Finding a Voice, Taking Action:

Using Action Learning Sets to Support Change in the Scottish Hospitality Industry
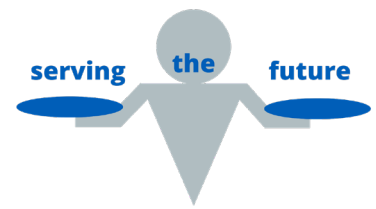
Table of contents

Serving the Future

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www.servingthefuture.scot

Background and Objectives

This report summarises progress to date and key learning from the first stage of the action learning set (ALS) workstream within the Serving the Future (STF) project. STF is a three-year action research project working with hospitality employers and workers. The project is seeking to understand, reduce and prevent in-work poverty and identify changes that could be made within the hospitality sector. By working directly with employers and people with experience of low-paid work, the project is taking a variety of approaches to identify changes that can take place at an organisational level as well as necessary policy or systems-wide changes that are required across Scotland. The objectives of the Serving the Future project are to:

- Identify actions that can be taken by individual businesses to reduce and prevent in-work poverty.

- Support employers to identify changes that will enable them to prevent their staff moving into poverty or to alleviate their levels of poverty.

- Identify and support transformational change to address issues of in-work poverty that can take place at an organisational level as well as necessary policy or systems-wide change.

- Provide businesses and their employees with the confidence to adapt to changing external conditions beyond the life of this study so that good practices are sustained beyond the project.

- Help Scotland to meet its statutory child poverty targets by engaging with both employers, parents, and caregivers working within the hospitality sector.

The Serving the Future project was born out of a recognition that the hospitality industry urgently needs sustainable solutions which improve the situations of both employers and workers. By working with both business owners and managers, and employees in the sector, we hope to contribute to these solutions through our research. Serving the Future is funded by The Robertson Trust and is being delivered by the Institute for Inspiring Children's Futures, the Fraser of Allander Institute and the Hunter Centre for Entrepreneurship (all based at the University of Strathclyde), and the Poverty Alliance.

Executive Summary

The project and participating partners

This report summarises the experiences of the first action learning set (ALS) of hospitality employers in Scotland, delivered as part of the Serving the Future (STF) project. STF is a three-year action research project working with hospitality employers and workers. The project is seeking to understand, reduce and prevent in-work poverty and identify changes that could be made within the hospitality sector.

The hospitality and visitor experience industry are important sectors for Scotland's economy, especially in rural areas where tourism is a large source of income. The hospitality sector was hit disproportionately hard by the Covid-19 pandemic, and it continues to struggle, including with high vacancy rates. Unfilled vacancies mean short-staffed workplaces, which can lead to busier shifts, burnout and stress, as well as a worsening work life balance for staff, especially for parents trying to balance work with their caring roles.

The ALS approach was selected as it is recognised as an effective tool for supporting sustainable organisational change. It was therefore considered to have strong alignment with the STF project aim of supporting employers to make sustainable change and to be well placed to enable exploration of issues of productivity, good jobs and in work poverty.

This report draws on interviews with participating employers, workshop evaluation and project team reflections to share a summary of the impact of the ALS on individuals and their businesses and to highlight potential areas of action for the sector and those that support them.

Six hospitality employers initially participated in the ALS programme, with five completing it. Three employers were based in Argyll and Bute, and three in Glasgow. Their businesses included hotels, restaurants, bars, live music venues and inns. Some employers represented single site businesses, and others were part of larger groups.

The action learning set experience

Employers described the current context for hospitality businesses as the most challenging they had seen, including for those with twenty years' experience in the sector. The cumulative effect of Covid-19, Brexit and the cost-of-living crisis were described by employers as creating uniquely challenging circumstances in which to operate.

Through the ALS programme employers explored in detail a number of issues impacting their business and the experiences of their employees. These included challenges in managing absence, recruitment and retention, staff engagement and motivation. The backdrop for all of these challenges were dramatically increased costs (in utilities, labour and ingredients) and costs that were continuing to rise.

By working together in the ALS, employers were able to identify and action several changes that positively impacted their business, increasing the sustainability of those businesses and in some cases, positively contributing to improved employee experiences.

Large scale change within the businesses represented was not achieved within the lifecycle of

the ALS, although this may reflect the short time in which the employers worked together (three months) and the necessary focus employers gave to urgent presenting issues, rather than longer term strategic challenges.

Through participation in the ALS, employers were also able to share key insights and information that helped them identify and access useful resources they were previously unaware of. These included online recruitment groups, specialist recruitment agencies and web-based services that support phased payment of wages to support employees in managing income.

Employers taking part in the ALS experienced several barriers to making change, including lack of time, resources and permission (in cases where they were not sufficiently senior enough to enact a change identified), knowledge and the need for staff support.

Involvement in the ALS delivered a range of benefits for participating employers, including access to peer support, new ideas for how to tackle current challenges, increased motivation to tackle problems, continuing professional development and an increased sense of being able to influence change impacting the hospitality sector. Employers described the experience of participating in the ALS as enjoyable and beneficial.

Wider challenges and opportunities

In addition to focussing on change within their own businesses, employers also identified a number of wider challenges that negatively impact the hospitality sector and which they felt required sector-wide or policy-related change. These included restrictions on housing employees aged 16 – 17 (despite the pressing need to bring them into the sector), childcare provision being focussed on office working hours and therefore often irrelevant in hospitality, lack of knowledge and understanding of the benefits system within the hospitality sector and lack of access to sector specific advice, guidance, and advocacy for hospitality employers.

The employers who took part in the research want to be active in advocating for and influencing change to positively benefit the sector, but feel they lack a voice to do so. They also have limited access to continuing professional development specifically relevant to their sector. In addition, agencies and organisations seeking to work with the sector need to pay greater attention to the seasonal flow of the hospitality industry and avoid seeking to engage or consult with them during peak or high seasons.

Our Approach

Why hospitality?

Hospitality and the visitor experience industry are important sectors for Scotland's economy, especially in rural areas where tourism is a large source of income. Pre-pandemic, food and accommodation services accounted for approximately 3% of Scotland's GDP and 8% of Scotland's jobs (Spowage and Black, 2020). The hospitality sector suffered significantly and was hit disproportionately harder than the rest of the economy by the Covid-19 pandemic. While the sector's contribution to the economy largely recovered to pre-pandemic levels in Spring 2022, employment levels have been slower to recover. At the UK-level, vacancies in the hospitality industry spiked during 2021 to roughly twice their pre-pandemic rate. The number of vacancies has come down since this peak but remain above pre-pandemic levels across the UK (ONS, 2023).

Pay in the sector remains around half of the average for the workforce in Scotland, and recent growth in pay is in line with the Scottish average (ONS & HMRC, 2023). There is no sign that low pay is becoming less of an issue, despite labour shortages. This might be due to the significant competitive pressures facing the industry. As the high vacancy rate persists, the consequences for those already working in the sector will become more pronounced. Unfilled vacancies mean short-staffed workplaces, which can lead to busier shifts, burnout and stress, as well as a worsening work life balance for staff, especially for parents trying to balance work with their caring roles.

The latest data suggests that 45,000 households with children in Scotland had at least one adult working in hospitality (DWP, 2023).

Why action learning sets?

The aim of using action learning sets is to create a space for employers in the hospitality industry to work with peers to develop action plans that will support the sustainability of their business. This includes particularly supporting them to focus on reducing and preventing low-paid work in their own businesses. The ALS aims to support employers to identify the changes that could be made in areas such as training, pay and flexible working practices, which will therefore improve business sustainability, and reduce or prevent low-paid work. The ALS approach was selected as it is a well-known process for supporting organisational change and was considered suitable for a focus on issues of in-work poverty, good jobs and productivity. The ALS process focusses on drawing out the knowledge and solutions held by group members, but also allows for the introduction of additional expertise and knowledge, through access to skilled facilitation and wider project support. This approach aimed to support participating employers to make sustainable change. Action Learning Sets meetings are organised around the following steps;

1. Arriving
2. Bidding
3. Presenting
4. Clarification questions
5. Open questions
6. Action planning
7. Reflections
8. Process review

A more detailed outline of each step is included in appendix one.

Two Action Learning Sets will take place as part of the STF project, the first (ALS1, and the subject of this report) comprised six hospitality sector employers from Glasgow and Argyll and Bute, representing a range of business types and locations. ALS1 ran from January to April 2023, meeting eight times, at fortnightly intervals.

Figure 1: An overview of Serving the Future

SERVING THE FUTURE

Action Learning Sets

Participants: Employers

Purpose: To develop practical solutions to challenges facing the hospitality sector.

Strategic foresight

Participants: Employers and employees

Purpose: Creation of a variety of plausible, alternative futures that may affect operations within an organisation.

Longitudinal Research

Participants: Employees

Purpose: Interviews with workers within the Hospitality industry over 12 month period to identify challenges of working within the industry & changes needed.

INFLUENCING POLICY & PRACTICE

Findings from research to inform change within policy and the hospitality industry

Recruiting hospitality employers as ALS participants

The initial aim was to recruit eight hospitality employers as participants for ALS1. The project team used existing sector networks, as well as new ones developed through the STF project, to identify and recruit potential participants. Eight employers attended an initial scenario planning Futures session held in September 2022. This session was an important element of the Futures workstream in its own right, as well as an opportunity to connect with and engage potential ALS participants. Following the Futures session, six employers confirmed they would participate in the ALS. Five employers completed the programme, (which ran January – April 2023) with one not attending after session three.

Three participants were hospitality employers based in Glasgow, and three were based in Argyll and Bute. Participants included business owners, Directors, Managers and HR leads. Levels of experience in hospitality ranged from 3 years to over 20 years.

Table 1: Summary of businesses participating in ALS One

Location	Nature of business	Approx. number of employees
Argyll & Bute	Hotel, restaurant and bar attracting local and tourist business	40
Argyll & Bute	Group comprising hotels, restaurant, venue, bars and pubs, and attracting local and tourist business	100
Argyll & Bute	Restaurant, café bar and music venue attracting local and tourist business	25
Glasgow	Group of specialist restaurants across Scotland attracting local and tourist business	180
Glasgow	Heritage restaurant attracting primarily local business	24
Glasgow	Hotel, restaurant and events venue attracting local and tourist business	20

Report sources

Findings shared in this report are drawn from three sources:

1. Semi-structured one-to-one interviews with the participating employers carried out by the ALS Facilitator.

2. A workshop with the ALS participating employers as part of the final ALS meeting, reviewing experiences of the programme overall.

3. ALS Facilitator and ALS Observer reflections. These were collated as the project progressed with Facilitator and Observer jointly reflecting initially after each ALS session, and then in routine project team meetings.

Where interview data is used in the report, employers are referred to by number e.g., EP1, EP2 etc. Workshop feedback was gathered anonymously and is therefore not attributed to a particular employer.

Using Action Learning to Support Change: Understanding the Hospitality Sector

Challenges facing the hospitality sector

By working with employers across several months, we were able to learn about the range of challenges facing the sector and the impact of the relationship between those challenges. Across the course of the eight sessions, employers cited a wide range of issues as impacting their ability to operate effectively, and particularly impacting the pay and experience they were able to offer employees. The issues were recorded as sessions progressed, and during mid-point reviews when employers were explicitly asked to identify the most significant issues impacting their business at that time. When reviewing the list of issues identified by employers (shown in full below), it is clear the combined impact of Brexit, Covid-19 and rapid and ongoing increases in costs in all areas, has created a particularly challenging environment in which to operate a hospitality business. The overall "cost of doing business" (EP5) was described as having significantly increased and for all employers there was a sense that simply maintaining current operations was now much more complex, time consuming and stressful. Employers identified the following as key issues facing the hospitality sector at this time:

- The overall impact of the cost-of-living crisis and impact on supplier costs, employee needs and competitor salaries.

- Staff recruitment (particularly chefs) - as a result of the increasing competitive recruitment market and increased restrictions on recruiting staff from the EU.

- Staff turnover and retention – particularly in a competitive market where recruitment is challenging.

- Needing to reduce size of staff teams and/or individual staff hours to maintain affordable wage costs.

- Challenges in maintaining staff engagement, attendance and motivation – at times linked to reduced hours and/or higher turnover of staff, as employees move between employers to seek out better paid roles.

- Challenges in recruiting sufficiently trained staff – in part linked to the reduction in relevant vocational training and educational programmes to support entry into the sector, and the complexities involved in supporting apprenticeship programmes.

- Rising product and ingredient costs – impacting prices for customers and creating additional work for management and chefs, because of the need to more regularly review and amend menus in order to continue to offer affordable options.

- Rising energy and utility costs – making the simple act of opening and running buildings more expensive.

- Reduced staffing in call centres (perceived to be because of Brexit), leading to delays in accessing support with core services such as banking and energy (one employer described

spending 21 hours in one week on hold and on calls trying to resolve banking issues).

- Increasing competition as the number of restaurants and bars rises.

- Managing cashflow (one employer described the payment of invoices as being managed "by relationship" as they struggled to stay on top of this).

- Preparing for the forthcoming deposit return scheme (ALS1 was completed before the recent announcement delaying the introduction of this programme to 2025).

Overall, employers described their current context as incredibly challenging. For those who had been working in the sector for a considerable period (more than 15 years), there were regular references to this being the most challenging period they had experienced.

Employer challenges explored through Action Learning

Working together, the ALS employers chose to explore the following issues in detail during ALS sessions:

- Motivation and engagement of staff during quiet periods: the employer working on this issue wanted to create a vibrant, fun working environment for staff (in part to support retention) but was struggling to do this during the quieter early months of the year when business was slow. They were also keen to ensure they could offer enough working hours to staff through this quiet period, in order to retain them for the forthcoming busy season.

- Staff sickness and absence: the employer working on this issue was struggling to manage a pattern of repeated staff absences over weekends/on Mondays. They were seeking ways to manage this that were fair and reasonable and did not further negatively impact staff turnover.

- Staff sickness and absence: the employer working on this issue was struggling to manage the impact of repeated absence by one staff member, which they suspected was related to mental ill health. They were seeking support to do this in a way that was fair and reasonable, and did not further negatively impact either employee wellbeing or staff turnover.

- Recruitment: chef/kitchen positions - the employer working on this issue was struggling to manage the impact of the unexpected loss of a long serving chef due to illness, and to source a suitable replacement.

- Staff engagement: the employer working on this issue was keen to develop ideas for how to engage staff in wider business challenges and developments. They were keen to help staff understand the context for decisions impacting the business and therefore their employment, as a way of enhancing the employee experience and supporting retention.

Through the exploration of these issues, what is clear is the extent to which employers cared very much about creating fair, reasonable and engaging employee experiences and conditions, and how challenging this could be. This was in part driven by concerns to manage staff turnover, but also part of a genuine desire to be a good employer. What also emerged was the lack of support available to most of the employers to work through these issues. Many spoke about the ALS being their first experience of discussing the issue with anyone with relevant or related experience and in most cases, businesses were operating without dedicated HR support. None of the businesses had accessed external HR support to work through these issues.

The following are the specific examples of where one ALS employer described having learned

something new from a fellow employer, and has the intention to make a change in their business as a result:

- EP1 learned from EP2 about services that can support businesses to pay employees a proportion of their earned wages in advance of scheduled pay dates and is now working to introduce this into their business. The aim here is to support employees who may be struggling to manage financially.

- EP2 learned from EP5 about ways to implement KPIs for management of staff absence and is now working with the owner of the business in which they work to introduce these.

- EP3 learned from EP1 about a specialist recruitment agency that could support chef recruitment and began to use that agency.

- EP3 and EP5 learned from EP1 about the Facebook group for Glasgow Chefs and began to use that to support recruitment.

- EP5 learned from EP1 about the benefits of annualised hours when working with seasonal demands on staff time and is now working on a long-term plan to implement this. The aim here is to maintain staff engagement year-round, and support employees struggling to manage financially in quieter months.

In addition, the following was an action taken by group a member as a result of ALS discussions:

- Changing shift patterns to support a member of staff with their mental health and reduce associated repeated staff absence.

During interviews one employer suggested project partners, and specifically the University Business School, should build on the work of the ALS and progress with STF so far, to establish "a hospitality lobbying voice" (EP5) and to support the sector in becoming more "business-minded" (EP5). Clear here is the lack of awareness of existing professional bodies, for example the Institute of Hospitality.

Wider issues and opportunities identified by employers

During the final session, initial findings from longitudinal research with hospitality workers, also being conducted as part of Serving the Future, were shared with the employers and they were asked to respond to some of the challenges described by interviewees. In doing this the employers identified several external challenges and opportunities that they felt required sector-wide or policy-related change. These challenges and opportunities were not things the employers alone were able to respond to, and instead required action from national and local government bodies, public services, and charities. These included:

Challenges

- Being unable to house employees aged 16 and 17 as live-in workers when a venue sells alcohol, but the critical need for the sector to be bringing in people of that age, especially in rural areas where travel is an additional barrier to accessing work.

- Childcare provision policy plans being focussed on school hours or 9-5 businesses, which is often not relevant for the hospitality sector.

- Benefit restrictions preventing people being able to work more hours without becoming financially worse off in the short-term.

Opportunities

- Employers to be supported to develop sufficient understanding of Universal Credit in order to be better equipped to support employees for whom this is relevant.

- Department of Work and Pensions to introduce a policy, supported by job centre work coaches, enabling employees who are returning to work or experiencing a change to their circumstances to be considered to be in an agreed "transition period" during which benefit entitlements are not negatively impacted in advance of receipt of a revised salary.

- Increased engagement with, and coordination between, existing hospitality sector charities, to increase financial and other practical support available to employees and employers, for example, through briefing sessions or written guidance and resources being made available.

- Increased connection between hospitality sector employers and key potential partners, such as Citizens Advice, to increase information and advice available to employees and employers.

Making change; supporting the hospitality industry

In addition to considering change within the individual businesses taking part in the ALS, the process also identified several ways in which the hospitality sector as a whole could be supported to make change.

A voice for the sector

Clear from the ALS experience is the extent to which the participating hospitality employers feel there is currently no voice or support specifically focussed on their sector. While employers did not specify who they felt should provide this support, what they were seeking was described as a "one stop shop" providing tailored business development advice, legal advice and support in advocating for the needs of the hospitality sector. The absence of this support, together with the perceived absence of dedicated professional networks for their sector, creates a working experience that can feel isolating and undervalued. Employers were very keen to connect, mobilise and engage in influencing policy and to work together to collectively drive change, but lacked awareness of, or access to, the channels through which to do this.

The desire to influence policy emerged strongly in midpoint interviews which specifically explored employer motivations for joining the ALS. For some the motivation for involvement was the opportunity to influence changes in the hospitality sector as a whole, i.e., "transforming the hospitality industry" (EP2) and "trying to create a voice… create noise" (EP5). In one case this was linked to a strong sense that the sector was often overlooked;

> *"…it's the first time in about twenty-five years I've ever known anyone to pay any interest in the hospitality sector."* (EP5).

For many there was a strong sense of wanting to contribute – to give – as well as to gain personally from being involved;

"I'm a veteran of the industry. It's my job to make sure it does survive for the next generation, so I feel like you're obliged... like a kind of call, a call to action." (EP5).

Policymakers and those working with the sector should therefore consider carefully how to ensure they effectively seize the potential, enthusiasm and commitment of employers represented. This may include working more closely with existing sector networks and professional bodies (e.g., charities such as Hospitality Action and the professional membership body the Institute of Hospitality) to increase awareness and engagement with them.

Supporting continuing professional development (CPD)

While employers regularly articulated the desire to have a greater voice, a less explicitly articulated but also important need, was for access to ongoing professional development and associated support and advice. Over the course of the action learning set programme, it was clear that employers rarely, if ever, accessed external information or advice relevant to their role, including their role as employers and in relation to issues of employee attraction, recruitment and retention. For many employers, the ALS was their first experience of sharing a problem and seeking help outside of their own organisations. The professional development benefits employers derived from involvement in the project are explored in section 8.4, however there is a clear need for the hospitality industry, and those working with it, to raise awareness of existing sources of support, and to consider the extent to which additional support may be needed. The experiences of the employers in this programme would suggest there is a need to support both the development of knowledge (for example, in relation to working with employees in receipt of benefits or good practice in dealing with absence) and the development of skills (for example, in relation to management of absence and supporting employees with mental health challenges).

Recognising time constraints

A clear barrier to considering potential areas for change, working through options for change and implementation of change was the time available to employers. Their necessary focus on short-term challenges and the regular appearance of "crises" in areas including staff recruitment, staff absence and management of rapidly changing costs, directly and negatively impacts their ability to take a more considered and strategic approach to issues of low pay and wider business sustainability. Policymakers and those aiming to support hospitality employers to make change, therefore need to take sufficient account of this when looking to work with the sector. This includes paying attention to the natural annual flow of business throughout the calendar year, recognising times of particular stress e.g., summer and Christmas, and the likely impact this will have on employer ability to engage. A recent example of this is the Scottish Parliament consultation on visitor levy which is running from the end of June 2023 to early September 2023 i.e., peak tourist season for many hospitality businesses.

Case Study One: Managing Sickness Absence

Presenting issue

One member of staff shows a pattern of repeated sickness absence after a weekend i.e., on Mondays and Tuesdays. The staff member cites poor mental health but does not provide further details and the employer was not made aware of mental health issues at appointment or since. The employer does not want to remove shifts from this staff member and appear to be "punishing" them, but it is becoming increasingly difficult to fully cover Mondays and Tuesdays at short notice. The absence also impacts other team members who are also noticing and commenting on the pattern of absence. When on shift, the staff member performs well, but they have not worked the full week they have been rota-ed on for in the six months they have been employed. The staff member doesn't use formal or agreed channels to advise they will be absent, and instead uses Facebook Messenger. The employer has asked the staff member what support they need, and the individual says, "not much, I'm good". The employer feels these conversations "go in one ear and out the other". The employer does not want to look like a "bad person" or "bad organisation" or appear unsympathetic to issues of poor mental health, but they need a full complement on staff on duty and cannot continue to cover these regular absences.

ALS group ideas and experiences

Drawing on combined experience of dealing with similar issues the group advised the employer to take the following steps:

- Arrange a formal conversation with the employee with their manager/another member of staff present.

- Use the meeting to explain that a pattern of absence has been noticed and the employer has a duty of care to explore.

- Enquire whether the employee needs to alter hours/shifts/contracted hours and whether any other adjustments may be needed.

- Explain the impact of absences on colleagues and overall business but focus the conversation on organisational duty of care and difficulty in delivering this without full information from the employee.

- Request evidence of health condition.

- Record all actions/outcomes and confirm in writing to employee.

- Consider seeking additional advice from ACAS.

In addition, group members offered the following more general comments, ideas and support:

- One experienced employer shared experiences of dealing with similar situations over the years

and offered a one-to-one follow up call with the presenting employer to talk through how to tackle each stage of the process.

- One employer shared their own experiences of regular Monday absences across a number of operating units and empathised strongly with the impact it has and the challenge of seeking to manage this sensitively, but effectively.

- Employers commented on the increasing frequency of short-term sickness absence, particularly post-Covid and amongst younger staff, and expressed a need for a sector wide approach to tackling this in a supportive way.

- Introduction of a recognition/bonus scheme that recognises full attendance by a team and/or consider bonuses to incentivise attendance specifically on Monday morning.

- Consideration of rewards for those that cover additional shifts when others are absent, to manage the risk of increased turnover.

- Focus on supporting managers to create an environment where people want to come to work/ absence is not acceptable – build that culture through active line management.

- Issuing a general reminder to all staff about the impact absence has on the rest of the team and business sustainability.

- Updating company policy to be clear that if employees are unable to attend a shift, they need to call not text, or a call is expected once the unit is open.

- Consideration of Mental Health First Aid training for the employer/team leaders. One employer was qualified to train in this and offered that to the presenting employer.

Agreed actions

Following the group discussion, the presenting employer committed to the following actions:

- Monitoring the situation for a further two weeks.

- If issues continued, follow up with the employee in a formal conversation focussed on concern for their wellbeing and organisational duty of care.

- In the meantime, talk to ACAS for specific advice on issuing formal warnings.

- Taking up the offer of a one-to-one call with another group member to practice the meeting with the employee.

- Reviewing company policy/handbook on processes in relation to return to work interviews, management of absence and performance reviews.

Results

One month later the presenting employer updated the group on progress with actions and subsequent results. As the situation had continued to be a problem, a meeting was held with the employee, using the focus and framework suggested in the ALS session and in the follow up call with the one employer with previous experience in this area. The meeting with the employee led

to an agreement to adjust their working pattern, avoiding putting them on early shifts on Mondays and Tuesdays (as they were days they described as particularly struggling with mental health) and moving their working pattern to evenings. This change had been positively received by the employee and wider team and led to what the presenting employer described as "a nice mood" within the team. The employee had not been absent since the discussion and change.

Wider reflections

The ALS discussion was the first time the presenting employer had sought advice on how to deal with the problem. Having access to employer peers who recognised the challenge and understood the impact was beneficial for the employer in providing emotional support and practical advice. This was particularly important given the employer was at the start of the management stage of their career in hospitality and had limited experience of dealing with a situation like this. Having the opportunity to explore the issue and possible solutions increased their knowledge, confidence, and motivation to tackle what was described as a long-standing issue that was detrimental to the business.

Barriers to Making Change

A key principle and aim of the ALS process is to create space for participants to identify changes they can make and to support them in implementing those changes. Although the ALS experience has many positive elements, the extent to which the approach has facilitated change at scale within the participating businesses, and in a way that will support their sustainability and directly impact low pay and experiences of employment is, so far, limited. The topics employers brought to sessions to work on, and the changes they were able to identify and/or begin implementing, did not perhaps represent the kinds of structural or more fundamental change that would be needed to have that impact. In addition, although motivation to make change was high among all participating employers, several barriers to making change emerged and impacted progress with the actions identified in each ALS session. These barriers are summarised below.

Participant position and influence

In some cases, the employer participating in the ALS was neither the business owner or Director/Manager and to make progress with actions identified in group sessions required approval from others. The influence of owners was particularly strong in some cases, and not always positively.

> *"I've got a boss that likes to focus on something that he really focusses on for a long time, but never gets it over the finish line… So, trying to get him involved to agree to anything can be difficult… And with my other boss, he's very lax. He, everything is a big joke, which isn't great again."* (EP2).

> *"…the biggest decision maker… he's probably the most troublesome to make change around, but only because he is sort of that sort of… not old-school, because he definitely isn't…But he likes to know it's going to work before he tries it. So therefore, you have a bit of trouble with it."* (EP5).

In some cases, the extensive and lengthy sector experience of owners/"bosses" was a particular barrier to new ideas being presented by newer members of staff;

> *"And then sometimes just based on the hospitality experience they've got and like their own years of experience, maybe my ideas they'll just kind of brush over."* (EP2).

Staff engagement

For other employers, relying on a team of local managers to implement change was a perceived potential barrier to success. Although a wide range of ideas for how to tackle a problem raised by EP5 were generated in the ALS discussion, they were ultimately reliant on their team of local unit managers to embed these;

> *"… all the other options that were offered to me are definitely what managers managing their teams should be doing. And I can take those suggestions back to the managers, and have done in various different ways, formats. It's about whether they affect them from there… there's a lot of loops, you know?"* (EP5).

For some employers the expected staff response to changes were also considered a potential barrier to change, or something to work through during implementation. This was the case for

EP5 when considering introducing annualised hours, something they knew would need to be very clearly explained;

> *"I also need to work with the staff themselves, to realise, you know, for them to work a sixty-hour week and only get paid fifty, that's going to be hard for them through the summer, too."* (EP5).

In some cases, however, the expected staff resistance to change did not materialise;

> *"… that was my main fear, like resistance… everyone else actually was absolutely fine, and totally welcomed it… like you do worry like if you make a slight change it's going to impact someone somewhere. But it's been fine. It's been good."* (EP4).

Lack of time and money

The overall volume of work, and other projects that businesses already had underway, was also a barrier to progressing ALS actions in some cases, with other projects including opening of new units, refurbishments and start of season preparations. Some changes were also problematic due to lack of available funds and cash flow. This was particularly the case for EP5 and their desire to move to annualised hours, which would struggle as "there's not really enough cash in the industry…and I'm not sure when there will be again, that you could put the cash aside, if you like, to pay in the future…. It's hard to protect cash in a corner, when you've got this person screaming around for it…" (EP5). As a result, EP5 estimated the change, which they believed would have a positive impact on absence, turnover and customer service, would only be able to be made in three years' time.

Lack of knowledge

The employers' levels of knowledge about key areas impacting their work varied considerably. While one employer was formally trained in HR, all others were not. In addition, awareness and knowledge of key policy issues impacting the sector also varied considerably: in the case of the deposit return scheme, one employer had researched this in some detail and had begun detailed preparation work, while another was entirely unaware of the detail of the scheme and mistakenly thought it was not something that would impact their business. STF team members produced a detailed briefing on the scheme to address the overall knowledge gap and support employers in working through their potential response. Employers also largely lacked knowledge of where support for their sector may already exist in the form of charities dedicated to supporting the hospitality sector or relevant professional institutes. While one employer had knowledge of the existence of one of the charities, this was not something they had engaged with.

Case Study Two: Staff Engagement and Retention During Low Season

Presenting issue

Keeping staff motivated and engaged in the business during the quieter months of January – March is an increasing challenge (particularly when budgets are tight), and this has an impact on customer service and staff retention. The low season is less energising and fun for employees who as a result, can become disengaged and/or negative. One way this presents itself is the challenge of getting staff to attend training run by supplier brands when they are not on the rota to be on duty. During busy seasons training is more likely to take place when staff are on site and staff are also more likely to see training as a perk, but during quieter months they expect to be paid to attend, which they may not when working more regularly. Maintaining engagement and motivation is particularly challenging across a group of businesses (as was the situation in this case study) where each unit was being led by different managers with varying levels of skill and experience in team engagement. While the presenting employer had lots of personal experience and ideas for how to do this, part of the challenge was they were no longer in a role where they could directly deliver these ideas and were instead reliant on a team of managers. They recognised a need to build the confidence and skill of managers to focus on engagement not just profit, and to see the relationship between engagement, retention and overall business success.

ALS group ideas and experices

This issue was recognised by a number of employers who experienced similar challenges. Through questions and discussion, the group explored a number of issues including:

- Use of surveys to track employee engagement.

- Use of KPIs to incentivise managers around staff engagement.

- Whether units or the group have an employee forum and how this could be asked to support engagement.

- Introduction of staff recognition schemes (current schemes are only for managers).

- Introduction of staff appraisals or equivalent.

- Extended use of Flow Learning to support engagement goals.

- The role of organisational values and behaviours, which exist but are not well embedded.

- The role of succession planning – there is currently no obvious career development route for staff from entry level to supervisor and on to manager.

- Opening up supplier accounts to employees to enable access to reduced price food and household supplies.

The most extensive discussion was in relation to the potential offered by moving to annualised hours contracts, something two members of the group had experience with. For one employer,

whose business was particularly seasonal, this was key to retaining staff throughout the year and also supporting those employees financially during the low season, as the use of an annualised hours contract ensured a regular income, which helped employees budget more effectively. This was valued by the staff members and contributed to employee retention.

Specific suggestions for action from ALS group members were:

- Using discretionary service charge to motivate and reward employees.

- Introducing an employee forum or employee representative and engaging them in developing and implementing ideas.

- Using quieter periods to invite staff to identify problems that need fixing and share ideas for how to do this: empowering staff to fix problems or issues that they see as important.

- Extending the use of Flow Learning to include appraisals for managers and potentially all staff.

- Extending the use of Flow learning to introduce a staff newsletter.

- Introducing KPIs for staff engagement for all managers.

- Including progress against KPI targets and overall performance information in staff newsletters.

- Introducing an email-based suggestion scheme for all staff.

- Moving to annualised hours contracts.

Agreed actions

Following the group discussion, the presenting employer committed to the following actions:

- Exploring moving to annualised hours contract, initially by having follow up one-to-one conversations with group members with experience in this area, and then by discussing with the group Operations Director.

- Reviewing options to introduce appraisals for all staff, including by considering options available through Flow Learning and talking to other group members who already use Flow Learning for this purpose.

- Considering creating an employee representative role with options for them to attend management meetings.

- Considering using Survey Monkey to begin routinely gathering data and insight on employee motivation and engagement levels. These results may then be added to managers KPIs.

- Considering using Survey Monkey to seek ideas from staff on how to improve motivation and engagement.

- Introducing an employee of the month scheme for all staff, positioned alongside the existing Manager of the month scheme.

Results

Discussions to better understand the detail of moving to annualised hours took place following the group's session, both with ALS peers and the Operations Director. While the employer was very keen to introduce this, a significant barrier to implementation was not having enough money in the business to make the transition - there was simply not enough cash currently available to make the transition to pay staff on an annualised basis during low seasons. The employer also knew time would be needed to explain the change to staff and support them to work through the implications of that change. They did not feel confident in having the time to do this well at the current time. In subsequent ALS meetings, the presenting employer also explained that as the aim was to focus on the low season, the majority of these actions would be put in place during that time in the following year.

Wider reflections

For this employer, lack of time was a significant barrier to implementing changes. This was perhaps felt most acutely by this employer because of the comparatively large number of units they were overseeing. In each meeting, the employer would share challenges relating to recruiting and retaining staff (particularly chefs and kitchen staff), dealing with employee relations issues, management of increasing costs and the sheer volume of day-to-day problems that led to there being no time to implement some of the other changes identified above. The volume of short-term challenges also led to reduced time to plan for implementing more strategic changes, for example, investment in the development of managers to build their skills and confidence in staff engagement, something noticeably absent in the ideas suggested by the group and in the actions identified as being taken forward.

Using Action Learning Sets to Support Change: Benefits for Hospitality Employers

In the final ALS session employers were asked what message they would give to other businesses and employers considering taking part in a future STF ALS. Their responses make clear the value they placed on the experience;

> *"Go for it!"*

> *"Do it. It will raise the volume of the sectors voice."*

> *"Do it. It's great for opening up your thinking, for helping find new solutions".*

> *"Join, as the research can give the industry more visibility to policymakers, to avoid forced… policy changes."*

Interviews with employers identified a range of benefits from participating in the ALS and these are summarised below.

Emotional peer support

During interviews, all employers cited the value of the peer support available through the ALS, and particularly being able to access emotional support to deal with the challenges of leading and managing in hospitality. For some employers attending the sessions was a form of "therapy" (EP3), "counselling" (EP5) and a means of "letting off a bit of steam" (EP4) in a "safe space" (EP4). For others, the ALS experience was the first time they had shared their challenges in this way and sought help from peers;

> *"… for a first time to share something with, you know, in a way, complete strangers to, to me and share a real-life problem with people that have that… they are professional, and they will know what it's all about… that helped a lot mentally."* (EP3).

Others specifically highlighted the benefit of being able to talk openly with other leaders and managers, as "I don't get to speak to people at my level very much." (EP1).

The challenges of working in the sector were clear in some of the language employers used to describe their current situation, and therefore, the emotional and peer support provided by the ALS was very important;

> *"We're all in the trenches together."* (EP5).

> *"We really, really struggled…"* (EP4).

> *"There's no long-term picture to look at… there's just no pickup at all."* (EP1).

> *"Stress. Stress…. You just hope against all hope that life, that it's going to get better."* (EP5).

The value employers placed on this peer support was clear in session eight, when they requested support in setting up a What's App group as a way to stay connected.

Accessing new ideas

The emotional support accessed through the ALS was particularly helpful because it was coupled with more practical support – as one employer explained, "knowing that you are going to get advice at the end of it" (EP4). It was common for employers to describe a key benefit of involvement as the "brainstorming with people, bouncing ideas off people" (EP2) and the resulting "new thinking" (EP3) and moves to "kind of approach things differently" (EP4). "Getting an outsider's perspective" (EP4) was seen as particularly valuable in providing both support and challenge. Practical examples of learning about new technology or businesses that could support the hospitality industry and places for learning and resources were also cited as benefits of participation, along with being able to follow up one to one, outside of group sessions, where a particular employer had detailed experience or knowledge helpful to another. Employers also commented on the value of having businesses of different sizes, structures and styles involved in the group, and the opportunity to learn from a wider range of experience that this created.

The ALS experience not only created opportunities to share and hear ideas, crucially it also offered an opportunity to learn from experience of peers who had already implemented some of those ideas, which acted as a form of reassurance. For example, EP2 had been considering implementing KPIs for the management of staff absence for some time, and as a result of exploring this in a session and hearing the practicalities of how EP5 managed this across several units, felt able to progress this in a way they had not previously been able to. Hearing about the lived experience of a peer increased their knowledge and confidence to progress.

> "... I would never have known (EP5) if it wasn't for the Action Learning Set, and I would never have got that advice or idea for KPIs, if it wasn't for speaking to (EP5)." (EP2).

For some, being able to cite the ALS as a source of a new idea of potential change was also helpful in giving the idea credibility;

> "... "it came up at the Serving The Future thing"...it's good in that respect, because it allows you to bring in ideas that aren't your own... so it's a bit less sort of, "well, I've had this idea" it's "oh a colleague came up", you know, "somebody else has given me this great idea" and then it allows you to voice it." (EP5).

The extent to which participation added credibility to ideas is particularly clear in this example;

> "Sometimes I might have lied and said it came up in the Serving the Future thing when it didn't!... just the way the management structure is sometimes, it's easier if it's somebody else's idea. Like so it's not vetoed straight away, you know?" (EP5).

Motivation to act

Some employers described the experience of discussing issues in ALS meetings as creating momentum for them to act;

> "I was kind of stimulated in various ways to really act and do something about it, you know,

as soon as I left… (I) got a meeting… and picked everything that I had picked up from there…" (EP3).

In another example the issue the employer brought to the ALS session was something that had been ongoing for several months and having the opportunity to explore it at the ALS created the momentum to finally work on it;

"… that's probably why I picked that one… that had just been going, ongoing for like too long…" (EP4).

"… we can't like, just keep brushing it under the carpet…" (EP4).

For another employer the ALS presented an opportunity to explore an annual issue and an "ongoing issue… and it's been an issue in the industry for a long time" (EP5) and identify options for how to tackle this.

Continuing professional development

For younger members with fewer years of experience in the sector, working with those with greater experience and in more senior roles was in some cases particularly helpful in developing knowledge and insight that would support their own career development;

".. it's people like EP5, like they are at senior level… so it's kind of good to know like, to see where their business heads at, and I can maybe adopt some of their things as well… like EP5's got multiple sites and like in an ideal world that's eventually something I will have in the future. So, it's ideal to have different views from different kinds of levels…" (EP4).

For this employer there was an anticipation that the discussions they had participated in as part of the ALS would have a long-term impact on their career;

"… if I was to join another company or do whatever I do in future, I will remember, like, I've sat here and like I've had advice from like other people as well, who are in that position just now. And then I can take that forward." (EP4).

For another employer, being involved in the ALS had enabled them to put their own experience in context and motivated them to develop further in their career.

"… it's made me think maybe I don't have as much experience as I'd like to have within the industry… it's motivated me, because I'd like to change that, and I'd like to get as much experience as I can.   " (EP2).

Sector influencing

In the final review session, employers specifically highlighted the benefits of involvement for the wider hospitality sector describing the ALS process as creating opportunities for "joined up thinking – raising our voices where it matters", "help(ing) the sector and its struggles be seen more, hopefully to benefit more provisions for workers and businesses" and "highlighting issues we require help and information with" (Session eight feedback). The confidence employers have in the extent to which their experiences are being used to inform influencing work is derived in part from the way in which the wider project team have continued to raise awareness of issues in

the sector in their wider work, both via attendance at key sector events and by writing and sharing blogs. Care was taken to ensure employers participating in the ALS were kept informed about these developments and had access to any relevant project outputs. In this way, the employers were able to see a direct and tangible link between the information and experiences they were sharing in the ALS and wider sector influencing.

Conclusions

The complexity of the hospitality sector context

- The use of the ALS approach has provided a deep insight in the range of issues currently impacting hospitality sector employers.

- Working with employers through action learning has highlighted the way in which separate issues interconnect to create a challenging and complex context in which to seek to provide meaningful, engaging and appropriately paid employee experiences.

- The combination of Brexit, Covid-19 and rising costs has created a context that even those with twenty years' experience in the sector describe as previously unseen.

- Despite this challenging context, the hospitality employers we worked with are keen to actively engage in making change and influencing change, locally and nationally, in their own businesses and across the sector as a whole.

Benefits of the action learning set approach

- What the participating employers felt they lacked is access to support to enable them to do this effectively. Where support is provided, as in the case of ALS, many employers will willingly and fully engage in work to improve the employee experience.

- For participating employers, the ALS has created a new network of support, facilitated peer support and challenge, enabled access to new ideas and resources, supported professional development and brought about a sense of being "heard" as sector representatives.

- With employers lacking both time and connections with others in their sector (both of which negatively impacted their ability to consider how to tackle long standing issues or plan for more strategic change), the ALS experience provided protected, invaluable time and space to think on top of reduced feelings of isolation.

- Together with the increased sense of voice and influence employers felt they had as a result of participating in the overall STF project, these factors led to an increased motivation to make change and a greater sense of empowerment and agency.

- Overall, despite the excessive "business as usual" demands on their time, employers have judged participation in the ALS to be an overwhelmingly worthwhile investment of their time.

- For the STF project team using the ALS approach has enabled the development of new relationships with employers and connections that are closer and deeper than perhaps initially anticipated.

- The high levels of trust and respect built between employers and the project team, through the ALS process, has created a new network of employer contacts ready and willing to support further work.

- While fundamental changes may not yet have been made in any of the participating businesses, clear foundations have been laid. The motivation to continue to develop sustainable businesses that provide positive employment experiences and reduce low pay and in-work poverty remains high.

Appendix: The Action Learning Set Process

Stage one: arriving

- Every participant briefly reports on what has been happening.

- If someone presented last time, what action was taken?

- The group support the presenter from the previous session to explore any barriers to completing the action(s).

- All group members are asked to share anything that is preoccupying them that they need to leave outside the room.

Stage two: bidding

- Each person in the group has the space to say, "If I was to talk today, I would talk about…"

- Everyone has an opportunity to respond.

- The group decides on the order or preference of which topic they wish to address first, second etc.

Stage three: presenting

- The chosen presenter describes their current challenge/opportunity.

- Any issue that could be framed in a 'how can I…?'question is usually a good issue to present on.

- The presenter can talk for as long as they need to.

- It's important that the presenter uses 'I' language.

Stage four: clarification questions

- Every group member is able to ask the presenter questions of clarification.

- The questions should focus on helping everyone understand the challenge/opportunity.

- These are simple questions about the facts of the issue or situation.

Stage five: open questions

- Every group member is able to ask the presenter open questions.

- Open questions should help us come to new understandings about the issues that the presenter is facing. These could be questions to:

  » identify issues and obstacles

  » look ahead at what success would look like

  » encourage reflection and look at past experience

  » identify further support.

Stage six: action planning

- The presenter is supported to identify actions.

- This is done with questions like:

  » What do you think your first steps are?

  » What actions have you identified throughout this process?

  » How could you to prioritise these?

Stage seven: reflections

- The ALS process creates learning for all group members – this is where it is shared by exploring questions such as;

  » What did we learn?

  » How does this relate to our experience?

  » What was it like for us to talk about this?

  » Are we going to act?

- If the presenter asked for feedback, this is where the group members give it.

Stage eight: process review

- The group review how they have worked together by exploring questions such as;

  » What felt effective?

  » What would make us work better as a group?

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