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HOW CAN HOSPITALITY HELP CREATE SUSTAINABLE JOBS IN SOCIAL MOBILITY COLD SPOTS

A WHITE PAPER

The Institute of Hospitality Round Tables are designed to bring Institute members and the wider hospitality community together to discuss regional challenges and produce a white paper on a specific topic that presents a problem and provides a solution.

The Continuing Professional Development Round Tables are held nationally, outside London, allowing our members to participate in critical discussions.

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WHAT IS SOCIAL MOBILITY AND WHY DOES IT MATTER?



Put simply, social mobility means doing better or worse, in terms of lifetime outcomes, than your parents or the generation before you.

Social mobility matters because there are people in the hospitality industry who have benefitted from upward social mobility. Social mobility matters as compared with other countries. The most disadvantaged in the UK are now less likely to climb the income ladder and consequently, the economically advantaged tend to remain at the top.

In fact, statistics illustrate this is the first downward social mobility trend the UK has seen since the 1970s. Data demonstrates Covid-19 has increased inequality further. This is compounded by recent rises in inflation, soaring energy costs and skyrocketing food prices. The U.K in comparison with other global north countries stands near the bottom of the international league table for both social mobility and inequality.

Inequality and social mobility are separate but related challenges. The former reflects an uneven access to resources, while the latter demonstrates the level of social justice, fairness, and equity in a society. While differences in socio-economic conditions are inevitable, social stratification has negative implications for social stability, well-being, and cohesion.

On social mobility, political debate is often focused on who climbs up the social ladder and that is critical. But the social mobility discussion should also consider whether better off families retain their social and economic positions. On this metric too, the poorest and the richest in the UK are the most socially immobile, thus exacerbating social inequalities. Only the US and Switzerland have lower social mobility than the UK



Social mobility, as a particular diversity target and interest, is nascent in comparison to other areas e.g. gender. It is also incredibly important given the wide social mobility gap which is growing exponentially. To challenge this rise employees and job candidates are now being asked details of where they went to school, their parents' jobs and qualifications, and even whether they received free school meals as part of plans to change the "school tie network" of professional job recruitment.

Undoubtedly, the pandemic has increased inequality further and there is survey evidence to show this. YouGov commissioned a report which showed over half - 56% - of the UK population felt Covid-19 had increased social inequality.

Surveys also show a big regional difference in opinions. People in the North of England tend to say they have experienced harsher conditions recently than people in the south of England, particularly for employment and education outcomes. Although we know data generalises, these are stark and concerning differences. It is common knowledge there are pockets of deprivation in the South and affluent areas in the North. Survey evidence compiled by the Social Mobility Commission illustrates that 35% of people living in the north said Covid-19 had a detrimental impact on employment, whereas only 17% in the south agreed.

On education: 21% in the North thought that they suffered more during the pandemic in terms of education outcomes, whereas only 8% of people thought that was the case in the South. This is compounded by what's happening in the UK at present. Mortgage rises for the fortunate who can afford to buy, and the lack of wage increases for many has impacted many households particularly at the bottom of the income distribution ladder. In addition, this demographic also tends to have little or no savings buffer.

The term 'the cost-of-living crisis' is now being used frequently by many economists and political leaders as the lack of disposable income is now affecting the 'squeezed' middle classes.



What can we do as hospitality businesses to encourage upward social mobility? Future of Government research, Driving Social Mobility, shows that not only do businesses have a key role to play in securing the social mobility of future generations, but the public is calling for them to intervene, and trusts them to do so. Prospective employees and clients want to work for, and with, companies that prioritise purpose, not just profits. Some 75% of those surveyed want to work for an organisation that makes a positive contribution to society. This is welcome news.

However, juxtaposed with this the hospitality industry faces challenges with the perceptions of careers amongst potential recruits and their influencers. The industry is viewed by some as a physical, low skilled industry with little financial reward. An industry which has a reputation for long hours, low wages, work stress, employee churn and little career progression.

It is vital to start with education. Within the education sector, we often find that young people from deprived areas find it a challenge to travel a short distance for opportunities, this could be due to many factors including financial.

Some families are from 2nd and 3rd generation unemployed which only exacerbates social immobility. This compounded by the perception of low pay at entry level in hospitality is hampering social mobility.

The Resolution Foundation's UK 2020 findings around pay in various sectors illustrated accommodation and food median pay for the hospitality industry was the lowest at minimum or just above minimum wage, and was the lowest of all industries, with IT and financial services ranked the highest. Not receiving an adequate wage to survive on can lead to social and economic exclusion and a lack of social community cohesion.

Although there are immense career opportunities within the industry and more varied roles than ever the topic of social inclusion must be addressed. Without adequate pay those working at the lower end of the hospitality industry are unable to participate fully in society. The issue of unsocial work hours and zero working hour contracts should be tackled so the industry can benefit from long lasting, positive change.

It is vital that hospitality has access to a wide range of people to fill its vacancies and scouts for talent in various ways. This involves ensuring that conversations are being facilitated between businesses and jobseekers, including those seldom heard communities. It is about providing accurate information on a sector which many people have not considered working in. Hospitality already has a great range of vocational and academic qualifications, but it is essential that these are built upon and become more widespread, visible, and accessible.

Hospitality is a professional sector and the industry needs to ensure the level of training is visible to support this, enshrining high standards that work for employers and employees.

There are ongoing concerns about the perception of the sector to existing employees, prospective employees and those who influence them. The industry needs to tackle these misconceptions, backed up by ensuring that we deliver on our commitment to create and develop great jobs and careers. The industry should be attractive to potential employees, with good salaries, benefits, training, and attainable career progression. Hospitality businesses invest a lot of time and money in recruiting from the same pool, which for several reasons is getting smaller, so now is the time to think innovatively and widen the prospective hiring net.

The industry can also look at successful recruiting initiatives outside of hospitality for inspiration. In retail, ALDI, coordinate a recruitment campaign for graduates offering a salary of £30k, a company car and, within 3 months the opportunity to manage a store. After introduction the programme had a waiting list and was extremely successful. The perception of ALDI changed, and recruitment is not as big a challenge as it once was. These are transferable ideas which could be demonstrated within hospitality to alter the image, invest in people, and promote a hospitality career as an attractive and viable proposition.



In addition to creating the right environment for people to work in hospitality there also needs to be the right structural pillars in place. In parts of the country that have strong hospitality and tourism offers, and plenty of jobs, there are barriers that the workforce faces. This can include the availability of housing and transport so people can live within reasonable distances from their workplace. Of course, all these areas overlap to a greater or lesser degree.

The issue of work/life balance should be analysed. With this strategy we must aim to produce a hospitality that works for potential recruits. There needs to be vision for how the sector can provide great jobs and compensation for the work to make careers within hospitality attractive. How can we make people's working lives as enjoyable and fulfilling as they wish?

Some of the solutions that the sector can offer include having visible and diverse role models and inclusive and representative mentoring programmes. It is important to support charities that work with communities by offering soft skills training, work experience and placements.

An example of elevating social mobility within the hospitality sector is the Institute of Hospitality Funded Membership Scheme. The Institute of Hospitality (IoH) launched funded membership in 2021, with the aim to reduce barriers for people joining the IoH, particularly financial barriers. This was to assist and promote those who are struggling financially to receive the same benefits as those more able to pay. Thus enabling as many people as possible to access the industry.

Hospitality and those who work within the industry always mention passion and going the extra mile. It is important to be mindful of who can afford to demonstrate that passion and who is visibly seen to be demonstrating this. Society is changing, the mantra is 'work to live' instead of 'live to work'. The industry must demonstrate flexibility to accommodate this narrative and the seismic societal shift.



Once people are in hospitality it is crucial to increase retention and ensure all within the industry feel valued regardless of social status. Companies should endeavour to support employees and teams with good wellbeing practices, training and development and career growth prospects. The IoH is in a great place to develop and grow this initiative.

However, the IoH does require industry-wide support and continued investment in this practice. Having a chartered professional body will empower the industry to attract and retain talent and promote excellence. This will champion the development of hospitality professionals to enter, remain and thrive in the sector regardless of social background.

At present the IoH are in the process of looking at conducting further research into hospitality and social mobility in partnership with academic partners.

MORE INFORMATION

Institute of Hospitality - Funded Membership

PCW - Driving Social Mobility

Gov.uk - Most people believe inequality has increased due to the pandemic

Report of the Social Mobility Commission - Social Mobility and the Pandemic

Resolution Foundation - Low Pay Britain

Resolution Foundation - Ethnic minorities in the hospitality sector

The Staff Canteen - Driving social mobility with new industry academy

PCW - How business can boost social mobility in the UK

Gov.uk - An employer's guide to improving social mobility in the workplace

Career Ready - The Social Mobility Challenge

LSE - Should class be protected under law?

University of Bristol - Education, Opportunity and the Prospects for Social Mobility



This White Paper has been produced following a round-table discussion at The Lake House in Liverpool, England



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