

HOSPITALITY INDUSTRY'S COMPETITION IN TERMS OF ATTRACTING AND RETAINING VALUABLE HR IN EASTERN EUROPE – THE CASE OF ROMANIA

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Abstract

The particularity of hospitality industries in Eastern Europe is that, although most the officials consider tourism & hospitality a strategic priority, a vast majority of researchers and industrialists agree that not enough steps have been taken. Our research focused on the case of Romania, a country facing the challenge of limited qualified personnel in the field, and was built upon qualitative and quantitative tools, examining three groups of potential, part-time & full-time employees, as well as employers, as a fourth group. Results largely support literature in terms of employees being underpaid, undertrained and insufficiently motivated. Still, they can be considered rather surprising in terms of decreasing interest of graduates for the hospitality sector over time and migration to other sectors.

Key words: Human resources, Recruitment, Retention, Romania, Tourism.

JEL Classification: L83

1. RESEARCH PURPOSE

In a highly competitive global environment, one of Europe's strengths is still the quality of services in tourism & hospitality. Romania must not be the exception if it decides to increase its competitiveness at European level and worldwide. The ideas of this study emerged from the fact that, on one hand, the number of students specializing in tourism & hospitality in Romania increases and, on the other hand, opportunities in the industry in terms of number of job openings, salary level or professional development are not many. A large number of Romanian employees in tourism & hospitality work exclusively for the summer (e.g. by the seaside, from May/June to September) or occasionally (e.g. for events). Therefore, we decided to identify what drives young people to decide to specialize in the field of tourism & hospitality and what motivates them at their workplace. Also, by questioning undergraduate, graduate students, as well as employees from the industry who graduated in the past 5 years from the same faculty (Faculty of Economics and Business Administration from the "Alexandru Ioan Cuza" University of Iași, Romania), we tried to establish a pattern on the level of motivation compared to their expectations. By questioning employers, we tried to identify the link between the level of employee motivation and the ability of attracting and, especially retaining (including through training) valuable employees, to whom they may provide incentives for improved service.

As the tourism and hospitality industry competes with other industries for a roughly fixed number of potential employees, we have tried to identify what drives people to this industry and, more

importantly, what determines them to stay. We worked with three hypotheses, as following:

- The main aspect that attracts employees towards the tourism & hospitality industry is the opportunity to travel;
- During the recruitment process, candidates and employers in the tourism & hospitality industry use the same channels for finding / publishing job openings;
- For employees, the main reason for keeping the current job in the tourism & hospitality industry is working in a team, whose members motivate each other.

The method used in our study is the investigation and the instrument is the questionnaire. Using a Likert scale from 1 to 5 (5 being the most important), respondents were questioned in terms of positive reasons for working in the hospitality industry, as well as shortcomings. The pool consisted of approximately 500 undergraduate students and 120 graduate students specializing in the field, the response rate being 44.8% for the first category and 54.17% for the latter one. Also, we addressed 86 employees from the industry (former graduates) and 43 companies from the North-Eastern part of Romania, who offer services in the field and all provided responses to our questionnaire. After sending e-mail invitations to the entire pool of respondents, all four types of questionnaires were uploaded to a website created especially for undergraduate and graduate students specializing in this field (<http://ectsiasi.ro>) and results were centralized on the website.

ATTRACTING + RETAINING = SUCCESS

The definition of talented human resources varies across the organizations in the hospitality field, but certain key elements are common, including here (1) the high performance combined with a high potential to grow, (2) the mastering of a certain critical skills set difficult to obtain on the labour market and, (3) a consistent progress, meaning that particular employee would be able to progress within the company at any given point in time (Blass 2007).

Given the importance of such talented people for the hospitality organizations, some authors defined the competition for attracting, retaining and transforming such human resources in precious assets for the companies as a "war for talent" (Michaels 2001; Capelli and Luecke 2002; Wright 2008). The organizations seeking success should transform themselves in talent-magnets and this represents an overall responsibility and not the focus of the human resource department solely, they must then focus on attracting, retaining, organising and capitalising on talent (Wilson 2004).

According to Beaumont (1993), we can identify three key issues that have increased the importance of recruitment and selection decisions from an organizational perspective. These are demographic trends and changes, the desire for a multi-skilled and flexible workforce (and emphasis on team work) and emphasis on corporate strategy and people management which led to strategic recruitment and selection. As we become more and more globalized, HR managers need to create new strategies for managing a very diverse workforce, from recruitment, incentives and career development. Also, continued growth of multinational corporations is likely to lead in the future to greater standardization of services, as organizations seek greater efficiency, productivity and profitability, by utilizing the full range of "soft" techniques leading to a burgeoning sector wide "best practice" approach to HRM and quality service "The story of successful tourism enterprises is one that is largely about people - how they are recruited, how they are managed, how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development" (Fáilte Ireland, 2005, p.8). Hospitality work is considered by some "largely exploitative, degrading, poorly paid, unpleasant, insecure and taken as a last resort or because it can be tolerated in the light of wider social and economic commitments and constraints" (Baum, 2007, p.1384). Obviously, companies need to attract valuable human resources for their businesses, but they most overcome this perception of the market. Large multinational companies are in strong contrast with local businesses, as they focus on globalizing strategies and policies, while the latter ones seem to not have changed much in the past 20-30 years.

At European level, recruiting and retaining human resources has come a long way, being now

compared to other activities in the service economy especially in terms of employment opportunities (Baum, 2007). The Irish tourism industry is mainly based on Fáilte Ireland's (2005, p.66) assumption that "good HRM practices will be adopted because they deliver bottom line profitability", a range of good practices being adopted by companies recognized for their leadership in the management of people within the tourism sector. On the other hand, the European Union is affected by the erosion of elements of labour market strength and a general weakening of workplace conditions (Baum, 2007). On this basis, work relations have changed especially due to economic and labour relations changes, notably in countries such as Spain and the United Kingdom but also, to a lesser extent, in France and Germany. Migrant labour is reported to be affecting many European countries by weakening labour market conditions, even though a minimum wage level was introduced in Ireland and the UK (Lucas and Langlois, 2003).

Tourism can be described as a sector "where easily acquired, transferable skills co-exist and engender weak internal labour markets in organizations that economically are bound to a rate of throughput" (Riley and Szivas, 2003). Also, in another type of approach, Liu and Wall (2006, p.162) state that "tourism's human resource issues are poorly conceptualized and the many studies of tourism development approaches, both theoretical and practical, provide no consolidation of useful recommendations to situate the human dimension as an integral part of a comprehensive planning framework for tourism". Others argue that, due to the fact that human resources are absolutely critical for the hospitality industry, human resource management can only be performed by first-line managers, not by HR specialists, especially in small organizations. Large companies train the HR specialists to meet the expectations of the company, while in small companies it is not even clear if they really have a HR consultant.

A special trait of this industry was outlined by Guerrier and Adib (2004) and Nickson (2007) who conducted research by interviewing and observing 14 overseas tour reps in Mallorca. They found that tour guides really enjoy their time at work and they may not distinguish between their work and non-work lives. Customers may become their friends, their workplace is where they would 'hang out' anyway and their work does not demand a subordination of self but only a presentation of their authentic, fun loving and sociable self.

Motivation is considered the basis for retaining human resources and it is as complex as people themselves. It can range from regular financial motivation to extremely complex non-financial motivation. Due to a relatively low pay in this industry, incentives are mostly financial and, therefore, are aimed at making employees work harder and to be more dedicated to the jobs. Realistically, in

tourism and hospitality, and particularly in the hotel and catering sub-sector, level of income is low both in absolute terms (i.e. purchasing power) and relative terms (compared to most other workers) (Nickson, 2007). Still, a combination of financial and non-financial incentives (the so-called "cafeteria approach") is probably the most common approach for this industry. According to Analoui (2007), between 1988 and 1995 the number of US companies offering pay for performance to all staff almost doubled from 47% to 77%. On the other hand, some employees from companies who use reward systems consider that it is unfair. It can be perceived as "unfair" due to the fact that while employee objectives for the contract for payment are purchasing power, fair system, rights, relativities to other groups, recognition and composition of pay package, the employer objectives for the contract of payment are prestige, competition, control, motivation and performance (Nickson, 2007).

As motivation is considered being an intrinsic factor, it may be difficult to boost. Still, managers have the means to motivate through leadership and they would be, in their turn, rewarded if they succeed. Employers must seek an approach to reward management which is likely to have several principal objectives, including attracting and retaining suitable employees, maintaining or improving levels of employee performance and compliment with employment legislation (Nickson, 2007).

Interestingly, a 1999 study from Bath University found that "catering workers are in the half of the population most happy with their jobs despite poor pay and image" (Table 1):

Table 1 - Job satisfaction rating for catering employees

Job Satisfaction rating	(%)
Restaurant and catering managers	55
Bar staff	50
Catering assistants and counterhands	44
Waiters and waitresses	40
Kitchen porters and hands	40
Publicans, innkeepers, licensees	40

After recruitment, the most important phase which supports employee retention is the selection process and, in this phase, especially the interview. Employers are extremely diverse in the manner they approach this phase. They range from using expert techniques, including group selection procedures and psychological tests to employers who do not even acknowledge receipt of application forms. One unemployed manager applied to over 50 employers and received less than 20 acknowledgements. Another employer used box numbers for the express purpose of avoiding the need to acknowledge applications (Boella and Goss-Turner, 2005). On the other hand, many employers are frustrated by the casual approach to employment of employees – with many using unprofessional e-mail addresses (such as "sweetbaby@.....", "asexyman@.....") or simply not

turning up for a prearranged interview. Recruiters in the sector are also restricted in their selection criteria by the number of qualified applicants across the industry, the *Labour Market Review* for 2003 calculating that 21% of the near two million workforce have no qualification at all (Boella and Goss-Turner, 2005).

Also, motivation is the basis for performance and organizations, which have several manners of addressing human resources development programs. Armstrong (Nickson, 2007) suggests that there are five basic steps in handling performance problems:

- Identify and agree the problem through analyzing feedback and getting agreement from the employee what the shortfall has been;
- Establish the reason(s) for the shortfall and avoid crudely attaching blame for problems in the job;
- Decide and agree on the action required, whether it be things like a change in attitude, behaviour or improvements in certain skills or abilities;
- Resource the action by providing coaching, training and guidance to ensure that changes can be made;
- Monitor and provide feedback, which may also include an element of self management in the learning process.

Taking all into consideration, we believe that Romanian businesses in the hospitality sector will only be able to grow, become and stay competitive on European and international levels if they manage to attract and successfully retain valuable employees (including by offering training opportunities, financial and non-financial incentives) and, therefore, by improving quality of service in a spectacular, diverse, but underpaid industry.

2. HUMAN RESOURCES IN THE HOSPITALITY INDUSTRY – THE ROMANIAN REALITY

The hospitality industry in Romania is affected by an acute crisis of qualified workforce, which affects general performances in services. Partially, this is due both to the fact that a large number of citizens leave Romania to work abroad after graduating from high school or university or after having worked for a while in the hospitality industry. Their main reasons for leaving the industry are linked to the precarious manner in which a job in the hospitality industry is viewed, as well as to the low level of expected income. According to Şimon, Popescu and Chivu (2008), the tourism sector is one of the lowest pay sectors of the Romanian economy. In a study issued by the Romanian National Institute of Statistics, in February 2008 the average net salary in Hotels and Restaurants sector was equivalent to 160 Euro/month,

while the average net salary at national level was equivalent to 276 Euro/month.

On the other hand, companies in this field do not always offer appropriate training for their employees in order to reach standards and to encourage performance. The level of competence in Romanian tourism is considered as low, as a result of the lack of performance, work, educational and training standards (Nenciu, Constandache and Secară, 2008). Also, high school and university programmes are blamed by some (Master Plan for Romanian National Tourism for 2007-2026) for not being able to put on the market fully qualified personnel in this field. Interest for high school education in the field of hospitality has decreased in the past 20 years in Romania. Still, some universities have improved their programmes in this field in order to meet the demand from the market in terms of numbers and quality. For example, the Faculty of Economics and Business Administration from the "Alexandru Ioan Cuza" University in Iași – Romania has recorded growing numbers of students choosing to major in the field of "Commerce, Tourism and Services" for the past three years. Ten years ago, students did not place this field in their top choices, while now it has become the field with the second largest number of students in the faculty. They were mainly attracted by work opportunities from the industry, by the modern teacher approach which hopefully will be generalized in this field of study at this university and by offering increasing experience to students during university years through strong connections with the industry. The crisis of qualified workforce has become more acute in the past five years due to the large number of hotels and bed & breakfasts which were inaugurated during this period at national level. The crisis of qualified human resources is acknowledged at national level, through the Master Plan for Romanian National Tourism for 2007-2026, in which is stated that abilities of service offering in the hospitality sector, at professional, as well as behavioural level are still highly underdeveloped and require special attention in the years to come. Also, improving attitude of employees toward service offering, as well as changing mentalities require urgent attention.

Still, we can estimate that there is a significant percentage of unqualified workforce which can be attracted to work in the hospitality industry, especially in the time of crisis through which Romania passes at the moment. At general level, there is a wrong approach in terms of percentage of qualified personnel in a hotel, for example. Most employers require that all or almost all personnel be specialized in the field, while at European level it is common to have a smaller percentage of specialized employees. All unqualified personnel should benefit from on-job training, when hired being required to have the right attitude and mentality. On-job continuous professional development is almost absent at national level,

except for internal training programs in international hotel chains.

Most employees in Romania working in the hospitality industry have high school / higher education in tourism or specialized in tourism after graduating from other types of schools. For many of them, working in the hospitality industry was not a dream, but a "fortunate encounter" or a temporary job that became permanent. The increasing number of students at the Faculty of Economics and Business Administration from the "Alexandru Ioan Cuza" University of Iași – Romania who decide to specialize in "Commerce, Tourism and Services" made us wonder about their dreams and opportunities and included them as one crucial part of our study. It is estimated (Ministry of Tourism of Romania, 2006) that, at national level, less than 20% of high school and university graduates who specialized in hospitality and tourism end up working in this field. We wanted to test this amongst our students and soon to be graduates.

Romanian citizens who specialized in hospitality and tourism and decide to leave Romania are valued in many European countries, especially because they learn fast and are willing to work hard (e.g. tourism students who work abroad for the summer and who return to that country after graduation). In Romania, wages in the field for bartenders, receptionists and maids are usually close to the minimum wage salary (150 Euro), while abroad they can earn significantly larger salaries. Also, Romanians generally speak foreign languages, especially young people, this being an essential criterion in the hospitality industry. English is the primarily foreign language in schools for most Romanians and university graduates are aware of the fact that, due to the amount of information being received in English and to work-related discussions (especially in multinational companies), this is no longer a foreign language, but it has become a "second mother tongue".

In 2007, the workforce hired in the private hospitality sector in Romania was estimated at about 88,000 employees, from which 67,000 in hotels, 16,000 in bed breakfasts and 5,000 in other types of accommodations. There were approximately 6,000 managerial jobs (including owners), 9,000 supervisory jobs, 20,000 aptitudinal positions (chefs) and approximately 17,000 execution positions which require qualification in the hospitality field, as well as 33,000 unqualified workers who do not require any institutionalized training (see the Master Plan for Romanian National Tourism for 2007-2026).

Estimating the need for human resources in the hospitality industry is extremely challenging and even risky as statistics are not very accurate regarding the exact number of hotels and pensions being open or being planned to be opened. Still, in its attempt to create a strategy for 2007-2026, the Ministry of Tourism provided estimation (Table 2).

Table 2 - The volume and value of incoming international visitors in Romania between 2000 and 2006

Quality standard	2011	2016	2021	2026
High (4 & 5 stars)	2.500	4.900	7.400	9.900
Medium (2 & 3 stars)	-	-	11.790	30.960
Low (1 star & unclassified)	-	-	-	-
TOTAL	2.500	4.900	19.190	40.860

Source: The Ministry of Tourism of Romania, 2006

3. THE ROMANIAN STRATEGY ON TOURISM

For Romania to become a well-known tourist destination, it requires at least two things - a coherent strategy for tourism development, and a brand as a tourist destination (Pop et al, 2007). The strategy must include an important chapter on human resources as the main input factor for service quality. Unfortunately, until 2010 Romania has not been smart enough to exploit its natural resources for tourism successfully. In the 1970s, Romania was a very well-known destination for tourism from Central and Northern Europe, as they were looking for hospitability and good quality for an average price. Unfortunately, in the 1980s, the communist regime was not interested to encourage incoming tourists and service quality declined.

After 1990, Romania proclaimed several times tourism as "a national priority". The Ministry of Tourism created the strategy for tourism development during 1994-1996 and added the Strategic Plan for Tourism Development in Romania. In 1998, the Romanian Government once again declared tourism to be a "priority domain of Romania's economy" and

issued a regulation dedicated to Romanian travel and tourism sector (Pop et al 2007). In 2003, tourism was, again, declared "a national priority", but nothing happened until March 2004, when the National Authority for Tourism (NAT) was established. The NAT president, M. Crivtovencu promised a new strategy and it is only in August 2006 that the Romanian strategy for tourism was published on the website of Ministry of Tourism. For many, it is unbelievable that it took Romania 16 years to develop a strategy for tourism. As far as the reasons behind this delay, there are many arguments, starting from "other priorities" to corruption and lack of vision. Between 1990 and 2006, Romania relied on the fact that 'everyone knows how beautiful Romania is and its hospitality is well-known' from the 1970s. Also, domestic tourism supported to some extent the Romanian tourism industry. "The authorities ignored that tourists' memories are short, and the number of interesting and affordable destinations was growing every year" (Pop et al, 2007, p.10).

The Master Plan for the National Tourism of Romania was created for the period from 2007 until 2026, focusing on the period 2007-2013, when Romania can rely on substantial structural funds. The number of tourists in Romania was fairly constant between 2000 and 2006, with slight decreases due to the bird flu and to floods (Table 3).

Incoming tourists in Romania come especially from the Republic of Moldova (25%), Hungary (23%), Ukraine (7%), Bulgaria (6.6%) and Germany (5.7%). Compared to its neighbours, Romania is not in a privileged position, having the lowest income in this ranking, with incomes of only 44% compared to Bulgaria, but having a significantly larger number of tourists (21% higher) in the year 2005 (Table 4).

Table 3 - The volume and value of incoming international visitors in Romania between 2000 and 2006

	2000	2001	2002	2003	2004	2005	2006
Arrivals (thousands)	5.264	4.938	4.794	5.595	6.600	5.839	6.037
Value (mil. Euro)	359	362	335	396	406	852	1.034

Sources: The Romanian National Institute of Statistics and the Romanian National Bank

Table 4 - Comparative analysis between destinations chosen in 2004 and 2005

	Arrivals of international tourists (thousands)		Value collected from international tourists (mil. Euro)	
	2004	2005	2004	2005
Bulgaria	4.630	4.837	2.221	2.401
Croatia	7.912	8.467	6.848	7.463
Czech Republic	6.061	6.336	4.172	4.631
Hungary	12.212	10.048	4.061	4.271
Ukraine	15.629	N/A	2.560	3.125
ROMANIA	6.600	5.839	503	1.060

Sources: World Tourism Organization and the National Bank of Romania

Another international comparison in term of performances in tourism comes from a market study published by the World Economic Forum (WEF), *The*

Travel & Tourism Competitiveness Report 2007. Table 5 presents the above-mentioned countries in terms on overall index and according to three criteria,

classifying 124 countries according to a WEF methodology. Out of the "Human, cultural and natural resources" category, we selected the statistics strictly referring to human resources as our main objective in this paper. Unfortunately, Romania ranks last in this category and, if analyzed together with Table 4, we can define quality of human resources as a potential cause of poor services and poor income in the field of tourism for Romania.

The Romanian Strategy on Tourism for 2007-2026 specifically includes an entire chapter on human

resources, starting from the assumption that "*abilities for offering services in the hospitality industry, both professionally and in terms of behaviour, are still underdeveloped and require special attention for the next coming years*" (Ministry of Tourism, 2006, p.76). In 2003, the World Bank Organization financed a program for elaborating 300 occupational standards in hospitality and tourism. The direct link between occupational standards and current educational standards is not clear yet, therefore the program is not operational yet due to a need an external expertise.

Table 5 - The Travel & Tourism Competitiveness Index

	Overall index	Regulatory framework	Business environment and infrastructure	Human, cultural and natural resources	Human resources
Czech Republic	35	40	37	22	26
Croatia	38	58	40	11	54
Hungary	40	26	51	51	37
Bulgaria	54	66	56	41	67
ROMANIA	76	87	74	71	76
Ukraine	78	76	73	89	73

Source: World Economic Forum 2007

Also, in the strategy it developed, the Ministry of Resort admits (Ministry of Tourism of Romania, 2006) the fact that most authorities in the public sector at local, regional or national level do not clearly understand the basic principles of tourist satisfaction, of marketing approach, of tourist behaviour or the objectives of putting touristic products on the market.

4. THE ROMANIAN REALITY IN TOURISM FROM A RESEARCH PERSPECTIVE

In order to have an overall view of the industry and to see different perspectives, we decided that our research would include four types of groups, with four slightly different approaches. Our research examined three groups of potential, part-time & full-time employees as well as their employers, as a fourth group. The first group consisted of undergraduate students in tourism & hospitality industry, the second consisted of master degree students, both groups including students with and without working experience in the field and the third one consisting of graduates working in the industry. As a fourth group, we questioned employers and decision makers in the hospitality and tourism industry in order to analyze how they manage to attract and retain human resources in their business and if their perspective matches the other groups' perspectives. As a regional focus, our research was carried out in the North-East of Romania, an area comprising a population of approximately 5 million inhabitants and receiving around 1.5 million visitors a year including domestic tourism.

From a pool of about 500 undergraduate students (second and third year) at the Faculty of Economics and Business Administration from the

"Alexandru Ioan Cuza" University of Iași, Romania who specialize in "Commerce, Tourism and Services", 224 filled the questionnaire, which means a rate of 44.8%. The rate was slightly higher for master degree students in their first and second year specializing in "Tourism and hotel management" (65 out of 120, therefore 54.17%). The number of employees from the hospitality industry who were questioned raised to 86 and the number of managers from the industry questioned in this study was 43, all from different companies in the area. The study was performed during the month of May 2010 in North-Eastern Romania.

The four types of questionnaires included both open and closed questions, focusing on closed questions for research purposes. Due to the fact that we have not found any similar research projects, all questionnaires were designed from scratch, using literature and research in the field as a basis for questions. The purpose of this paper was to check if assumptions in literature are valid for Romania and to analyze the Romanian HR market on tourism from different perspectives.

When analyzing the student reasons for choosing tourism, we first wondered in what field they intended to specialize when they chose to major in "Commerce, Tourism and Services", since this is a 3 - in - 1 field of study. Out of our undergraduate students, 54% chose it to specialize in tourism, 26% for commerce and 11% for services. When questioned about their other options when choosing this field and what would they have chosen as a second option, 29% would have chosen marketing or PR, 12% international business, 9% accounting, 9% management, 8% geography of tourism, 4% finance and 29% other fields (from law, to medicine and telecommunications). Interestingly, when questioned about their intention of working in the hospitality

industry until they retire, percentage of people who intend to do it decreases from 73% for undergraduates, to 67% for graduates and 52% for employees from the system. Should we take into account the fact that 39% of respondents have worked in the industry for less than one year, we can expect these numbers to drop, should the same question be asked to people with more than 3 or 5 years of experience.

Using a Likert scale from 1 to 5 (5 being the most important), respondents were questioned in terms of positive reasons for working in the hospitality industry, as well as negative aspects, which worry them. Each of the four types of questionnaires included between 9 and 16 questions, approximately 80% being closed questions and 20% open questions. On each questionnaire, 2 or 3 questions were meant for identifying the category and the rest were strictly linked to the purpose of the research.

From the student point of view (undergraduate, graduate, former graduate), we tried to identify the main reason for choosing to specialize in the field and, if it wasn't for tourism & hospitality, what field would have they chosen. We also tried to find out what is the percentage of people who would like to work in the industry until they retire or if they see it as an industry where they can grow before moving to another industry, which provides more incentives. We also questioned them about the disadvantages that they can identify for employees in this industry and compared them to the advantages. Three other questions were asked about the channels that they use when looking for a job in this industry, if they were / are employed in the industry and about the main criteria that should be used when recruiting people for regular positions (e.g. receptionist, chef, waiter, bartender), as they are more likely to apply for these types of jobs when openings appear.

While asked what was the main reason for choosing the tourism & hospitality industry to specialize and work, 45% of undergraduates, 52% of graduates and 30% of employees considered that the opportunity to travel is the most important aspect, while 29% of undergraduates, 40% of graduates and 45% of employees are more interested by the opportunity of working with people. Programme flexibility or earning tips came on the third and fourth place. Employers were much more realistic and, considering the fact that answers came mainly from hotel managers, they are normal. Therefore, none of the employers placed the opportunity to travel on the

first or second position. 38% placed opportunity of working with people on the first position, while 15% considered that tipping is a good incentive for their employees, putting it on the first position.

In terms of disadvantages of working in the hospitality industry, undergraduate and graduate students, as well as employees seem to agree that the biggest disadvantage refers to staying away from the partner/family for a long period of time, while employers don't consider this to be an issue at all. According to employers, working extra hours and a low wage level are the most common issues.

In order to determine if companies which try to attract valuable human resources use the appropriate channels, we questioned both potential employees and employers on the recruitment channels. We could not find a good match between potential employees, on one hand, and employers, on the other hand. While potential employees use mainly internet websites, companies' websites and references for finding a job, employers use mainly references (46%), magazines on tourism and company websites.

When questioned about the main characteristics required for someone who works in the hospitality industry, we found only one of five characteristics which all agree on as being essential – communication abilities. Otherwise, undergraduate and graduate students believe that self-control in critical situations and specialization in the field is almost as important as the ability to communicate, while employees and employers believe that experience in the field comes second.

Only 22% of undergraduate students and 52% of graduate students have reported working in the hospitality industry. In over 50% of cases, they worked for small local companies as waiters or bartenders. Those who have not worked would apply for receptionist, waiter, concierge or tourism agent. While some would accept any execution job, there are few respondents who would only accept a managerial position. The ideal company to work for would be a hotel in a medium size local company and, after gaining experience, they would consider a large local company or a multinational company.

From questioning employees, we learnt that only 18% of them received formal training when they started working for their current employer (Figure 1). Still, if they were to be trained more, they would prefer receiving training mostly on communication abilities and sales.

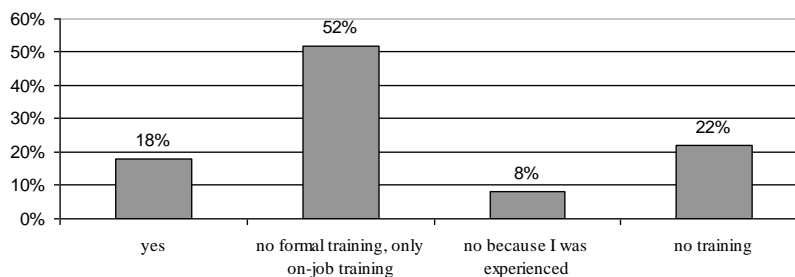


Figure 1 - Did you receive training when you started your current job?

Questioned about their reasons of keeping their current job, respondents mentioned the team (who motivates them), the superior (who supports them), medium and long-term opportunities and only last comes the level of income. Also, 45% of employees report choosing a job in the hospitality industry randomly, when an opportunity occurred, while other 45% like the field and 10% were encouraged by family and friends to take a job in this field.

On the employers' side, 36% reported offering training for new employees. In terms of the most important training program, 80% of employers indicate communication skills as the most important field of training, followed by marketing, sales and handling difficult situations. Questioned about the reasons why their current employees maintain their jobs, they seem to be aware of the fact that employees stay with them because they do not get better job offers due to the world crisis. Also, other reasons they see for employee loyalty is the team which motivates the employee, the level of supplementary income (bonuses, tips) rather than the salary level or opportunities of being promoted on the medium and long term.

Throughout our research, we tested our hypotheses – two were confirmed (1 and 3) one was not confirmed (2). Even though not all jobs in this industry imply travelling, young people tend to choose it for this opportunity. It is quite debatable if this is realistic or not and this can be just one example of expectations which are not met and which can, in turn, justify the decreasing number of employees / potential employees who are, over time, interested to work in the industry. Concerning hypothesis 3, it is very important that people feel that they are supported by their team and that they are able to motivate each other, but we can only wonder if it is enough. On the long term, probably not. One of the biggest surprises was that hypothesis 2 was not confirmed and that, actually, candidates and employees do not use the same channels for searching for / posting job openings. Therefore, the chances of offer to meet demand is very low, resulting in a very likely situation of not being able to attract anybody or in attracting the wrong people for the job.

5. CONCLUSIONS

The human resource issue in the Romanian hospitality industry is a serious one. Adolescents, undergraduates and graduates are not motivated to work in the industry for reasons of low pay, long working hours, interference with family life, to which we can add lack of managerial experience from Romanian managers, who address the market in a very different manner from the one their potential employees approach it. The latter ones do not seem to know where candidates go when looking for a job, they are not aware of what employees want and what is important for them. On the other hand, some undergraduates and graduates expect too much when applying for a job. Even though most are aware of the fact that their theoretical background is not sufficient, that they lack experience and, therefore, a willing to start in an entry position, some expect to be managers when graduating. This approach has probably created most of the tensions between undergraduate and graduates, on one hand, and the industry, on the other hand.

To help the two understand each other's needs better, high schools and universities who train young people for the hospitality industry must offer more practical training and to shape their programmes according to industry needs. The teachers from the Faculty of Economics and Business Administration from the "Alexandru Ioan Cuza" University of Iași, Romania who teach undergraduates specializing in "Commerce, Tourism and Services" and graduates specializing in "Tourism and Hotel Management" have been putting a lot of effort into creating a strong bond between the industry and the students in order to facilitate internships and potential job offers. Also, by setting a high standard and offering experience in the field even during university years, this field will be able to attract some of the best students in the faculty. This phenomenon has already started being felt since the field is the second largest one at faculty level, after being developed for years from a marginal field to a very attractive one.

For the industry to be able to attract and retain valuable employees it is definitely necessary to pay attention to current employees needs, to use the appropriate channels in order to target potential employees and to use the right incentives to motivate

them, as employees seem to care more about team work and the leadership style of the boss rather than about salary level. Limits refer to the general limits at hospitality industry level (especially low income per employee, lack of training or experience in the field, etc.) and, like many other countries, Romania will have to live with them.

The Romanian government has stated several times in the past 20 years that hospitality and tourism are strategic for Romania, only they do not support this statement with a coherent set of measures, policies and regulations. Strategy does not seem to be divided into the right set of measures to address each type of hotel, restaurant or entertainment center so that, altogether, the strategy is followed and objectives at national level met.

The main limitation of this study is the fact that it is geographically restricted to the North-Eastern

region of Romania. It would be interesting to know if candidates, employees and employers from other parts of Romania feel exactly the same or if there are differences of opportunities and/or perceptions. Also, we have not identified similar studies to compare results at European or national level, so it was impossible to truly benchmark.

A possible continuation of this study would be a nationwide research, involving colleagues from other universities, a more sophisticated method and research instrument. The main purpose is to help employers in the tourism & hospitality industry understand what they can do better in order to attract and retain better employees, which can boost their company results and their competitiveness at national, European and international levels.

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