

RETAIL

## Harrods to let waitstaff keep 100pc of tips received

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*Image courtesy of UVW*

By STAFF REPORTS

British department store Harrods has agreed to revise its gratuity policy after a Jan. 7 protest called attention to an unfair policy at the retailer's in-store restaurants.

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Harrods restaurant employees took to the streets outside the famed department store to voice their objection to their employer keeping a large percentage of the waitstaff's tips. Organized by hospitality workers union United Voices of the World, the protest aligned with Harrods' annual post-holiday Winter Sale and proved disruptive enough for the retailer to reconsider its policies.

### Tips for tips

Harrods chefs and waiters are members of United Voices of the World (UVW). The organization works to protect the labor rights of employees in the hospitality sector.

When Harrods' chefs and waiters joined the union, UVW was notified of Harrods' unfair practices when it came to the tips waitstaff received. Previously, Harrods had kept up to 75 percent of service charges left for waitstaff at its many in-store restaurants.

UVW estimates that Harrods was taking approximately 5,000, or \$6,164 at current exchange, per worker per year.

After mobilizing the protest on Jan. 7, Harrods has changed its policy. On Jan. 20, it was announced that Harrods has agreed to give 100 percent of the service charge to its employees.

The retailer also agreed to other demands such as appointing an independent "tronc" master to administer tips and to allow waitstaff to sit in on the tronc committee.



*UVW held a Jan. 7 protest outside Harrods, image courtesy of UVW*

"This victory sends out a clear message to the rest of the restaurant and hospitality industry that workers are no longer going to accept anything less than 100 percent of the tips and trade unions are ready to help them get organized and fight," UVW said in a statement share to Facebook.

The labor union also said it will continue to push Harrods to improve working conditions, pay and proper union recognition.

Amid harsh consumer and media reviews, Trump International Hotel Washington also reached a recent agreement with a local labor union.

The agreement will permit the 6,500 member-strong Unite Here Union Local 25 to orderly organize a campaign to ensure proper working conditions for hospitality workers in the Washington area. Up until reaching this agreement, Trump International has been opposed to the unionization of its employees ([see story](#)).

Harrods has issued the follow statement in regard to the UVW demonstration:

"Over recent months, Harrods has been meeting with restaurant employees to discuss the system through which it distributes service charge. This has been in order to review all aspects of the current system and ensure that the service charge is distributed fairly to all restaurant staff.

Following these discussions, Harrods is announcing a new system whereby 100 percent of a discretionary 10 percent service charge will be distributed directly to staff through an improved Tronc system (except for the minor administration cost required to operate the Tronc). Harrods has also appointed a new, independent Troncmaster who will manage the Tronc system autonomously on behalf of employees. As well as providing a fair arrangement for employees, Harrods wants to ensure that customers are presented with a transparent, reduced service charge, allowing them more discretion in the amount they would like to contribute.

The decision aims to be in line with recent government consultation objectives on service charge, which encourage transparency for both employees and customers, while rewarding employees for the service they provide.

Harrods has engaged directly with employees on this issue, and is delighted to introduce a system that is beneficial for both employees and customers within Harrods restaurants".