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**MODELING THE INFLUENCE OF THE HOSPITALITY  
INDUSTRY'S SPECIFIC FACTORS ON THE HRM**

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**Abstract**

The paper presents a conceptual framework showing the influence of the hospitality industry's specific factors on the personnel management's peculiar features in lodging establishments under the present-day conditions, i.e. in the context of the digital transformation of the hotel business and the crisis phenomena of the Covid19 pandemic. Considered are the specific features of the activities performed by the hospitality industry's establishments. The authors have studied the functional patterns of business processes in the hotel industry determining the specifics of labor activity. Besides, they have identified and analyzed the factors of personnel management, and also substantiated the causal relationship of the identified industry factors' influence on the features of personnel management. The differentiation method has been used to group the features of personnel management according to the industry's characteristic features and the selected criteria of the hotel industry's personnel management system under the present-day conditions. The considered research topic will be of interest to specialists working in the sphere of personnel management and influencing the process of human resource management at hospitality industry establishments.

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*Keywords:* Human resource management, hotel enterprise, hospitality and tourism industry, features, factors



## 1. Introduction

Under the present-day conditions characterized by the rapid development of the digital technology, uncertainty of the economic and politic background, and also general unsteadiness of the epidemiological situation the conception VUCA (Volatility, Complexity, Ambiguity) becomes popular. This approach based on the research of the viable solutions under the conditions of unsteadiness and quick changes in the world emphasizes the special meaning of necessity of the regard of all aspects, which can reduce the level of enterprise disadvantage. Speed and quality of proceeding changes force modern enterprises to reexamine and change the approaches to human resource management. It is necessary to permanently build up skills and competencies advancing speed, facility and concernment of the members; to improve the system of human resource management, using digital devices and technology, which can raise its adaptivity and effectiveness. Proceeding process is plural in different branches and fields of activities. The tourism and hospitality industry are the most sensitive to the prevailing conditions.

## 2. Problem Statement

Through studies of the problems of personnel management in lodging establishments under the present-day conditions the focus of the specialists is on the following aspects:

- the personnel management's foundations, functions, system and peculiar features in lodging establishments (Arhipova & Danilova, 2019; Chuvatkin & Gorbatov, 2020; Lustina & Arutjunjan, 2018; Mysova, 2015; Pavlova & Nikol'skaja, 2016; Savchishkina, 2009, etc.).
- proceeding digital transformation of business, needing the reexamination of the approaches to personnel management (Kuznecova, 2019; Martynova & Kamshilov, 2019; Nagibina & Shhukina, 2017; Semina, 2020; Shostak, 2020; Vertinova et al., 2019; Yakovleva, 2020, etc.)
- the most actual problems connecting with the influence of the Covid19 pandemic just as labour market in all, so the system of personnel management in particular (Gordeeva & Burova, 2020; Mihajlov & Fedulov, 2020; Sajfullina & Komnatnaja, 2020, etc.).

However, the analysis of scientific researches describing the problems of the personnel management in lodging establishments under the present-day conditions is indicative of the problem's lack under study of the sufficient degree of the scientific status. It needs of background studying and arrangement of knowledge about personnel management of the hospitality industry and the branch factors of influence with a purpose of the further groping and the presenting of the conceptual framework of their relations.

- Thus, the purpose of our research is to set up the conceptual framework showing the influence of the hospitality industry's specific factors on the personnel management's peculiar features in lodging establishments under the present-day condition.

### **3. Research Questions**

In course of the study the following questions were raised:

- What factors affect the management of personnel in the hotel industry?
- What is the specifics of the hotel industry?
- How do crises affect the labour market?
- What features of HR management exist in the hotel industry?

### **4. Purpose of the Study**

Supposedly, the answers to the issues raised above will help achieve the goal and contribute to the development of recommendations on the HR-management in the hotel industry.

### **5. Research Methods**

While used are the general scientific and special methods at the theoretic and empiric levels of knowledge: the systemic approach, the methods of induction and deduction, analysis and synthesis, notice and argumentation (through studies of the present-day economy-wide situation in the hospitality industry in the scope of the organizational aspects of management at industry establishments); abstraction (through studies of the industry factors influence' on the features of personnel management in lodging establishments); expert analysis (through studies of the practical aspects of personnel management in local lodging establishments); comparison and classification (through comparison and conduct the comparative analysis of the approaches to personnel management according to the form of organization of the management of the lodging establishment on the basis of the selected criteria); grouping (through finding dependence of the factors and features of personnel management in lodging establishments); statistical methods (through studies of the profile lines of the arguments of the dynamics of the hh.index on labour market); the method of the conceptual framework (through presenting the conceptual framework showing the influence of the hospitality industry's specific factors on the personnel management's peculiar features in lodging establishments under the present-day conditions).

#### **5.1. Results and Discussion**

The personnel management's peculiar features in lodging establishments are specified by the presented lodging stuff which consists of service (basic and additional), provided by employees another consequence of which is that the high degree of the service quality and the effectiveness of the establishments' activity depend on human factor. However, in many respects the defining role of human factor is not unique. On the lodging establishment's activity in the sphere of personnel management can influence just as the internal factors dealing with the management and conduct of business (specialization, class, form of ownership, management, enterprise size), so the external factors defining the business environment and showing the features and station of the hospitality industry (seasonality, condition of the

market, including the labour market, economy-wide, epidemiologic situation, the present-day conditions of the development of allied industries and other).

In the light of the above we need to point out and analyze the industry's characteristic features of the hotel industry's personnel management system under the present-day conditions.

Peculiarity of the service is the main factor influencing the process of human resource management at hospitality industry establishments due to the special characteristics as the non-financial character of the service (intangibility), the continuity of the process of production and usage (inseparability from the source), inequality, the absence of the owner, perishability). Among the listed features of the service the continuity of the process of production and usage and inequality are the most influential on the process of the personnel management which dealing with human factor.

In connection therewith it can be pointed out the personnel management's peculiar feature in lodging establishments which concludes in the necessity of providing the client-centeredness.

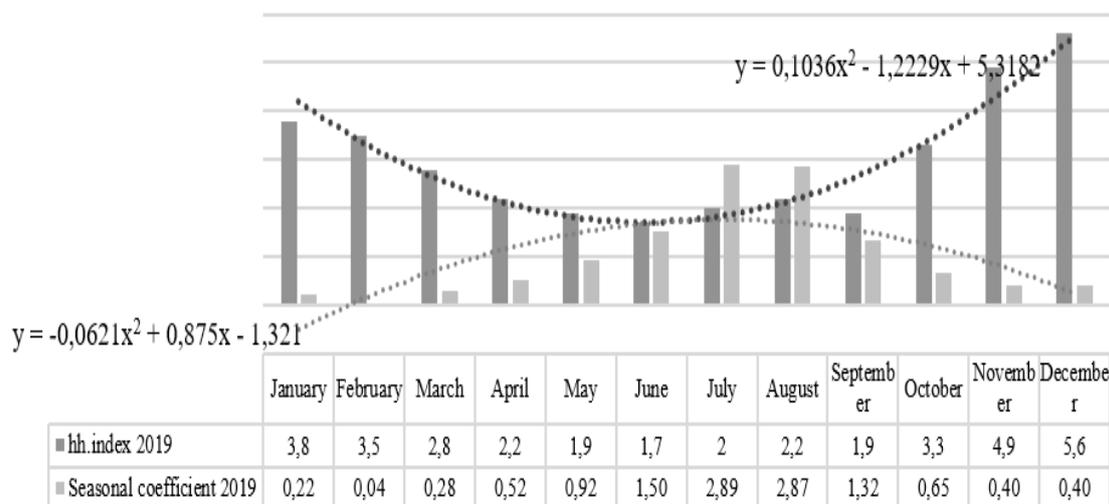
The client-centeredness is the synthetical professional skill consisting of the set of interrelated constituents (knowledge, skills, abilities, motivation, values, goals, personal qualities, behavior), characterized of the labour quality, performing functions as the basic constituent and factor of the forming the professional competences of the employees, and also the policy of the establishment and support arrangements between the clients (Shavrovskaja, 2011).

The realization of the customer focus strategies expects to pay attention not to external clients but also to internal clients as corporate staff which finally must provide the best satisfaction of clients' needs. The main devices of such approach are corporate culture and internal (corporate) marketing which has the form of "a feature of the management activity which oriented to the optimization of the internal environment of the establishment with a help of using the marketing approach to the personnel management (marketing tools)" (Timirgaleeva et al., 2015, p. 307). The result of the internal marketing is involved staff having the high level of the client-centeredness providing the high rate of the service quality, customer loyalty, brand reinforcement (including HR-brand) and as a result the profit increase.

Under the current situation in the sphere of the personnel management in lodging establishments the most important aspect is not only the specialized professional jurisdictions corresponded to the current position (hard skills), but also soft skills characterizing the unspecialized skills and abilities of the intercommunion and effective communication between staff and clients. Among soft skills the most important for staff of the hospitality industry are personal and crew responsibility; emotional intelligence and empathy; active listening; verbal and nonverbal communication; stress management (resilience).

Thus, we can point out two fields of HR-work defining the features of the personnel management in lodging establishments: the special claims to staff about soft skills; support and development of the internal client-centeredness of the staff with a help of using the additional HR-devices and technology.

Seasonality. The hotel industry has the high degree of the dependence on this factor, because seasonality is the industry's factor and appears in number of the clients, their charge, the ordering of rooms. In peak season it is necessary to hire seasonal workers. In Figure 01 presented is the dynamics and correlation of the seasonal index and the coefficient characterized the industry's workforce demand (Statistics for Russia, 2021) in the Republic of Crimea in 2019.



**Figure 1.** Dynamics of the hh.index of the hospitality industry (the professional sphere including tourism, hotels and restaurants) and the seasonal coefficient in the Republic of Crimea (2019)

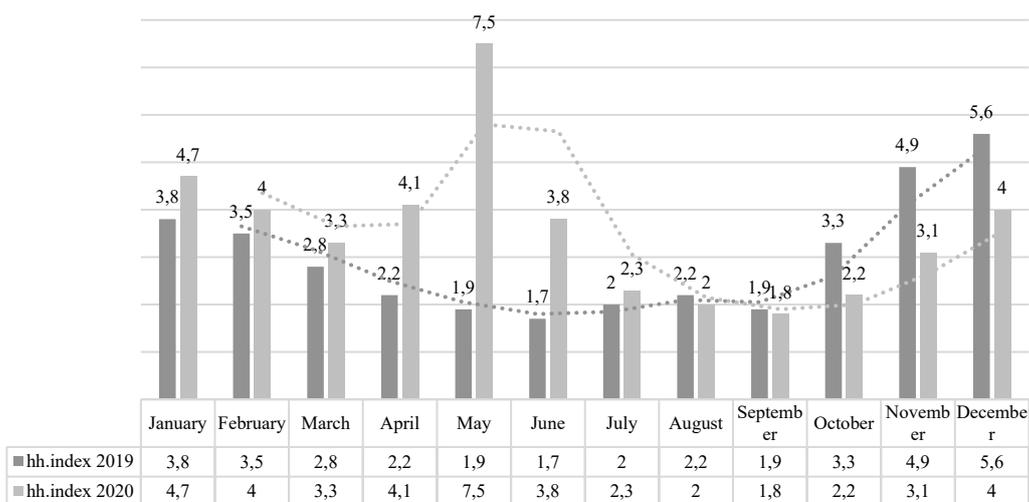
For the considered touristic region this situation has been typical during last years (2015-2019). The global changes were in 2020 and were connected with the global coronavirus. The dynamics of the hh.index shows how the equal number of vacancies changed, how the workforce demand of the employers changed in general in the market (professional sphere: tourism, hotels, restaurants). It is calculated for current month toward the same month of last year. Figure 1 provides that between the hh.index and the seasonality there is inverse relationship representing the hospitality industry's specific factor as the seasonality of open vacancies. The personnel management's peculiar feature shaped under the influence of this factor is the differentiation method of describing HR-processes towards seasonal and full-time workers. This method provides the following acts of the personnel management directed at optimization of seasonal and full-time workers' activity:

- crash programme of onboarding and training of seasonal workers;
- providing welcome-workshops with seasonal workers before season starts;
- using of additional motivational tools in low season to keep full-time workers and to support the high level of concernment (flexible and peculiar hours, support the corporate culture, part in the conduct);
- activation of the application of the crash programmes oriented to professional development of full-time staff in low season;
- control (low level) of the investment in seasonal staff.

On the solution of the problem of the seasonality towards to staff can influence the motivational programmes and optimization of staff schedule. And the mix of the suggested actions and the valid HR-policy in the industry of seasonal staff recruitment and training helps to mitigate the consequent effect of the seasonality's factor and to offset the seasonal and full-time workers' activity. The hospitality and

tourism industry's specific factors. The situation on the present-day labour market is characterized by some main trends: improving the company's public image while people find a job; the growing priority of flexible hours; the increasing popularity of outsourcing and outstaffing technologies at filling positions; development the multilateral cooperation with institutions to find and train staff and etc. These trends make the present-day hotel establishments to actively use the HR-branding tools which is the set of targeted measures of creating the positive company's public image to find the best industry's specialists that is of particular relevance to low season.

Due to multilateral cooperation of the labour market's character of the hospitality and tourism industry and the seasonality, the local features of labour market can have different particularities which are typical for a touristic region: the direct relationship between employment situation and the tourism sector of the regional economy; seasonal unemployment fluctuations according to a touristic region (see Fig. 1); unbalanced distribution of workers within the boundaries of the touristic region: migration in peak season in regions/cities with the highest concentration of tourism resources, developed tourist infrastructure, a higher wage; force majeure and etc. The noticed particularities are directly represented in the situation on the regional labour market which is the source of work-force and hence explaining the necessity of its condition in the process of search and selection (recruiting) of personnel in hotel establishments. Whereas the personnel management's peculiar features, establishments should monitor the situation on labour market of a specific region and orient to it. Solving this problem, establishments can use information suggested by official sources of state agencies (statistical offices, subject ministries and authorities, and other), recruiting firms and large recruiting companies, representing some information on the Internet. Among last ones the special place is for the company «HeadHunter» service. For example, to overview of the present-day situation (2019-2020) on Crimea labour market in the hospitality and tourism industry, it should be examine rates represented on (Statistics for Russia, 2021), the basic of which is the hh.index (Figure 2).



**Figure 2.** Dynamics of the hh.index of the hospitality industry (the professional sphere including tourism, hotels and restaurants) and the seasonal coefficient in the Republic of Crimea (2019-2020)

With a view to defining and representing the trends of the analyzed coefficient for the investigated time we use the moving average method which helps to cushion short-term fluctuations and highlight the main cycles. As noted earlier, the dynamics of the coefficient till 2019 had a clearly expressed trend kept for previous years. At the same time, the unstable character of demand for the hotel establishments' service in a region and the seasonality of vacancies do not allow for making a simple conclusion towards the type of the investigated market (employer's market or applicant's market): depending on the season under consideration (high/low), and, as a consequence, alternating and the natural excess of supply (the number of vacancies) over demand (the number of resumes), and vice versa, the labor market of a designated tourist region acquires the corresponding features of one or another type of market.

Thus, hotel establishments in a particular region can monitor and analyze information about the state of the labor market in order to regulate the process of searching and recruiting personnel. Category and specialization. The category and specialization of the hotel establishment influenced greatly on the personnel management of all levels and qualifications. The category of the hotel establishment is characterized by the number of stars, and the higher the star/class level, the more diverse (wider) the range of service, which in turn affects the composition and number of hotel divisions. Specialization involves the orientation of the accommodation facility to certain types of tourism: business tourism, excursion, medical, etc. Accordingly, specialization characterizes the type of hotel establishment: sanatorium, congress hotel, SPA hotel, etc. The peculiarity of the personnel management, due to the dependence on the category and specialization of the accommodation facility, is expressed in special requirements which are imposed on personnel: qualifications, work experience, professional competencies, language requirements, etc. Also, the presence of certain requirements and standards established by the hotel establishment for highly specialized staff with certain qualification requirements for the promotion and implementation of additional hotel service focused on a dedicated subset of the tourism market (for a health center, qualified medical personnel will be a priority, and in a business hotel there is generally no medical specialty and recreational service). The «category» factor presupposes the presence of certain standards in the hotel industry, including the standards for staff. The Regulations on the Classification of Hotels in the Russian Federation (Decree of the Government of the Russian Federation, 2020) contains the general point requirements for personnel for various categories of hotels. Personnel requirements will also change depending on the specialization of the accommodation facility (professional competences, qualifications, work experience). For example, a recreational tourism accommodation facility may be classified as a health spa establishment.

In this case, the specialization of the establishment will be expressed in the presence of a medical specialty, health-improving programs, which, in turn, will require the availability of medical education for employees providing medical service. This type of hotel establishment as a congress hotel will be focused on business tourism and certain conference groups, which will require additional requirements in the field of foreign languages. The form of property and the personnel management which is one of the factors associated with the organization and conduct of the hotel business, directly affects the organizational aspects of the personnel management. In particular, on the organization of the personnel management system of hotel establishment influenced are:

- partnership with chain hotels (whether the hotel is an independent hotel or is part of a hotel chain, providing its activities on terms of franchise);
- form of property of the business entity (hotel establishment): private, municipal, federal property of the subjects of the Russian Federation; privately-owned establishments have the opportunity for the flexible approach of using of HR technologies and tools, quickly responding to changes in the external environment.

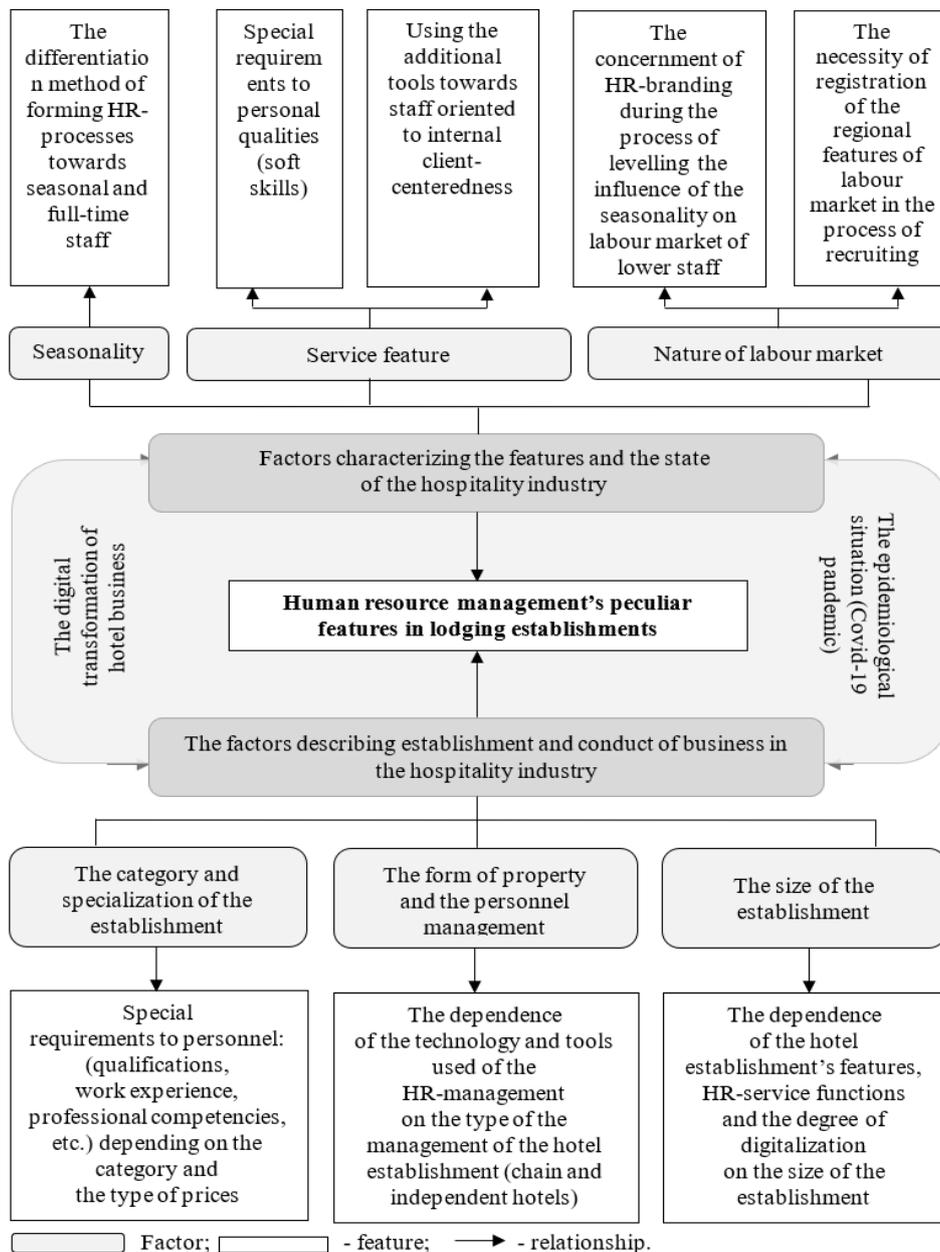
The key factor that predetermines the differences in the approach to the personnel management of hotel establishments of various forms of the personnel management is the system of the monitoring the hotel establishment's activity: in chain hotels, all processes are controlled and carried out by the head office (management company). The size of the hotel establishment is also one of the factors influenced on the personnel management. This factor represents itself primarily in the capacity of the hotel establishment (room fund) and also determines:

- the complexity of the organizational structure of management (in small establishments it is much simpler),
- the number and responsibilities of staff (depending on the capacity of the hotel establishment, the number of departments and functions, the required staff is formed),
- service regulations (standards are determined),
- scope of digital technologies used (degree of digitalization),
- a system for building marketing service (in medium and large establishments, special marketing service is created, marketing research is carried out, and in small establishments there is no specialized marketing service, and marketing functions are performed by a sales specialist), etc.

Based on this, it is possible to formulate such a feature of the personnel management as the dependence of the structural characteristics of hotel establishments, the features of HR service and the degree of digitalization on the size of the establishment. We also note that there are differences in the fields of work of HR departments depending on the size of the establishment. At medium and large establishments, great attention is paid to the creation and promotion of the employer brand, the search and selection of high qualified personnel, as well as the adaptation and training of personnel. In small hotels, there is often a minimal role for investment in staff development and training. The grouping of the influence factors. Thus, the study and determination of the causal relationship between industry factors affecting the personnel management of hotel establishments and the selected features of the personnel management allow differentiating the last, grouping them as follows: factors characterizing the features and state of the hospitality industry; factors associated with organizing and conducting business with the hospitality industry.

## 6. Findings

However, the presented groups of industry factors do not exhaustively characterize the impact on the activities of hotel establishments, and HR business processes, in particular. In this regard, it becomes necessary to highlight additional factors that are global in nature, but have a significant impact on the designated processes in the present-day conditions. Global factors include an unfavourable epidemiological situation (Covid19 pandemic, coronavirus) and the ongoing digital transformation of business (transition to a digital economy). From the above results of the study, we can conclude that the indicated factors can influence the processes of the personnel management in a direct and indirect way (Figure 3).



**Figure 3.** The conceptual influence pattern of sector-specific factors of the hospitality industry on the features of personnel management at hotel establishments under the present-day conditions

## 7. Conclusion

The presented conceptual model is characterized by cause-and-effect relationships identified in the process of analyzing industry factors that affect the characteristics of the personnel management in hotel establishments; the main interconnections are the connections between groups of factors and features, since they determine the nature of the interaction; changes in factors such as the epidemiological situation and digital transformation of business affect both groups of factors related to the organization and conduct of the hotel business and factors that characterize the characteristics and state of the hospitality industry.

In conclusion, it should be said that the success of the personnel management in lodging establishments, in the context of the influence of global factors: digitalization of the economy and the coronavirus, largely depends on an integrated approach to the consideration and definition of key industry factors that have a direct impact on personnel management in lodging establishments. A holistically forms model of understanding the structural-logical and causal relationships of the influence of factors on the personnel management's features can become a flexible tool for effective management for an HR specialist, contributing to prompt decision-making, initiation and quick adaptation to the prevailing industry conditions, forecasting opportunities and threats, and also the development of a long-term strategy for managing the establishment as a whole, based on the identified factors and the personnel management's features.

The ability to see and qualify the reasons (factors) allows us to predict economically efficient and profitable decisions, taking into account the key characteristics (features) of the personnel management, which is the determining basis for developing the personnel management strategy in lodging establishments.

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