Short-time Work, Redundancies, and Changing Work Environment: The Hospitality Sector During COVID-19

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ABSTRACT
This article focuses on the restructurings that took place within the hospitality sector during the economic downturn caused by the pandemic. The aim of this article is to examine how STW (short-time work) schemes and redundancies affected the psychosocial work environment. The data material consists primarily of 36 interviews with employees and managers from three hotels in Sweden that implemented STW schemes, where some employees were also made redundant. The results show that during the rather long period of government restrictions, radical shifts in hotel occupancy rates, and implemented STW schemes, the work environment changed in terms of employees’ perceptions of job (in)security; workload and work extension; time and financial structures; and workplace relations. Further, the results illustrate how hotel employees’ perceptions of the psychosocial work environment shifted over the course of the pandemic.

KEYWORDS
job insecurity / job retention / pandemic / psychosocial work environment / reduced working hours / redundancies / restructuring

Introduction
The economic downturn caused by the (COVID-19) pandemic has had an unprecedented impact on working life and resulted in profound changes to employment and the work environment. For employees in the hospitality sector, the situation has been challenging since the sector witnessed extensive job losses and reduced working hours, both nationally and globally, which affected organizations and employees in different ways (Tu et al. 2021; Visita 2021). In Sweden alone, approximately 20,700 employees in the hotel and restaurant sector received notification of redundancy (employees on atypical employment contracts are not included in the statistics) in the year 2020 (Swedish Public Employment Service 2021). Government-subsidized short-time work (STW) schemes during the economic crisis aimed to reduce the number of redundancies by decreasing the cost of salaries for the individual company; however, the consequence of this was that it put remaining employees in an extraordinary situation where they retained their employment but worked fewer hours with reduced salary to different degrees.
In 2020, almost 600,000 employees were put on STW schemes in Sweden: 64,000 of these worked in the hotel and restaurant sector (Swedish Agency for Economic and Regional Growth 2021a). The state intervention, which included strengthen STW schemes, was in place for approximately one and a half years in Sweden – between March 2020 and September 2021 – when extensive and tough government restrictions were in place, which severely affected businesses. However, unlike many other countries (including other Nordic countries), Sweden did not implement lockdowns during the pandemic (cf. Juranek et al. 2021).

The aim of this article is to examine how STW schemes and redundancies affected the psychosocial work environment. The main focus is on analyzing changes in the work environment for employees who experienced STW in the hospitality sector during the pandemic. STW occurred in a context where there were also many redundancies at the workplace. However, the article does not explicitly address the work environment for the ‘redundancy envoys’ who conduct and implement the restructuring decision (see, e.g., Stevens & Hannibal 2021, for that perspective); rather, it focuses on employees who by the restructuring decision were put on STW.

Research on restructuring and downsizing traditionally puts employees into two categories: redundant workers (those who lose their jobs), who are often referred to as ‘victims’, and remaining employees (those who retain their employment), who are often referred to as ‘survivors’ (Bui et al. 2019; McDevitt et al. 2013; van Dierendonck & Jacobs 2012). However, research tends to overlook the situation of workers on STW schemes who are forced to work fewer hours and who lose net income to different extents. In addition, empirical literature on STW has primarily focused on employment effects at a macro-level both during and after an economic downturn and investigated the STW schemes and outcomes in different countries using quantitative approaches (e.g., Gehrke & Hochmuth 2021; Hijzen & Martin 2013). Consequently, less is known about how STW schemes in more qualitative terms affect employees’ work environments. This article is based on the cases of three hotels and contributes to restructuring literature by extending knowledge on the effects of STW schemes and redundancies. This in turn can inform practice and restructuring in future economic downturns so as to mitigate the adverse effects on employees and the psychosocial work environment. In this article, we adopt Bergström’s (2019) definition of restructuring that refers to a unified concept that from the ‘point of view of the individual worker, implies a change in employment status or working conditions’ (p. 97). This includes redundancies and a reduction in working time and wages, which are the focus of this article.

**Short-time work schemes**

The STW scheme is a labor market policy that is normally implemented during deep economic downturns such as the one that resulted from the pandemic that started in 2020. The European Commission defines STW schemes as ‘public programmes that allow firms experiencing economic difficulties to temporarily reduce the hours worked while providing their employees with income support from the State for hours not worked’ (Eurofound 2020). The main purpose is to protect jobs by decreasing companies’ salary costs through the reduction of staff’s working hours and as a result limiting
the number of redundancies; it then enables companies to retain competence within the organization and be better prepared when the economic tide turns. This type of policy has been used and financed in various ways around the world and developed over the years (Bergström 2020; Eurofound 2021; Freij et al. 2022). In the Nordic countries, for instance, there are some differences regarding the level of generosity and the way these types of programs are constructed when it comes to support for companies and employees, especially with regard to the degree of reduced working hours (see Juranek et al. 2021: 516–517).

The newest type of STW scheme in Sweden evolved from lessons learned during the 2008 financial crisis and is regulated by law (McLachlan et al. 2022). Private organizations can request such support if there is a collective agreement in place or if at least 70% of the employees at the workplace agree to the STW scheme. Additionally, the organization’s financial difficulties need to be temporary (Swedish Agency for Economic and Regional Growth 2021b). During the pandemic, the Government of Sweden temporarily increased state support for STW schemes and covered a greater proportion of costs than was regulated in the STW law from 2014. Companies could seek four levels of support from the Swedish Agency for Economic and Regional Growth:

<table>
<thead>
<tr>
<th>Level of STW</th>
<th>Reduced working hours</th>
<th>Reduced wages for employees</th>
<th>Employers’ proportion of costs</th>
<th>State’s proportion of costs</th>
<th>Reduced employer costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20%</td>
<td>4%</td>
<td>1%</td>
<td>15%</td>
<td>−19%</td>
</tr>
<tr>
<td>2</td>
<td>40%</td>
<td>6%</td>
<td>4%</td>
<td>30%</td>
<td>−36%</td>
</tr>
<tr>
<td>3</td>
<td>60%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>45%</td>
<td>−52.5%</td>
</tr>
<tr>
<td>4</td>
<td>80%</td>
<td>12%</td>
<td>8%</td>
<td>60%</td>
<td>−72%</td>
</tr>
</tbody>
</table>

Table from the Swedish Agency for Economic and Regional Growth. Level 4 could only be applied for between May to the end of July 2020 and January to the end of September 2021. The salary cap was 44,000 SEK/month (approximately 5125 USD/month in the currency value of October 2021) per employee (Swedish Agency for Economic and Regional Growth 2021c).

The STW schemes came into force at the start of April 2020 (with possibilities to apply retroactively from mid-March) shortly after the pandemic had begun to affect the labor market; by then, there had already been a high number of redundancies, especially within the hospitality sector. The first social partners to agree to use the state-subsidized STW schemes were the employer association for the tourism/hospitality sector (Visita) and the trade union association for blue-collar workers (HRF) in the hotel and restaurant sector. In the first negotiated outcome between these social partners (Visita and HRF), employees on redundancy notification period could also be put on STW schemes. This was later criticized by other trade unions, such as the white-collar union association (Unionen), since the STW scheme was supposed to save jobs. Shortly after the Visita and HRF agreement on STW schemes, other social partners in different sectors of the labor market followed and concluded STW scheme agreements.
A brief review on the consequences of restructuring for employees

Research on the consequences of restructuring that involves job losses is extensive and multidisciplinary in nature (Klehe & Hooft 2018). Restructuring affects people, organizations, and, sometimes, local communities in different ways and to different extents. The obvious risk of restructuring involving redundancies is that people lose their jobs and sometimes face unemployment and its negative effects (Brand 2015; De Vries & Balazs 1997; Rydell & Wigblad 2012). According to Jahoda (1979, 1982), employment has several latent benefits compared to unemployment: besides providing an income, employment gives people a collective purpose, it structures the hours of their waking day, it enforces activity, and it gives them social contact, which contributes to a sense of belonging, personal status, and identity. In essence, these latent benefits fulfill important psychological needs and contribute to people's sense of well-being and motivation (Stiglbauer & Batinic 2012). Indeed, literature reviews (see, e.g., Brand 2015; Paul et al. 2018) on the effects of job loss and unemployment on the individual have highlighted how they often result in economic hardship; affect family life; lead to a decline in physical and psychological well-being; bring about a loss of psychosocial assets; cause the individual to become socially withdrawn; and result in re-employment that is not comparable in terms of quality (Brand 2015).

However, restructuring has consequences for more than just those who are made redundant; it also affects the ‘redundancy envoys’ (Stevens & Hannibal 2021) as well as the remaining workforce (Brockner 1992; Bui et al. 2019; Datta et al. 2010). In fact, remaining employees may face negative consequences and strain both during and after the restructuring process. These can include increased workload, increased levels of stress and conflict, job insecurity and anxiety, and feelings of guilt because some colleagues have been made redundant, decreased trust in management, decreased motivation and risk-taking, higher absence rates, and decreased organizational involvement, commitment, and productivity (Gandolfi & Hansson 2011; Langster & Cutrer 2021). With workload as an example, one risk of reducing a workforce as a strategy to reduce costs is that almost the same amount of work must be done by fewer employees. This contributes to both a higher workload and time pressure. The remaining employees may also have to take on new work duties after the restructuring process, which on the one hand can lead to variety and on the other hand be more time-consuming and difficult for the individual, particularly if there is no support or training: the result of this may be an increase in levels of stress (cf. Amundson et al. 2004; Boyd et al. 2014; Kim 2003). Consequently, restructuring – or even the mere threat thereof – can, in different ways, negatively affect the psychosocial work environment, especially if repeated, which in turn can lead to uncertainty and adverse health effects for employees (Fløvik et al. 2019; Moore 2004).

Remaining employees at an individual level may respond differently to a restructuring event involving layoffs: for instance, their responses may be constructive and hopeful, or destructive and fearful (Mishra & Spreitzer 1998). Employees’ responses may depend on how the restructuring process is carried out in terms of trust, empowerment, perceptions of justice, and work design (Mishra & Spreitzer 1998). Furthermore, the remaining employees can be divided into two groups: employees with unchanged work content after the restructuring and employees with changed work content after the restructuring. The latter group is labeled ‘endurers’ and faces redundancy of role...
(McLachlan et al. 2021). Research has found that the remaining employees with changed work content experience less fear of losing their job compared to the remaining employees with unchanged work content (Hellgren et al. 2005); however, there is a greater risk of psychological distress (Snorradóttir et al. 2016), health-related issues, increased levels of stress, and less job satisfaction (Hellgren et al. 2005), which indicates that different strategies may be needed for the remaining employees – perhaps particularly if the employees have reduced working hours. Moreover, recent research in the wake of the COVID-19 crisis has identified a new group of affected employees – labeled semi-survivors – who were first laid-off and then later rehired often with less favorable work conditions, wages, and benefits, and consequently, experienced a negative impact of both being a victim and a survivor (Stevens 2022, p. 43).

Psychosocial work environment in the hospitality sector

The concept ‘psychosocial work environment’ is broad, where one definition is ‘interpersonal and social interactions that influence behavior and development in the workplace’ (Jacobs et al. 2013, p. 1587). Often, it relates to the individual experience and covers issues such as work organization and relations, job resources and job demands, working conditions and job security (Leka & Jain 2010; Rugulies 2019). Working conditions in the hospitality sector stand out in terms of many precarious employment contracts as, for example, temporary and part-time contracts (Baum et al. 2020), which are associated with risk factors in the psychosocial work environment such as lower job security, higher job demands, and lower control (Leka & Jain 2010). The sector is also known for providing many entry-level jobs (Baum et al. 2020), and the workforce has a high proportion of young and female workers in several occupations (Adkins 1995; Baum et al. 2020) that involve both backstage and frontstage work, where the latter means focus on interaction with guests (Glushko & Tabas 2009). Guest interaction can be both positive and negative for the employee and the psychosocial work environment. Positive aspects are, for example, providing service, feeling needed, and having friendly and rewarding guest relations (cf. Lashley 2007; Xiang et al. 2022), while negative aspects are, for example, having to deal with customer incivility, anger, and unpleasantness (Boukis et al. 2020). During the pandemic, for example, hotel staff had to a higher extent handle conflicts with guests due to booking cancellations and new procedures implemented to adhere to government protocols (cf. Xiang et al. 2022). Other documented risk factors relating to the psychosocial work environment include stress due to high levels of emotional labor, frequent rotations with anti-social working hours (Ma et al. 2021), problems with leadership, poor scheduling and organization, as well as with a risk to be exposed to threats and violence (HRF 2017).

The psychosocial work environment in the hospitality sector during the pandemic was affected by extensive workforce reduction, which increased job insecurity among remaining employees (Demirović Bajrami et al. 2021). Job insecurity can be divided into two categories: quantitative job insecurity, which is defined as being when ‘the future of the individual’s job is perceived to be unstable or at risk’ (Probst 2003, p. 452); and qualitative job insecurity, which is defined as being ‘perceived threats of impaired quality in the employment relationship, such as deterioration of working conditions, lack of career opportunities, and decreasing salary development’ (Hellgren et al. 1999, p. 182). The two categories can coexist, and employees can be affected by both quantitative
and qualitative job insecurity especially during and after an organizational restructuring process (Hellgren et al. 2005). However, research on the effect of quantitative and qualitative job insecurity is inconsistent in terms of the severity of these two threats and the way in which they relate to each other (Nawrocka 2021).

According to a recent study of hotel employees in Spain, job insecurity resulting from the pandemic was significantly associated with depression and anxiety (Aguiar-Quintana et al. 2021). Other studies have found that job insecurity among hotel employees caused by the pandemic were associated with negative effects on job engagement, although there were differences between generations (Jung et al. 2021), turnover intention and decreased job motivation (Demirović Bajrami et al. 2021), as well as decreased mental health (Üngüren et al. 2021). Employees in the hospitality sector did not only have to worry about being made redundant in an unprecedented time of turbulence when many colleagues were left unemployed, but they also had to worry about being infected by the virus at work due to the service-oriented nature of their employment (Chen et al. 2022; Kang et al. 2021). The work situation for many – and perhaps especially those within hospitality – has thus been challenging in different ways during the pandemic. This article contributes to the literature by focusing on the consequences of restructuring that involved STW and redundancies on the work environment within the hospitality sector.

**Material and methods**

This article uses data from three hotels in Sweden: one was located in a metropolitan area and two were located in mid-sized cities (about 100,000 inhabitants). All three hotels belonged to a hotel chain that had a centralized HR department, and the hotel chain operates not only in Sweden but in other Nordic countries as well. Each one has witnessed extensive reduction in workforce and reduced working hours for remaining employees. The redundancy notice period for the employees varied between two weeks and six months, depending on the employment tenure. The most heavily hit hotel was the one in the metropolitan area, which experienced an approximately 80% decrease in the workforce in April of 2020.

**Data collection**

The data consist of individual semi-structured interviews and documents relevant for the restructuring. The respondents were contacted through gatekeepers at each hotel who sent out information to all employees about the opportunity to participate in the study. The interviews took place between November 2020 and November 2021 and were mainly online on Zoom and Teams because of government COVID-19 recommendations that restricted travel during this time. Although online interviews risk technical issues, it showed to be effective and were appreciated by the respondents since it saved time and meant a physical distance with the researcher despite the perception of closeness achieved by the web camera. With the combination of video and audio, a relationship with the respondents could be established that was similar to a physical face-to-face interview. The interviews started with the following open question: ‘Can you take us back in time when the consequences of corona hit the hospitality sector, and can you
describe what happened afterward [until the day of the interview]?’ and aimed to collect information about the respondents’ experiences and the personal journeys that resulted from the restructuring. Furthermore, the interviews allowed respondents’ flexibility to talk about the matters they felt to be especially important. Thereafter, follow-up questions were asked about the consequences of the restructuring involving redundancies and STW, for example, the psychosocial work environment, individual transition process, and experience of support systems. Two researchers took part in most of the interviews: one was responsible for asking questions, while the other took notes and asked follow-up questions. All interviews were conducted in Swedish, except for two that were conducted in English. On average, the interviews lasted 69 minutes. All Swedish quotes in the article have been translated into English by the authors of this study. The documents included are central and local collective agreements concerning the hospitality sector, legislation on STW, as well as relevant reports from government offices, employer associations, and trade unions concerning the situation in the sector during the pandemic. These documents served as background material for the study.

This article focuses on three workplaces and draws its empirical findings primarily from 36 interviews: three with top managers at the workplaces and 33 with employees who have all been on STW, whereas 19 employees were also made redundant and 12 later rehired (in 2020, employees in the hospitality sector could be on STW during the redundancy notification period). Two of the interviewed employees had responsibilities as union representatives and safety representatives at the workplace. In addition to these 36 interviews, we held interviews with representatives from central trade unions, employer associations and job security councils, as well as HR managers and HR specialists: however, they were not the main focus in this article. See Table 2 for an overview of the main data.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Hotels and respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workplace 1</td>
</tr>
<tr>
<td>Size (temporary staff not included)</td>
<td>A. 140 ≤ 200</td>
</tr>
<tr>
<td>A. before the restructuring and B. after the major workforce reduction in April 2020.</td>
<td>B. 30 ≤ 50</td>
</tr>
<tr>
<td>No. of participants</td>
<td>20</td>
</tr>
<tr>
<td>Female/male</td>
<td>12/8</td>
</tr>
<tr>
<td>Top managers</td>
<td>1</td>
</tr>
<tr>
<td>Guest relations/receptionist</td>
<td>6</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>11</td>
</tr>
<tr>
<td>Booking/marketing</td>
<td>2</td>
</tr>
</tbody>
</table>

*Temporary staff constituted an approximately additional 30–50% headcount in each hotel before the restructuring. The approximate indication of workplace size is due to ethical concerns with identification.

**Data analysis**

The interviews were transcribed verbatim, read several times, and discussed by the authors of this study using a collaborative, creative, and reflexive approach (cf. Braun & Clarke 2019). A thematical analysis (Braun & Clarke 2006) was used, where codes,
patterns, and themes in the data were identified with regard to the effects of STW and redundancies on the work environment in connection to restructuring. The thematical analysis followed the six steps recommended by Braun and Clarke (2006), namely: (i) familiarizing with the data, (ii) generating initial codes, (iii) searching for themes, (iv) reviewing themes, (v) defining and naming the themes, and lastly (iv) producing the report. The process of the thematical analysis revealed several reoccurring patterns and themes in the data. The coding was conducted using NVivo 12, which facilitated an iterative approach, as the sub-themes and themes were arranged and rearranged several times. Fifteen sub-themes emerged after coding and were developed into four main themes (see Table 3) through a naming process involving discussions and consent between the researchers.

**Table 3** Sub-themes and main themes

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Main themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job (in)security – employment status</td>
<td>Job (in)security; uncertainty and hope</td>
</tr>
<tr>
<td>Job (in)security – work content and duties</td>
<td></td>
</tr>
<tr>
<td>Hopefulness and views on the future</td>
<td></td>
</tr>
<tr>
<td>Additional work content</td>
<td>Workload and work extension</td>
</tr>
<tr>
<td>Workload and job pressure</td>
<td></td>
</tr>
<tr>
<td>Introduction/training for extended work</td>
<td></td>
</tr>
<tr>
<td>Loss of working time</td>
<td>Changes in time and financial structures</td>
</tr>
<tr>
<td>Financial aspects</td>
<td></td>
</tr>
<tr>
<td>Additional time for leisure</td>
<td></td>
</tr>
<tr>
<td>Changes in working hours</td>
<td></td>
</tr>
<tr>
<td>Relations with management</td>
<td>Changes in workplace relations</td>
</tr>
<tr>
<td>Relations with colleagues</td>
<td></td>
</tr>
<tr>
<td>Solitary work</td>
<td></td>
</tr>
<tr>
<td>Role toward guest</td>
<td></td>
</tr>
<tr>
<td>Absence of appreciation</td>
<td></td>
</tr>
</tbody>
</table>

**Ethical approval**

The research project has been assessed and approved by the Swedish Ethical Review Authority. Informed consent has been obtained from all participants in the study.

**Results**

The organizational restructuring affected and changed the work environment in the hotels in several ways during the pandemic. The analysis of data revealed four main themes: (1) Job (in)security; uncertainty and hope, (2) Workload and work extension, (3) Changes in time and financial structures, and (4) Changes in workplace relations.
### Job (in)security; uncertainty and hope

How employees perceived their job security changed over the course of the pandemic and the use of STW, with many employees describing their lack of job security as particularly challenging at the beginning of each of the COVID-19 waves. Many remaining employees felt relief at not being made redundant, although they also expressed feelings of sadness and sometimes guilt that some colleagues had lost their jobs – especially foreign colleagues who could face deportation if they did not have employment. Despite there being wide understanding for the extraordinary situation that led to the restructuring, some respondents nevertheless expressed feelings of being let down by their employer. In addition, feelings of insecurity in terms of employment stability changed over the pandemic period due to uncertainty about the extended government-funded STW schemes and the way this would affect employment along with the uncertainty as to how new or extended restrictions would impact the workplace.

How employees perceived their job security was also affected by quick changes in the level of reduced working hours, where many workers saw their work time change from between 0% and 80% over the pandemic period with a relatively short notice. Quick changes to the number of working hours contributed to feelings of employment instability as well as decreased qualitative job security: for example, the changes to the number of working hours also led to changes to important job features. The high level of perceived job insecurity influenced how some employees felt about working in the sector as they expressed thoughts of leaving the company for employment in other sectors that they perceived would be more stable and secure.

In accordance with the Swedish labour law (Employment Protection Act), top management worked according to the principle of 'last-in-first-out' when it came to redundancies and tried to be as transparent as possible toward workers in order to decrease speculation and the sense of insecurity. However, many of the remaining employees found this time period and the time both during and between the COVID-19 waves to be stressful. As one hotel receptionist described it:

We were very much impacted, and they [management] started to talk about people losing their jobs and all of a sudden, we went from 20 people in reception to only eight. You didn’t know how to react, but I didn’t feel mentally very well during that time, and we had a lot of meetings where they talked about how many employees would be losing their jobs. I’d only been working there for four years, and I knew that many of my colleagues in reception had been working for over ten years, so then I immediately thought that I would be made unemployed. But somehow, I got to stay, and things went from being pretty quiet and then all of a sudden toward the end of May, June, everything turned around, and people started coming to the hotel and all of a sudden, we were fully booked almost every day. I didn’t feel very well at that time either because we were very understaffed [...] It felt like a rollercoaster ride, and then suddenly things quietened down again when the second wave came, and then you started to worry again – about whether you would lose your job or how things would turn out. (Receptionist)

As indicated in the quote and by many other employees, job insecurity is reflected in qualitative terms as a result of the decreased control employees had over their work situation caused by the reduced workforce, which in turn made them even more vulnerable
in the face of any further unexpected development. Indeed, the work situation was made turbulent for the employees during the pandemic when they witnessed both extensive downturns and upturns in terms of increased hotel occupancy rates. Such rapid changes related to the development of the pandemic – that is, the COVID-19 waves, changed foreign and domestic travel patterns as well as government restrictions and guidelines, and these created uncertainty among the employees.

A recurrent theme showed hope for the future – that the situation would soon change and return to how it was before the pandemic and that the hotels would rehire former colleagues. The strong sense of being in such an extraordinary and unprecedented situation together – or ‘It’s us against corona’, as one manager expressed it – contributed to a strong sense of determination that things would improve and that they had only to ‘ride out the storm’. Another hotel used illustrations of redundant employees being re-employed and the situation improving to show workers that the worst times were over and brighter times lay ahead. A manager highlighted this as follows:

Since [the first redundancies], my ambition was that everyone would return. One of the first things I did was hang a large poster in the staff canteen, where the name of everyone who had been laid-off was written inside a heart, and as everyone was re-employed, I colored those hearts. So, the idea was that it would be a big, colorful poster [...] And then it says, “This is not a goodbye, it’s a see you again soon.” It’s a nice symbol because then the person who works at night cleaning or the bartender in the evening sees that the hearts with the names of housekeeping staff begin to be colored in. Because you don’t really meet [all staff] if you don’t work at the same time of the day because the hotel is so big. It gives us all a warm feeling to see that more people are being re-employed. (Manager)

Although they experienced high degrees of job insecurity and uncertainty, the employees also expressed hope for the future and for changes for the better, not least after government restrictions had been lifted. The hope was also apparent in the belief that people’s wish to travel would increase after a relatively long period of isolation and total or partial lockdowns around the world. The belief was that this would lead to increases in staff and job opportunities in the hospitality sector at large. However, as workers were rehired, they were often, at least initially, given reduced working hours and, in some cases, different forms of employment than before the restructuring, be it with opportunities to work additional hours. Nonetheless, job security in terms of guaranteed working hours was in many cases less with the new employment. One breakfast host who was rehired explained that her employment rate dropped from 100% to 75% (STW not included) and stated that ‘no one has been given 100 % employment since being re-employed’. Thus, job insecurity was the reality not only for remaining workers on STW but also for newly rehired employees who in many cases experienced changes in the employment relationship. This affected their economic situation and, in some cases, their work situation significantly.

**Workload and work extension**

As a consequence of reduced working hours and a reduced workforce, new work duties were introduced (work extension), which affected the employees in different ways
depending on whether they were perceived as developing, challenging, or as downgrading in terms of work content. On the one hand, some viewed their new work duties as a way to build on their skills and thus improve their future career prospects; on the other hand, meanwhile, for some, it contributed to a sense of uncertainty of their own level of competence to perform the new work duties. Other employees perceived themselves as being overqualified for their new work duties and that their overall work content had been degraded due to the work extension:

It’s like taking a step back, because now, for example, you have to wash dishes instead of working in the restaurant with service, that you want to do and are trained for. (Breakfast host)

Another employee who worked with meeting and event before the restructuring, now found himself also working in the restaurant:

...the restructuring means that the employees who remained have more duties. For example, I previously worked with meeting and event and today I also work with breakfast and in the café [...] You have to do things that you hadn’t done before, and you are not given the right preparation. (Meeting and event coordinator)

In fact, all employees did not readily accept the work extension, with some even dismissing the new extended role by describing it as merely temporary even when it was their new permanent status. What is more, the work extension combined with pressure at work and reduced working hours left the employees feeling they were no longer in control of the situation since they did not know what their work duties were or even when and where they were supposed to work. In some cases, even the physical workplace was uncertain since some hotels worked together sharing staff and placing them at the hotel where they were most needed. This arrangement was felt to be manageable by the employees since the procedures and data systems were the same; however, colleagues, managers, and the physical workplace differed, which in some cases caused confusion and stress. Regardless of the physical workplace, the new situation presented challenges for employees in their effort to stay updated with new procedures and regulations since they were no longer present at the workplace to the same extent as before the restructuring. The reduced working hours also prevented the introduction of new work duties, with employees having to perform them with limited knowledge and training. This was pointed out as being a contributing factor to a periodically stressful work situation since employees required additional time to perform new, unfamiliar work duties.

In many cases, furthermore, the work extension, especially for restaurant and reception staff, meant more physically demanding work duties, such as cleaning, washing dishes, and replenishing stocks, which previously would have been performed by employees who had specific responsibility for these. These types of work duties are often recognized as belonging to entry-level, low-qualification jobs, and as an effect of the restructuring, they had to be performed by the remaining employees with other competence. Employees described the physical aspect of the work extension as being unsustainable, with one employee describing the extra work duties such as washing dishes and carrying goods as ‘probably the most physical work in the restaurant world’. The work
extension blurred the boundaries between work duties, and one respondent described how an older colleague had to retire since she was unable to cope with the new level of work pressure and physical demands:

…she actually chose to quit. She’s retired now, and I don’t think she retired because she wanted to but more because she couldn’t do the work anymore […] so now you’re a receptionist, a cleaner and everything else, so it’s probably a bit tougher and it’s a bit of a shame for those who are older… and if you’re 63 you may not have as great a chance of getting another job. (Breakfast host)

The effect of changing restrictions on the number of guests made proactive workforce planning difficult, which caused extreme differences in terms of workload over the pandemic period. Employees described periods of boredom and the sense of not being needed during times with little work or work that felt unnecessary that aimed just to fill time, such as gardening, endless cleaning, and sorting. A sense of loneliness is also described with work situations that involved little interaction with either guests or colleagues. One employee described the situation as follows:

…there’s just nothing to do, and there is a different type of stress and more obvious anxiety instead. Because then you can sit there for eight hours in reception and have five check-ins in one day, and then you just have to sit there […] And then we get these little work duties, like we’re going to clean the tables in the restaurant, and we’ll do this kind of rubbish just to pass the time. (Receptionist)

Hotel management, meanwhile, emphasized how the work duties that some employees deemed unnecessary aimed to make their situation more bearable during periods of low hotel occupancy rate. In contrast, when the hotel occupancy rates increased, the situation is described as being so hectic and stressful that the employees had no time for meal breaks; indeed, there are even examples of employees who were so stressed that the manager had to be called in to resolve the situation so that the employees could take a break. Other employees described the feeling of having the same amount of work to do as in normal times but of having less time to complete it due to less staff, which caused stress and mental fatigue.

The rapid change in workload and the feeling of not being in control of the changes are reflected by the frustration of some respondents who felt that the STW prevented them from helping their colleagues during work peaks since the working hours quota had been reached: this left employees feeling helpless.

**Changes in time and financial structures**

As STW schemes mean reduced working hours and reduced income (see Table 1), this changed the time and financial structures for employees – both positively and negatively. In terms of the time structure, the remaining employees had their working hours reduced by up to 80% depending on hotel occupancy rate and staffing needs, and most often fluctuated between 20% and 60%. Consequently, they had more ‘leisure’ time than they normally had: how this extra time was used and perceived
differed among the employees. For many employees with family, this extra time pro-
vided the opportunity to catch up with projects at home or to cope better with the
demands of daily life – for example, cleaning, grocery shopping, and taking care of
children:

You have time to do things. You have time to both drop off and pick up your children from
preschool, which you never had time to do before. (Team leader)

Furthermore, the extra free time allowed some workers to spend more time with fam-
ily and friends and on activities they viewed as meaningful, such as baking, painting,
exercising, hiking, and spending time outdoors. At the same time, some respondents
described how the extra time with family, combined with limited activities outside the
home, sometimes created tension at home.

Other respondents viewed the extra time as an opportunity to study or to take on
extra work so as to earn more money and/or to secure a plan B in case of further redu-
dancies. There were also examples of employees who felt they needed the extra time to
rest as a result of the increased work pressure. The changing levels of reduced working
hours resulted in irregular schedules, which led to many employees feeling that they had
always to be prepared to go to work, which in turn caused stress and hindered recovery.
Managers, meanwhile, pointed out that employees had to accept quick changes in terms
of their working hours and that this led to resistance among employees, especially when
the number of working hours increased.

Although the lack of work did mean more leisure time for employees, it – combined
with a lack of information – also created a sense of anxiety and concern that there would
be further redundancies. Furthermore, some employees felt the time off to be nothing
more than ‘waiting time’ ahead of their next scheduled shift. They described how they
were passive during days at home and that the time on STW felt much longer and slower
compared to how things felt when they had worked full-time: indeed, as one employee
stated, ‘a couple of months on STW felt like a whole year’. The fewer hours at the work-
place also greatly reduced the daily social contact for some employees. In some cases,
that was the only social contact they normally had:

... there are a lot of lonely souls at the hotels, at least at my last hotel. They don’t have
anyone at home […] they only have and they only socialize with the people they work
with, and it’s like work is the highlight of the day. (Chef)

Besides the social and time aspects, the STW schemes introduced during the pandemic
meant that salaries decreased. What is more, employees, and especially employees
working with food and beverages, lost further income that they would have received in
tips (which make up an important part of their net income), which was a result of both
fewer customers and reduced working hours. Some hotels even closed their restaurants
at times during the pandemic. However, for most employees, the income loss was man-
ageable since they spent less money on travel and entertainment because of the govern-
ment recommendations to stay at home. Reduced salaries, combined with the threat
of redundancy and unemployment, served as a wake-up call for many respondents
to decrease their expenditures and focus on savings as a means to establish financial
security.
Although top management considered the STW schemes in Sweden during the pandemic as rather generous in terms of income for employees (see Table 1), some workers viewed the loss of income as extensive. One respondent described this as follows:

…I thought like this: ok, now I'll maybe have to look at other options, because my husband's residence permit was rejected in 2018... and therefore it's important for me to be able to support both of us so that the Swedish Migration Board can see that I have enough money and an apartment and X SEK left after paying the rent and stuff [...] and then I talked to [the employer] before the STW and negotiated my salary a bit.. because otherwise I would have had to look for a new job ... and even then, I thought, I must have a plan B, and when I heard about the STW again, things were very urgent. I thought, I'll not be able to make the necessary income level for the Swedish Migration Board [with the STW salary]. (Breakfast host)

Yet, the loss of income as a result of the STW was viewed differently among employees depending on the number of reduced working hours and the level of salary, with lower paid workers experiencing the greatest difficulties with the loss of income. An employee's life situation – for example, family, immigration status – was also important in terms of how the loss of income was viewed. In other words, the consequences of the change in financial situation seemed to depend on factors such as having a difficult economic situation, being a family provider, or needing a certain level of salary to meet with the Swedish Migration Board requirements.

**Changes in workplace relations**

Changes in employees’ relations to colleagues, managers, and guests, which in this article is defined as workplace relations, had an impact on the work environment. Guest interaction is central to work in the hospitality sector, especially for those who work frontline. Respondents describe how their role in such interaction changed during the pandemic since they instead had to take on the role of ‘guardian of the government’s restrictions’ rather than focusing on the guests. This notion of being a guardian of restrictions is not shared by all employees; nevertheless, the situation challenged workplace relations since some employees viewed the pandemic situation to be more serious than others, which created tensions.

Tensions between employees and in employee-manager relationships were caused by the restructuring and the changed work situation, with some team leaders also being made redundant. New organizational structures were developed and implemented, which resulted in many new managers and often managers that prior to the restructuring had been at a different hierarchical level. This meant that some employees lost their former immediate manager – the manager who was supposed to support the employee through the restructuring process and who now also found himself/herself redundant. Additionally, many employees experienced changes in workplace relations due to an absence of colleagues and an increase in solitary work:

You have no colleagues in the whole hotel and you are just all by yourself. (Receptionist)
Another receptionist in a different hotel stated:

And they say that, “you are never alone”. And that’s right, you may have a cleaning lady as a colleague on site. But when the breakfast staff go home at 12 o’clock, then you’re alone until 4 o’clock when the restaurant staff arrive. So, there are cleaners on site but when you call there’s no help to get, they don’t show up, and they don’t want to help you because they don’t have the time. And then you’ll be alone. (Receptionist)

Yet, the changes in workplace relations were not purely negative since some employees also highlighted how they forced them to learn more about the work done by other departments, which during periods improved collaboration at the workplace. However, the collaboration shifted during the period of STW: employees initially worked together to resolve the situation, but this changed and relations between groups of employees became less friendly as a result of increased job pressure caused by a reduction in the workforce combined with a temporary increase in hotel occupancy rate.

In some cases, the work extension also resulted in resistance among employees that was rooted in the fear of being challenged at work with job loss as a potential outcome. Managers also experienced resistance from employees in situations where the manager performed work duties that once only employees would have performed. Other reasons for increased workplace tension were the absence of any introduction to new work duties, uneven work pressure among employees, and different degrees of reduced working hours.

**Discussion and conclusion**

The extensive job losses and reduced working hours in the hospitality sector due to the pandemic were unprecedented (Tu et al. 2021). Indeed, the pandemic has been described as its worst economic crisis of modern times. The overall aim of this article was to examine how restructuring in the hospitality sector involving STW and redundancies affected the psychosocial work environment during the pandemic, using the cases of three hotels. The results of our study reveal that STW and redundancies had an impact over a wide range of working conditions for the remaining employees and contributed to changes in workload and work extension; in time and financial structures; in workplace relations during the STW; and in how employees perceived job (in)security. The overall results of this study illustrate that employees experienced STW differently and are somewhat paradoxical since they show there to be both positive and negative aspects to STW schemes and how they were experienced shifted over the pandemic period.

Previous research (e.g., McDevitt et al. 2013; van Dierendonck & Jacobs 2012) on the effects of downsizing on employees has primarily looked at restructuring processes from the perspective of the ‘survivors’ or ‘victims’ and has not sufficiently elaborated on the extraordinary situation for employees on STW schemes. Arguably, this could be seen as a combination of the two categories since employees on STW retain their employment but lose working hours and net income. Changes in government restrictions and hotel occupancy rates during the pandemic meant that the hotels had to make quick changes to the number of reduced working hours for employees. These changes in working time, combined with the descaled organization due to the workforce reduction, contributed
to high fluctuations in workload and to the introduction of a wider range of work duties (work extension). How the work extension was experienced differed among employees. However, many perceived the work extension to be somewhat degrading since they also were made to perform work that required less training. In other words, both qualitative and quantitative job insecurity (cf. Hellgren et al. 1999) were present and affected the psychosocial work environment, with fear of losing the employment on the one hand and changes in important job features on the other hand. Notably, the high level of uncertainty due to quantitative job insecurity during the restructuring and the turbulent time in the hospitality sector at large influenced employees’ willingness to accept qualitative job insecurity in terms of changed work content since remaining in employment was considered most important.

Moreover, the results show that social relationships and interactions both at work and outside work were affected by high-level STW schemes. Many employees, especially those with family and large social networks, experienced being on STW in positive terms since it provided more time outside work for family and different types of social and meaningful activities. However, other employees experienced an increased sense of isolation and loneliness, as the extra free time was perceived to be nothing more than ‘waiting time’ that negatively changed the time structure of their non-working days, which is not so markedly different from what has been reported by Jahoda (1982) about the unemployed. At the workplace, social interactions were disrupted by markedly fewer guest-interactions, increased solitary work, and reduced interaction between employees and with managers during the reduced working hours. The lack of interaction and information during the period of reduced working hours increased uncertainty among employees about the situation and development at the workplace.

Overall, the STW not only affected the psychosocial work environment and work conditions at the workplace in different ways, but it also had a wider effect in terms of life outside of work, which often is interacting with the employment stability and status. For socially vulnerable employees, for instance, who have small financial margins or who depend on their income for other reasons (such as work permit requirements), the stress of being on STW was more profound compared to that of other employees with a higher degree of stability, financial margins, and support networks. This points to the importance of social networks and support not only at work but also outside work during high-level STW schemes and absence from work. Another observation made in this study is that there was a higher number of employees in entry-level jobs (which the hospitality sector is well-known for) who were made redundant as a result of the restructuring; furthermore, all employees on atypical employment contracts were displaced. As such, the restructuring hit different groups of employees to different extents, although many employees in the hospitality sector experienced significant changes in employment relationships or the work environment during the pandemic. Further research is needed on the long-term effects of restructuring in the hospitality sector for different groups of employees.

**Limitations**

This study focused on three hotels, where there had been both STW and redundancies. Indeed, the changing work environment during the STW was also affected by the
reduction in workforce, and therefore, the results of this study are not necessarily transferable to other companies that implemented STW but did not reduce their workforce by making employees redundant. The effects of STW on the work environment also depended on the degree of reduced working hours. Moreover, this study was conducted in an industry that experienced a great reduction in their customer base during the pandemic. The data were primarily collected while government restrictions that greatly affected business operations were in force. The effects of restructuring, including changes in the work environment, should be seen in light of this and not necessarily viewed as permanent. It is very likely that the hospitality sector will recover and return to how it was prior to the pandemic; saying that, however, the crisis may well have triggered innovations and new business models.

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