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Hotel workplaces in Oslo and Akershus

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Abstract: This working paper presents an overview of hotel workplaces in the Oslo/Akershus region of Norway, with regards to their main characteristics. In addition, a brief discussion of work and business strategies in the hotel sector in Norway is included. The paper is based on preliminary analysis in preparation of a large-scale survey and qualitative case studies of hotel workplaces in Oslo and Akershus.

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Preface

This working paper is the first publication from the research project “Industrial relations under global stress: fragmentation and the potential for representation of workers in the Norwegian hospitality sector”. The text presents preliminary findings from a mapping exercise of the hotel sector in Oslo and Akershus, paving the way for more comprehensive and in-depth analysis of workplaces in the region.

The project is funded by the Research Council of Norway, and will generate a fuller understanding of the politics of work in a part of the Norwegian labour market which is characterised by high levels of labour migrants, low-wage and low-skilled jobs, relatively low unionisation levels and an increasing outsourcing of services. In many ways, the hotel sector provides a contrast to the “Norwegian model” of labour relations. The project will focus on the possibilities of representation of workers in the workplace and in industrial relations. The focus on organised labour is in line with the general focus on the politics of civil society in NIBR’s Department of International Studies, although the team encompasses other parts of NIBR as well as other research institutions.

While published as a NIBR Working Paper, this publication is co-authored by researchers from NIBR, the University of Oslo and the Work Research Institute (AFI).

Oslo, April 2010.

Marit Haug
Research Director

Table of Contents

Preface	1
Tables.....	3
Figures	3
Summary.....	4
Sammendrag	5
Introduction.....	6
1 Key features of the hotel sector.....	7
2 Hotel workers in Norway	10
3 Workplaces in Oslo and Akershus	12
3.1 Location.....	12
3.2 Size.....	13
3.3 Ownership and chain management	14
3.4 Revenue and labour costs.....	16
3.5 Corporate social responsibility (CSR).....	17
3.6 Organisation of labour and capital.....	20
3.7 Outsourcing.....	22
3.8 Job categories and working hours.....	23
Sources	26
References.....	27

Figures

Figure 3.1	<i>Map of Oslo and Akershus</i>	13
Figure 3.2	Room numbers, hotels in Oslo and Akershus	14
Figure 3.3	Chain and non-chain market share of hotels in Oslo and Akershus	15
Figure 3.4	<i>Distribution of shifts in three hotels</i>	25

Summary

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Hotel workplaces in Oslo and Akershus

Working paper 2010:106

This working paper presents a preliminary mapping of hotel workplaces in the Oslo and Akershus region of Norway. This region provides the main empirical scope of the research project *Industrial relations under global stress: fragmentation and the potential for representation of workers in the Norwegian hospitality sector*. The project aims to analyse social relations in workplaces in the Norwegian hotel sector in relation to industrial relations, and in particular corporate and trade union strategies. The working paper includes a general discussion of the sector, based on available literature, and a review of some studies of hotel workers in Norway. Based on preliminary conversations with key informants related to the industry, and available information in the Internet, we provide an overview of the different types of chains and workplaces, the corporate social responsibility strategies of the main hotel chains in Norway, outsourcing processes, the division of labour and shift systems in these workplaces, as well as forms of organisations on both the capital and labour side. The working paper is a ‘work in progress’, and primarily intended as a point of entry from which to build the research project.

Sammendrag

David Jordbus-Lier, Ann Cecilie Bergene, Hege Merete Knudtsen og Anders Underthun

Hotellarbeidsplasser i Oslo og Akershus

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Dette notatet presenterer en foreløpig kartlegging av hotellarbeidsplasser i Oslo og Akershus. Denne regionen danner grunnlaget for datainnsamlingen til forskningsprosjektet *Industrial relations under global stress: fragmentation and the potential for representation of workers in the Norwegian hospitality sector*. Dette prosjektet vil analysere sosiale relasjoner på arbeidsplasser i hotellsektoren i Norge, og se dette i forhold til organiseringen av arbeidslivet i sektoren, og da spesielt bedrifts- og fagforeningsstrategier. Notatet innleder med en kort gjennomgang av tilgjengelig litteratur om hotellsektoren generelt, og går også igjennom forskning på norske hotellarbeidere spesielt. Basert på samtaler med kjerneinformanter med tilknytning til bransjen og kjedenes nettsider, presenterer vi deretter en oversikt over typer kjeder og arbeidsplasser, deres strategier for samfunnsansvar, arbeidsdeling (inkludert outsourcing av tjenester) og skiftsystemer, samt organiseringsformer på både arbeids- og kapitalsiden. Notatet er et 'work in progress', og danner først og fremst grunnlaget for videre forskning i prosjektet.

Introduction

The research project *Industrial relations under global stress: fragmentation and the potential for representation of workers in the Norwegian hospitality sector*¹ is a consortium project with researchers from NIBR, the Dept. of Sociology and Human Geography at the University of Oslo and the Work Research Institute (WRI). The main objective of this project is to analyse processes of fragmentation and representation in hotel workplaces. The project consists of one quantitative study of hotels in the Oslo region and five qualitative workplace studies in Oslo and a Norwegian mountain resort, supported by contrast comparison with experiences from the hotel sector in Dublin, Toronto, London and Las Vegas. The aim of the quantitative study is to map employment relations in the hotel sector in the Oslo region, and more specifically to analyse the relations between social indicators, employment status and union membership. The objective of the qualitative case studies is to analyse social fragmentation in selected hotel workplaces, examining the strategies of workers when they engage in employment issues and the ability of unions to represent them. Furthermore we also want to analyse how globalisation, changes in competition and international migration affect corporate strategies in the sector, and more specifically how flexibilisation affects the relations between hotel management, temporary work agencies and organised labour.

This working paper presents an introduction to the hotel sector in Oslo and Akershus, which will be the main geographical area for this study. The information presented here is the result of an initial mapping exercise, where central informants in the sector have been consulted and key documentation and statistics perused. The main objective of this mapping is to prepare survey and qualitative case studies in workplaces across the region. In this respect, it is a work-in-progress and does not present any findings from the research project as such.

¹ For more information about this project, please visit <http://hotel.nibrinternational.no>.

1 Key features of the hotel sector

Hotels are an important part of the hospitality industry and as such one of the largest and most rapidly expanding industries worldwide. It can rightfully be described as a vehicle of globalisation, as the hotels themselves accommodate tourists and business travellers from around the world. As in most other industries, the hotel sector is increasingly dominated by multinational companies. The industry also has close links to other key agents of globalisation, such as the airlines, travel agents, real estate investors and credit card companies. Another key aspect for our research project is the way in which the hotel workplaces draw workers from “[...] the most vulnerable segments of the labour market” (Tufts 2007: 2388). Hotel jobs are typically low skilled, flexible (insecure), have few language skill requirements and thus serve the multicultural labour markets in cities around the world (Gray 2004). Although many of these features may seem more or less universal, it is also important to note that there is considerable variation between countries, between urban and rural areas, and between different segments (high-end/low-end) of the hotel labour market. The degree and impact of unionisation also varies to a great extent (Gray 2004; Tufts 2007). This is in line with the variation found in the service sector in general (Gray 2004). A 2004 report by the European Foundation for the Improvement of Living and Working Conditions provides a good overview of the sector in the EU area (Eurofound 2004) and underlines many of the points made in a North American context by Gray and Tufts.

The Eurofound report states that the collectively agreed pay in the hotel and restaurant sector is low when compared to average wages in almost all EU member states. In addition to the low wage level, the working hours in these sectors are longer than the national average. The report also states that there is a tendency towards consolidation of ownership in the sector, although small and medium-sized enterprises are still predominant. Meanwhile, the sector is characterised by a high degree of fluctuation (turnaround), i.e. hotels go in and out of business and/or change owners. This is even more true for the restaurant sector. In the hotel sector, the abovementioned process of ownership concentration manifests itself in both in a tendency for hotels to become larger as well as more numerous. There has also been a great proliferation of chains. This has important consequences for labour, since the running of large chains necessitates professional operation and management, which often carries with it a potential for improved handling of work related questions (Eurofound 2004).

The hotel workforce can be described through some key characteristics. For example, there is a high percentage of part-timers and non-permanent labour contracts in the sector, the jobs require little formal education or occupational training, and there are few benefits and often low wages (Eurofound 2004, Gray

2004). Moreover, temporary or fixed-term contracts have seen a significant increase since the 1990s. In short, hotel and restaurant workers often have more precarious work contracts than workers in other sectors of the economy. According to Gray (2004), there is a high degree of gender and ethnic segregation in the hospitality sector. In other words, women are overrepresented in the sector, and they are more often temporarily employed and work more often in the high season compared to men. Additionally, women are underrepresented in the highest professional categories, e.g. management. The sector also employs a large number of young people. In countries such as Denmark, Finland, Ireland, the Netherlands, Sweden and the UK, over 50 percent are under the age of 35. The share of foreign and migrant workers is also higher than the national average. Due to poor wages and working conditions, skilled and older workers do not want to work in hotels and restaurants, thus resulting in a workforce characterised by young, unskilled and migrant workers. The migrants are often non-European and/or illegal immigrants who are attracted to the sector as a result of their disadvantaged position in the labour market. According to Gray (2004), white men hold privileged positions and have a large amount of customer interaction in the 'front-of-the-house', while women of colour is often found in 'back-of-the-house', less privileged positions with a small amount of interaction. Furthermore, there is not much pressure on hotels and restaurants to alter their policies since there is a large pool of young and low educated workers, illegal immigrants and apprentices willing to fill any vacancies. Gray (2004) also points out that recent restructuring in the sector has led to a trend of outsourcing jobs that were previously done in-house.

Working conditions in hotels are often difficult. According to Eurofound (2004), much of the work in hotels and restaurants is of a strenuous nature and may involve long periods of standing, a lot of walking (often on high-heeled shoes), carrying (heavy) loads, repetitive movements, working in painful positions and walking up/down stairs. There is thus a heavy workload coupled with high levels of stress resulting from time pressure and constant customer contact. Furthermore, constant contact with water and cleansing products is a key risk. To this must be added the significant risk factor of violence and harassment from both customers, colleagues or management (Eurofound 2004).

Workers in the sector are also expected to be flexible when it comes to working hours and tasks. "Split shifts" are normal practice. This implies that workers only work the busy hours and have time off in between. What is more, workers in the sector often work longer hours than collectively agreed, especially in high season. Overtime compensation is rarely given, especially to women workers. In countries where such overtime compensation is obligatory, the hotel and restaurant sector has the dubious honour of figuring at the top of the list of sectors with cases before the labour court. Furthermore, non-compliance with collective agreements is a recurrent issue. The practice of hiring workers on an on-call basis and from temporary employment agencies is of growing importance, as is the trend of attracting workers on a part-time basis, especially younger workers and women. Still, the most important trend is probably outsourcing, which has made a huge impact in the sector the last 10 years. This especially applies to the housekeeping, laundry and facility services. The Eurofound (2004) report expresses concerns regarding employment relationships, stating that they might well become even poorer in the future.

However, as pointed out by Gray (2004), there is nothing about the hotel sector which makes it innately poorly paid and unorganised. Rather, she argues, there is a lack of engagement on the part of institutions such as unions and the state, and the effect of this “institutional vacuum” is “[...]severe wage competition, which results in low wages and poor working conditions[...]” and demands for numeric flexibility (Gray 2004:23). Drawing on experiences from Las Vegas, Gray argues that pay and working conditions vary both within sectors and between locations, and that “bad” jobs in the lower-end service sector can be transformed into “good” jobs provided the right institutional environment.

Industrial relations in the hotel sector is an interesting case, as there are some structural factors which suggest that organising workers in trade unions is easier than in many other low-wage jobs. The size of the workplace is important, as it is easier to organise the large hotels (Gray 2004). Chain ownership and organisation of capital in business chambers could also suggest an easier relationship to organised labour. Workers in international hotel groups tend to benefit from the superior employment practices of such groups. Here, employers can afford to be guided by international standards and are not satisfied with merely falling in line with local practices (see section 4.5). However, such employers are the exception rather than the rule. Hotel chains are said to improve working conditions because these large organisations have greater funds available for realising better conditions. They understand the benefits and advantages of a professional organisation and professional management. Their human resources departments also help them to keep on top of the labour law/collective agreement framework. In addition, they have a brand and a reputation to nurture which could potentially be exploited by unions or other worker representatives. However, organising remains notoriously difficult in many parts of the sector, not least among the small and independent hotels. This is because the small companies are often family businesses, and their size prevents unions from performing large-scale recruitment and organising consultation meetings. The seasonal nature of travelling also makes it difficult since workers enter and leave the sector. All in all, recruitment and representation of employees in hotels is challenging, and low union density forces unions into an attitude of cooperation rather than confrontation.

2 Hotel workers in Norway

Hotel workers are usually described as a part of the group ‘hotel and restaurant workers’. However, as implied above and reflected in research by Norwegian research institutions such as FAFO (see below), there are important differences between work in hotels and in restaurants with respect to the size of the workplace, ownership dynamics and the stability of the workplaces. There is also a distinct difference between city hotels and resort hotels, as city hotels are less influenced by seasonal fluctuations and thus have a more even workload throughout the work week.

An IA (*Inkluderende arbeidsliv*) report from NAV² states that 23.031 employees were employed in the hotel sector in Norway in 2003-2004, down 12 per cent from the previous year (NAV 2006). As in the case of Europe (above), the hotel sector in the Oslo region is also a “typical female workplace” with 60 per cent female staff, compared to 43 per cent in the Norwegian labour market. Furthermore, work outside regular working hours is particularly prominent in the hotel sector, with 41 per cent working shifts outside the regular hours, 66 per cent on Saturdays, 46 per cent on Sundays, 20 per cent at night and 43 per cent in the evening. Temporary staff is overrepresented in all these figures. There is a low education level and widespread language barriers, particularly among cleaning staff.

Again, as we saw in Chapter 2, physical and mental stress and strain are prominent, which is aggravated by atypical work hours. Alcoholism, abuse and a fragmented psychosocial environment is mentioned in the report. Three out of four employees are below 40 years of age. High staff turnover challenge the sense of solidarity at work (NAV 2006). Bråten *et al.* (2008) identifies the hotel/restaurant sectors as areas of the labour market with high levels of non-permanent employment (26 per cent). Moreover, repetitive and monotonous work (physical strain) and the pressure from guests’ and employers’ *needs* (mental strain) are emphasised as major threats to good occupational health and safety. The report states that the work tempo is high in the sector and that a large share of the employees experience threats and violence.

Research on industrial relations in the hotel sector must also consider the level of organisation on the side of capital (the employers) and the side of labour (employee association, trade unions). At the national level, the organisation of capital at 20 per cent is low (NAV 2006) – this picture changes dramatically when we look at the hotel sector specifically, and Oslo and Akershus in particular, where most hotels are organised in employer organisations (see below). The unionisation rate in hotels and restaurants is among the lowest in the entire Norwegian labour market, estimated at

² The Norwegian Labour and Welfare Administration
Working Paper 2010:106

only 14 or 15 per cent (see NAV 2006; Nergaard and Stokke 2006, respectively), while union density in Norway as a whole was 52 per cent in 2007.³ However, again, our own estimates from 2009 indicate higher figures for hotels only. Perhaps not surprisingly, unionisation and employment status correlates. Nergaard and Stokke (2006) also states that 40 to 50 per cent of non-unionised hotel and restaurant workers are temporary workers, new employees or part-time workers. Also, the number of workers under a tariff agreement is significantly higher than the number of union members – tariff agreements decide workplace wages even if there is no union present. In the private sector in general, the unionisation rate seems to correlate positively with the size of the workplace (Nergaard and Stokke 2006).

Labour migration is an important factor shaping the labour market in the hotel sector in Norway. Dølvik *et al.* (2006) found that 10 per cent of the hotel and cleaning businesses report that they use Eastern European labour in 2005-06. This was the sector that prioritised employment of Norwegian labour the least. However, only 47 per cent of the migrants were permanently employed, while 43 per cent had temporary work contracts only. A main challenge for the Norwegian trade union movement in general is the low level of representation of immigrants (Lund and Friberg 2004). Trade unionism in the hotel sector represents an exception in this regard, as the main hotel union has taken a more proactive and solidaristic line compared to the strategies of unions in other sectors with a high level of worker migrants. However, these promising initiatives are decentralised, and could have been better anchored at a leadership level in Fellesforbundet and LO, Lund and Friberg (2004) argues. It is clear that the hotel sector represents one of the sternest tests for LO and organised labour in the near future – both with regards to labour migration and corporate restructuring (outsourcing) – a test which will help determine the ability of the Norwegian labour movements to face global stress.

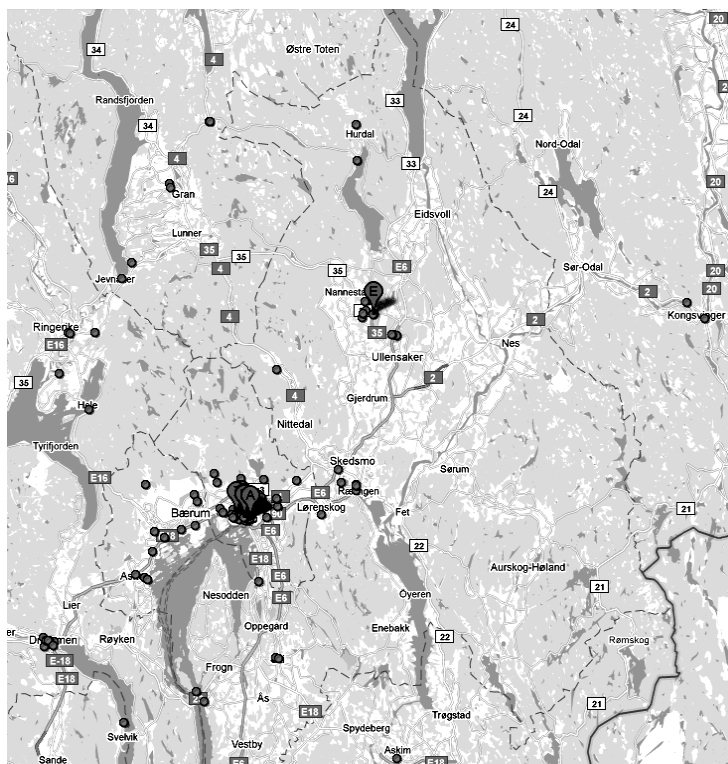
³ http://www.eurofound.europa.eu/eiro/country/norway_1.htm

3 Workplaces in Oslo and Akershus

In the following, we will present an outline of hotel workplaces in Oslo and Akershus, based on conversations with key informants, document analysis and some available statistics which were perused in order to prepare the workplace survey and qualitative case studies forming the main empirical component of the research project at hand. The following is thus only a preliminary mapping and analysis, and not a presentation of research findings. Based on several sources, we have constructed a list of 110 hotel workplaces in the region. This list consists of very different workplaces: While Oslo's tallest building is a hotel with 673 rooms, other entries on this list only have a couple of rooms to offer in the summer season somewhere in the countryside of Akershus; whereas Hotel Bristol celebrates their 90th anniversary this year, a group of business hotels surrounding Gardermoen airport are still under construction and will open for service during the course of this research project; yet others have had a strong union presence for years, have recently changed owners, or have recently undergone staff restructuring. Both structural conditions such as size or location and the history of a workplace is a decisive factor when trying to understand its politics.

3.1 Location

Oslo and Akershus represent the most important hotel market in Norway, as it includes the capital city and the hotel complexes surrounding the main airport in the country. Oslo is also the city with the highest number of labour migrants, which shapes the social composition of the workforce in the sector. 42 of the hotels are located in Akershus, while 67 are in Oslo. Eight of the Akershus hotels are in close proximity to the main national airport.

Figure 3.1 *Map of Oslo and Akershus*

Source: maps.google.com

By looking at a search for hotels in Google Maps, it becomes clear that the major hotel hub is the city of Oslo (marked with ‘a’). In the surrounding Akershus county the Gardermoen airport (marked with ‘e’) in Ullensaker municipality is the secondary hub, with Asker/Bærum and Skedsmo/Lillestrøm forming smaller hotel markets westwards and eastwards of the capital city, respectively.

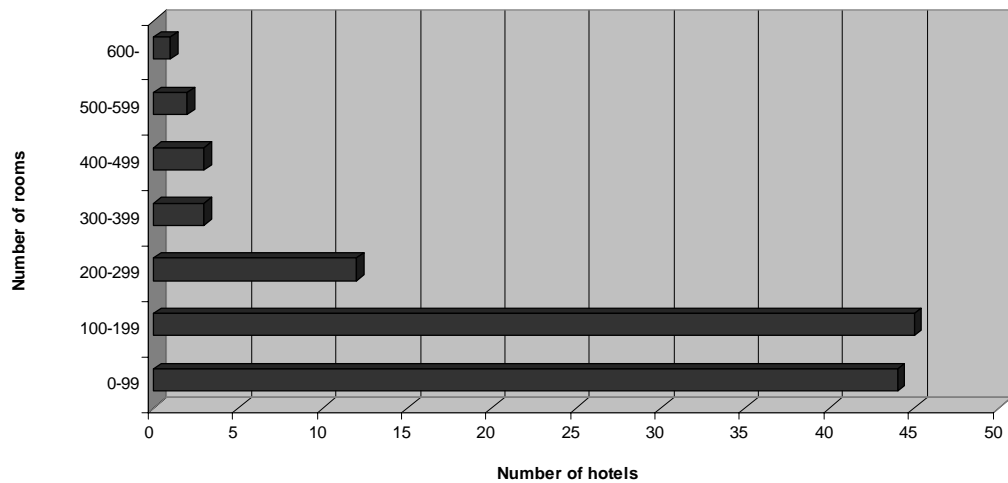
3.2 Size

How do you measure the size of a workplace? The team decided to use the number of rooms as an indicator of size, after discarding annual turnover, number of annual reported man-years and other financial indicators as too unreliable⁴. Still, room number is a problematic indicator if most rooms are empty, and this figure should ideally have been matched with occupancy rate to better depict the size of the workplace. However, an annual sector-based business report (Horwath Consulting 2009) states that Oslo and Akershus have a relatively high occupancy rate compared to the rest of the country, making this indicator more precise in this region.

Most of the hotels have less than 200 rooms, with only a handful of hotels in Oslo and nearby Gardermoen airport boasting room numbers in the 300-600 range. The distribution of size is as follows:

⁴ This was partly related to outsourcing of staff and the problem of separating the hotel workplace from other business activities such as external restaurants and conferences.

Figure 3.2 Room numbers, hotels in Oslo and Akershus



The average number of rooms in Oslo is 151, compared to 128 in Akershus. The Akershus average drops to 90 when we omit the large airport hotels, five of which are large hotels with room numbers ranging from 260 to 503.

3.3 Ownership and chain management

The ownership of a hotel is often divided between a property and a business component. It is the business component which is of main interest to this research project. National markets for hotel businesses are often dominated by domestic, on the one hand, or foreign-owned hotel chains on the other. The Horwath report states that Scandinavian chains are dominating the hotel market, but this is a statement that needs precision. Excepting Choice and Best Western, the other chains (Thon, Rica, First, Scandic and Rezidor) have Scandinavian roots. Most hotel chains in Norway also have a presence in other Nordic countries, but different chains are dominant in different countries.

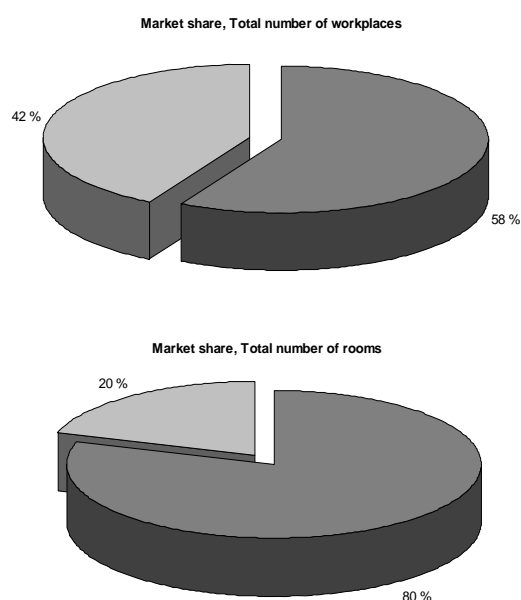
Moreover, different chains are not only organised differently. A single chain may also offer different forms of affiliation to the various hotels that make up the chain. In some cases, chain management is tightly coordinating all aspects of the running their hotels, while others are organised in *franchise chains* where individual hotels are self-run but pay a chain for marketing and branding. There are also hybrid models between these two ideal-types. Chains in the Norwegian market are quite diverse in their structure and business strategies. Out of 110 hotels in Oslo and Akershus, the number of chain hotels is 64.

Table 3.1 *Main hotel chains in Oslo and Akershus*

Chain	Hotels	Rooms
Thon	24	4422
Choice	12	2421
Rezidor	6	2173
Rica	8	1236
Scandic	6	1149
Best Western	6	591
First Hotel	2	161

Some chains, like Rezidor⁵, specialise in larger business hotels whereas others, like Thon and Choice, bring a range of different hotels and concepts in a diversified portfolio. On average, however, chain hotels are larger than non-chain hotels. Therefore, while chain hotels account for 58 per cent of the workplaces, the chain domination in the sector is more visible when we measure their grip on the total number of rooms.

Figure 3.3 Chain and non-chain market share of hotels in Oslo and Akershus



⁵ Rezidor are present in Norway through the brands Radisson BLU and Park-Inn.

3.4 Revenue and labour costs

Although the hotel sector was hit by the financial crisis in 2008-2009 as most other industries, the rate of profitability has grown substantially the last 5 years. The large expansion of hotel capacity in Oslo and Akershus the last two years reflects the expected further growth. An indicator used to indicate the potential for profit in a hotel business is *revenue per available room*, abbreviated to RevPAR (Horwath, 2009). This indicator does not only measure the revenue per room sold, but also the way in which the capacity of rooms has been exploited. In other words, RevPAR is the price rate of hotel rooms against the occupancy rate (rooms occupied). By tracing the RevPAR for all Norwegian hotels throughout the last decade, it seems as if there was no real growth of RevPAR from 1998 to 2004, but a considerable growth from 2005 to 2008.

Table 3.2 *Occupancy rate and revenue per available room, 1998-2008*

Year	Occupancy	Average room price	RevPAR
1998	53,7 %	643	345
1999	53,1 %	678	360
2000	51,3 %	682	350
2001	50,7 %	689	349
2002	49,5 %	698	346
2003	48,2 %	702	338
2004	50,0 %	701	351
2005	52,1 %	717	374
2006	54,6 %	746	407
2007	56,8 %	811	461
2008	55,3 %	868	480

Source: Based on data from Statistics Norway og Horwath Consulting.

However, there are large geographical variations in RevPAR. In 2008, the Oslo RevPAR (698) was close to 129 per cent higher than Hedmark (303), while Akershus came between these two (555) (Horwath, 2009). However, considering the hotel growth area in Akershus around Gardermoen, it is likely that the RevPAR will increase substantially over the next years. When comparing RevPAR municipality figures for 2008, the Gardermoen airport host Ullensaker (574) rates fifth in Norway after Stavanger (742), Oslo (697), Bergen (654) and Trondheim (586), even despite the relative decline of hotel visitors associated with Gardermoen after the onset of the financial crisis in 2008. Thus, the expected profitability of hotels in Oslo and Akershus seems considerably higher than the national average of 480.

What about labour costs? Unfortunately, we do not have as exact numbers as we have for revenue, but we do have numbers for relative cost of labour as a percentage of total turnover numbers at the national level. Note that this includes outsourced work, implying that contracts for i.e. cleaning services are registered as labour costs. The following table shows the development of these relative labour costs against RevPAR from 1998 to 2008 (national average for Norway):

Table 3.3 *Revenue per available room and relative labour cost, 1998-2008*

Year	RevPAR	Labour cost
1998	345	40,1 %
1999	360	39,5 %
2000	350	39,7 %
2001	349	38,2 %
2002	346	37,9 %
2003	338	38,5 %
2004	351	36,2 %
2005	374	36,4 %
2006	407	36,2 %
2007	461	35,0 %
2008	480	35,1 %

Source: Based on data from Statistics Norway and Horwath Consulting

The declining trend of labour costs is relatively clear and may be due to a combination of higher productivity per worker, less workers, lower real wages and higher capital costs (including internet booking systems replacing booking personnel). We do not have data to make regional comparisons in this category, but the high real estate prices in the Oslo and Akershus region may suggest that the labour costs as a percentage of total costs are lower than the national average.

3.5 Corporate social responsibility (CSR)

In its broadest sense, CSR builds on the notion that companies have responsibility for their impact on society and the natural environment. CSR refers to initiatives taken on a “voluntary” basis that exceed compliance with existing laws and regulations in the countries where the companies operate (Jenkins et al. 2002, Pietro-Carròn et al. 2006). The purpose of examining CSR in the Norwegian hotel is twofold. First, it might impact on the overall competitiveness of the hotels and thereby affect employment policies and industrial relations indirectly. For instance, image boosting by the aid of CSR might create goodwill and thus increase sales, while measures to reduce consumption of energy and chemicals may reduce costs. Second, CSR initiatives might impact on industrial relations more directly as a good ethical reputation might serve as a competitive edge in recruiting qualified and loyal employees, particularly in administration and front-end positions. In a sector characterised by shift work and seasonal variations in demand for labour, it might not, however, be considered profitable by the management to pursue work-related CSR measures over and above legal requirements in labour demanding positions such as housekeeping and kitchen-related services. The chains dominating the hotel market in Norway approach CSR in slightly different ways and make use of different certification and labelling procedures. The following is based on a preliminary review of the CSR approaches that the chains present on their websites.

The seven main hotel chains that operate in Oslo and Akershus are Best Western, Chocie, First, Rezidor, Rica, Scandic and Thon. First, Thon, Rezidor and Choice are

the chains that most actively make use of the notions of CSR or responsible business. However, any of few references to employees and labour relations as part of CSR are only made in a highly generalised way.

In the case of First, working conditions are addressed in terms of “Conducting business and labour relations in accordance with internationally recognised principles and guidelines and by adhering to the UN Charter of Human Rights.”⁶ This can be considered part of the overall adjustment of the chain to the strategies and principles of the Global Compact. The United Nations Global Compact is the largest international multi-stakeholder programme in CSR. It was initiated as a voluntary partnership between the UN and the private sector in 2000. Presently it counts 7700 members, including companies, industry associations, unions, and private organisations such as Amnesty and Oxfam.⁷ Global Compact presents a policy framework in the areas of human rights, labour, the environment and anti-corruption based on which companies are expected to formulate their strategies, define measurable targets and assess their achievements. It also serves as a platform to disseminate information about their programmes publicly and discuss results and experiences with the other members.

The foundation Eco-Lighthouse certifies the Thon hotels in Norway. The certification procedure includes attention to waste, energy, purchase of environmentally friendly products, “focus on initiatives to improve the work environment”, and organic food.⁸ The only elaboration of work environment that could be found on the web page is the information directed at job seekers that Thon hotels “focus and appreciate that [the] staff get the training they need; an inspiring and nice work environment, challenging tasks; opportunities for individual development; and [...] has a say and a voice in areas related to their job.”⁹

Rezidor is the chain which most clearly links responsible business to their financial bottom line. Their Responsible Business programme was established in 2001, and involves responsibility for the health and safety of employees and customers, respecting social and ethical issues in the company as well as the community, and reducing their negative impact on the environment. The argument is that they by operating in a way that is respectful of human rights, socially equitable and environmentally sustainable, they can better meet economic responsibilities. A triple bottom line like this which links consideration for people and the environment with profits is also a key approach of Global Compact. In Rezidor employee well-being is related to customer care: “...employee well-being is vital, as we are a service industry and depend on our employees’ professional and hospitable interaction with guests.” And: “Our ambition is to be a good company to work for...”¹⁰ Rezidor joined Global Compact in 2008 as one of the first international hotel chains to do so.

⁶ <http://www.firsthotels.com/en/About/CSR/>

⁷ <http://www.unglobalcompact.org/AboutTheGC/index.html>

⁸ <http://www.thonhotels.com/About-Thon-Hotels/Environmental-policy/>

⁹ <http://www.thonhotels.com/About-Thon-Hotels/#tabmenuanchor>

¹⁰ Web site: “The Rezidor Hotel Group: Responsible Business”. Available at <http://tinyurl.com/yea9ct2>.

WeCare¹¹ is the name of the social responsibility programme of Choice. The part on people addresses relationships with guests and employees, and with groups of people outside the hotel doors who need a helping hand. However, the main emphasis is on the well-being of guests, organic breakfasts being one such initiative, and charity. Employees are barely mentioned. Choice became a member of the Norwegian Initiative of Ethical Trade (IEH) in 2008 and is presently the only IEH member from the hotel sector. As the IEH joined Global Compact in 2010, the dimension of labour relations might become more visible in the CSR strategy of Choice.

Rica targets the environmental dimension of CSR in the daily operation of their hotels. In addition, they follow up on the environmental practices of their suppliers. Moreover, Rica makes a point of serving their guests local food both from an environmental point of view and in order to support local enterprises and maintain local food culture.¹² As part of the social engagement they contribute to UNICEF and they have established a fund to support initiatives directed at children in need worldwide. They have also established a Rica fund that supports projects of the environmental protection type as well as projects that address matters of social concern. An example of the latter is aid to people who suffer from natural disasters.¹³ Rica does not explicitly emphasise labour standards or employment practices in the CSR strategy.

Scandic applies the notion of responsible society in their work, and their main concern is with the environment, both inside and outside the hotel doors. The hotel chain has gained a number of awards for their environmental initiatives and regarding the people dimension of CSR, they have gained an award for their focus on accessibility for the disabled. They have established a sustainability fund to support initiatives towards more sustainable social development, i.e. projects directed at social work, accessibility, health and safety in the countries where Scandic operates.¹⁴

Best Western highlights its philanthropic commitment and has established a community relations programme called “Best Western for a Better World.” Their mission is to support the local communities where they are operating, as well as children living in poverty worldwide through World Vision. They also mention on their web page that they are committed to their membership and employees, but this is not elaborated upon.¹⁵

In sum, one may conclude that there is a preoccupation in the CSR initiatives of the hotel chains with environmental measures and philanthropic projects. According to Horwath Consulting (2009), all of the seven chains mentioned above subject themselves to environmental certification and labelling procedures. While Choice goes for ISO14001 certification and Thon has chosen Eco-Lighthouse, the reminder applies the Swan label. The keen interest in environmental initiatives is not surprising given the potential to save costs this way. Thon, for instance, reports to have reduced energy consumption by 26,4GWh annually and attained NOK 20 million in cost

¹¹ <http://www.choicehotels.no/chs/choice/en/about/corporate-social-responsibility/>

¹² <http://www.rica.no/Om-Rica-Hotels/Miljo/>

¹³ <http://www.rica.no/Om-Rica-Hotels/Sosialt-engasjement/>

¹⁴ <http://www.scandichotels.no/Om-oss/Ansvarlig-samfunn/>

¹⁵ <http://www.bestwestern.com/aboutus/>

reductions.¹⁶ Social engagement in the form of local and worldwide philanthropic projects is also common among the chains. In addition to a general concern and willingness to help and the positive implications that this may have on the image of the chains, in Choice it is also argued that this contributes to job identity, loyalty and meaningfulness of work (personal communication). In addressing the people dimension of CSR, the hotel chains are mostly concerned with the well-being of their customers. Surprisingly little is mentioned on the web pages about attention to the well-being of employees, other than in relation to the guests that they serve. It is interesting in its own right that labour relations and working conditions are not highlighted as part of CSR. In the research project we will look further into how the policies on human resources of the chains and the respective hotels are affected by globalisation, changes in competition and international migration the last ten year, and how this in turn impacts on labour relations and working conditions.

3.6 Organisation of labour and capital

If we compare the size of the membership of the hotel union OHRAF¹⁷ against the number of employees (measured in man-years) in each hotel¹⁸, we get an indication of the unionisation rate in the sector which stands at 26.3 per cent. 56 of 110 hotels have OHRAF members. In line with our assumptions, unionisation in the hotel sector has been most successful in the larger workplaces. If we look at the major union hotels in the region, they have an average room size of 306.

¹⁶ <http://www.thonhotels.no/Om-Thon-Hotels/Miljo/>

¹⁷ Fellesforbundet, Avd. 246, Oslo og Akershus Hotell- og Restaurantarbeiderforening.

¹⁸ Clearly, this not a precise indicator, but the closest we get at this stage of our research.

Table 3.4 *Top ten unionised hotels in Oslo and Akershus¹⁹*

Rank	Hotel	Rooms	Unionisation indicator
1	Rica Helsefyr	207	84 %
2	Rica Victoria	199	70 %
3	Radisson BLU Airport	503	61 %
4	Radisson SAS Scandinavia	488	60 %
5	Grand Hotel	290	60 %
6	Quality Hotel Mastemyr	155	59 %
7	Best Western Karl Johan	114	55 %
8	Scandic Hotel KNA	189	54 %
9	Scandic Hotel Byporten	239	53 %
10	Radisson BLU Plaza	673	51 %

On the capital side, 9 out of 10 of these hotels are organised in the business chamber NHO Reiseliv. Interestingly, only one hotel on this list has outsourced its cleaning services. In other words, there is not only a potentially strong link between organisation on the labour and capital side, but also between hotel size, unionisation and outsourcing of cleaning services.

In the region as a whole, 72 per cent of the hotels are organised in NHO Reiseliv. Both the estimates indicating the organisation of labour and capital should be treated with caution, however, not the least because both organisations are threatened by rival organisations which are in the process of penetrating the sector (albeit in small numbers) – HSH²⁰ on the capital side, and Norsk Arbeidsmandsforbund (NAF) on the labour side, respectively.

Some of the hotel chains have also formed an organisation outside the conventional and corporatist oriented business chambers, namely the *Forum for Reiseliv* (Forum for the travel industry). The organisation was established in 2004, first and foremost as a lobby group to promote the interests of the industry in various contexts (Forum for Reiseliv 2009). A crucial task of the organisation is to target politicians and the bureaucracy, thus demonstrating that the capital side of the sector seems to recognise the growing importance of informal networks and lobbyism at the expense of traditional corporatist structures (see Christiansen and Rommetvedt 1999). The hotel chains Choice, Rica, Rezidor and Thon are represented in the board of Forum for Reiseliv, while the secretariat is run by professional lobbyists such as Per Morten Vigtel (Strandhaugen 2004).

¹⁹ According to the unionisation indicator explained above.

²⁰ Hovedorganisasjonen for handel og tjenester i Norge (HSH) Reise: <http://www.hsh-org.no/reise>.

3.7 Outsourcing

A significant trend in the hotel sector in Norway in the last few years has been to outsource room cleaning and, to a lesser degree, their food and waitering services. The Danish company ISS Facility Services is the major player in this process, while the Swedish company HSMG is a more recent newcomer to the market. In addition, a number of smaller motels use small cleaning companies to do this task. There are also other cost efficient solutions. The co-location of hotels and restaurants allows some hotels to run without a kitchen services, as in the case of Thon/Scandic hotels and Egon restaurants (owned by Norrein).

36 hotels in the region state that they have outsourced or partially outsourced room cleaning. This represents 33 per cent of the population. ISS states that they have contracts in 29 hotels in Oslo and Akershus, making them the major driver in the outsourcing process.¹ ISS has 4000 employees in Norway in total, 3.600 of which are in cleaning services. Approximately 500 ISS employees are employed in hotel workplaces. ISS representatives explain that the Norwegian hotel market opened up for service companies on contracts in 2006, due to a change in the regulations relating to VAT on staffing services. ISS only ran housekeeping in one hotel for a while, Thon Hotel Gardermoen, from October 2006. Since then, the hotel market has 'matured', as ISS started expanding rapidly until 2008.

Chain ownership influences the pattern of outsourcing: Thon is the chain with the highest degree of outsourcing, while Scandic is in the middle of a pilot project on outsourcing. Rica and Rezidor, on the other hand, have as per 1 January 2010 kept room cleaning in-house in all of their hotels. Another interesting category of outsourcing is the form which takes place in the small number of *hospital hotels* in this region. With the opening of a new hospital hotel at Radiumhospitalet in January 2010, there are now three hospital hotels in Oslo/Akershus: Gaustad hotel, Ullevål hospital hotel and Radiumhospitalet hospital hotel. Given that hospitals are public sector institutions, which increasingly are using on-site hotels for accommodation for patients and relatives, the companies which have specialised in contract services in the hotel sector have an advantage in bidding for these tenders. Some hospital hotels also offer nursing staff in addition to cleaning, kitchen and waitering staff. While ISS has been a part of at least one of the tender processes concerning one of the above-mentioned hotels, there are two other companies which have established a presence in this segment: Norlandia Care²¹ and Medirest. The hospital hotels represent a form of outsourcing which involves a more extensive externalisation of the hotel business than is in the rest of the sector. Hospital hotels are organised in the business chamber NHO Service – where contractors such as ISS are among the main players – and not in the traditional hotel chamber NHO Reiseliv. OHRAF organises some workers in Norlandia Care and Medirest.

²¹ This company is a part of a corporate structure, Norlandia, which used to incorporate an independent hotel brand (now a part of the Best Western chain).

The outsourced hotels have, on average, only six union members in their staff, compared to the non-outsourced hotels with an average of 16 unionised workers²². As outsourced hotels are only marginally smaller on average than non-outsourced hotels²³, one is warranted in suggesting a direct link between the outsourcing process and the low number of union members. Then, of course, the question remains whether it is the outsourcing that causes union member loss or lack of union presence which allows for outsourcing to take place.

Outsourcing also impacts on the relationship between different unions. Two LO unions, NAF and Fellesforbundet (OHRAF), both want to organise ISS workers. At present there is a dispute between these unions which will be assessed by the central organisation of LO. Related to this, there is also uncertainty as to which tariff agreements hotel workers should fall under. ISS states that they are still not clear as to whether the work of their employees are defined as “hotel services” – in which case they fall under ‘Riksavtalen’ with Fellesforbundet – or as “cleaning services” which falls under ‘Renholdsoverenskomsten’ with NAF. The fact that ISS are involved in kitchen and waitering services in several hotels obviously complicates any attempts to define their services as “cleaning services”.

3.8 Job categories and working hours

The last mapping exercise which has been conducted as a part of this project was related to the complex set of shifts and departments which constitutes the hotel as a workplace. Although every hotel is different in its organisation of work²⁴, the main categories of work can be listed in the following typology:

- Room cleaning
- Cleaning, common areas
- Receptionists
- Waitering staff
- Bar staff
- Chefs
- Kitchen staff, dish-washers
- Technical work
- Administration
- Booking and sales
- Conference function staff

²² Based on membership figures from OHRAF (Fellesforbundet). Most likely, there are members of other unions also working at these hotels, so this estimate will be tested through the upcoming hotel worker survey.

²³ 135 to 148 rooms, respectively.

²⁴ Importantly, many of the smaller hotels operate with fewer (or no) divisions. Moreover, multi-tasking for individual employees is commonplace also in the larger hotels.

Each of these job categories has its own shifts, and the workforce in each of these has its own socio-cultural make-up in different hotels. While some workers encounter each other throughout the work day, other departments are quite separate. Outsourcing is more common in some (room cleaning, booking and sales) than others. Organised labour also faces quite different problems with regards to recruitment and representation in relation to these different work categories. Needless to say, workplace solidarity is a challenge.

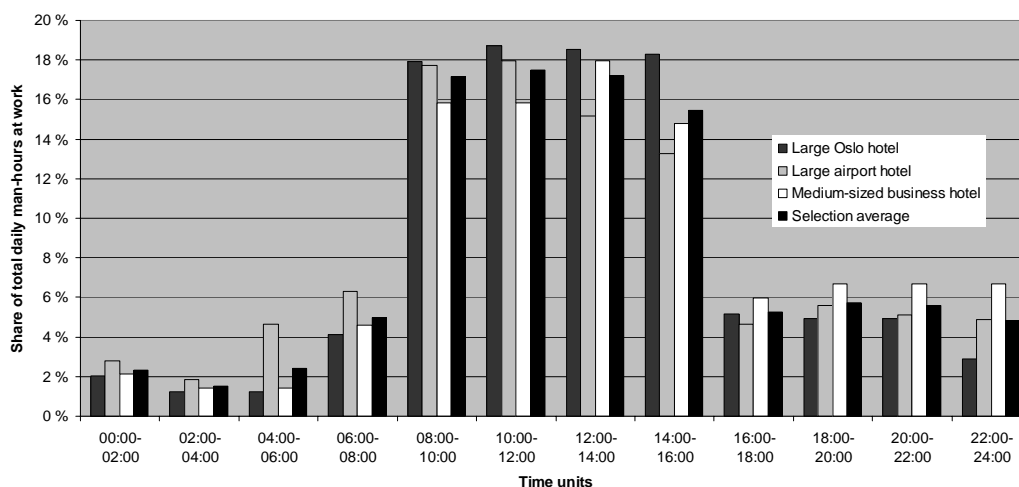
The research team wanted to map the different shifts making up the work day in a hotel, and the likely number of workers in each of them. This was required in order to make a random selection of workers for the survey but also stands as an interesting exercise for this working paper. Most hotels operate with four shifts²⁵:

- Morning/breakfast shift: ranging from 04:00-10:00, but in most cases staff starts work at 05:30 or 06:00. Some are 8-hours shifts with multi-tasking after breakfast, others are 5- or 6-hour shifts.
- Day shift: 08:00 in most cases, some start earlier or later. Mostly 8-hours shifts with some use of over-time. Reception staff tends to start 07:00.
- Evening shift: 16:00-22:00. Some hotels have an 8-hour evening shift for cleaners, but the evening shift is only significant in full-service hotels where kitchen and waitering staff work this shift. The bar shift is usually 18:00-02:00.
- Night shift: 23:00-07:00. Reception staff and sometimes a few other functions.

To tackle the problem of overlap between shifts²⁶, the 24-hour period was divided into 12 two-hours worker *units*. In the three hotels consulted, the distribution of workers in these units was as follows:

²⁵ Interviews made with hotel employees at three hotels of different sizes and types, gave us an indication of the distribution of employees according to shifts. In addition to numerical estimates from managers and supervisors three hotels, informants at other hotel types were also consulted.

²⁶ Particularly morning and day shifts.

Figure 3.4 *Distribution of shifts in three hotels*

The graphs clearly demonstrate how day shifts at hotels tend to be significantly larger than morning, evening and night shifts. A main factor determining the size of the evening shift, however, is whether the hotel is full-service²⁷. What this mapping obviously fails in depicting, is the actual work day for individual hotel workers, including practices of overtime and irregular shifts related to conferences and peak demand. This will be one of the main objectives of the survey.

²⁷ With in-house restaurant(s) and bar(s), as well as laundry services etc.

Sources

Telephone interviews with supervisors, hotel directors representatives of chain management in several hotels, chains and service companies.

Representatives from the unions OHRAF and NAF and the business chambers NHO Reiseliv and NHO Service.

We also draw on interviews with other key informants, including Per-Erik Winther at Horwath Consulting.

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