



DIRESOC

Digitalisation and Restructuring:
which Social dialogue?

WP3: Country case studies

“IS THERE ANYTHING I CAN HELP YOU WITH ?”
MODERNISATION THROUGH DIGITALISATION : THE CASE OF HOTEL ALBAN

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Introduction

This document aims to present the findings from a case study led in the tourism industry on the impacts of social dialogue on ongoing processes of restructuring resulting from digitalisation. More specifically, it addresses the organisational and digital changes that occurred in a hotel in Belgium which we will henceforth refer to as “Hotel Alban”¹.

Reasons for choosing this hotel as part of the case studies of DIRESOC project are many. First, the process of digitalisation and its possible relevance to our research were spontaneously evoked by one of the participants to the Belgian national report carried out in Work Package n°1 (national overview) of the project. This union representative played a role in the social dialogue negotiations and was in contact with the management. Hence, access to the field and to the actors seemed fairly open. Second, it appeared from the early stages of discussions that the study of the digitalisation of Hotel Alban would allow us to highlight some of the major findings connected to digitalisation that we underlined in the national report. Such findings are, for example, the evolution of sales channels, the exploitation of data produced, the arrival of digital solution for reception and concierge, the impact of digitalisation on reputation, the growing use of Online Travel Agencies (OTAs), etc. Therefore, continuity is assured in the analysis throughout the project. Third, the whole process of modernisation of the hotel started at the end of 2017 and its major changes were implemented by September 2018. This recent time frame allows people to maintain an accurate perception of how they felt and how it underwent while already producing effects and impacts.

The case study can be summarised as follows. Hotel Alban is property of a large property management firm (named Hadene in this case study). Until the end of November 2017, property was leased to a leading international hotel operator. When the leasing contract ended, Hadene decided to turn the building into an owning property and to manage the hotel themselves. It took over the company as well as the staff. Hotel was closed from December 2017 to August 2018, rebranded Hotel Alban, fully renovated and digitalised notably through self-check-in kiosks. These changes were a pilot project aiming to test a new customer centred model of work in which traditional functions (cooks, receptionists, bartenders) are replaced by a single multifunctional job called “host”. Hosts focus on clients’ needs; routine work and low value added tasks being digitalised. Project was strongly carried by the Senior Vice President and Director International Operations of the company (SVP). His wish is to use lessons learned from this pilot project to decide whether and how to export the concept to larger properties managed by the company. Social negotiations took place over two periods. The first one was initiated when Hadene turned the building into an owning property at the end of 2017. The second one took place over the period of Mai-July 2018 and was triggered by the management offer to the employees of signing a contract amendment proposal under which their work conditions and tasks, skills requested and occupations were to change significantly. Several unionised workers then decided to call on their union representative to seek advice on the matter. Bargaining outcomes relate, inter alia, to securing of the work contracts, transitional measures to give employees time to adapt to the new situation, trainings, internalisation of the housekeeping and clarification in the work contracts of tasks and skills requested.

The case study is divided in four parts: the methodology, a general background on the sector and the company, the presentation of the restructuring process linked to digitalisation and a discussion of the main findings.

¹ Fictional name given in order to protect anonymity

1. Methodology

Data collection is based firstly on seven semi-structured interviews, secondly on structured interviews with stakeholders and thirdly on desk research. Some preliminary contents were collected before, during the writing of WP1 and during the approval process by the company. Semi-structured interviews, which form the core element of our approach, were carried out over the period of April-June 2019. They were conducted face-to-face or by phone call. Following the writing of the main corpus of the document, clarification on specific topics was sought through short phone calls. Desk research mainly consists of the website of the company and the website of the hotel, newspaper clippings as well as internal documents sent by interviewees such as organisation chart, work contract, training plan, etc. National and sectorial collective labour agreements (CLAs) were also consulted. The table below summarises the interviewees role along with the date(s) and data collection method(s).

	Respondent role	Date(s) of exchange and data collection method(s)
1	Regional trade union secretary	23/07/2018 – spontaneous pieces of information 16 & 17/05/2019 ² – semi-structured interview
2	Senior Vice President of Hadene, Director International Operations	12/03/2019 – spontaneous pieces of information 26/06/2019 – specific questions
3	Project manager for HRM	30/04/2019 – semi-structured interview 20/06/2019 – specific questions
4	Project manager for operation	30/04/2019 – semi-structured interview
5	First hotel manager	08/05/2019 – semi structured interview
6	Hotel employee	09/05/2019 – semi-structured interview
7	Hotel employee	3/06/2019 – semi-structured interview

Table 1 – Interviews summary

2. General background

In order to fully cover the context surrounding the case, background is provided on two different scales. Sectoral scale and Hadene company scale.

2.1. Sectoral level

On the sectoral level, the Horeca branch in Belgium matches NACE classifications 55 and 56 and covers activities such as hotels, tourist accommodations, camping, restaurants, caterers and beverages. Statistics (ONSS, decentralized statistics June 2017 and INASTI 2017, calculations made by Le FOREM, 2019) indicate the sector comprises, as of 2017, 26.289 establishments, 135.829 salaried jobs and 93.929 self-employed workers. It is characterised by specific work conditions often seen as difficult such as 24/7 shift schedules and highly flexible work times (cut schedules or overtime hours). The sector is also characterised by a great variation in the volume business, with peaks and troughs, and by a dynamism and capacity to adapt to fulfil customers' needs and demands. Sector is also fragmented. In the Brussels region, three fifths of the enterprises do not have employees. 93% of those which do, have less than 20 employees. They share the market with large infrastructures predominantly actives in hotels and catering (Actiris & Observatoire Bruxellois de l'emploi, 2015). The competent joint committee for the sector is the joint committee 302.

² Interview had to be split because of schedule constraints.

2.2. Company level

Regarding the company level, and as stated in the introduction, Hotel Alban is part of Hadene, a property management firm. As of 2018, Hadene's property portfolio comprised 144 hotels with approximately 32.300 hotel rooms in 15 countries, numbers that have shown a continuous increase over the last four years³. Hadene's business is organised into two segments: property management via long term leasing contracts to market leading regional hotel operators and leading international hotel operators (89% of the properties) and operator activities via hotel operations executed by Hadene in its owned hotel properties (11% of the properties).

For 2020, the group pursues an overall strategy of clustering for its internal operations, supported by digitalisation. Shared services such as human resources or finance are in the process of being gathered in clusters of dedicated experts at a Group level and services and/or tools are digitalised. The idea is to create systems for sharing knowledge, to automate and simplify work, to harmonise practices and increase efficiency. For example, digitalised tools for HR include an electronic system for recording attendance (generating anomalies in the event of overtime hours), productivity tools, payroll software, a project for an online catalogue training, etc. Ultimately these tools are to be connected and used in a similar way throughout every hotel. Several experts working for these shared services divide their working time between multiple hotels.

3. Modernisation through digitalisation

Presentation of the restructuring process linked to digitalisation is divided in three sections. First one addresses the work and social situation of the hotel before restructuring, during leasing contract. Second one addresses Hadene's core idea which shaped and orientated the whole process. We analyse the axes of changes induced by the core idea on the business strategy of the hotel, the digitalisation and the work organisation. Third one addresses the concept's implementation and the role of social dialogue regarding the restructuring dynamics during this process. In order to better visualise the different sections, the below timeline illustrates the key tasks and events that marked the process of restructuring studied at Hotel Alban.

³ As indicated on the website of the company on the 9th May 2019. We are unaware of the numbers for the years before 2014.

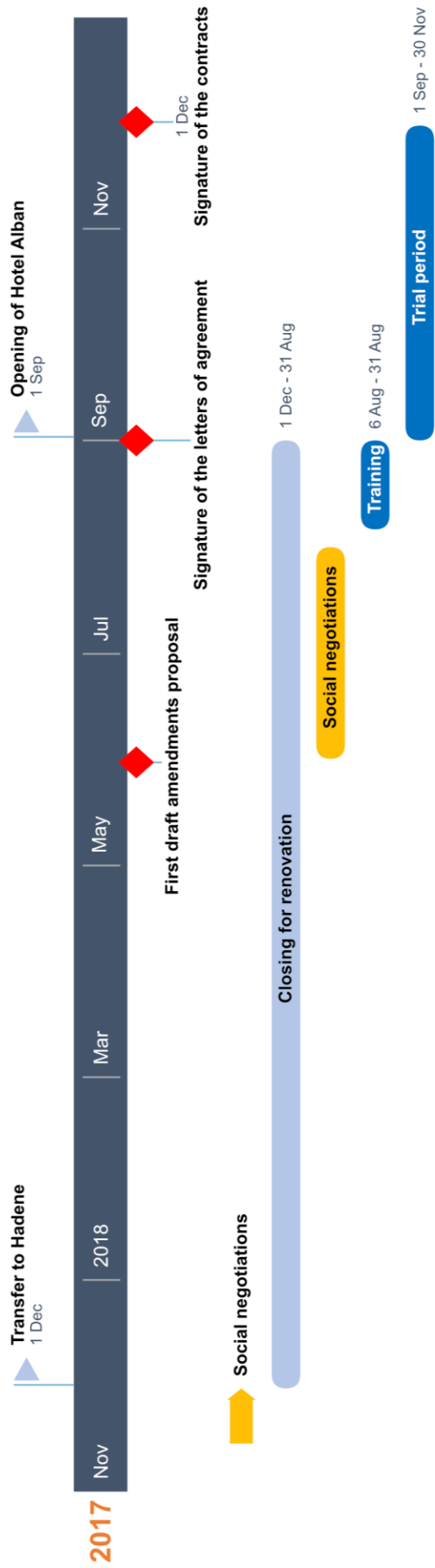


Figure 1 - Hotel Alban case study : timeline

3.1. Before Hotel Alban

3.1.1. The hotel under the leasing contract

The building in which Hotel Alban now operates has been a property of Hadene for more than twenty years. Up until the end of November 2017, it was leased to and managed by a leading international hotel operator via a long-term contract. Work organisation and jobs were those of a typical traditional hotel. A general manager was in charge of the hotel, a reservation department handled bookings, front office receptionists and front office manager checked in and out customers, cooks prepared meals for the restaurant in a kitchen, etc. Housekeeping was outsourced. Thirteen persons were directly employed by the hotel, as well as employees coming from the headquarters level. Hotel had 100 rooms. It provided breakfasts and had its own restaurant. Conference rooms for meetings and banquets were available. Other facilities included fitness, sauna and jacuzzi, and a business centre. On Booking.com, the property scored 7,3/10 at the end of 2017, a rating based on 704 reviews. However, attractiveness seemed to decline over time, especially for the restaurant as stated by one interviewee. Lunch service was cancelled, then management switched to frozen culinary dishes that were served by the waiter and finally, restaurant was closed during the week-ends. Cooks were only providing the breakfasts. According to a couple interviewees, the hotel operator was not looking to renew the long-term leased contract. This could explain, according to them, the cost cutting choices and the decision of not continuing to invest in a business they would soon terminate.

The hotel was under the minimum threshold of the sector of 40 workers for the establishment of a union delegation⁴. This, as indicated in the general background, is a recurrent feature of the sector. Union intervention in the hotel was limited and the general situation of the hotel was described as “complicated” by a couple interviewees, stating that this assertion was rather based on a feeling than tangible evidences.

3.1.2. Handing over the hotel: first social negotiations wave

As the end date of the lease contract approached, Hadene’s first choices were to either sell the building or lease it to another company. The option of running the hotel themselves was not initially considered because of the small size of the building being out of Hadene’s usual strategy. It made development of a new brand for the hotel less attractive in terms of return on investment. However, when negotiations with potential buyers or renters did not lead to a settlement, the turning of the building into an owning property and the development of a new brand was reconsidered under the umbrella of a pilot project (see section 3.2. about Hadene’s concept) which could provide both human and financial benefits.

Such operation comes under the scope of the national collective labour agreement n°32bis related to employment protection in relation to business transfers⁵. Eurofound (2019) describes the CLA as followed:

Under the Belgian law, a transfer of undertaking applies to a transfer of 'an economic entity which will keep its identity after the transfer' (a 'going concern'). The act provides for the transfer of employment contracts without change if the economic entity continues to exist. However, as is stated in collective agreement n°32bis, the transferee does retain the right to make reasonable changes to an employment contract

⁴ This being a sectoral specificity. The minimum threshold for the establishment of a union delegation is generally of 50 workers in Belgium. The minimum threshold for the work council is of 100 workers, and is of 50 workers for health and safety committee.

⁵ “Collective labour agreement nr. 32 bis agreed upon 7th of June 1985 in the National Labour Council, concerning the retention of employee rights in case of a change of employer due to a transfer of enterprises by force of agreement, and the establishment of employee rights for those retained in case of a take-over of assets after closure”.

but may not include conditions which are to the detriment of the transferred employees without agreement.

Hence, when turning the building into an owning property, Hadene had the obligation to take over all the personnel. With low-season coming, and given that rebranding would take at least several months to be complete, Hadene wish was to close the building and send the employees to work in other hotel of the company as a transitional measure. For the first months, while the project was being elaborated, the company also decided to offer the building as a safe haven for undocumented people.

These internal decisions were however not yet explicitly presented to the employees. As the date of the transfer approached, the latter got concerned about their future new employer and what they could expect from Hadene for the property and for their work contracts. Several unionised workers then reached to their regional trade union secretary and asked to establish contact with Hadene in order to receive more details about these matters. This first wave of social negotiations resulted in two outcomes. First, a general presentation of Hadene company was organised and given by the SVP of the company. Hadene's concept for Hotel Alban was not presented because it was not yet finalised. Second, social partners reached a verbal agreement on the transitional measure during closing. Hadene offered to the employees the possibility to either work in a similar position in one of the other hotels of the company or to stay at home and be paid (or a combination of the two). The choice was left to the employees based on their personal preferences, during a personal interview with the project manager for HRM before closing. This resulted in flexible arrangements. Out of the 13 employees, one for example chose to dedicate that time to his/her education and one to taking care of his/her baby. Others alternated between work and time off; others worked in various hotels of the company, or became security/engineer guards (some for night shifts) for the building, etc. One person decided to quit because he was offered a work contract with the previous hotel operator. Thus, 12 out of 13 persons decided to continue working with Hadene when the hotel got transferred to Hadene.

The turning of the building by Hadene to an owning property also changed the social dialogue dynamics. By joining a bigger structure that has a significant number of employees working in Belgium, the hotel fell into the threshold previously mentioned and was incorporated into Hadene's social dialogue structures, allowing them to take an active role in it. It made it possible for unions to designate shop stewards in the hotel. However, the union representative we interviewed chose not to follow that option. He stated that employees were going through an intense period of change which could possibly prevent them from stepping back from the operational reality and acquiring an general view on their work conditions and organisation, something he considers necessary for being able to defend union's interests.

3.2. Hadene's concept

3.2.1. Ideas and philosophy

Now that the frame existing before the Hotel Alban has been set and analysed, let us delve into Hadene's concept for Hotel Alban. Hotel Alban is not the first that the group acquires as an owning property and directly manages, but it is the first in which such pilot project is conducted. Hadene chose this particular hotel to carry it out because of its reasonable size and the low financial risks associated (at the scale of the company, which is used to handle bigger hotels of 300 to 400 rooms). Additionally, it was picked because of the opportunity to almost start from scratch by combining a material renovation with digital disruption. Something which, according to the interviewees, is easier than to try to introduce little by little new ways of working in a pre-existing organisation. The objective is to see if such a transformation can later be implemented in larger structures.

The concept and its core ideas were initiated by the SVP of Hadene and were inspired by other hotels being run with similar techniques in neighbouring countries. The SVP puts this pilot project on a strategy level and strongly advocates for it. According to him, it is of a critical importance that the hotel industry adapts to better take into account the possibilities given by the exploitation of data and digitalisation⁶, something which the hotel industry seems reluctant to do.

The organisational structure is still the same. We know exactly the cost of digital solutions, how many guests we will have in September, how many flights will land in [name of the city removed], how many guests will arrive. That should change the role of leader but it has not in the hotel industry, traditional old school sector. (Interview excerpt, SVP).

Picking on innovations from the hospitality industry but from other sectors as well, senior executives and experts coming from different hotels of the company got together to work on the design of the idea. Such shared and coordinate project within the company is rather unusual as executives and experts compete directly on the hospitality segment when they manage hotels.

In short, Hadene's concept is presented by the Senior Vice President as a new philosophy of working in the hotel industry. It is the one of a hotel in which staff:

- focuses on providing a core service which, by definition in the hospitality sector, is to provide customers with rooms to sleep in;
- is relieved from routine work (e.g. check-in) and low value added tasks (in terms of personalisation of services) through digital innovations;
- has their role transformed towards a guest-centric attitude, acting as hosts receiving their favourite guests home.

Concept has been designed around the personality of Alban, a figure whose marketing aim is to bring character and soul to the hotel. As a matter of fact, the hotel is usually described by employees and members of Hadene as a guesthouse and not a classical hotel. Work relations between employees and customers are more informal and seek to establish a casual but polite way of interacting.

3.2.2. Impacts of the concept

Business strategy

The business strategy of Hotel Alban is centred on the core mission of providing rooms for guests ("room only" hotel). As the economic activities of catering and housekeeping stopped with the closing and the renovation of the building, Hadene could choose for the re-opening between outsourced services or in-house services. The original concept was to outsource both catering and housekeeping, but the latter was ultimately internalised as a consequence of social dialogue⁷. The outsourced restaurant offers breakfasts and lunches and is open until mid-afternoon. Afterwards, a bar and a food-truck are available and managed by the employees (called "hosts") until the end of the evening.

Support services such as finance, accounting, human resources, revenues, marketing and pricing, etc. are handled by specialists within the Hadene company with whom the "*maitre de maison*" (the householder of the hotel) has regular communication by phone and in face-to-face (for example, HR manager and financial controller typically visit Hotel Alban once a

⁶ A philosophy that, as we stated above, is being implemented throughout the whole company.

⁷ Section 3.3.2. dedicated to the second wave of social negotiations will describe the adjustments made regarding housekeeping.

week for several hours). As stated in the company background, these experts are gathered in clusters at the head office level and divide their work time between multiple hotels. There are no offices in the hotel. As part of the customer centric strategy developed, work is done in a shared space with customers on the ground floor which is used as a lounge, a lobby, and a meeting room.

Bookings are mainly managed through online travel agencies such as Booking and Expedia. Extended visibility (*i.e.* the fact that Hotel Alban was systemically promoted and put among the top hotels in the region when an online search was made by a potential customer) on the OTAs had been paid by the company following the opening until Hotel Alban acquired a high review-score. Phone reservations are outsourced to a call centre trained to the hotel specificities.

Digital innovations

The main digital innovation introduced in Hotel Alban is the self-check-in/out kiosks, as a new digital service. Upon arrival, customers are invited to check-in by themselves on four kiosks. Main available actions are: looking for the reservation, confirming their arrival, paying, receiving the room number and the key card. These kiosks face the reception area around which hosts usually stand. Check-in by the hosts is always available, should the customer specifically request it or should they experience difficulties with the self-check-in. Kiosks are also used for check-out, following the same types of procedures.

Online check-in via telephone is also possible, allowing customer to check-in via their phones and only using the kiosks to get the room key card. Mobile key (the possibility for the customers to open their rooms using their mobile phones) is tested but still not fully implemented due to technical challenges.

Other digital innovations include the use of a point-of-sale (POS) system for managing orders at the bar and at the food truck. The POS system is linked to the property management system so that orders can go directly to the client hotel account to be closed at check-out on the kiosks. Digital innovation also includes a centralised system for online reviews allowing the company to get detailed reports on customers' feedbacks. These feedbacks are analysed by a cluster team at company level and are used to adapt the hotel services. WiFi is also upgraded. In April 2019, the company decided to implement a software for managing housekeeping. This choice is in direct line with the digital strategy of the company for 2020 and operational excellence goals. In short, the software provides an online and live view of housekeeping activities (*i.e.* room cleaning status) and a variety of managing options related to housekeeping (*e.g.* possible broken objects encountered while cleaning, check-out status, requests from clients, booking extensions, technical problems, ...). The application is installed on tablets given to employees. By using this system, Hadene seeks to reinforce their guest-centric strategy: rooms can be given to new clients immediately after cleaning, technical support can repair broken objects as soon as they are notified, etc. Similarly to the centralised system for online reviews, the software offers multiple data analysis possibilities which yet have to be exploited by the company in order to adjust productivity and adapt work flow to the reality of the situation in the field (for example by trying to determine if rooms occupied by specific types of customers – such as families – take more time to clean and adjusting the room repartition between housekeepers accordingly).



Figure 2 - Self-check-in kiosk

Jobs

The main implication of Hadene's concept lies in the transformation of the role of employees towards a guest-centric attitude, based on changes in customers' needs. This guest-centric attitude is clearly expressed in the brand purpose, that is "creating fond memories of Alban's home and the city of [name removed] by providing our guests with an inspiring and smooth experience that exceeds their expectations" (Alban concept, internal documentation). The organisational chart includes the employees designated as hosts, the *maître de maison*, the housekeeping team and their supervisor (named *gouvernante*) and one property service supervisor handling the technical aspects. It was designed to be flexible by employing, when required, part-time workers.

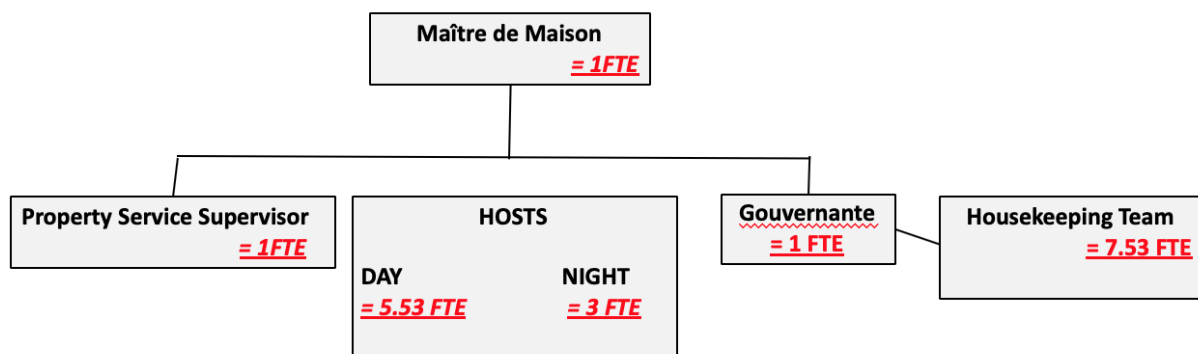


Figure 3 - Organisational chart of Hotel Alban (internal documentation - anonymised)

Since the digital transformation, and as the hotel is being compared to a guesthouse, the majority of the employees working in the hotel are not anymore divided between receptionists, cooks, bartenders and other typical functions found in the hospitality industry. Instead, they are now called "hosts" and perform these tasks altogether, depending on the work flow. Hosts can welcome guests, help for check-in or check-out, prepare hot-dogs or drinks, have a small talk with the guests, modify a booking, make coffee, etc. In sum, focusing on the customers and their needs, welcoming them as if they were home is the key driver of the hosts' actions.

However, the creation of new functions outside a binding framework established and defined by the sectoral collective labour agreement n°1 of 25th June 1997⁸ is prohibited. The CLA presents a list of functions encountered in the sector, as well as a description and the remuneration scheme associated. After negotiations that will be described in section 3.3.2., the host function came to be a combination of three pre-determined functions from the CLA: receptionist (main function), collaborator for quick service restaurant, and waiter in dining room and at the bar (complementary functions)⁹.

Hosts always work their shifts in pair, sometimes with the *maître de maison*. Choice of the name is significant and is another illustration of Hadene's concept for Hotel Alban. The *maître de maison* is responsible for making the schedules and evaluating the hosts but, more importantly, for ensuring that the hotel environment fits the customers' and employees' needs. Customers and employees satisfaction is his/her core work objective. Moreover, according to the SVP, it can only be achieved if he/she is physically present in the lounge and in the lobby,

⁸ This collective labour agreement was later divided in two subsequent CLAs: one determining minimum wages in the Horeca sector (CLA of 11th February 2008) and applying the job classification in the Horeca sector (CLA of 14th April 2008, modified by the CLA of 4th March 2010).

⁹ The property service supervisor is also a combined function, as well as the housekeeping. Because we did not have the opportunity to meet with these persons, we focus our analysis on the hosts and the *maître de maison*.

something that contributed to the decision of removing offices in the hotel. Compared to the role of general manager, the *maître de maison* carries out more operational tasks; since they are being discharged of analysing data information and taking financial/marketing/HR decisions, handed over to the clusters teams. They still provide inputs and regularly discuss orientations with the experts, but neither the *maître de maison* nor the hosts have a direct view on numbers, for example.

A person is appointed to the position of *maître de maison* for a period of six months. Candidates are young talented managers or employees working in other hotels of the company. They are recommended for the post by their general managers, based on their personal development plans and the fit between their capacities and the Hotel Alban's needs. This system pursues several objectives. First, it generates a dynamic inside the company by creating an internal mobility whereas usually every hotel tends to recruit on its own. Second, it is a way of fostering retention of high-potential employees by offering them a challenge and an opportunity to apply their skills in a new environment. Third, it enriches the ways of working at Hotel Alban by bringing someone with an "external" view and different qualities. While away, his/her tasks are carried out by colleagues or assistants. After six months, the position is attributed to someone else from the company and the former *maître de maison* goes back to his/her former position, on top of which other tasks can eventually be added. For example, the first *maître de maison* is now in charge of the implementation of the housekeeping management software throughout Hadene's company (see above).

3.3. The process of restructuring

We now present the process of restructuring in four different aspects. First, the practical implementation of the concept and the workers views of it. Second, the second wave of social negotiations linked to the restructuring, the stakeholders' views and the agreements reached. Third, other previous agreements that have influenced the project development. Fourth, the period following the opening of the hotel and the general opinion of the stakeholders on the project.

3.3.1. Implementation of the concept

Implementation of the concept was directed jointly by two managers of the company, one for operation and one for HRM (project manager for HRM is also the HR reference for Hotel Alban). They had extensive autonomy on the project as long as some mandatory requirements (in the trainings given, for example) were met and guidelines established for the concept were followed. They reported to the SVP of the company, who was the project initiator and who personally kept an eye on the evolution of the project. Hotel was closed from the 1st of December 2017 to the 31st of August 2018. In April 2018, after the beginning of the renovation, employees were presented the new concept by the SVP himself. They were told Hadene wished a different structure for the new hotel, explained the main effects it would have on their jobs given the creation of the host function and were asked if they wished to be part of the project. From the 12 persons of the staff who entered Hadene's company with the taking over of the property, 8 of them responded positively to the proposal. From the 4 who declined, one expressed his desire to work in another hotel of the company and his work contract was adapted accordingly; one had another job opportunity and quit; one wanted to follow another carrier path and the last felt like the host position would not fit him. For the last two, the company hence terminated their work contracts, a decision that seems to have satisfied both sides, according to the regional trade union secretary. When questioned about this, he stated: "*I did not experience dramas. No one came back one year later saying 'I should have gone with them'.*" (Interview excerpt).

Following the presentation of the concept, workers views consisted mostly of questions and concerns about technical and practical aspects of the jobs they would have to carry out at the re-opening. Indeed, the multifunctionality described above presupposes the acquisitions of skills to perform tasks employees were not performing before. Former cooks needed to be able to work at the reception; former receptionists needed to know how to serve cocktails, etc. Moreover, everybody had to be able to speak English, this language being the one most used in the hotel. The main employees' concerns were about their ability to acquire these skills and the way of evaluating these skills. Questions were also raised about the nature of the work contract. Both managers and employees agree on the fact that, at that period of the process, trust was not yet established between them.

"We were starting with a team full of doubts and fears. They did not exactly know what was going to happen. They did not know us yet." (Interview excerpt, project manager for HRM).

Refurbishment process started and involved the project managers, the whole team as well as the first *mître de maison*. A training plan was set up by project managers and took place on the whole month of August 2018. It was designed to provide staff with the appropriate skills needed for their new function as hosts (complaints management, English Horeca language, wine training, point-of-sale training, etc.), including compulsory topics (hygiene, fire training, first aid training, etc.) and other relevant skills (guests experience, hospitality, IT, etc.). Trainings were given either by consultant or by internal forces. This pre-opening month started every day by a 30 minutes to one hour "expression meeting" (in French: *réunions d'expression*). These meetings were designed to discuss project process, express fears and questions, and foster a team spirit and a mutual trust between Hadene and the employees. Two days of team coaching with a consultant were planned, as well as training on Alban's identity which, as we stated above, is crucial in the hotel concept. The training plan has been positively reviewed by employees although some deeper training on specific software such as the property management system would have been appreciated.

3.3.2. Second social negotiations wave

The second social negotiation wave was triggered by the first draft amendments to the work contracts. They materialised the multifunctionality presented in section 3.2.2. The hotel being closed, most of the talks between employees and management about the elaboration of the document happened by phone. Project managers sought to cover extensively the array of tasks hosts would have to carry on, so the first draft amendments that were sent in May 2018 to the employees defined the host function as a combination of many functions listed in the CLA. New contracts with these amendments were supposed to start from the 1st of August 2018, matching the beginning of the training period. But faced with a concrete document, several employees took fright, especially about the potential consequences of the evaluation of the multifunctionality given that many functions were listed: *"It was anxiety. What was going to happen? An anxiety about the new tasks. What was going to happen if we did not succeed?"* (Interview excerpt, hotel employee). Feeling overwhelmed, they decided to call on the regional trade union secretary a second time for advice and support.

Topics of bargaining

A meeting between the regional trade union secretary and project managers took place around the end of May / beginning of June 2018. It was, according to the interviewees, emotionally charged and quite tensed at the beginning. It seems that the trade union secretary adopted a rather offensive strategy to enter negotiations. The union initial position was that nothing would be signed before the opening of the hotel, something on which the employer refused to

agree. With the use of a dashboard as a negotiation tool (by putting in writing what was orally expressed), the meeting ended with a list of four key points on which the union wanted adjustments:

- Tasks, occupations and skills: better define multifunctionality
- Work contract: test the hotel and the new ways of working before proposing amendments to the contracts
- Training: show people how an hotel with such new ways of working is running, so they can grasp a notion of what to expect
- Outsourcing: do not outsource catering and housekeeping

When questioned about these demands, the regional trade union secretary stated that his objective was twofold. First, to give workers the possibility to retract from the new system while at the same time allowing them to try these new ways of working. Second, to prevent the systematic use of outsourcing, a practice with which he strongly disagrees because of the low quality of the work contracts generally offered by the providers compared to the quality of contracts when these services are internalised.

Bargaining then started between the regional trade union secretary and the project managers (talking back and forth with the SVP) and latter directly with the SVP in order to find successful compromises while maintaining the project's concept. Project managers stressed the need to adopt an open position in making a negotiation successful: *"How to resolve something that appears to be a conflict and at the end is something everyone benefits from? Stay open to the dialogue I would say."* (Interview excerpt, project manager for operation).

Outcomes and kind of agreements

Four outcomes can be identified as resulting directly from the second wave of social negotiations: a better definition of the multifunctionality, an initial test period of three months; training days presenting a hotel with such new ways of working, and the internalisation of the housekeeping.

First, a new definition of the multifunctionality was established after several meetings with employees and between project managers and the SVP. The successful proposal lists three (compared to more in the first document sent around end of May/beginning of June) pre-determined functions of the CLA to compose the "host" function: receptionist (main function), collaborator for quick service restaurant, and waiter in dining room and at the bar (complementary functions). The change was put in a letter of agreement employees were to sign before starting the training period in August 2018.

Second, to cope with employees' fear about being evaluated as hosts on functions they were not performing before, an initial test period of three months was established. This trial period was also put in the same letter of agreement. The real contract amendments would only be signed after the trial period. *"We have agreed on testing with you the multifunctionality model for a period of three months, starting from 1st of September 2018 until 30th of November 2018. During this period, you agree on cumulating the reference functions mentioned below. Following the completion of the three months test phase, we will evaluate the system with you to determine if it can be implemented for an open-ended period through the signature of contract amendments¹⁰"* (internal documentation, our own translation). The letter also stated that during that period, employees would only be evaluated on the function they used to

¹⁰ In French : "Nous avons convenu avec vous de tester cette multifonctionnalité pendant une période de trois mois, à partir du 1^{er} septembre 2018 jusqu'au 30 novembre 2018. Pendant cette période, vous acceptez de cumuler les fonctions de référence mentionnées ci-dessous. A l'issue de la phase test de trois mois, nous évaluerons le système avec vous pour déterminer si celui-ci pourra être implémenté pour une période indéterminé moyennant la signature d'un avenant"

occupy before and not on the additional functions they would just start. Employees forwarded the letter containing these modifications to the regional trade union representative who gave his approval for signing it.

Third, to provide employees with an overview of the new ways of working about to be implemented in Hotel Alban, the two days team coaching session included in the training plan took place in Amsterdam, in a hotel presenting similarities with digital innovations wanted for Hotel Alban. Additionally, a couple other hotels with digital tools were visited in the area. Employees could hence see directly how check-in and check-out processes were happening with the digital kiosks and ask questions to the staff working with these tools.

Fourth, negotiation about the outsourcing of catering and housekeeping happened directly between the trade union representative and the SVP given the impact of such decision on the “room only” concept for Hotel Alban. Around July 2018, the SVP approached the trade union representative about these topics, using the arguments that housekeeping was already outsourced under the lease contract and that the company was in no position of deploying an entire department for which they had no skilled workers nor materials available in such a short period of time. The trade union representative then offered to help with the recruitment of housekeepers by proposing for the interviews housekeepers that had just been trained by the professional reference centre for the Brussels region Horeca Forma Be Pro¹¹. Two job fairs were also to be organised. With these conditions, trade-off was reached on internalising the housekeeping and leaving catering outsourced. Recruitments and selection interviews for housekeeping were held during August by a housekeeper manager from another hotel of the company. Housekeepers started working just before the opening of the hotel and were given a two full days of training on the philosophy and the concept for hotel Alban. The trade union representative was also informed that Hadene planned on using a software for digitalising part of the housekeeping services through the housekeeping management software.

3.3.3. Other agreements resulting from collective bargaining at upper levels

Three other agreements at company and national level have influenced the project development. They did not play a central role during collective bargaining but nevertheless have an impact on the work conditions of the employees and are hence mentioned here.

The first two agreements result from previous negotiations held at the company level and are linked to the status¹² and the wage. Some functions in the hospitality sector hold a white collar status (in short, cognitive work) and other hold a blue collar status (in short, manual work). Moreover, each function falls in a category to which a certain wage is related. Receptionist, for example, is a category VI and a white collar function, waiter in dining room and at the bar is a category IV function and a white collar function, and collaborator for quick service restaurant is a category III and a blue collar function. The CLA n°1 of 25th June 1997 indicates that in the case of a multifunctionality, status and salary scale applied are the ones of the function worker performs most of the time. In the case of Hotel Alban (and Hadene company in general), the rules differ. It was first decided to automatically assign the white collar worker status¹³ and the wage equivalent to the highest salary scale of the functions comprised in the multifunction (that is the one of receptionist), regardless of the amount of

¹¹ The centre is the result of a cooperation between social partners from the joint committee, the Brussels-Capital Region, the regional employment office of Brussels and the regional employment office of the Flemish Region. Website: <https://horecaformabepro.be/>

¹² Despite reforms towards a unified status, initiated by the Law of 26/12/2013, several differences persist between blue-collar workers and white-collar worker notably on labour/management relations (CLA and social elections), remuneration (annual vacation, guaranteed wage) and temporary unemployment (CGSLB, 2018).

¹³ This was possible because one of the functions of the “host” is a of a white collar worker. For housekeepers, both functions encompassed in the multifunctionality are of a blue collar worker, making it impossible to give them the white collar worker status.

time hosts perform each function. One host, holding on top of that a function of systems engineer (category VIII function), is paid at that salary scale because it is higher than the salary scale of receptionist. Second, company pays every worker a bonus for multifunctionality equivalent to 4% of the salary, something which the company representatives also suggested in the last sectoral negotiations.

Third, company decided to apply the Act of 21/12/2007 and the collective labour agreement n°90 about non-recurring, result-related collective bonus (still in process at the time of the writing). This benefit enjoys a favourable treatment when it comes to taxes and social security contributions. It was nationally introduced in 2008 as a result of the implementation of the 2007-2008 interprofessional agreement. In the case of Hotel Alban, the financial benefit is linked to the Gross Operating Profit.

3.3.4. Running the hotel

On 1st September 2018, the hotel opened and trial period began. For three months, employees were evaluated by the *maître de maison* solely on the function they used to hold when they were working for the previous hotel operator. Also, for three months, weekly informal one-to-ones were held between workers and the *maître de maison* to follow-up on the training given and the day-to-day practice of digital tools and new ways of working. As December and the date of the signature of the amendments approached, projects managers got worried. They were fearing a third wave of social negotiations, given the previous episodes that happened. However, no such thing happened. Some employees requested minor modifications to their contracts directly to the HR manager but everyone signed without calling upon the union. Signed amendments were sent to the trade union representative. According to interviewees, things went smoothly and in an open and constructive approach: trust was now established between Hadene and Hotel Alban employees.

After eight and a half months of being open, Hotel Alban scores as of 17th of June 2019 9/10 on the website Booking.com, a rating based on 1692 reviews. Its occupancy score was of 93% in May and 97% in June. The general opinion of the persons we met is very positive. Whether it is the first *maître de maison*, the projects managers or the employees, there seems to be a shared feeling of satisfaction and pride in being (or in having been) part of the project. The fact that employees were given white-collar workers contracts when possible has been mentioned as one of the key positive change experienced. One employee highlighted the better work-life balance his/her new function made possible compared to his/her previous function which required to always work the nightshift, as well as the financial advantages they received. Another emphasised the shift towards a more guest centric attitude that the concept allows, even though it can sometimes causes minor issues with clients that are not aware of the concept.

We come back to something more logical in the customer service. Some clients still have the idea of classical hotels were we are there to serve them, but the concept [of Hotel Alban] helped breaking this barrier. Whether it is for the customer to feel more comfortable asking us something or for us in the attitude we have. [...] We truly are in a logic of an equal relationship with the customer in which we care and help. (Interview excerpt, hotel employee).

The first *maître de maison* told us other employees expressed to him that they felt better in their jobs. A survey recently led among workers in the hotel confirms these positive impressions. Remarks were made about the necessary adjustments to a less vertical model of work organisation, given that the *maître de maison* is supervising the hotel but that they have to rely on experts for support services. The employees we interviewed have not indicated feeling an increase or an intensification of the workload. According to them, the hospitality

sector has always been characterised by periods of intense work followed by quieter periods; a feeling that is consistent with the sectoral background provided above.

“The Horeca sector is not constant, it is not manufacturing. One moment you’re cool, the next one you are rushing. [...] But it was already the case before. Now there is multifunctionality. Sometimes we can handle it, sometimes we cannot. It is very difficult to describe work intensity.” (Interview excerpt, hotel employee).

As far as social dialogue is concerned, a union delegation is not yet established (see sectoral background). Direct talks between workers and management is ensured through regular “expression meetings”, monthly informal “one-to-ones” and staff meetings every three months in which the HR manager takes part. Trade unions secretaries from the three federations were invited and attended the official opening ceremony of Hotel Alban. They are called upon when necessary (for example, for the application of the CLA n° 90).

4. Discussion

This case study can provide useful lessons and information in respect with digitalisation, social dialogue and restructuring. Without pretending they are generalisable, this last section seeks to stress main findings of the study.

4.1. Social dialogue

On the negotiations, it should be noted that bargaining happened between Hadene and only one of the three organisations representative of the employees’ interests. The union representatives from the two other unions did not intervene. This situation could be explained by two things. First, by the majority position regarding the number of affiliates of the union to which the trade union representative who took part in the negotiations belongs. Second, by the fact that the attention was brought by the employees themselves to their union representative which, otherwise, would not have intervened proactively.

We would also like to stress out the primacy of voluntary agreements over legally binding documents such as collective labour agreements. This constitutes an illustration of how social negotiations are intricate with personal beliefs and values of the negotiators themselves. According to the trade union secretary, voluntary agreements commit stakeholders to their responsibility whereas collective labour agreements would only allow damage claims actions.

I am not paid by the number of collective labour agreements that I sign. [...] Oral commitment is enough, this is what I pay attention to. Written contracts only allow to sue for damages, when damages have already been done. (Interview excerpt, regional trade union secretary).

Another key element of the case study is related to the direct implication in the bargaining process of stakeholders holding the authority to commit their organisation to agreements. Project managers had extensive autonomy on the project when it came to the exact definition of multifunctionality, for example. Past this point, the Senior Vice President got involved to guarantee a decision with significant financial and conceptual impacts on the company (*i.e.* the internalisation of housekeeping service). Let us also note that stakeholders had experience in previous bargaining processes and at the same time had already negotiated together, and hence knew each other quite well. In this specific case, these factors seemed to have a positive impact on the bargaining process, as stated by the regional trade union secretary: *“We have been terrible adversaries, and we learned to respect each other over time.”* (Interview excerpt).

On the matter of the agreements that were reached, both parties stated they sought agreements by keeping in mind that what was at stake within Hotel Alban could later greatly impact other similar concepts. In other terms, micro-economic agreements were reached by taking into account the macroeconomic environment in which they are embedded and their sustainability. For the company, it relates mainly to the importance of the concept for the future of their hotel strategy, as stated by the project manager for operation: “*It is not only a digital change but a change of mentality in the hospitality industry*”. For the trade union representative, it relates mainly to keeping an inner core of workers benefiting of quality work contracts while at the same time exploring possibilities of upskilling offered by digitalisation. Trade-offs were also sought in order to keep social peace, especially when the question of outsourcing was raised.

4.2. Digitalisation and restructuring

The Hotel Alban project was piloted by a larger business group (see company background). This situation offered several assets for the restructuring to happen, such as substantive financial and organisational means (e.g. the 4% bonus, the possibility for employees to work in other hotels of the company,...), support of the overall strategy of clustering and transversal integration within the digitalisation strategy (notably seen through the implementation of the housekeeping management software).

The creation of the host function can be seen as a way of responding to the issue of difficult work conditions raised in the sectoral background (and the related issue of recruitment). By making jobs more attractive with a variety of tasks, company also seeks to reach workers outside of classic recruitment tracks that possess the guest-centric attitude it is looking for.

At the same time, company takes advantage of the *maître de maison* mobility scheme as a way of strengthening group identity. Couple of interviewees also questioned the “after Hotel Alban era” during which they tasted and learnt to appreciate new ways of working; and their ability and willingness to potentially go back to a more traditional way of working.

Lastly, after having described the impacts on business strategy, digital innovations and jobs that Hadene’s concept implies, it becomes clear that digitalisation in this restructuring process acted as a critical facilitating factor for the core idea. Restructuring and implementing the concept would not have been possible without digitalisation, but digitalisation is not identified by the actors as the primary reason for restructuring. They state that the primary reason for restructuring is testing a new way of offering customers personalised and tailored services supported by the digitalisation, whether for hosts or for housekeepers.

Of course, digitalisation played a very very important role. Had we kept the traditional processes, it would have been a mess. Normal check-in takes an enormous amount of time. If someone waits at the bar in the meantime and cannot get their drink, then that person is not happy. And the host is not happy either because he does not have the appropriate means and resources to do his/her job. (Interview excerpt, first hotel manager).

Therefore, digital tools relieve the employees from routine work and low value added tasks (in terms of personalisation of services) so that they can focus their attention entirely on the guests. The focus on a guest-centric attitude *via* digitalisation is also a way for the company to respond to the challenge of quicker-than-before online evaluations by guests, some of them sometimes even posting a feedback before having left the building. The use of digital tools allows Hadene to detect and respond to such potentially harming problems proactively.

Conclusion

In our opinion, this case study can be seen as a success for both company and social dialogue. It demystifies the supposedly automatic negative impacts linked to digitalisation, often seen in terms of job loss and dehumanisation of work. More than creating jobs or destructing ones, digitalisation in this case is the cause of job changes. It greatly modified in a positive way the working conditions of workers performing the host function while at the same time allowing them to dedicated more time to their core task of welcoming guests.

From a social bargaining point of view, the case of Hotel Alban shows compromises in which workers, trade union representatives and company managers negotiate for creating socially responsible compromises. Digitalisation created added value that was latter distributed between employer and employees.

Finally, case study refutes technological determinism found within the diffusion theories initiated by Rogers in 1962. These theories assert that social uses of the technologies are entirely shaped by the technology in itself. At the same time, it also refutes the opposite appropriation theory according to which social uses of the technologies shape entirely the implementation of the technology (Boulier, 1997). It is, according to us, a great illustration of the sociomateriality theory (Orlikowski 2007; 2016) in which technology and social uses are strongly embedded. Socio-organisational scenarios are integrated in every technology, and these scenarios interact with the social uses of the technology. Sociomateriality also highlights that the adoption of new technologies is a slow process depending among other things of social, economic and legal factors.

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