



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn

Written Submission to the Low Pay Commission On the Hospitality Sector

July 2018

The Union of Students in Ireland

The Union of Students in Ireland (Aontas na Mac Léinn in Éirinn) is the national representative body for third-level Students' Unions in Ireland. Founded in 1959, USI now represents more than 374,000 students in Further and Higher Education Colleges across the island of Ireland. The goal of USI is to work for the rights of students and a fair and equal post-secondary education system in Ireland.

USI is a full member of the European Students' Union (ESU) which represents students from 46 National Students' Unions in 39 countries, and a member of Eurodoc, the European Council for Doctoral Candidates and Junior Researchers.

Introduction

The Union of Students in Ireland (USI) welcomes the call for submissions around procedures within the hospitality sector, particularly around tipping practice.

In the drafting of this response USI reached out to its membership through our network of Sabbatical Officers in Students' Unions and through an online survey circulated through our social media and local Students' Unions social media. USI received 516 responses within the week of circulation.

USI has always campaigned on workers' rights for students and graduates in partnership with trade unions, NGOs and other groups since the 1970s.

USI proudly campaigned for the abolishment of the JobBridge internship scheme, the reinstatement of student nurses and midwives while on placement from a minimum of €6.86 per hour to €9.48 in accordance with the National Minimum Wage

and produced a submission for the Low Pay Commission on Reviewing the National Minimum Wage¹. Much of the USI submission on the National Minimum Wage applies to this conversation too and should be considered as part of this submission also. USI firmly believe that low pay, and working conditions, drives a culture of emigration in Ireland reducing the labour market, consumption and spending.

CURRENT CONTEXT FOR STUDENT WORKERS

In 2016, the EuroStudent survey received 16,866 valid responses from students in Ireland². Working while studying may lead to greater absence from lectures and reduced time for personal study, which could result in poorer overall levels of academic achievement. This is supported by existing research which showed that working over twenty hours per week had a detrimental impact upon grades achieved by students³.

In the EuroStudent survey, over three-quarters (77%) of all part-time students indicated they work regularly throughout term-time and 6% work occasionally. Full-time students indicated that 27% of them work regularly during term-time, with 19% doing occasional work during term-time.

The USI survey on hospitality conducted for this submission, indicated that students work many more hours during the summer time.

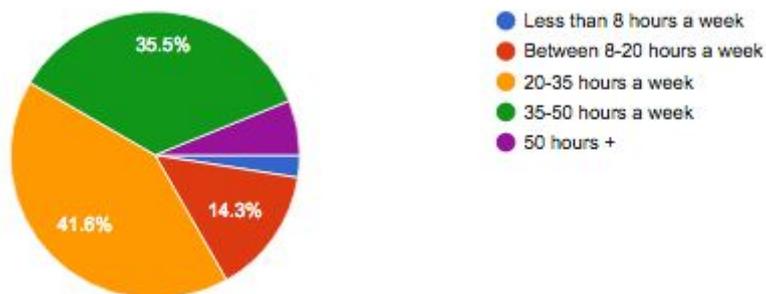


Chart 1: Hours students worked during the summer time.

¹ **Submission:**

<http://usi.ie/wp-content/uploads/2017/02/USI-Submission-to-the-Low-Pay-Commission-2017-1.pdf>

² Eurostudent survey: <http://hea.ie/assets/uploads/2018/01/HEA-Eurostudent-Survey.pdf>

³ Does Part-Time Job Affect College Students' Satisfaction and Academic Performance - Tessema & el (2014): <http://dx.doi.org/10.5430/ijba.v5n2p50>

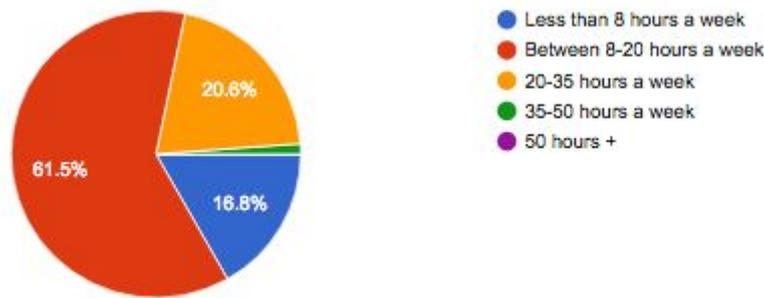


Chart 2: Hours students worked during term-time.

The prime motivation for students to work in low-paid jobs is largely attributed to the cost of higher education and other relevant expenses outpacing household real income gains, parental transfers and government subsidies.⁴

Study fees at €3,000 are cited as a factor driving students to seek employment where the burden is very high in Baltic States and in Ireland.⁵

This need to actively seek employment as a student can have a number of effects on the student's welfare and academic performance when it comes to hours, wage and conditions. The need to work during college is fuelled by the need not only to have a basic standard of living and income but to manage the burden of fees, cost of college and increase in rents.

WHERE ARE STUDENTS WORKING?

The most common fields for students in Ireland to work were services and catering in which 64% and 63% of students work during term time⁶. According to the USI survey conducted for this submission in relation to the hospitality sector, 40% of those who answered work in Hotels, 70% work in Food & Beverage, 7% in Events, 4% in Travel & Tourism and 5% work in luxurious services with some crossover between different pillars of hospitality work. Of the respondents, an overwhelming amount (89%) were aged between 18-25 while 73% of respondents were female.

⁴ Full-time students who work 25 hours or more a week often do so because they cannot afford to go to college if they work any less according to a study in 2007 and with the increase of fees and rent this is more likely now - <http://bit.ly/2irQMnt>

⁵ There are no burden of fees in no burden whatsoever in the Scandinavian countries where third-level education is publicly-funded or fees are minimal - www.ceps.eu/syst

⁶ This is supported by previous submissions to the Low Pay Commission - www.heai.ie/sites/default/files/hea_eurostudent_survey_iv.pdf

HOURS CONDITIONS FOR STUDENTS WORKING IN HOSPITALITY

To fully understand the context in which students are working in hospitality, USI compared data from age, to length of time working there, statutory breaks and annual leave.

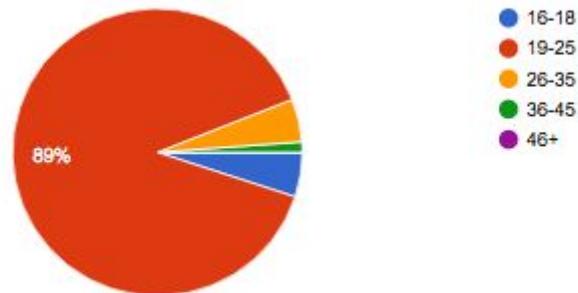


Chart 3: Ages of students who participated in the USI survey on the hospitality sector.

The survey found that many students spent years working in the hospitality sector, with the majority (38%) working for 2-4 years, the average length of an undergraduate degree.

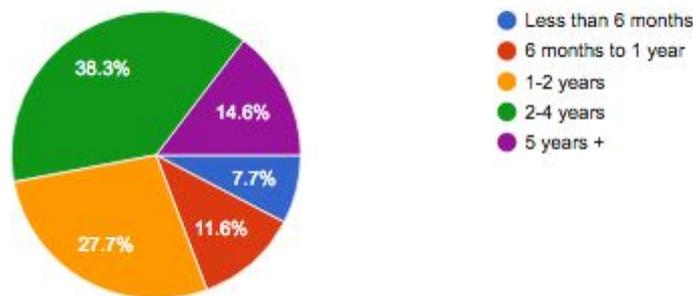


Chart 4: Length of time students working in hospitality sector.

The results from the survey in relation to break times and annual leave is of concern.

Taking into consideration, the hours work combined with studying, many students are not taking the breaks they are entitled to and need. There is evidence of precarious break times and many students do not know what they are entitled to.

Over 37% of students indicated that they did receive the statutory breaks they are entitled but this was followed closely by many who were not guaranteed their break times (36%) and 27% not receiving breaks at all. The reasons stated for students not receiving breaks was mainly down to the business being understaffed and the workplace is too busy and also that the managers do not make it a priority. Split shifts are common in the sector and workers voiced their concerns regarding this and working out their breaks.

“I would also like to note that I work split shifts and although I could be working two four and a half hours shifts within a day, I am not allowed another break. Sometimes there is less than 7 hours between finishing a shift at night and starting a shift in the morning. They're can be less than 4 and a half hours between split shifts then so sleeping isn't ideal.”

When questioned about annual leave, 79% of students working in hospitality did not know what they are entitled to, with a further 29% of respondents indicating they do not take the annual leave they are entitled to. Only 64% of respondents receive holiday pay. There was a lot of uncertainty surrounding the amount of annual leave and holiday pay in the survey, with many students indicating that they didn't know.

PAY CONDITIONS FOR STUDENTS WORKING IN HOSPITALITY

With a minimum wage of €9.55 per hour, the majority of students are being paid just under or just over that - 34% are paid under minimum wage and 58% are paid €9.55 and €10.55 an hour. Considering that only 5% of respondents are aged 16-18, there seems to be a disconnect when it comes to the reflection of pay. Workers also indicated that many of them do not receive contracts.

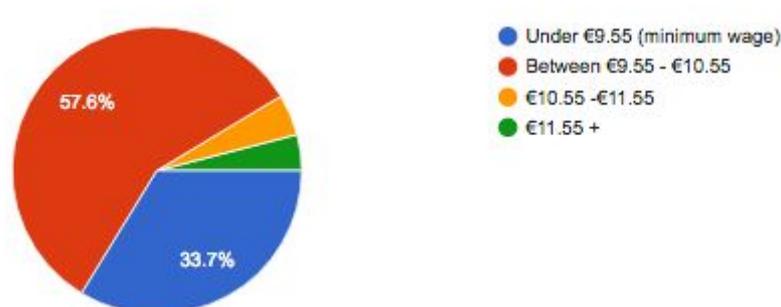


Chart 5: Rates of pay of students working in hospitality sector.

One workers experience of being paid under minimum wage means that they rely on tips.

“Tipping is incredibly important to me in my job because I am only earning 8.50 and that's after a raise. I genuinely feel students in the hospitality are treated poorly by management but it's often the lovely customers that make it worthwhile.”

TIPPING PRACTICES FOR STUDENTS WORKING IN HOSPITALITY

Considering that 78% of students who did the survey can receive tips in their jobs in hospitality, tipping practices are widely different and the system is often abused.

The majority of workers (55%) must put tips received into a shared pot. For those who put it into a shared jar, many are expected to share that with colleagues who do not receive tips (49%), while 8% do not receive the tips they collect at all. Of the 55% who put their tips into a shared pot, 50% do not know where their tips go and 19% indicated it went towards their staff party. There was a great degree of variance when it came to where the tips from a shared jar went with the following areas mentioned most frequently:

- Staff Development
- Management/Senior staff
- Covers walk outs or when the till is down
- Goes towards business profits
- Goes into charity boxes.

A number of respondents mentioned issues around tipping on credit cards and being taxed on tips.

“When people leave tips via credit card or tips added to their room charge the tips get divided my supervisors not regular staff members and supervisors include themselves in those tips where they should not be. These tips are also taxed as they go through our pay Cheques”

“It takes a long time for tips to appear in our wages, usually get them once every 3-4 months. Receive very little compared to what we put in the pot. Tips can result in more money taken off for tax which means we see no benefit of them at all”

Those who do not put their tips in a shared pot, also voiced their frustrations at the system.

“I work behind the bar. I pour and make all the drinks for the lounge staff to

drop over. They usually receive at least doublet their wage in tips from doing this. They earn the EXACT SAME wage as me. I often receive about one Euro in tips per night. I get nothing from their tips despite doing the work for it.”

Based on considerations throughout the paper, USI would make the following recommendations:

- More accessible information for workers in relation to their rights;
- Better promotion of how to report bad practice in the workplace;
- Regulation around tipping procedures in the hospitality sector;