CASE STUDY:

Auchrannie Resort

The popular Auchrannie Resort is located in Brodick, on the Isle of Arran.

Linda Johnston, together with her late husband Iain Johnston, took over what was then a 16-bedroom guest house in 1988. Their goal was to provide indoor leisure facilities on the island for both the local community and the growing number of tourists to enjoy.

Since then Auchrannie Resort has grown significantly and is now the largest private sector employer on the island. It is comprised of two 4-star hotels, thirty 5-star self-catering luxury lodges, three restaurants, a shop, two leisure clubs, an outdoor adventure centre and children’s Playbarn and six Couples Retreats.

In November 2017, with sustainability at the centre of their vision, Auchrannie Resort became the first hotel resort in Scotland to be employee owned. This innovative move has ensured that Auchrannie will remain an independent, local organisation embedded within the community.

In April 2018 Auchrannie Resort became an accredited Living Wage employer.

"We hope to change the perception of hospitality. We want to make it into a career with no need to go to a different industry to earn a decent living."

Linda Johnston, Managing Director

The Process

Improving efficiency in the hotel was key to ensuring that the resort’s lowest paid workers received an uplift to the real Living Wage. Wages were also increased for those in more senior positions in order to maintain differentials. This process was communicated effectively to the team members during a number of information sessions and emails. The aim of this was to encourage employee voice and ensure that there was full understanding of how the commitment aligned with the resort’s vision and values.
From improved training and a new formula for efficient bedroom cleaning to upgraded software and use of technology, the resort has performed a full review of its efficiency practices and is confident that their investment will provide long term returns.

We have a progressive attitude to change and we are continually building our sustainability with a drive on efficiency. New systems and software have reduced the clunky time-consuming stuff and are now automatic. There is a lot of investment but we know we will get that back.

By improving, you give guests an even better experience and they return. This reduces your marketing costs. Guests care about the Living Wage. They like to know that the people they are interacting with are fairly treated and rewarded for what they do. Being ethical is very important and part of that is treating people with integrity.

“Auchrannie’s decision to implement the real Living Wage directly impacted over 150 employees. Speaking with some of the workers, it is clear that this change was well received and has had a positive impact on the employees' work and personal life.

Our employer invests in us and develops the team to make us more skilled. The Living Wage is one of the positives they have brought in - they really look after you.

My partner and I are saving for a house, so having that extra money means you can save that wee bit more.

The management team have also worked hard to ensure that the outcome of their decisions at every juncture works to benefit their customers.

The Benefits

Linda Johnston, Managing Director

Richard Small, Resort Director

Kirsty MacQueen, Reception Team Leader
Auchrannie has also experienced significant business benefits. In November 2018, 6 months following their accreditation, Auchrannie reported:

- 35% increase in the number of job applications
- Improvement in the quality of applicants

In April 2019, one year on from their accreditation, Auchrannie have reported:

- 3% decrease in recruitment and advertising costs
- 48% saving on temporary chefs
- 4% decrease in employee turnover
- 4% rise in employee satisfaction scores and the category of ‘Fair Pay’ has moved into one of the top 6 reasons why their teams choose to work there
- Customer satisfaction index has risen once again, now at 92.4%
- Awarded Small & Medium sized business of the year at the 2019 Scottish SME Business Awards
- Awarded a place in the Caterer’s Top 30 Best Places to work in Hospitality in the UK for the second year in a row

“\nI think the team are happier and this reflects in their customer service. I think people would be more inclined to go to a hotel knowing employees are more upbeat because they are earning a Living Wage”

Susan Durie, Waitress

Learning and Advice

One of the key learnings from Auchrannie Resort’s success is that the implementation of the real Living Wage was one element of a broader move towards greater employee engagement, customer experience and sustainable business practice.

In addition to the real Living Wage, Auchrannie has invested in employee training, increasing spend on training and development by 28% between 2017/18 and 2018/19. The business also works hard to encourage employee engagement and has committed to supporting the mental health of its team by signing up to the mental health charity Hospitality Health. Furthermore, Auchrannie have provided opportunities for career progression resulting in 28 internal promotions in the past year.

Auchrannie has also benefited from monthly meetings and regular electronic communication with team members. This has encouraged employee participation in decision making and ensured the team feel valued by their peers and those in more senior positions. This strategic focus on communication has improved team cohesion and strengthened their shared values.
Auchrannie Resort's experience has highlighted that businesses should approach implementation of the real Living Wage as a long-term investment in their organisation. While management can expect to see an increase in their wage bill, Auchrannie has already experienced savings on advertising and recruitment. This, and the reputational benefits and increased customer satisfaction scores, point to the real Living Wage as being both a necessary and worthwhile investment.

Auchrannie has become part of a growing movement of employers who have received public recognition for their Living Wage commitment. Importantly, Auchrannie hopes to encourage positive change within hospitality, which remains predominantly low paid. While the team understand that many employers in hospitality face real challenges, they hope that their experience can help to shape future discussions, and offer their support to fellow employers in the industry.

Join the Living Wage movement today

The real Living Wage makes a real and immediate difference to the lives of workers and, at the same time, has proven social and business benefits. Living Wage accreditation is widely recognised as a mark of a responsible employer. The accreditation process is straightforward and there is a team of trained accreditation officers who can provide support and guidance. The real Living Wage is calculated annually according to the real cost of living in the UK and London.

Get in touch

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