

**APPLICATION OF INNOVATIVE METHODS OF MANAGING THE LABOR POTENTIAL
IN THE HOTEL AND RESTAURANT BUSINESS ESTABLISHMENTS**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 24 March 2023</p> <p>Accepted 20 June 2023</p>	<p>Purpose: The purpose of the academic paper is to study the tendencies and practice of applying innovative methods of managing labor potential in the hotel and restaurant business in changing environmental conditions.</p>
<p>Keywords:</p> <p>EU Hospitality Industry; Management of Labor Potential; The EU Hotel Business; The EU Restaurant Business; Innovations in the Hospitality.</p>	<p>Theoretical framework: Considering labor shortages in the hospitality industry and the necessity to attract employees after the pandemic, the EU hospitality and restaurant businesses have been changing their methods of managing the labor workforce.</p>
	<p>Design/methodology/approach: The research methodology is based on a systematic approach to studying trends and the practice of applying innovative methods of managing labor potential in the context of the external environment's challenges. Based on the Eurostat panel data for 2020, linear regression models of the dependence between turnovers, employment, and labor productivity in the field of hospitality in EU countries were constructed. Secondary data from interviews with owners of the largest EU hotel chains were used to identify methods of managing labor potential after the pandemic.</p> <p>Findings: The results demonstrate the existence of challenges toward the EU hotel and restaurant chains related to the labor shortage in the conditions of spreading the pandemic, the set of skills and low-skilled migrants. In order to solve the problems outlined, network managers hire and quickly train employees without work experience from various social categories (young people, students, specialists from other sectors, migrants, etc.). Moreover, hotels' and restaurants' managers offer employees housing, additional wages, social insurance, bonus payments in order to attract the workforce.</p> <p>Research, Practical & Social implications: The research demonstrates a positive change in the employees' working conditions in the hospitality industry in the EU</p>

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states due to the problem of their shortage, which arose with spreading the pandemic and the labor force movement to other economy sectors.

Originality/value: The practical value of the research lies in the possibility of using the knowledge about the identified trends of managing labor potential in the EU hospitality industry by small and micro enterprises of the industry.

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APLICAÇÃO DE MÉTODOS INOVADORES DE GESTÃO DO POTENCIAL DE TRABALHO NOS ESTABELECIMENTOS DE HOTELARIA E RESTAURANTE

RESUMO

Objetivo: O objetivo do trabalho acadêmico é estudar as tendências e práticas de aplicação de métodos inovadores de gestão do potencial de trabalho na hotelaria e restauração em condições ambientais em mudança.

Referencial teórico: Considerando a escassez de mão-de-obra na indústria hoteleira e a necessidade de atrair funcionários após a pandemia, as empresas hoteleiras e de restauração da UE têm vindo a alterar os seus métodos de gestão da mão-de-obra.

Desenho/metodologia/abordagem: A metodologia de pesquisa é baseada em uma abordagem sistemática para estudar tendências e na prática de aplicar métodos inovadores de gestão do potencial de trabalho no contexto dos desafios do ambiente externo. Com base nos dados do painel do Eurostat para 2020, foram construídos modelos de regressão linear da dependência entre volume de negócios, emprego e produtividade do trabalho no campo da hospitalidade nos países da UE. Dados secundários de entrevistas com proprietários das maiores cadeias hoteleiras da UE foram usados para identificar métodos de gestão do potencial de mão-de-obra após a pandemia.

Resultados: Os resultados demonstram a existência de desafios para as cadeias hoteleiras e de restauração da UE relacionados com a escassez de mão-de-obra nas condições de propagação da pandemia, o conjunto de qualificações e migrantes pouco qualificados. Para resolver os problemas apontados, os gestores da rede contratam e capacitam rapidamente funcionários sem experiência profissional de diversas categorias sociais (jovens, estudantes, especialistas de outros setores, migrantes, etc.). Além disso, os gerentes de hotéis e restaurantes oferecem aos funcionários moradia, salários adicionais, seguro social, pagamentos de bônus para atrair a força de trabalho.

Pesquisa, implicações práticas e sociais: A pesquisa demonstra uma mudança positiva nas condições de trabalho dos funcionários da indústria hoteleira nos estados da UE devido ao problema de sua escassez, que surgiu com a disseminação da pandemia e o movimento da força de trabalho para outros setores da economia.

Originalidade/valor: O valor prático da pesquisa reside na possibilidade de usar o conhecimento sobre as tendências identificadas de gestão do potencial de trabalho na indústria hoteleira da UE por pequenas e micro empresas do setor.

Palavras-chave: Indústria Hoteleira da UE, Gestão do Potencial de Mão-de-Obra, Hotelaria da UE, Indústria da Restauração da UE, Inovações na Hotelaria.

APLICACIÓN DE MÉTODOS INNOVADORES DE GESTIÓN DEL POTENCIAL LABORAL EN LOS ESTABLECIMIENTOS EMPRESARIALES HOTELEROS Y DE RESTAURACIÓN

RESUMEN

Propósito: El propósito del trabajo académico es estudiar las tendencias y la práctica de aplicar métodos innovadores de gestión del potencial laboral en el negocio de hoteles y restaurantes en condiciones ambientales cambiantes.

Metodología: La metodología de investigación se basa en un enfoque sistemático para estudiar las tendencias y la práctica de aplicar métodos innovadores de gestión del potencial laboral en el contexto de los desafíos del entorno externo. Sobre la base de los datos del panel de Eurostat para 2020, se construyeron modelos de regresión lineal de la dependencia entre la facturación, el empleo y la productividad laboral en el campo de la hospitalidad en los países de la UE. Se utilizaron datos secundarios de entrevistas con propietarios de las cadenas hoteleras más grandes de la UE para identificar métodos de gestión del potencial laboral después de la pandemia.

Conclusiones: Los resultados demuestran la existencia de desafíos hacia las cadenas de hoteles y restaurantes de la UE relacionados con la escasez de mano de obra en las condiciones de propagación de la pandemia, el conjunto de trabajadores calificados y los migrantes poco calificados. Para resolver los problemas señalados, los administradores de la red contratan y capacitan rápidamente a empleados sin experiencia laboral de diversas categorías sociales (jóvenes, estudiantes, especialistas de otros sectores, inmigrantes, etc.). Además, los gerentes

de hoteles y restaurantes ofrecen a los empleados alojamiento, salarios adicionales, seguro social, pagos de bonos para atraer mano de obra.

Implicaciones de la Investigación: La investigación demuestra un cambio positivo en las condiciones laborales de los empleados en la industria de la hospitalidad en los estados de la UE debido al problema de su escasez, que surgió con la propagación de la pandemia y el movimiento de mano de obra a otros sectores económicos.

Palabras clave: Industria Hotelera de la UE, Gestión del Potencial de la Mano de Obra, Hospitalidad de la UE, Industria de Restaurantes de la UE, Innovaciones en la Hospitalidad.

INTRODUCTION

The hospitality field is service-oriented; the work of the staff is inseparable from the product and service (Burdeyna & Prymak, 2022). One of the key problems of improving the personnel management system at hospitality industry enterprises is the search and use of methods to form personnel policy to ensure and retain personnel, update, train and adapt to new environmental conditions. Taking into account the reduction of the level of world GDP, as a result of the pandemic, in the conditions of the war's impact in Ukraine on other countries' economy, including European ones, it is relevant to study the use of innovative methods of labor potential management in the establishments of hotel and restaurant business. In particular, it is expedient to investigate innovative practices of human resources management and their development potential under the above conditions.

In 2021-2022, the hotel and restaurant business of the EU began to recover after the negative consequences of the pandemic influence and the reduction of tourist flows (World Economic Forum, 2023a). Compared to 2019, the number of nights spent in tourist accommodations in 2022 increased by 94% in EU countries. In 2021, it has been established that the countries with the most hotel beds are Italy, Spain, France, Germany, and the Netherlands (Eurostat, 2023a; 2023b). Therefore, the tourism sector in these countries is the most developed within the EU, according to the employment indicator in accommodation and food service activities (Eurostat, 2023c). Such tendencies indicate that the external environment is extremely changeable and affects the demand, supply of the hotel and restaurant business, employment levels, which in turn influence the practice of human resources management. Between the first quarter of 2021 and the second quarter of 2022, 55% of workers in this field changed their field of activity, and 45% got a new job in this field. This change in place of employment is noteworthy among the other changes (World Economic Forum, 2023a). While EU hospitality managers were forced to search for methods of retaining staff due to pandemics in 2020, then in 2021-2022, during the restoration of the tourism sector, it is advisable to

determine the most effective methods of managing labor potential, in particular, its development, updating skills and qualifications.

Considering the foregoing, the purpose of the academic paper is to study the tendencies and practice of applying innovative methods of managing labor potential in establishments of hotel and restaurant business in the context of changing environment.

LITERATURE REVIEW

Currently, more and more attention is paid to innovative methods and approaches to the practice of managing labor potential in the scientific literature. The hospitality industry is characterized by the lowest level of innovation in the field of service provision. Only complex innovative strategies can ensure the growth of hotel turnover, including technological and non-technological innovations (Martín-Rios & Ciobanu, 2019). Scientists focus attention on the following new practices of human resource development, namely: 1) eco-innovative measures and personnel development strategies for establishing partnerships with various stakeholders, using an approach to creating social innovations in the hospitality sphere, innovative methods of sustainable development (García-Pozo, Sánchez-Ollero & Marchante-Lara, 2015; Fraj, Matute & Melero, 2015; Batle, Orfila-Sintes & Moon, 2018); 2) improving recruitment and personnel selection processes (Nieves & Quintana, 2018); 3) combining the theory, concept and practice of organizational creativity, servant leadership (SEL), social exchange and learning to create a favorable creative work environment in the hotel industry and the formation of innovative staff behavior (Karatepe, Aboramadan & Dahleez, 2020); creating a team culture and knowledge-sharing behavior among staff to improve the performance of innovative hotel services (Hussain, Konar & Ali, 2016); problem-oriented approaches to labor potential management. It should also highlight the formation of a culture of diversity, inclusion and equality to promote the development of staff, regardless of the social and cultural affiliation of the personality. Implementing Here Comes the Sun in Sustainable Tourism Business Development (Haeruddin, M. I. M., Natsir, U. D., Aswar, N. F., Aslam, A. P. & Salam, R., 2023) and addressing the achievements and challenges of the compliance program (Silva, E. L. da, Lima, G. C. de A. & Veiga, C. R. P. da., 2023).

García-Pozo, Sánchez-Ollero & Marchante-Lara (2015) investigate the influence of implementing eco-innovation measures in hotel establishments on increasing the level of labor productivity. “Eco-innovativeness” is defined as an indicator of environmental management, determined by a set of variable characteristics of hotels. The authors have revealed that labor

productivity increases by 8,15% on average when implementing additional eco-innovative practices. At the same time, such measures require additional investments in developing human resources, ensuring labor productivity growth. The authors have also found that hotel managers should control the amount of investment in eco-innovation measures and staff development (García-Pozo, Sánchez-Ollero & Marchante-Lara, 2015). Fraj, Matute & Melero (2015) investigate the interrelationship between proactive environmental strategies and the development potential of Spanish hotels. Based on a sample of 232 hotel establishments, the authors have revealed that orientation toward training and innovations in the personnel management sphere contributes to a pro-environmental development policy and overall competitiveness. Proactive environmental strategies and innovations, in particular, in the field of personnel training, contribute to the competitiveness of the establishment (Fraj, Matute & Melero, 2015).

Batle, Orfila-Sintes & Moon (2018) investigate environmental initiatives in Mallorca's tourism companies over a five-year period, particularly, in relation to partnerships and synergies with different stakeholders to promote social innovation. Along with this, hotel establishment stakeholder cooperation initiatives are studied in the perspective of sustainable development. The authors found that partnership, synergy, circular processes, and a systemic approach ensure the development of an integrated policy and practice of social innovation. The implementation of ecological principles and social initiatives contribute to forming a sustainable development model (Batle, Orfila-Sintes & Moon, 2018). Wikhamn (2019) proves that sustainable human resource management (HRM) practices influence innovation and customer satisfaction in hotels in Sweden. At the same time, innovation and the practice of sustainable personnel management are interchangeable (Wikhamn, 2019).

Nieves & Quintana (2018) found the indirect effect of human resource management practices on the performance of 109 hotel establishments in Spain. The key mediating variables are indicators of human capital development, which ultimately affect productivity and innovation. The survey data of 109 hotel management firms in Spain show the influence of certain human resource management practices and methods on innovation through the impact on human capital. At the same time, recruitment and selection processes do not ensure an increase in the quality of human capital, but determine the ability to innovate (Nieves & Quintana, 2018).

Karatepe, Aboramadan & Dahleez (2020) developed a model for establishing a creative environment in hotels in Palestine based on the theory of organizational creativity, leadership

(SEL), social exchange and learning. A creative working environment affects leadership qualities, and as a result, managerial innovations and innovative behavior of the staff. Successful leadership practices allow hotels establishing a creative working environment for employees and promoting their innovative thinking. As a result, innovative thinking and behavior of hotel employees contributes to innovation in management. It is important to constantly train staff and develop a motivation system based on rewards to form such behavior (Karatepe, Aboramadan & Dahleez, 2020).

Hussain, Konar & Ali (2016) study the impact of team culture and knowledge sharing on service innovation performance using the Malaysian hotel industry as an example. The authors have come to conclusion that the creation of a team culture and the formation of the staff's behavior, favorable to the knowledge exchange, significantly affect the effectiveness of innovative services in Malaysia's hotels. In addition, the team culture and knowledge sharing between employees helps provide a better experience and service to consumers (Hussain, Konar & Ali, 2016).

Pikkemaat Peters & Chan (2018) concluded that hardware innovation is predominant in the Austrian tourism industry, while software innovation is less common. The authors also identified such innovation drivers in tourism as market analysis, practices of leading enterprises and network communications, that is, knowledge exchange. Issues related to knowledge dissemination, lack of employee involvement and cooperation are barriers to implementing innovations. Therefore, it is significant to ensure the cooperation and establishment of relations between small and medium-sized enterprises of the tourism and hospitality industry, their openness to external events on the market. It is also important to spread and share knowledge about using information and communication technologies (ICT) in marketing, personnel management (Pikkemaat, Peters & Chan, 2018).

Along with this, knowledge sharing is also partially investigated in the scientific work of Afsar, Masood & Umrani (2019), where the authors have found a mediated effect of transformational leadership on the innovative work behavior of employees in the hotel industry. Employees sharing knowledge contribute to the influence of leadership on innovative work behavior. In particular, such work components as structural work resources, social resources and problems are important. The combination of the first two elements helps hotel employees solve problems. Thus, hotel managers should take advantage of the development of transformational leaders contributing to the formation of a creative work environment to solve possible issues raised (Afsar, Masood & Umrani, 2019).

Despite several studies on using innovative labor resource management practices in the hotel and restaurant business, insufficient number of publications is devoted to the issues of personnel management and its development in the conditions of the pandemic, after the reduction of its prevalence and the war in Ukraine.

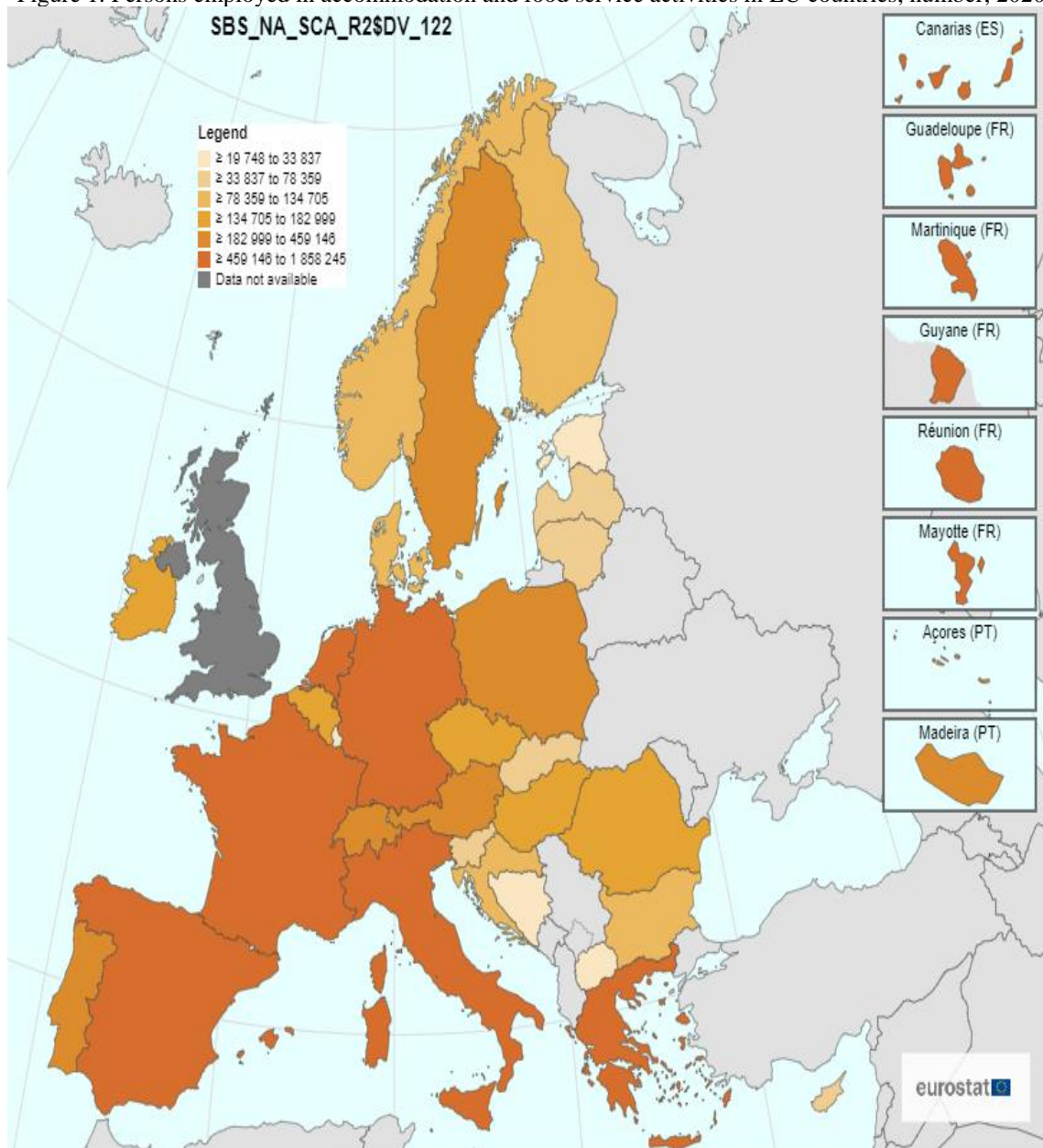
METHODOLOGY

The present academic paper uses a qualitative-quantitative design and a systematic approach to studying the tendencies and the practice of applying innovative methods of labor potential management in the hotel and restaurant business in changing environmental conditions. The systematic approach made it possible to determine how the tendencies in the hospitality industry, affected by the pandemic and the war in Ukraine, are related to using innovative methods of managing labor potential in hotel and restaurant establishments. Eurostat data for the period 2011-2022 (2023a; 2023b; 2023c) and data from the World Economic Forum (2023a), Hospitality Europe (2022) were used to identify key tendencies regarding trade turnover, employment, and labor productivity in the EU states. Based on Eurostat panel data for 2020, linear regression models of the dependence between the specified indicators were built, the statistical significance of which was verified using correlation and determination coefficients, a paired t-test with a significance level of 5%. Secondary data from interviews with managers of the largest hotel and restaurant chains in Europe were used to identify innovative methods of managing labor potential (EuroNews Travel, 2023). Based on the results of the interviews, a set of material and non-material incentives for managing labor potential in Europe was determined.

RESULTS AND DISCUSSION

Italy, Germany, Spain, and France have historically been the EU's most developed tourism-related nations due to their high levels of economic, social, and societal development as well as their citizens' general well-being (Figure 1).

Figure 1. Persons employed in accommodation and food service activities in EU countries, number, 2020



Source: Eurostat (2023c).

During the period of 2011-2019, the EU witnessed the rise of the hospitality industry: the volume of turnover grew, the number of employees increased. Accordingly, this ensured an increase in labor productivity. Quarantine restrictions led to a decline in the tourism sector in 2020: turnover decreased by 38% in 2020 compared to 2019, the number of employees – by 15%, labor productivity according to the indicator of added value – by 42%, respectively (Table 1).

Table 1. Dynamics of indicators of developing enterprises in the field of hospitality in the EU, Germany, Spain, France, Italy in 2011-2020

Time / Country	Indicator			
	2011	2020	Average, 2011-2020	Growth rate, %
Turnover or gross premiums written - million euro				
EU - 27	412112,0	366646,4	468686,9	-11,03%
Germany	69258,4	62043,8	82369,7	-10,42%
Spain	58638,5	42014,1	63512,1	-28,35%
France	84816,9	75439,6	92888,7	-11,06%
Italy	70366,7	54028,2	75420,1	-23,22%
Persons employed - number				
EU - 27	8467014,0	9353797,0	9414832,6	10,47%
Germany	1978959,0	1858245,0	2170987,0	-6,10%
Spain	1233092,0	1387964,0	1351790,8	12,56%
France	990300,0	1091755,0	1027622,6	10,24%
Italy	1281061,0	1403667,0	1395314,2	9,57%
Value added at factor cost - million euro				
EU - 27	171582,8	146401,2	195553,2	-14,68%
Germany	32326,1	33584,9	39879,1	3,89%
Spain	25109,6	14966,7	27260,2	-40,39%
France	36341,1	29323,8	37849,2	-19,31%
Italy	27023,4	17352,7	28907,7	-35,79%

Source: the author's calculations

The level of employment in various positions is decreased in the hospitality sector because of the pandemic (Figure 2). There is a surplus for most positions. For instance, the employment of kitchen helpers decreased by 16%, waiters – by 17% in 2020. It is also worth noting the differences in the level of job vacancies in the hospitality sector in the EU countries. The average vacancy rate was 3,3% in the EU in 2021; in Belgium the figure was 7,6%; in Austria – 6,6%, respectively.

There was a problem of skills shortage in the field of hospitality prior to the pandemic, which has become even more acute in the EU during the spread of the virus. Such skills as digital, technological, interpersonal, language, culinary, and service skills were sought after. Technological advancements, such as the requirement to transition to using social media, the Internet in marketing and management, etc., are among the chief reasons of the shortage.

Another factor is the shift in customers' requirements and the obligation for hotel and restaurant employees to match these expectations, in particular, regarding sustainable development.

Figure 2. Change in employment in the EU-27, reflecting labor surplus by occupation in 2020.

Table 4.2 Employment change in the EU27 in occupations which recorded widespread surpluses in 2020

Occupation	Change in employment 2019-2020	Occupation	Change in employment 2019-2020
Shop Sales Assistants	-9%	Photographers	0
Car, Taxi and Van Drivers	-6%	Cooks	-9%
Receptionists (general)	-1%	Gardeners; Horticultural Growers	+4%
Waiters	-17%	Secretaries (general)	+1%
Administrative, Executive Secretaries	-40%	Security Guards	-2%
Beauticians and Related Workers	-8%	Travel Consultants and Clerks	-8%
Building Construction Labourers	-2%	Cashiers and Ticket Clerks	-5%
Cleaners & Helpers in Offices, etc.	-6%	Interior Designers and Decorators	-12%
Elementary Workers nec	-3%	Journalists	+1%
General Office Clerks	+45%	Kitchen Helpers	-16%
Graphic and Multimedia Designers	+5%	Sociologists, Anthropologists and Related	+9%
Hairdressers	+6%	Translators, Interpreters and Linguists	-3%

Source: Hospitality Europe (2022).

Several hotel chains are implementing relevant eco-innovative measures, while the majorities still operate according to old standards. The EU states have significant experience in creating jobs in the hospitality industry; however, the transition to sustainable development standards is a challenge. Therefore, personnel management requires constant development of skills and implementation of innovative management methods to meet customers' expectations and requirements. Given that 89% of companies in the EU hospitality industry are micro-enterprises employing less than 10 people, the challenge of ongoing training is compounded by their low-profit margins and lack of financial resources. 30% of the staff is usually relatively unskilled in such companies.

Hotel chains in the EU cannot fully satisfy the demand of tourists after the pandemic due to the transfer of labor to other sectors of the economy. This led to the problem of shortage of labor resources and new issues of potential management. Some hospitality employees have found better and higher-paying jobs, which has led to a shortage of staff in hotels and restaurants. For instance, the CEO of the largest European hotel chain Accor, Sébastien Bazin, in an interview with Reuters at the 2023 Qatar Economic Forum (Mills, Pons & Demyon, 2022) stated that the management has been conducting pilot initiatives to hire people who have not previously worked in this industry. According to him, Accor, which manages such brands as Mercure, ibis and Fairmont, needs 35 000 employees in more than 110 countries (EuroNews Travel, 2023).

Managers of large European hotel chains hire employees without experience or even a resume to fill the shortage of personnel. Managers have acknowledged the problem of underpaying hotel employees for many years. Therefore, the labor potential management policy involves developing effective and market-based motivation and incentive systems. The Accor hotel business hires young people and immigrants for positions in France to cope with the problem of a staffing shortage, limiting the provision of certain services and focusing on the most necessary tourists. The measures include the closing of restaurants at lunchtime or their operation only for five days a week (EuroNews Travel, 2023). Training of new employees in low-skilled positions takes place during six hours, and they gain practical experience while working.

The lack of personnel is particularly noticeable in Spain and Portugal, where the share of tourism was 13% and 15% of GDP prior to the pandemic (EuroNews Travel, 2023). Hotel managers offer workers higher wages, free accommodation and benefits such as bonuses and health insurance. The fight for high-skilled employees in the conditions of the pandemic has become a new challenge for hotel and restaurant business establishments. For instance, Gabriel Escarrer, CEO of Melia, reports that in order to attract staff, his company has recently developed the following work proposal: providing housing to employees, sometimes in hotel rooms, due to the lack of rental housing near the company's hotels.

Another way out in the face of a shortage of workers is involving migrants who, in particular, do not have housing and institutional support. For instance, according to data of national hospitality associations, there is a labor shortage of 200 000 employees in the catering industry in Spain. Hotels in Portugal have to hire at least 15 000 workers to meet growing demand. Jose Luis Izuel, a representative of the catering sector association, emphasizes the need for additional payments to these categories of employees. According to official data, bars and restaurants in Spain increased workers' wages by almost 60% in the first quarter of 2022 compared to the first quarter of 2021. However, in general, the tourism industry still has the lowest wage: about 1 150 EUR per month (Martinez, 2022). According to a survey by the central bank and the National Institute of Statistics, wages for hospitality employees in Portugal are expected to increase by 7%. However, the average salary in this sector is 881 EUR per month, which is above the minimum wage of 705 EUR (Silva, 2022).

The following methods and ways of conducting personnel policy, applied in practice by managing hotel enterprises and organizations, were introduced into the operation of hotels during the pandemic:

- some hotel managers took forced measures related to the dismissal of part of their employees; mainly, this affected the service staff and managers of the rank-and-file staff;
- some managers were able to redistribute some employees between departments while changing their functional duties, keeping the number of employees as much as possible;
- many hoteliers, unfortunately, were forced to reduce the share of wages (mainly the premium part) in order to optimize current costs; however, at the same time, they refused to reduce the staff, considering the staff as their valuable capital;
- some managers decided that in the current situation, it is necessary to use it as much as possible and with benefit to solve those tasks that they had not reached before; there was time to improve the qualifications and professionalism of employees through conducting trainings independently;
- managers of hotel and restaurant establishments, especially international chains, have implemented digital management methods, in particular, establishing remote methods and methods of communication, establishing video conferencing to reduce costs and ensure staff safety;
- managers of hotel and restaurant establishments implement a digital strategy for business development, in which the policy of labor management is carried out using digital personnel management systems; the digitalization of workplaces and the transition to remote management of labor potential are ensured;
- a culture of feedback is being established in the remote work conditions.

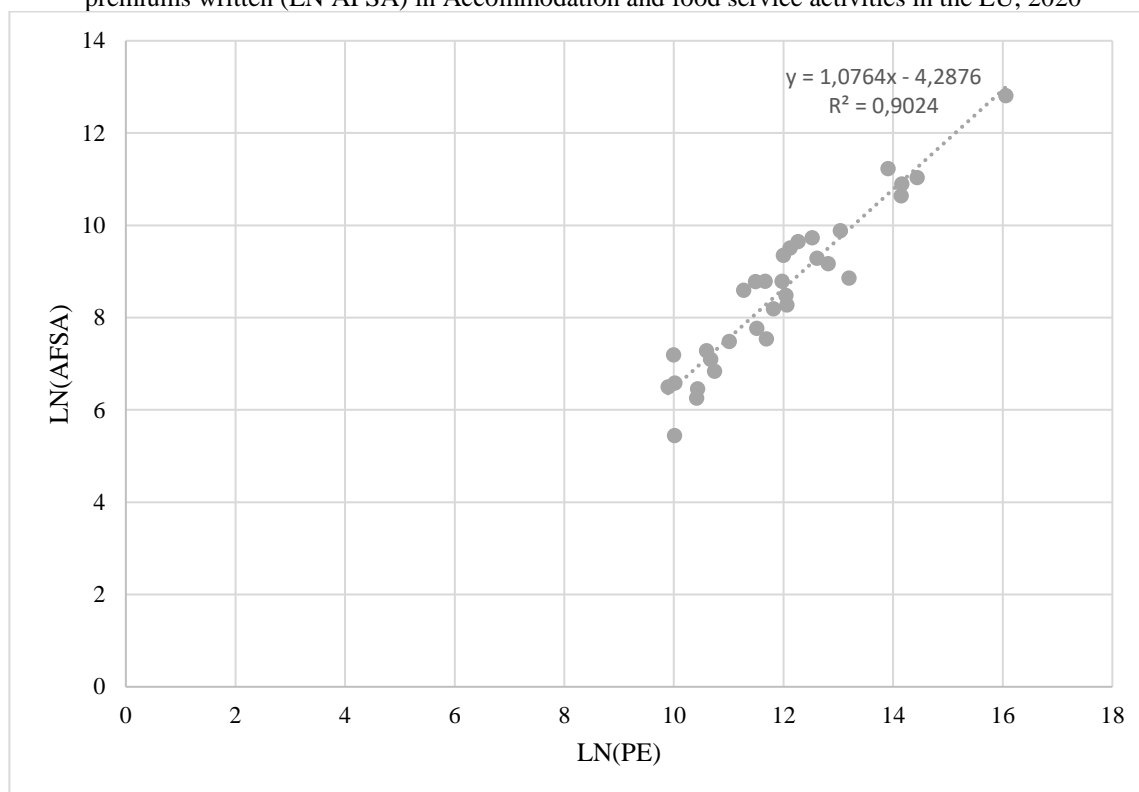
In the conditions of the war in Ukraine, hotel and restaurant establishments faced an increase in the specified challenges related to hiring. On the one hand, Ukrainian citizens can contribute to solving the problem of unemployment in the hospitality sector. On the other hand, most refugees do not have experience working in hotels or restaurants. Since the beginning of July 2022, more than five million refugees have moved from Ukraine to EU countries, according to the UN data (United Nations, 2022). Citizens of Ukraine have the opportunity to be employed in the EU hospitality industry thanks to the created protection mechanisms in the host country until March 2023. At the same time, when working in a hotel or restaurant, the heads of personnel management departments or the heads of the enterprise should again ensure the completion of training. In order to solve these problems, there are various forms of employment in the EU: temporary or permanent employment, “temporary agency and casual

work". These forms of employment can meet the needs of both employers and employees in the hotel and restaurant business, which is still under the influence of restrictions during the pandemic.

It is worth noting that the EU hospitality and entertainment industry leads the way in terms of employment and return to work after COVID-19. According to the latest Eurostat data, 11% of workers employed in the EU in the first quarter of 2021 were involved in the field of accommodation and catering (World Economic Forum, 2023a). In general, this service sector has the highest share of employed people during 2021-2022, in particular in the food sector, where there was a 25% increase in employment from the 1st quarter of 2021 to the 1st quarter of 2022 (World Economic Forum, 2023b). The pandemic has necessitated the retraining of personnel in the tourism industry in the EU (World Economic Forum, 2023a).

The qualification and number of employees affect the efficiency of hotels and restaurants. Therefore, this sector of the EU should actively solve the problems outlined. Therefore, the graph of the linear dependence between indicators of the number of employees and turnover (gross premiums) in the EU indicates a direct relationship between them: an increase in the number of employees by 1,0% will lead to an increase in turnover by 1,07%. The correlation coefficient of variables is 0,94; the coefficient of determination is 0,9 (Figure 3). At the same time, the statistical significance of the coefficient was verified using a paired t-test with a significance level of 5% and 2 degrees of freedom. The calculated value of the t-test is 16,65; the critical value is 2,04 (0,05; 30), which confirms the statistical significance of the constructed linear regression coefficient or the significance of the impact of the number of employees on turnover. However, it is impractical to exclude the presence of many other factors influencing the results of the hospitality industry in the EU. In this case, it is possible to make forecasts regarding the further influence of the number of personnel on the efficiency of tourism enterprises.

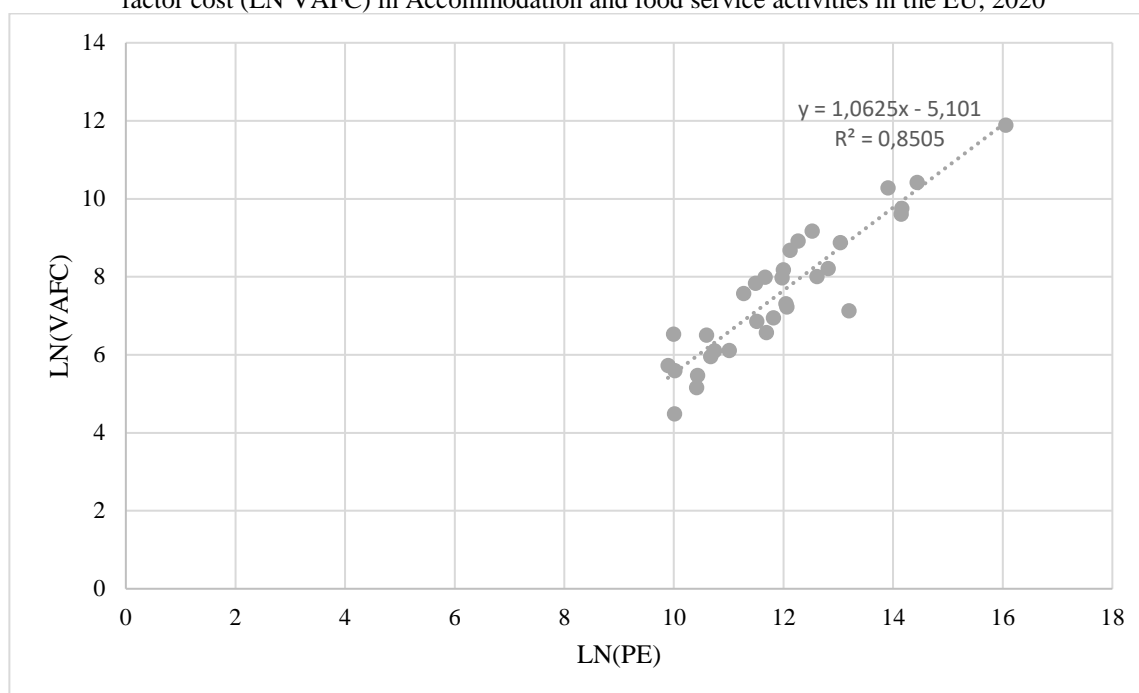
Figure 3. Graph of linear dependence between the indicators Persons employed (LN PE) and Turnover or gross premiums written (LN AFSA) in Accommodation and food service activities in the EU, 2020



Source: calculated by the author

The graph of the linear dependence between the indicators of the number of employees and added value in the EU indicates a direct interrelationship between them: an increase in the number of employees by 1,0% will lead to an increase in added value by 1,06%. The coefficient of correlation of variables is 0,92; the coefficient of determination is 0,95. At the same time, the statistical significance of the coefficient was verified by using a paired t-test with a significance level of 5% and 2 degrees of freedom. The estimated value of the t-test is 13,06; the critical value is 2,04 (0,05; 30), which confirms the statistical significance of the constructed linear regression coefficient or the significance of the influence of the number of employees on the added value in the field of accommodation and food service activities (Figure 4).

Figure 4. Graph of linear dependence between the indicators Persons employed (LN PE) and Value added at factor cost (LN VAFC) in Accommodation and food service activities in the EU, 2020



Source: calculated by the author

The interrelationships identified above between staff number, turnover and labor productivity in the hospitality sector in the EU require a detailed study of the ways in which the hotel and restaurant business can quickly recover during and after the pandemic. Growth in pent-up consumer demand for hospitality industry services is evident among the recovery factors.

CONCLUSION

Several important conclusions have been revealed in the present research. Firstly, the research proves the existence of several challenges for the EU hotel and restaurant chains related to the shortage of labor in the conditions of spreading the pandemic, the set of skills and the low-skilled social groups employed in this sector. In order to solve these problems, network managers hire and quickly train employees without work experience from various social categories (young people, students, specialists from other sectors, migrants, etc.). In order to attract the workforce, managers of hotels and restaurants offer workers housing, additional wages, social insurance, bonus payments. Hotel managers should foster social interaction and education to promote a creative work environment in the hospitality sector and shape innovative staff behavior in order to advance further positive developments (Karatepe, Aboramadan & Dahleez, 2020). In particular, this can be done through the creation of platforms for the

exchange of heads' experience and knowledge on managing labor resources in conditions of their shortage. Establishing such social interaction will form a culture of knowledge exchange and innovation in the hospitality industry. The creation of a team culture and the formation of knowledge-sharing behavior among staff will contribute to increasing the level of efficiency of innovative hotel services (Hussain, Konar & Ali, 2016). In general, the research demonstrates a positive change in the employees' working conditions in the hospitality industry in the EU due to the problem of their shortage, which arose during the spreading of the pandemic and labor movement to other sectors of the economy. In particular, social conditions and systems of material and non-material work incentives are changing. It is also worth improving the processes of recruitment and selection of personnel (Nieves & Quintana, 2018), gradually increasing the training time. Recruitment and selection processes do not ensure an increase in the quality of human capital, but determine the ability to innovate (Nieves & Quintana, 2018). Thus, labor resources will develop skills of innovative behavior. The innovative thinking and behavior of hotel employees will contribute to innovations in management. In order to form such behavior, it is important to constantly train staff and develop a motivation system based on rewards (Karatepe, Aboramadan & Dahleez, 2020). The research has revealed that the level of material stimulation of the workforce is increasing in post-pandemic conditions and the tourism recovery. In combination with innovative behavior, this will contribute to the development of labor potential.

Secondly, the qualifications and number of employees influence the efficiency of hotels and restaurants in the EU. The estimated regression linear interrelationship between indicators of the number of employees, turnover and added value in the EU indicates a direct relationship between these variables.

Thirdly, the following methods and ways of conducting personnel policy of hotel enterprises have been introduced into the operation of hotels in the conditions of the pandemic: dismissal and redistribution of part of the employees between divisions; reduction of the share of wages; implementation of digital management methods, in particular, the establishment of remote methods and modes of communication; implementation of a digital business development strategy; establishing a culture of feedback in the conditions of remote work. However, such innovative methods of managing labor resources are typical only for large hotel chains with sufficient financial resources for effective management.

The lack of quantitative data for regression analysis for 2021-2022 and their comparison with the period before the start of the pandemic was the main limitation of the study. Within

the EU countries, there are differences in the use of innovations by hotels and restaurants of different scales of activity. the availability of data only for large hotel chains also limits research on the use of innovation in small hospitality enterprises. Future research should focus on the activities of small and medium-sized companies with an emphasis on forms of innovation.

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