

INSTITUTE OF HOSPITALITY

WHITE PAPER

HOW CAN SCOTTISH HOSPITALITY ATTRACT
A SKILLED AND COMMITTED LABOUR FORCE?

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by Katherine Price MIH



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We are very good at finding alternative ways of doing things. There's no one fixed way of doing something, it's got to be according to what that business needs and its requirements. We have to be clever; we have to think round these things.

Andrea Green, hospitality assessor and internal verifier, SDC-Learn

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CONTENT:

3 The background

4-5 The challenge

6-8 How can Scottish hospitality attract a skilled and committed labour force?

9 Best practice

10-13 Solutions

14 Next steps

15 Methodology

16 References

The background

The hospitality sector is crucial to the Scottish economy. Accommodation and food services make up an estimated 8% of Scottish employment, almost 9% of private sector businesses in Scotland, and in 2021 had a turnover of £6.4 billion (1). However, as well as challenges the sector is facing outlined in the recent Fair Work in the Hospitality Industry Report, it also highlighted challenges that the sector needs to address to improve working conditions, for example the lowest hourly pay of all sectors in Scotland.

The report highlighted that in 2023, there were 3,240 rural accommodation and food services businesses in Scotland, with 39,000 people employed in rural areas in 2022. The sector has a much larger share of employment in remote rural areas (17.9%) compared to accessible rural areas (10.1%) and the rest of Scotland (9.9%).

Meanwhile, more than a third of outlets advised staff availability was impacting on trading, according to a Scottish Licensed Trade Association (SLTA) survey of more than 500 hospitality businesses in Scotland (2). Some businesses are even having to close on key trading days because they cannot adequately staff their premises.

The challenge



We've struggled for staff all my life. It isn't a new issue.

David Cochrane MBE FIH, CEO, HIT Scotland



The Scottish hospitality industry has struggled for many years to attract and retain committed staff. While this is an issue being seen across the UK, there are multiple stressors making the issue particularly acute in Scotland.

Brexit has meant a reduction in workers from the European Union in the UK job market; the Covid-19 pandemic saw many people leave the sector altogether; Russia's invasion of Ukraine affected energy prices and food supply chains; and the industry continues to not be perceived as offering valuable, long-term career opportunities.

At the same time, businesses are struggling with high turnover rates, higher operating costs, cost of living affecting consumer spend, and the upcoming increase in UK employer National Insurance contributions is set to challenge businesses further.

Meanwhile, the Fraser of Allander Institute has described "a clear mismatch" between education and the skills required for many occupations in the hospitality industry (3), while several local authorities in Scotland have declared housing emergencies in their areas (4).



There are people who would come and work, but they can't get the accommodation.

Willie McCurrach OBE FIH, hospitality consultant



The Scottish government announced at the end of 2024 that it would introduce 40% business rates relief for pubs and bars paying the Basic Property Rate, meaning businesses with a rateable value up to £51,000 will be eligible (5). Up to 100% non-domestic rates relief for hospitality businesses on Scotland's islands and specified remote areas will also continue in 2025-26 (6).

While trade body UKHospitality Scotland said the relief would provide much-needed support for eligible businesses, it highlighted that up to 2,600 Scottish hospitality businesses wouldn't be eligible (7), while facing increased employer National Insurance contributions from the UK Budget and an inflationary increase to the Intermediate and Higher Property Rates, announced in Scotland.

In light of cost increases, staffing and training often tend to be the first casualties. All these factors are making it difficult to attract and retain workers in the hospitality industry in Scotland.

How can Scottish hospitality attract a skilled and committed labour force?

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Attracting talent

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Any employer that hasn't rejigged the way they look at the workforce post-Covid, they're tripping themselves up.

Claire Johnston MIH, people director, Crerar Hotels Group

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To attract top talent, Scottish hospitality businesses need to be both visible and competitive. Look at the employment packages being offered by other businesses in your location, both hospitality and non-hospitality businesses, and how they are recruiting. Engage with local organisations and institutions that may be able to support with recruitment. Shout about what the hospitality sector does well – training, onboarding and teamwork, for example. And as well as looking at hospitality graduates, thinking about how the sector might be able to attract people with IT skills, or business school graduates, who also have skills that are highly relevant to hospitality businesses.

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Amongst these other disciplines, degree levels, there are opportunities – it's getting them to see there are other areas of industry that require their skills, including hospitality.

John Willis MIH, independent hospitality professional

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Businesses need to be thinking differently and flexibly about employment, for example taking on several part-time employees rather than one full-time to cover the hours and work needed, and upskilling team members to be able to cover multiple roles across a business. If the business can't offer the full hours a potential recruit would like, can you partner with another local business to do so? Are there any demographics or routes the business hasn't previously explored and could tap into, for example through a partnership with a local authority?

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Something that we lack is actually valuing a member of staff as an employee that can work throughout the business.

Ruth Clark MIH, chair, UK Housekeepers Association Scotland, and head housekeeper, the Cairndale Hotel, Dumfries

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And instead of only sending HR teams to recruitment fairs and schools, can a chef or spa therapist be supported to take the time to attend and engage with young people to share their passion and experience? The message about the sector also needs to be consistent, which comes through industry collaboration and sharing best practice.

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It's the chefs or the spa therapists they [students] want to talk to, getting our own teams to understand that if they spared us a couple of hours and had these conversations with these youngsters, actually they would get amazing pipelines out of it.

Willie McCurrach OBE FIH, hospitality consultant

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Retaining talent

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Once we've got the people in, yes we have to train them and look after them, but we have to listen to what they need, ask them what they want.

Claire Johnston MIH, people director, Crerar Hotels Group

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Key to retaining team members is listening to what they want from their employer and workplace, as well as any challenges or concerns they have, and addressing those.

Providing employees with a safe, welcoming workplace and a good work-life balance should be the basic provision of any employer in 2025, but what additional benefits can be offered to truly make their working lives better?

For example, particularly for businesses in remote locations or requiring work outside of core hours, contributing to driving lessons so staff can be more independent in the way they get to and from work. Or, offering a half day off to allow team members to drop off their child on their first day of school.

Establishing a staff committee could be one way to ensure voices are heard. Equally, benefits must be wanted and fit for purpose if they're truly going to be worth implementing and positively impact staff. Team members also want to feel their skills are respected and appreciated or they'll leave – consider what value each team member can bring to a property and if their skills are being fully utilised.

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If people are happy, they'll stay and that'll create a good local reputation.

John Forrester MIH, general manager, Braid Hills hotel, Edinburgh

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In addition, consider how technology can support workers to do certain jobs more quickly and/or free up their time to focus on service, while ensuring systems and processes are as efficient as possible. However, any initiatives or changes must be user-friendly for both younger workers coming into the business as well as older workers, and training needs to be delivered effectively.

Best Practice



If places don't look after their people and operate effectively, they won't exist.

Ruth Clark MIH, chair, UK Housekeepers Association Scotland, and head housekeeper, the Cairndale Hotel, Dumfries



Recommendations made by the Fair Work in the Hospitality Industry Report as part of a Fair Work Charter included:

- Adequate staffing levels and predictable hours
- Clear safe working practices
- Equal access to work, training and progression opportunities, as well as clear pay and progression structures
- Respecting workers' voices
- Paying the Real Living Wage
- Written contracts for all workers to help understand their rights at work, particularly around access to annual leave and sick pay
- Clear, fair and legislative adherent tips policies
- Access to funded training in paid work time
- Clear structures and procedures to robustly address concerns
- Effective structures for health and safety
- Support for all workers asked to travel to or from work after 11 pm.



If we learned anything from Covid times, [it's] smaller teams working together, smaller menus. I know they are clichés, but teamwork makes the dream work and working smarter not harder. Companies and businesses that look after their teams keep them. Crerar Hotels, Gleneagles, Simpsinns and Buzzworks Holdings are excellent examples of this.

Willie McCurrach OBE FIH, hospitality consultant



Solutions

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How do we change this, so we don't have this conversation in five years' time?

David Cochrane MBE FIH, CEO, HIT Scotland

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Improve recruitment strategies

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So many [ex-offenders] have got brilliant chef training and actually the employees that you take on through these channels will be some of the most loyal employees you'll ever find.

Andrea Green, hospitality assessor and internal verifier, SDC-Learn

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Emphasise the dynamic, people-centred nature of hospitality in marketing and recruitment, and broaden the recruitment pool by appealing to different demographics, such as older workers or parents returning to work. Establish partnerships with organisations supporting groups that are underrepresented in the workforce into employment.

Meanwhile, collaborate with schools, colleges, and universities to tackle misconceptions about the sector among both parents and students to create a pipeline of young people interested in joining the industry. And ensure people are being targeted in the right ways, using social media as well as job platforms effectively to reach potential candidates.

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The kind of vision I'd like to see is where the industry is working with schools.

Lynn Abernethy FIH, director, MacKenzie Grant

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Create an appealing work environment

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We need our rest days to recuperate so that we're functioning to do our jobs... The people that have been successful... have been the ones that have actually looked after their people, talked to them and listened to them.

Andrew Doherty MIH, general manager, Dakota Glasgow

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When it comes to attracting and retaining talent, analyse how hospitality compares to other sectors in terms of benefits and appeal, and attempt to understand the root causes of employee dissatisfaction and retention challenges. Work-life balance, for instance, is not considered to be a key priority for the hospitality sector, but by implementing flexible scheduling and predictable hours, this can be tackled to an extent.

While businesses may be challenged to offer the most competitive salaries, are there other ways to add value to employee packages, such as healthcare, free meals, training or transportation? Ensure employees feel rewarded by offering incentives and recognition and reward schemes.

Investing in teams means highlighting clear pathways for advancement, skills development and leadership opportunities. Offer training and upskilling which focus on both hard and soft skills; partner with industry organisations to offer valuable credentials that will enhance their CVs; and pair new employees with experienced mentors to accelerate their integration and growth. If it's not possible to develop training programmes yourself, can external partners be brought in to do that? How can training be offered differently to meet employees' individual needs?

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We need to be dynamic in how we prescribe training to individuals and it's not one solution fits all. It's working with every solution there is.

Andrew Doherty MIH, general manager, Dakota Glasgow

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A workplace culture that values diversity, teamwork and employee input can be built by regularly checking in with employees to understand their needs and adapting strategies and investment accordingly.

Enhance the sector's reputation

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We're a diverse and very inclusive industry, which we can't forget.

Willie McCurrach OBE FIH, hospitality consultant

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As well as working with education partners to engage students and parents, businesses can showcase stories of employees to demonstrate where a career in hospitality can lead. Use PR and marketing to shift the narrative from 'low-skill jobs' to 'high-value careers', and position Scottish hospitality as a sector that values sustainability and community engagement.

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We're pretty nimble in our industry and we do move fast. That's why we survived Covid.

Claire Johnston MIH, people director, Crerar Hotels Group

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Collaborate and engage

Businesses and sector leaders can work with policymakers to address challenges such as visas and immigration, and to secure funding for training. Meanwhile, collaboration across the sector can also help with establishing industry-wide standards for wages, working conditions and career progression, and building relationships with local communities can help support them while building your reputation and tapping into that local labour pool.

Consider technology

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If technology's there to do a function, it frees up your people to upsell and they can do the personal bit.

John Forrester MIH, general manager, Braid Hills hotel, Edinburgh

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While labour challenges remain ongoing, explore where technology can take on repetitive tasks, enabling employees to focus on the customer experience. Data can also provide insights into workforce trends and predict future staffing needs, while digital training tools such as online resources and virtual reality simulations can also provide immersive learning experiences for team members.

Next steps

- 1)** Consider whether current recruitment strategies are effective, appealing to a wide demographic and catering to the needs and expectations of the workforce.
- 2)** Ensure existing team members have adequate upskilling and training opportunities.
- 3)** Establish a formal structure employees can use to give feedback and listen to what employees have to say, including any concerns they have or how their working lives could be improved.
- 4)** Explore meaningful benefits that could be added to employee packages.
- 5)** Look into how technology could free up staff time to focus on service.
- 6)** Take recommendations made by the Fair Work in the Hospitality Industry Report into account.
- 7)** Collaborate with educational institutions to stimulate interest in hospitality among young people.
- 8)** Advocate for better workforce planning, funding and immigration policies for the sector.
- 9)** Work with other businesses and industry leaders, government and institutions to identify solutions.
- 10)** Shout about what the sector does well.

Methodology

This white paper has been produced following a round table discussion at the Dakota Hotel Edinburgh on 26 November 2024.

Panel



Hosted by

Sam Coulstock FIH, head of professional development,
Institute of Hospitality



Lynn Abernethy FIH, director,
MacKenzie Grant



Ruth Clark MIH, chair,
UK Housekeepers Association Scotland, and head housekeeper, the Cairndale Hotel,
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David Cochrane MBE FIH, CEO,
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Andrew Doherty MIH, general manager,
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John Forrester MIH, general manager,
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Andrea Green, hospitality assessor and internal verifier,
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Willie McCurrach OBE FIH,
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Paul Reynolds FIH, manager,
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John Willis MIH,
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Resources & references

Only a Pavement Away

Scottish Union of Supported Employment

Apt Scotland

Age Scotland

HIT Training Scotland

Skills Development Scotland

(1) Fair Work Convention: Fair Work in the Hospitality Industry Report (2024)

(2) Scottish Licensed Trade Association (SLTA): Critical Concerns for Scotland's Hospitality Industry: SLTA Reveals 96% Consensus on Government Disconnect (2024)

(3) University of Strathclyde's Fraser of Allander Institute: Pathways into Hospitality – how do hospitality workers interact with the Scottish education system? (2023)

(4) Harper Macleod: Scotland's housing crisis – what does it mean? (2024)

(5) Pub & Bar: Scotland introduces 40% business rates relief (2024)

(6) Scottish government: Islands hospitality support to continue (2024)

(7) UK Hospitality: Business rates relief positive, but major employers left unsupported (2024)