the industry, and cautioned against a one size fits all approach:

“The problem is that we talk about hospitality like it's a homogeneous group whereas the hotels are very different from running a bar, or running weddings. So does it [a community of practice] need to be by geography? Does it need to be by sub sector?”

“Sector-specific approach required as bars/ restaurants/ hotels/ city/ rural are all very different”.

“Hotels are good for sharing training and IT ideas. Bars/ restaurants less so”.

Some also highlighted that small businesses might struggle to engage in such networks, given time and capacity constraints, and that ways would need to be found to ensure that learning from networks is made more widely available.

Overall, support for networks or communities of practice was strong, and policy support may be a crucial catalyst to establishing and developing such networks, alongside the kinds of materials that are outlined in the next section. Many stakeholders could see real benefits of employers working collectively to enhance fair work, improve recruitment and retention and improve the reputation of the hospitality industry as a place to work:

“If the best way of doing that is to get all the businesses together and agree that as a community, we're going to offer fair work as a collective group of businesses, we're going to offer better, better employment opportunities. Then it can only benefit the town”.

“You should feel proud about wanting to work in the industry ... and getting those leaders of those businesses who are not conforming as we would want them to be, to be respecting of the employee and to really put that high value and change the culture and work differently ... we have a cluster of businesses out there who either don't know or they've come from a different culture where it's not perceived to be an issue or they are so challenged by the pressures of business in terms of economics that they are forced into malpractice”.

Evidence, tools and business support

Stakeholders supported the development of hospitality industry-specific and industry-relevant evidence, tools and support that were more readily available to people in the industry.

There is already a substantial evidence base on the costs, benefits and practicalities of implementing fair work practices in a range of organisational contexts. Yet employers and other relevant stakeholders do not have easy access to this evidence base in a form that supports practice. Previous research has demonstrated that a key barrier to the take-up of fair work practices is a lack of awareness of/access to data and intelligence that might better inform decision-making among employers.⁹ Improving access to this evidence base might better inform and incentivise take-up of fair work practices.

Across a range of workplace practice areas, employers can struggle to find practical support and advice on how to improve. Business support organisations recognised that there were “*a huge*

⁹ See Lindsay, C., Houston, D., Byrne, G. and Stewart, R. (2020) Drivers and Productivity Impacts of Under-employment, ESRC Research Report ES/R007810/1, Glasgow: ESRC. See also Findlay, P., Lindsay, C., Watson, A. and Young, D., 2019. Influencing employers so more people break free from poverty through work.

number of organisations coming forward that we've not been able to support.” But there was evidence that business support was needed:

“Typically once you've sparked an interest and inspired a business or a social enterprise, they want two things. They want money and they want something to hold their hand to make this happen, they want, well, you know, what are you going to do to help me to, to make that work in my business? So ... bespoke support ... one to many doesn't always work.”

Addressing the 'how to' issue for employers in relation to fair work has the potential to leverage more substantial impact and change. This might involve the development of support materials, tools and diagnostics. While some fair work tools exist, these do not yet link employer and employee /worker views and experiences of fair work (although plans to address this are in process).

Stakeholders recognised the importance of good intelligence and data to support the delivery of fair work in hospitality. It is worth quoting one at length:

“Feedback I get from the tourism sector, by and large, on data and insights is that we could always do with more, with making it easier and more accessible. This is not specific to Fair Work. They want to found their decisions and what they do on data and intelligence and insights and research, the right sorts of businesses are looking for that and they don't always find that particularly easy ... a lot of them are not time rich, they don't have the time to do the overlay, the interpretation. They want data not just in a raw format, but actually they want it with interpretation. What does this therefore mean for me? Because they don't have the time to just, you know, be pulling off stats and spreadsheets and then trying to do that analysis themselves. So I think the easier we can make insights and data and intelligence in a way that makes it easily digestible for the audience. It's quite hard if you're just an operator on your own and you want to find out some intelligence. It's a bit, where do I start? It's quite hard”.

Highlands and Islands Enterprise (HIE) have a fair work website and accompanying documentation that poses questions to employers about aspects of fair work, backed up by one-to-one business support with a specialist adviser and supporting documentation which appears to have stimulated interest in fair work issues. This approach was viewed positively by stakeholders as providing a tested model of what might work to deliver support for fair work, and access to similar support outside of Highlands and Islands was viewed as attractive. As stakeholders observed:

“HIE, their work toolkit and the programme, has been incredible ... really successful. And, you know it’s a good model I think in terms of how small businesses engage, because we all know that the big challenge here in this sector is getting through to the SMEs.”

“I'd just like to, you know, support the HIE initiative as being something that we find has really been changing things.”

Stakeholders were aware of and valued existing industry-specific support and resources, for example, in relation to skills and training, and saw potential in having specialist fair work evidence and support available. Stakeholders were not all confident about where to access fair work support materials in general, or on specific aspects of fair work such as equality, diversity and inclusion or wellbeing. Few had encountered fair work support materials, but those who had engaged with the HIE fair work pilot in tourism and subsequent activities evaluated the support materials highly. Participants took part in a two-hour workshop. They were provided with a relatively easy to use booklet within which they were encouraged to look at their fair work practice and gaps, develop an action plan of organisation specific practices to implement, and begin to measure the impact of any action, with intensive support from a HIE specialist working directly with the business. Following the roll out of the workshops, wider dissemination of case study evidence also took place.

“A book which actually sort of like helps businesses understand what they need to do and how they go about it. A kind of toolkit. Having something like that which has buy in from all. That’s going to be a crucial resource. A really strong first step is actually getting more information out there about fair work, what it is, how businesses can get involved. Once you actually start creating those resources like that then you can start looking at campaigns, because there's something that's sitting behind it which is tangible and of benefit to businesses and to people working in our sector.”

“ ... the case studies work wonders as well, just demonstrating actually how this has made a difference”.

Reflections on the role of policy levers to enhance fair work in the hospitality industry

This research focussed on policy levers to further develop fair work, and how these might be relevant to embedding fair work further in the hospitality industry. Most stakeholders thought there was significant negativity towards government policy within the industry, making

discussions of the efficacy of policy levers more challenging. These views ranged from concerns over a confused policy landscape facing hospitality employers; unhappiness over policy differences between Scotland and England, specifically in relation to rates relief for the industry; and perceptions that the Scottish Government isn't sufficiently supportive of business, through opposition to additional policy interventions to more extreme positions that policymakers should not intervene in markets at all.

Concerns were also raised in relation to local government policy, particularly in relation to licencing processes, with complaints of bureaucracy, delays, a lack of fitness for purpose and inconsistency in the treatment of different businesses at different times. While there was a positive assessment for some policy interventions – notably public funding for talent development in hospitality – the overarching sense of pessimism in relation to policy was more evident than many specific asks of policymakers.

There was widespread support for a range of potential policy levers, including awareness raising, fair work champions on the hospitality ILG, access to fair work education and training, fair work communities of practice within the industry and potentially its sub-sectors, and better access to evidence and support materials. Stakeholders had more mixed views on Living Hours, further conditionality and industry charters. There was little engagement with employability services and no real appetite for formal fair work accreditation. While there was no opposition to joint capacity investment, and a real recognition that the industry and organisations within it did indeed lack capacity to address many fair work challenges, no stakeholder identified organisations that would be able and willing to make such investments.

More generally, three specific requests of policymakers were made by stakeholders. The first related to developing a more positive and forward focussed narrative about the industry itself, stressing its continuing relevance – “people will always want to eat, drink and experience” – and advocating for the industry as a good place to work and have a career.

The second policy ask related to the provision of fiscal relief or incentives to deliver fairer work, on the rationale that some employers in some parts of the hospitality industry simply could not deliver aspects of fair work without financial support.

The third policy ask related to how change might be driven, with a request from stakeholders for policymakers to work with the industry to drive improvement – to co-produce solutions rather than to rely solely on ‘carrots and sticks’. The need for more tailored solutions suggests the need to build greater co-design of interventions in their specific context.

Across all stakeholder discussions was a strong sense of the diversity of the industry and the limits of a one size fits all approach to leveraging fair work. Some of this diversity reflected industry sub-sectors who faced different demand pressures. Some reflected location, with rural businesses particularly concerned over the impact of transport and housing infrastructure and city businesses more likely to be facing higher rent costs. Some of the diversity reflected businesses who were not part of any industry association or body and therefore not especially engaged in collective discussions about the industry's future challenges and opportunities. This latter group represents a significant challenge for leveraging fair work in hospitality.

Conclusion

This report has given voice to key hospitality industry stakeholders on the issue of how to design policy levers that might improve fair work. The industry faces distinctive fair work challenges and it is clear that there is no policy 'silver bullet' that can address these challenges. However, it is clear from the various stakeholders engaged in this research that staff and skills shortages have created a context conducive to more constructive discussions of fair work.

Like other industries, hospitality has a range of businesses at different stages of what might be called a fair work journey. What would assist businesses at the beginning of that journey – for example, better awareness and understanding - is likely to differ significantly from what would assist businesses with significant engagement with fair work practice – for example, support with evaluation of outcomes. The challenges facing smaller and larger businesses differ, as do those facing city, rural and island businesses.

There was less consensus on the adoption of specific fair work practices than on the need to build capacity to deliver fair work in the industry, whether that be through training, workplace champions, or fair work communities of practice. There was also an acceptance of the need for leadership at industry and workplace level, and employers have a key role as the primary adopters of fair work practice. This does not preclude, however, collaboration with other stakeholders, such as unions and policymakers, and shifting the dial in fair work in the industry is likely to require both joint working and innovation in addressing the experiences of workers in a challenging business context for many. Constructive dialogue is crucial to delivering change that in turn delivers fair work across the industry.

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