Industry Report 2022

Driving Flexible Working Structures in Hotels

EHL Hospitality Business School | HoteliersGuild LeadingHôtelières
Foreword

“Looking back over the past 18 months fills me with pride, humility, gratitude and satisfaction. I would argue that our greatest expectations have been exceeded by the exemplary contribution of all participants in this first study. The wonderful ladies of the HoteliersGuild’s LeadingHôtelières chapter, a collective of senior industry specialists and academics campaigning for increased female leadership in the hospitality and travel sector, has more than delivered! A big thank you to the first chairlady Xenia zu Hohenlohe, co-chair Prof. Dr. Sowon Kim and her dedicated team, as well as to the chapter’s honorary co-founder and ambassador Lindsey Ueberroth of Preferred Hotels & Resorts for her ongoing support, and of course to the many HoteliersGuild members who contributed to the research. We believe that improved gender equality at executive level is the key to our industry’s future. The LeadingHôtelières are committed to driving positive change by producing meaningful academic research, building like-minded networks, transforming design and development strategies, and encouraging more awareness. Therefore we are delighted to a continued a mutually beneficial close cooperation with EHL Hospitality Business School and our global membership which will be instrumental for the overall improvement of our hospitality industry and to provide a better environment for future generations of hospitality professionals.”

Frank M. Pfaller
Founder and President of HoteliersGuild

“The LeadingHôtelières chapter of HoteliersGuild was launched by an esteemed group of female executives who share a commitment to accelerating gender equality in the hospitality industry and elevate more women into leadership roles. The collective expertise of our members is incredibly powerful, and we look forward to creating further momentum on a global scale by using the findings of our first year’s work to create and provide education, mentorship, and training in the areas that will have the most success in moving progress forward. I am proud to join with fellow industry colleagues in championing this crucial cause and very excited to see what we can achieve in the year ahead.”

Lindsey Ueberroth
CEO of Preferred Hotel Group and Co-Founder of LeadingHôtelières
“113 countries have not yet passed into law the principle of equal pay for equal work by men and women. Unfortunately, the hospitality sector is also significantly affected by gender inequality, especially at Management, C-Suite and Board level roles. As an industry, only 25.5% of executives are women. Therefore, when I was approached by Frank M. Pfaller with the idea of creating LeadingHôtelières with a view to changing mindsets, I saw a great opportunity. The world has been given 17 Sustainable Development Goals by the UN to help us all focus on the same challenges that affect us worldwide. One of these, SDG 5, addresses Gender Diversity. All SDGs have a series of targets attached to them, which can help organisations, governments and companies implement initiatives to reach more equal gender diversity on all levels.

At Considerate Group, the sustainability consultancy for the hospitality sector that I co-founded with my business partner Benedetta Cassinelli, we work with these SDG goals daily, relying on the power of data to establish baselines, track processes, prove progress, and ultimately change behaviour. Hence, when we started LeadingHôtelières, our view was that we needed a data-driven study on workplace flexibility for female staff to show what changes could happen, and the benefits of such changes. With a renowned professor like Dr. Sowon Kim from EHL in our ranks, it seemed the perfect opportunity to start this targeted study with the objective of making informed conclusions and recommending practical changes. Having chaired this gathering of professional and dedicated women for the first 12 months of its existence, I am proud to have been able to play a little part in making some real changes in Gender Diversity.”

“Women have made tremendous strides professionally and have received training on all sorts of topics – how to be more self-confident, how to overcome the imposter syndrome, how to be assertive and likeable, how to network, how to get mentored, how to get sponsored, how to get P&L roles, how to manage work-family responsibilities and so on and so forth. And the results in the workplace have followed. While considerable energy, effort, and time have been invested by women, opportunities have lagged, and female executives are still rare pearls. We need to stop fixing the woman and start fixing the situation: the biased systems, the rigid structures, the control cultures, and the homogenous leadership teams. Amid the slow progress of women in leadership roles, Covid-19 has forced organizations to reimagine and redesign themselves for survival. As we speed into the post-pandemic recovery, companies are faced with the pressure to operate more sustainably, inclusively, and with greater flexibility. Because flexibility has always been an important component in women’s careers, LeadingHôtelières decided to conduct research on this subject and shed light on how we could move forward together towards more equality that ultimately elevates all stakeholders and thus the entire society.”
Executive Summary

Given LeadingHôtelières purpose (increase female leadership in the hospitality sector) and changes in the world of work and employees’ expectations, we sought to understand the contributing factors and outcomes of flexibility in the hospitality industry (i.e., hotels). Key takeaways from the study are:

1. A large majority of hotels have labor flexibility and there is substantial room for improvement regarding work flexibility (employee freedom to organize themselves).

2. A family-friendly corporate culture and supervisor behavior lead to greater work flexibility.

3. Work flexibility benefits both employees and hotels (increases innovative capabilities, company resilience, employee wellbeing) while labor flexibility benefits primarily the hotels.

4. There is a discrepancy across different internal stakeholders on the availability and use of work flexibility and this discrepancy negatively affects organizational resilience and job satisfaction.

5. There is no effect of gender on the association between the contributing factors and flexibility and flexibility and outcomes and this might indicate that flexibility is not gender-specific, in line with the growing trend due to the changes in the world of work.

The research results described in the following pages propose best practice suggestions to build greater flexibility that will benefit individuals and organizations.
Purpose of Study

Yet little attention was given to flexibility because it was considered a ‘woman’s issue’, exclusively a debate for working moms. Today, flexibility has become a hallmark of companies with great cultures. Two macro changes are pushing flexibility into the mainstream. First, significant changes have occurred in the world of work. Covid-19 has triggered a massive shift in work practices because of working remotely. About 15-16% of companies offered remote work availability pre-pandemic, while in the spring of 2021, this rose to 70% (Statista, 2022). Second, there have been changes in people’s expectations from their employers. We know that Gen Z [*] (those who are in their early 20s are entering the workforce) values transparency, authenticity, company ethics, social impact, and global sustainability (IMD, 2021). Beyond Gen Z, the pandemic has affected the psychological state and social values of people, prompting them to re-evaluate their priorities in life, placing a greater emphasis on social solidarity, equality, community, self-determination,
and freedom (Glocalities, 2021). Not surprisingly, a worldwide survey of 20,000 job seekers shows that work-life balance is the number one priority when seeking a new job. Further, flexibility is a key value proposition for employers that desire to attract, develop, and retain the best talent (LinkedIn, 2022). Consequently, flexibility has taken center stage, and much can be learned from the experiences of women who have been aspiring, struggling, managing, and thriving with flexibility.

Given the HoteliersGuild LeadingHôtelières’ raison d’être (increase female leadership in the hospitality sector) in line with the United Nation’s Sustainable Development Goal 5 [**] and given the rapid changes in the world or work and shifting employee expectations, we sought to understand the contributing factors and outcomes of flexibility in the hospitality industry, particularly in hotels. Because accommodation is a 24/7 business, flexibility was set aside as something impossible to achieve. While the nature of the job (specific functions in operations) somewhat dictates the use of flexibility, the mindset does too: the perceived lack of control over staff prevents managers from fully embracing the idea (Kim & Lunel, 2020). And yet, flexibility must be embraced - now more than ever - as part of the solution to address the hospitality industry’s labor shortage crisis.

[*] Generation born between the mid-1990s and early 2010s. Gen Z consists of about 2 billion people, roughly 25% of the global population. Gen Z are digital natives, who spend substantial amounts of time on social media thus take great effort to cultivate their online identity and also influence purchasing decisions at home.

[**] Gender Equality: Achieve gender equality and empower all women and girls.

We sought to understand the contributing factors and outcomes of flexibility in the hospitality industry.
Research Overview

We studied two types of flexibility: work flexibility & labor flexibility

Work flexibility refers to employees’ freedom to organize themselves through part-time work, remote work, flexible scheduling, and compressed workweeks (Shockley & Allen, 2007). This flexibility is about where, when and, how employees work. We were interested in this type of flexibility because it supports women moving forward in their careers and at a broader level, employees increasingly expect to have flexibility at their workplace.

Labor flexibility is about the company’s freedom to manage its employees. This type of flexibility includes the right to hire and fire staff, to alter wages and working conditions to suit the prevailing economic conditions, the ability to adjust work schedules and quality of work time in relation to overtime, shiftwork, etc., and the ability to extend the range of tasks an employee can perform (Rimmer & Zappal, 1988). We were interested in this type of flexibility because it is used extensively by hotels in response to external factors (e.g., seasonality, economic crisis, pandemics).

We focused on two contributing factors that past research has shown to affect work flexibility: family-supportive cultures and family-supportive supervisor behaviors

Family-supportive cultures encourage people to express their involvement and interest in nonwork matters. This is viewed as healthy. As such, employees are offered flexibility in completing their work and this is viewed as a strategic way of doing business. In family-supportive cultures, working long hours is not the only path for advancing, nor is the belief that employees who are highly committed to their personal lives cannot be highly committed to work.

Family-supportive supervisor behaviors refer to supervisory behaviors demonstrating effective juggling of work and non-work issues by organizing the work of the department to jointly benefit employees and the organization.
A substantial body of evidence shows that family-supportive culture and supervisor behaviors are more important than family supportive policies per se to enable workplace flexibility (see for example Allen, 2001; Lobel & Kossek, 1996; Thompson, Beauvais & Lyness, 1999). In fact, research shows that managers act as gatekeepers in the use of flexibility by employees indicating that tacit beliefs and behaviors matter more than explicit courses of action (policies).

The association between contributing factors and labor flexibility has been largely overlooked, perhaps because the contributing factors have been studied within the management research area and labor flexibility within the stream of economics. To our knowledge, this is the first study that investigates both flexibilities concurrently in the field of hospitality.

We also sought to understand the consequences of flexibility and examined outcomes that were deemed to be critically important to hotels in the changing environment: innovative capabilities, organizational resilience, and the wellbeing of employees. Innovative capabilities refers to a company’s ability to generate innovations that improve current products and services or fundamentally change them in the last five years. Organizational resilience points out to the extent to which a company acts with robustness (e.g., stands straight and preserves its position, is successful in generating alternatives), agility (e.g., is agile in taking action when needed, develops alternatives in order to benefit from negative circumstances), and integrity (is successful in acting as a whole with all its employees). For employee wellbeing, we used the World Health Organization’s (WHO) wellbeing index and also included life and job satisfaction.

While there is evidence from research of a positive association between work flexibility and wellbeing (Joyce et al., 2010), to our knowledge, this is the first study that links both flexibilities with organizational outcomes.
Methods

To summarize, this study aimed to respond to three questions:

1. What is the association between family-supportive cultures and supervisor behaviors with work and labor flexibility?

2. What is the association between work and labor flexibility with innovative capabilities, organizational resilience, and wellbeing?

3. Are there any role (GM, HR, employees) differences and gender differences in these associations?

To answer these questions, we designed an online survey and collected data from spring till summer 2021. A total of 420 participants across 70 hotels worldwide participated in this study. Respondents per hotel included 1 GM, 1 head of HR and 3-5 employees.

Each group of respondents had a different survey with different and overlapping questions that measured the main concepts of this study (factors, flexibility, outcomes).

Characteristics of participating hotels:
Characteristics of participating respondents:

**EMPLOYEES**

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<td>Children</td>
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**HR**

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**GM**

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<td>1 or more 77%</td>
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<td>No of direct reports</td>
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Key Findings

Finding #1

Hotels tend to have low to medium levels of work flexibility

Only 10% of hotels in our study have high work flexibility as reported by HR. The vast majority have low (58%) and medium (32%) levels of work flexibility. Interestingly, work flexibility as reported by the employees differs; only 7% of hotels have high work flexibility. The vast majority have medium (61%) or low (32%) levels of work flexibility. Overall, these results indicate that there is substantial room for improvement when it comes to work flexibility in the hotel industry. In addition, these findings reveal that there is discrepancy in practices (HR and employees).
Finding #2

Hotels tend to have medium to high levels of labor flexibility

Only 9% of hotels have low levels of labor flexibility as reported by the GM. The vast majority have medium (49%) and high (42%) levels of labor flexibility. These results are in line with what has been predicted in that the use of labor flexibility as a norm in the accommodation sector. Even though work and labor flexibility appear to be somewhat opposite, there is no negative association between them. In addition, labor flexibility as reported by the HR differs and again reveals discrepancy.
Finding #3

Supportive cultures and supervisor behaviors increase work flexibility

Hotel culture and supervisor behaviors impact work flexibility (as reported by employees); such that hotels with greater family-supportive cultures and greater family-supportive supervisor behaviors score higher on work flexibility[1]. These results are in line with previous research and indicate that in order to enhance flexibility organizations need to intentionally design a culture where managers’ expectations help employees manage their work and non-work responsibilities.

[1] The scores are from 0 (lowest) to 5 (highest).
Finding #4

A family-supportive culture is not associated with labor flexibility, there is no relationship. Interestingly, greater family-supportive supervisor behaviors led to higher labor flexibility. These results are counterintuitive. Yet, this might indicate that having a supportive manager who helps employees manage their work and non-work responsibilities does not necessarily translate into supportive leadership (labor flexibility was assessed by the GM).
Finding #5

Work flexibility increases innovative capabilities, organizational resilience, and staff wellbeing.

Hotels with greater work flexibility (as reported by employees) score higher in innovative capabilities, organizational resilience, and staff wellbeing. These results show that work flexibility benefits both individuals and hotels.
Finding #6

Labor flexibility increases innovative capabilities and organizational resilience

Hotels with greater labor flexibility (as reported by the GM) score higher in innovative capabilities and organizational resilience. These results show that labor flexibility primarily benefits hotels.
Finding #7

There is a perception discrepancy in labor flexibility between GM and HR

Within hotels, discrepancies exist between the GM and HR regarding labor flexibility (e.g., the GM indicates that there is low labor flexibility, and HR indicates otherwise). In about 30% of the hotels, the discrepancy is meaningful and large. Discrepancies indicate that people are not on the same page and can influence what information regarding flexibility is communicated and how.
Finding #8

There is a perception discrepancy in work flexibility between HR and employees.

Within hotels, discrepancies exist between HR and employees regarding work flexibility, in particular part-time work, work scheduling, and compressed work weeks. Discrepancies exist in perceptions of part-time work as HR reports more availability than actual use by employees. Discrepancies also exist for work scheduling and compressed work week, but in a different direction as HR reports less availability than actual use by employees. These results might indicate that employees organize themselves (with supervisors) as they see fit. This also means that if work flexibility is informally applied then making it formal will enable the hotel to be a more attractive employer.
Finding #9

The greater the discrepancy between HR and employees regarding work flexibility, the lower the organizational resilience and job satisfaction (which we measured together with employee wellbeing). These results show that the consequence of discrepancy is negative, in particular when HR claims availability of flexibility yet employees do not perceive it can be used.

The perception discrepancy in work flexibility negatively impacts organizational resilience and job satisfaction.

![EFFECTS OF DISCREPANCY IN WORK FLEXIBILITY](image-url)
Finding #10

There is no gender effect in the association between contributing factors, flexibility, and outcomes.

There is no effect of gender on the association between contributing factors of flexibility and flexibility and outcomes. Having more female GMs or women in leadership positions does not strengthen or weaken the association. This might be explained by the low number of women in senior roles found in this study (19% of female GMs). On the other hand, these results might indicate that flexibility is not gender-specific, which is a trend that has gone mainstream.
Key Recommendations

Based on the results of the study, we propose four recommendations.

Recommendation #1

- Define clearly what work and labor flexibility means in order to sharpen the focus on this topic.
- Assess the current work flexibility; what is available and is used by the employees.
- Recognize the different work flexibility needs of different employee groups by integrating questions on this topic in employee (satisfaction) surveys and analyzing the data.
Recommendation #2

Co-create flexibility approaches

- Set up realistic work flexibility targets and monitor progress. Design creative ways to offer work and labor flexibility based on survey results and by engaging with employees. Make this topic a KPI for the HR team and flow it down to supervisors (primarily responsible for ensuring flexibility).

- Engage with relevant stakeholders to bridge the gap between the HR policies and procedures and the actual practices implemented in hotels. Hold sessions where employees can ask questions about this topic without fear of reprisal.

- Implement technology that allows automated processes to enhance work flexibility and free up time for more meaningful tasks.
Recommendation #3

Train about flexibility measures

- Train both GMs and HR about the real gaps in understanding work and labor flexibility so that all stakeholders have the same data to recognize the real opportunities versus the losses if not approached strategically.

- Create and / or update policies and procedures about work and labor flexibility and communicate clearly to employees.

- Empower Heads of Departments and line managers to oversee flexible working patterns with their team members so they can deliver the right outcome.
Recommendation #4

- Be aware of stereotypes that affect employees' work flexibility and supervisors’ expectations and act against biased perceptions and work on developing open mindsets.

- Apply personalized, fair, and progressive HR practices to encourage positive change in work and labor flexibility.

- Foster a culture where work flexibility is normalized by specifying and rewarding desired behaviors that enhance flexibility and garner support from leadership.
Conclusion

With Environmental, Social, and Governance (ESG) regulation and standards moving fast into the hospitality arena, the pressure is on. Flexibility is here to stay, and organizations have the choice to embrace it or resist it. LeadingHôtelières encourages hotels to shift their mindset that work flexibility is possible, expected, and ultimately good for the company; engage with their employees to generate creative ways of enhancing greater work flexibility; and explore existing tools and solutions for a smooth execution. Work flexibility will enable hotels to attract and retain talent in particular the younger generation and enable women to pursue their careers and advance into leadership roles while having the choice to have a family too.
References


Joyce, K., Pabayo, R., Critchley, J., Bambra C. (2010). Flexible working conditions and their effects on employee health and wellbeing. Cochrane Database of Systematic Reviews. doi.org/10.1002/14651858.CD008009.pub2


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