Sheffield Hallam University

Contemporary labour migration and talent management in the global hotel industry

Karina Zheleznyak

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Abstract

The hospitality industry is forecast to experience further growth, which will be particularly evident in terms of the development and expansion of major hotel chains. However, with a growing concern over skills and labour shortages across both developed and developing countries, there is the question of how these shortages can be addressed, and some of the increasingly utilised solutions are the use of migrant labour as well as the concept of Talent Management. This research explores the practices used by a global hotel organisation for employing migrant labour across different countries and at different levels - from operational level through to senior management level.

This research benefited from the assistance of a global hotel organisation. This unprecedented access was the opportunity to find out about the human resource practices of a global hotel organisation within different cultural contexts. The research draws on data collected through semi-structured interviews with senior managers above country level, and also hotel managers and employees from three different countries, including Russia, Turkey and the UK. Limitations include the scope of the research being restricted primarily to the capitals and large cities; small samples in case of each of the selected countries, and the restricted opportunity to conduct interviews with migrant workers in some of the cases.

Findings reveal significant differences in the employment and perceptions of different groups or segments of migrant workers across the organisation, with the practices being influenced by a number of external and internal factors. Using the labour market theory, the research explains the variations in the use and subsequent treatment of different groups of migrant workers as well as how migrant workers can be used more effectively. Implications for practice are considered.

The research makes the following key contributions. First, it combines two subject areas, including labour migration and the process of internationalisation in the global hotel industry. This adds to the understanding of how global hotel organisations manage their human resources, particularly in relation to migrant labour, across different countries. Second, the research uses the labour market theory to explain the current practices for using migrant labour. This contributes to the understanding of the differences in the use and subsequent treatment of varying categories of migrant labour. Third, the research provides a new definition of 'migrant worker' through the examination of the identified categories of migrant workers.

Dedicated to my parents.

Thank you for this great opportunity and everything you have done for me.

Acknowledgements

My PhD has been a long and very challenging journey. I have had many ups and downs, many happy and unhappy moments. I have learnt a great deal of things not only about my subject but, most importantly, about myself as an individual. I have also learnt - and this is perhaps the most important thing of all - is to *never* give up, but be persistent, determined, learn how to tolerate ambiguity, and just believe in yourself. I would now like to thank a number of people who have made this journey interesting and exciting and who have helped me to get to the end of this long road.

So, first and foremost, I would like to express my sincere gratitude to my supervisors, Dr Emma Martin and Professor Liz Doherty, for their advice, patience and constant support, especially during tough times. I would like to thank them for their encouragement to find ways to deal with whatever issues I was facing. It is in those moments when I really had to learn to never give up, but rather keep finding a solution.

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I thank my fellow PhD students in Unit 5 for many interesting and informative conversations, their constant support and the fun times we had together. I have made some fantastic friends and am looking forward to many more interesting conversations and possible collaborative work and opportunities.

Last but not least, I would like to thank my family. I want to start by expressing enormous gratitude and appreciation to my parents. I want to thank them for giving me this great opportunity. It would not have been possible for me to do this PhD without their support. I also thank them for their constant emotional support and guidance. I would like to thank my brother and his family for supporting me throughout this journey and my life in general. I would also like to thank my husband

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List of Abbreviations

BBC - British Broadcast Corporation

BHA - British Hospitality Association

CIPD – Chartered Institute of Personnel and Development

EU - European Union

ILO - International Labour Organization

MNC - Multinational Corporation

OECD - The Organisation for Economic Co-operation and Development

ONS - Office for National Statistics

PR - Permanent residency

UNWTO - UN World Tourism Organization

UN - United Nations

US - United States

WTTC - World Travel & Tourism Council

Candidate's Statement

This thesis was submitted in partial fulfilment of the requirements of Sheffield Hallam University for the degree of Doctor of Philosophy.

The objective of this thesis was to conduct an independent research on contemporary labour migration in the global hotel industry. This thesis is the critical investigation of the above topic.

The research benefited from the assistance of Global Hotel Group. This is a pseudonym. The name of the organisation has been changed to ensure the organisation's confidentiality. I confirm that all the materials consulted for the purpose of this research, including journal articles, newspaper articles, reports, websites, books and the organisation's websites have been acknowledged and referenced accordingly.

Chapter 1. Introduction

1.0 Rationale for the research

Labour migration is a politically charged issue, and this is evident not only in terms of immigration regulations, but also in terms of the overall attitude towards migration, which varies from country to country (Joppe, 2012). A number of global events in the last three years have put the subject of migration at the forefront of global discussions. For example, the European migrant crisis, which began in 2015, saw more than a million migrants and refugees in 2015 alone, particularly from war-stricken countries such as Syria or countries with ongoing violence such as Afghanistan and Iraq, trying to migrate to Europe in search of better life (British Broadcast Corporation [BBC], 2016).

In the US, the new President's executive order, which was signed on 27 January 2017, banned entry to the US for different groups of people, including those who come from a range of selected Muslim countries, for 90 days (Yuhas & Sidahmed, 2017). The ban has since received very strong criticism from a number of stakeholders, including universities, major technology organisations and hospitals, as it had a major effect on their ability to recruit new employees as well as to retain the current ones (Yuhas & Sidahmed, 2017).

In the UK, as the country is preparing to leave the EU (European Union), a clearer picture of post-Brexit immigration rules is beginning to emerge. The freedom of movement is set to end in March 2019, and, as a new rule, citizens from EU countries will have to apply for a visa to come to the UK, with the exception of those who will have lived in the UK for five years before the deadline and as such will be granted a 'settled' status, or indefinite leave to remain (McCann, 2017). To assist the government with the formulation of new immigration policies, the Home Office has ordered "an independent review into the impact of EU migrants on … different sectors of the UK economy" (McCann, 2017). For the country's hospitality sector, these events present a major concern. According to the British Hospitality Association's (BHA) (2017) latest report on labour migration in the UK's hospitality industry, it is estimated that the industry will face a recruitment shortage of 60,000 workers per annum from 2019. This

is important, as the industry currently relies on 62,000 new EU workers per annum "to maintain its current activities and to grow" (p. 4). If the shortage issue remains, by 2029 the industry could have a recruitment gap of over 1 million workers "due to lack of access to EU workers unless it is able to replace EU workers with other types of employees" (p. 4).

The above events are going to be very important in the discussions on migrant labour. Therefore, this research comes at a timely moment and is concerned with the global movement of labour in the global hotel industry.

The number of international tourist arrivals is forecasted to reach 1.4 billion by the year of 2020 and 1.8 billion by the year of 2030 (UN World Tourism Organization [UNWTO], 2015a). The projected increase in international tourist arrivals will also be accompanied by further development in the hospitality industry (Euromonitor International, 2015). This development will be particularly evident in terms of international expansion of major hotel chains. Indeed, new brands are being introduced, together with the exploration of new markets as well as expansion of operations in the existing ones.

Taking into consideration the projected growth, the hospitality industry will need to ensure it has the skills to sustain this development. There is a strong and continuous demand not only for front line positions, but also for managerial positions. There will also be a need for "the development of managers who can operate in an international context" (Watson & Brotherton, 1996, p. 16), or global managers (Watson & Litteljohn, 1992).

However, the tourism and hospitality industry in many countries is experiencing major skill shortages not only in low-skilled positions, but also highly skilled positions (Joppe, 2012). As a result, there is an increasing reliance on migrant labour to fill not only skilled, but also unskilled positions. Migrant labour is not "a new phenomenon in the hospitality industry" (Baum et al., 2007, p. 229). The hospitality industry has a strong tradition of cultural diversity, particularly in terms of the use of migrant labour since the early development of the commercial hospitality sector (Baum et al., 2007). However, the issue of migrant labour is becoming increasingly important, primarily because of major skill and labour shortages across both

developed and developing countries. According to the International Labour Organization (ILO, 2010), if labour migration is properly monitored, it can assist in filling labour shortages in high-skills and low-skills sectors of the market. In fact, migration is predicted to "constitute a significant 'reserve army of labour' by which the sector will, in the future, be able to draw on additional skills to meet local and global needs" (Baum, 2010, p. 185).

The more migrant workers that are employed to meet labour shortages, the more culturally diverse a workplace becomes (Devine, Baum, Hearns, & Devine, 2007b). Cultural diversity in the workplace is believed to bring a positive change to an organisation (Maxwell, McDougall, & Blair, 2000; Nykiel, 2004; Baum, 2006a; Kim, 2006; Devine, Baum, Hearns, & Devine, 2007a; Devine et al., 2007b; Baum et al., 2007; Lyon & Sulcova, 2009; Janta, 2011). The reasons for this are twofold. First of all, cultural diversity is thought to present a good service quality opportunity for the hotel industry (Maxwell et al., 2000), as there is a strong correlation between culturally diverse markets and a culturally diverse workforce (Baum, 2006a). One of the main goals that hospitality organisations strive to achieve is "to remain competitive through service quality in the face of changing labour and customer markets" (Maxwell et al., 2000, p. 372). Mkono (2010, p. 302) states that "hotel workplaces are becoming increasingly multi-cultural, multi-national, multi-racial and multi-lingual". So do customer markets (Baum, 2006a). In order to address the needs of culturally diverse markets, it is crucial to recognise the importance of a culturally diverse workforce and the benefits it can bring to successful management. Secondly, cultural diversity is seen to be directly linked to and closely connected with the organisation's competitiveness (Kim, 2006; Harvey & Allard, 2002). Kim (2006, p. 70) states that "hospitality firms can remain competitive only by recongnizing the importance of diversity and respecting the diverse perspectives that come with talent born of different cultures, races, and genders".

The contribution of migrant labour to the host country's economy has been studied from the perspective of perceptions and views of *hospitality employers* (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis, Constanti, & Theocharous, 2014), and also the experiences and motivations of *migrant workers* (Devine et al., 2007a; Baum et al., 2007; Janta, Ladkin, Brown, & Lugosi, 2011a; Janta,

2011; Janta, Brown, Lugosi, & Ladkin, 2011b; Janta, Lugosi, Brown, & Ladkin, 2012; Zopiatis et al., 2014). The perceptions and views of hospitality employers have largely been considered at hotel level and are limited to two countries, the UK and Cyprus. There is however room for further research in this area. As Baum et al. (2007, p. 230) point out, "contemporary labour migration, within hospitality in Europe, has received limited attention from researchers".

Migrant workers can be found in different segments of the hospitality labour market. However, the existing research shows that the majority of migrant workers tend to occupy primarily low-skilled positions in the hospitality industry. Therefore, the primary focus of the above studies is the experiences of economic migrant workers in low-skilled positions of the hospitality industry, who migrate to a different country in search of better employment opportunities. The host country's wages and employment opportunities are perceived to be higher and better than the ones in the workers' home country. Consequently, the workers are prepared to tolerate poor working conditions and low wages while trying to improve their skill resources to find better work opportunities elsewhere.

The studies also show that although hospitality employers encounter certain problems when employing migrant workers, such as language difficulties, they generally perceive them to be reliable, hard-working, and with "a stronger and more positive work attitude and ethic" than native workers (Lyon & Sulcova, 2009, p. 23). Migrant workers are also perceived to be highly educated. Devine et al. (2007a, p. 339) point to "an excellent level of educational attainment" among migrant workers, who have also been found to be involved in high-skilled jobs back in their home country, ranging from banking to law and the military. However, despite their potential and positive characteristics, these migrant workers are seen as being "temporary and do not need to be included in normal career development initiatives" (Devine et al., 2007a, p. 346). Further, migrant workers are perceived to be "only capable of low-skilled work" (Devine et al., 2007b, p. 129). Janta et al. (2011a, p. 1016) point out that many migrant workers could be involved in "more skilled occupations and longer term careers in the industry". Therefore, an opportunity to recruit and develop these workers "should neither be overlooked nor ignored by organizations" (Zopiatis et al., 2015, p. 119).

This research aims to extend the boundaries of the existing research on contemporary labour migration in the global hotel industry by exploring the practices used by a global hotel organisation for employing migrant labour in different countries and at different levels - from operational level through to senior management level.

The supporting objectives are:

- To critically explore the issues of contemporary labour migration within the global hotel industry;
- To examine hotel employers' perceptions and practices for employing migrant labour;
- To explore the work experiences of migrant workers within the global hotel industry;
- To explore hotel employers' perceptions of managing talent at all levels within the global hotel industry;
- To analyse the role of migrant labour within the hospitality labour markets of three different countries; and
- To investigate employment strategies for migrant workers.

A key *theoretical* contribution that this research aims to make is to position the research on migrant workers within the wider area of labour economics. Through this process the research will explore the strategies used by global hotel employers, such as GHG, for employing different segments of migrant labour. Furthermore, this research aims to put forward a convincing case for improving the utilisation of migrant labour for the benefit of both employers and employees.

This research was conducted with the assistance of a global hospitality organisation, which will be referred to as Global Hotel Group, or GHG, to ensure the organisation's confidentiality. GHG is one of the global leaders in the hospitality industry. The organisation has more than 4,000 properties in 104 countries around the world across Europe, Asia Pacific, Middle East and Africa and Americas. GHG is actively looking to expand its global operations even further. According to GHG's latest annual report (2015), the organisation either approved or signed "a total of global development pipeline of 275,000 rooms" in 2015. A range of new brands has already been introduced, which will not only bring new customers, but will also "offer more

opportunities for existing customers to stay". The organisation's ultimate goal is "to win everywhere".

GHG currently employs more than 164,000 people, and the number is set to increase due to the projected growth and further development. The organisation recognises the need to "attract, retain, train, manage and engage skilled individuals" in order to support the forecasted development. This is very important, as one of the organisation's key concerns is "staffing shortages" in different parts of the world which could have an impact on the organisation's growth and further expansion plans (GHG, 2015, p. 24).

This research was opportunistic in that access was granted as a result of the ongoing relationships between GHG and Sheffield Hallam University. This opportunity was used to gain access to different hospitality labour markets as well as management at organisational level. The three countries selected for this research were Turkey, Russia, and the UK. The choice of locations, particularly the first two, was, to a certain degree, influenced by GHG. Russia and Turkey were seen by the organisation as developing markets with significant potential for further development. In addition, Turkey is a very important market for GHG, as this is the market where GHG opened its first hotel outside the United States (US) in 1955 and hence is keen on maintaining its legacy. The researcher's ability to speak Russian (being her native language) and visa-free access to Turkey were also important contributing factors in the selection of these countries. The UK was selected primarily due to the significance of this location in the existing research.

In total, 43 semi-structured interviews were conducted in this study. The research was carried out in two phases. The first phase involved semi-structured interviews with senior managers above country level to establish the organisation's point of view on a range of aspects, policies and practices, including talent management, the employment of migrant labour, current labour market issues, and the organisation's future talent development strategies. The second phase of the research involved semi-structured interviews with the managers and employees of the selected hotels. In addition to the primary research, this project has also used GHG's official online documents and websites.

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1.2 Structure of the thesis

Chapter 2. Internationalisation of the hospitality industry

This is the first chapter of the literature review. It aims to introduce the concept of migrant labour in the context of a broader discussion of the current state of the hospitality industry, as well as key discussions on a range of hospitality labour market issues. The chapter will also consider what constitutes a migrant worker by looking at a range of definitions and typologies which are currently available in tourism and hospitality literature, as well as the ones introduced by different international organisations. In addition, the chapter will introduce the concept of Talent Management and set the boundaries within which the concept will be applied to the subject of labour migration in this research. The chapter will conclude by looking at intraorganisational migration as a form of international migration, and also a range of external factors which have an impact on the way this migration is governed within multinational organisations.

Chapter 3. Labour market theory and migration

This is the second chapter of the literature review. It builds on the previous chapter by attempting to position the research on migrant labour within the broader area of labour market economics. The chapter will demonstrate the application of relevant labour market theories in order to further explain the phenomenon of migrant labour and how the use of different segments of migrant labour is further justified by employers. A conceptual framework will be introduced at the end of the chapter.

Chapter 4. Methodology

This chapter aims to provide an overview of the philosophical approach, sampling and methods chosen for the purpose of this research. A range of methods used in the previous research on migrant labour will also be considered, as well as how these methods have informed the choices made in this research. The chapter will also reflect on different experiences, such as interviewing people, and also recording and translating interviews. Finally, the chapter will conclude with the overview of the data analysis process.

Chapter 5. Introduction to the organisation

This chapter will introduce key background information on GHG and provide an overview of the organisation's current human resource strategies and policies. This will be achieved by combining findings from both secondary and primary research. The latter will consist of the findings gathered during the interviews with the senior managers above country level. The chapter will also identify key themes which will be further explored in the next three findings chapters on Russia, Turkey, and the UK.

Chapter 6. Russia - a tale of two cities

This is the first chapter in a series of chapters which will explore and present the findings from the three research trips. The chapters will also further consider the aspects and issues which were presented to the reader in the previous chapter. This chapter aims to present the findings from the research conducted in two different cities in Russia. It will also provide key background information on the hospitality business in Russia, as well as the cities and hotels where the research took place. The chapter will also consider the organisation's position with regards to its development plans in Russia, as there have been some significant changes since the research trip in 2014.

Chapter 7. "So resilient and so dynamic" Turkey

This chapter aims to present the findings from the research conducted in Turkey. The development of the tourism and hospitality industry in Turkey has undergone a considerable change. This change is particularly noticeable in the hotel sector, which welcomed its first international hotel in 1955 and now includes hundreds of them. As a result of this development, the role of migrant labour has also changed. The chapter will further explore these changes, as well as the labour market issues and conditions that enable the current use of migrant labour.

Chapter 8. "Maximum effort, minimum wage" - UK

This chapter aims to present the findings from the research conducted in London. In comparison with the previous two chapters, this chapter will explore the issue of migrant labour in greater detail, as the participating hotel heavily relies on migrant workers to fill its many positions, ranging from entry level to senior management

positions. The chapter will present a range of different categories of migrant workers employed by the hotel and the subsequent differences in the treatment of these migrant workers. The current state of the tourism and hospitality industry in the UK and key Information about the hotel will also be reviewed.

Chapter 9. Discussion

Drawing on the previous four chapters, this chapter will interpret and explain key findings and themes in relation to the aim and objectives of this research. The chapter will consider a range of different categories of migrant workers identified in this research, and will also provide a definition of migrant worker. The chapter will then focus on explaining how GHG, as a global organisation, uses migrant labour across these different countries. It will consider the factors that influence the use of migrant labour and the reasons for the choices made in relation to the employment of different categories of migrant workers. It will also show how the current use of migrant labour within the organisation is further translated into GHG's Talent Management practices across the three countries. Finally, the chapter will discuss what GHG could do differently to ensure a better and more effective use of migrant labour.

Chapter 10. Conclusion

This chapter will conclude the thesis by considering the contributions of this research to both theory and practice. In addition, the chapter will present the limitations of this research and make suggestions for future studies.

Chapter 2. Internationalisation of the hospitality industry

2.0 Introduction

This is the first chapter of the literature review. It aims to introduce the concept of migrant labour in the context of a broader discussion of the current state of the international hospitality industry, as well as key discussions on a range of hospitality labour market issues. The chapter will also consider what constitutes a migrant worker by looking at a range of definitions and typologies which are currently available in the existent tourism and hospitality literature, as well as the ones introduced by different international organisations. In addition, the chapter will introduce the concept of Talent Management and set the boundaries within which the concept will be applied to the subject of labour migration in this research. The chapter will conclude by looking at intraorganisational migration as a form of international migration, and also a range of external factors which have an impact on the way this migration is governed within multinational organisations.

2.1 International tourist arrivals

Tourism has experienced a considerable growth over the past six decades in spite of "occasional shocks" (UNWTO, 2015a, p. 2), leading the industry to become "one of the fastest growing economic sectors in the world" (UNWTO, 2015b).

Chart 2:1: UNWTO Tourism Towards 2030

Image removed for copyright reasons

Source: World Tourism Organization. (2015a). *UNTWO Tourism Highlights June 2015*

International tourist arrivals have grown from 25 million globally in 1950, to 278 million in 1980, 527 million in 1995, to an unprecedented 1.2 billion in 2015 (Chart 2:1). The economic contribution of tourism has currently reached 9% of the global GDP (UNWTO, 2015b). The stable increase in the number of arrivals continues exceeding the initial 3.8% of annual growth estimated by WTO for the years between 2010 and 2020 (UNWTO, 2015b). With the steady growth, the number of international tourist arrivals is forecasted to reach 1.4 billion by the year of 2020 and 1.8 billion by the year of 2030 (Chart 2:1).

2.2 Internationalisation of the hospitality industry

The hospitality industry is also forecasted to grow further - the development which will be facilitated by the projected increase in international tourist arrivals worldwide and a rise in tourist spending (Euromonitor International, 2015). Today the hotel industry is a global sector with an estimated $512 billion in sales registered in 2014 (Euromonitor International, 2015). The continuous development of the accommodation sector has led the sector to become "the largest and most ubiquitous sub-sectors" within the tourism industry (Cooper, Fletcher, Gilbert, Fyall, & Wanhill, 2008, p. 343). According to Euromonitor International (2015), the hotel sector is set to continue its growth each year leading to 2019, reaching an estimated over $600 billion in sales (Chart 2:2).

Chart 2:2: Global hotel value sales 2014-2019

Image removed for copyright reasons

Source: Euromonitor International. (2015). *Global Hotels: Catering to a New Traveller*

The growth of the hotel sector is also set to continue in terms of the international expansion of major hotel chains. Indeed, new brands are being introduced, together with the exploration of new markets as well as expansion of operations in the existing ones. According to Euromonitor International (2015), the top 10 global hotel organisations in terms of value share are Marriott International, Hilton Worldwide, InterContinental Hotels Group, Starwood Hotels and Resorts Worldwide, Accor Group, Wyndham Worldwide, Choice Hotels International, Carlson Cos Inc., Best Western International and Hyatt Hotels. Both Marriott International and Hilton Worldwide remain today's global leaders in the hotel sector based on the number of rooms, with Marriott being the largest hotel organisation, having expanded its operations to a record 1.2 million rooms and 30 brands across 124 countries worldwide (Marriott International, 2017a). Hilton Worldwide is the second largest hotel organisation, with more than 812,000 rooms and 13 brands across 103 countries and territories (Hilton, 2017a). To sustain such large operations, the hotel organisations employ thousands of employees (Marriott International - 375,000 (Marriott International, 2017b), and Hilton Worldwide - more than 166,000 (Hilton, 2017b), and the number is set to grow even further due to the hotel organisations' future expansion plans. For example, Marriott International has plans "to open a new hotel in Asia almost every week over the next three years" (BBC, 2014a). The aim of this development is "to double in size in Asia" (BBC, 2014a), which is the organisation's second largest market in terms of room numbers after America (Marriott International, 2017a), to "cater to the growing number of Chinese tourists" (BBC, 2014a). Furthermore, in March 2017, Marriott International announced 2020 Growth Vision in Europe, which will be realised through a significant increase in room numbers across its different brands in Europe (Marriott International, 2017c).

The diversity and scale of these hotel operations can be attributed to the ongoing process of internationalisation, which began in the period after the Second World War with the introduction of the American model of accommodation and operations (Cooper et al., 2008) based on "management efficiency, standardisation, consistency, and the systematic rigidities of scientific management" (Nickson, 1998, p. 56). The model gave rise to a number of major hotel organisations such as, for example, Hilton and InterContinental that have an increasingly significant presence in

the hotel industry (Cooper et al., 2008). Litteljohn and Roper (1991) note that out of ten international chained hotel organisations eight were US-owned by 1978. The emergence of the aforementioned chained hotel organisations as well as continuous US-led growth in travel generated the first considerable wave of internationalisation in the hotel sector (Cooper et al., 2008). US chained hotel organisations dominated the international hotel industry until the early 1980s (Litteljohn, 2003).

This period was then followed by the introduction of European and then Asian hotel organisations expanding their operations on an international scale (Litteljohn, 2003) and "the dilution of US ownership" (Nickson, 1998, p. 58). One of the biggest examples of this development outside of the US was the growth of the French owned Accor group. The hotel organisation grew from 45 hotels in 1974 to 2,098 by 1991 across the world (Accor, 2007). Equally, some of the major American hotel organisations were acquired by companies across the world. Thus, Holiday Inn and Hilton International were sold to Bass and Ladbrokes respectively, and InterContinental was first acquired by Grand Metropolitan, who later sold it to the Japanese company, Seibu Saison (Nickson, 1998). The most recent example is Marriott International's acquisition of Starwood Hotels & Resorts Worldwide, the third largest hotel organisation (Euromonitor International, 2015), in September 2016, which has allowed Marriott International to add 40,000 rooms in Europe, thus considerably increasing its presence in this region (Marriott International, 2017c). Mergers and acquisitions are considered as "a means to hotel expansion" and an addition to the existing strategy of hotel chain development (Go & Pine, 1995, p. 150). In addition to merges and acquisitions, such forms of operations as franchising and management contracting are also used in hotel internationalisation (Alexander & Lockwood, 1996). For example, Hilton Worldwide uses "an asset-light business model" which allows the organisation to expand its operations worldwide through "third party investors", who fund and build new hotels through either franchising or management agreements with the organisation (Euromonitor International, 2016).

The 1980s also saw the development of what Go and Pine (1995) identified as a multi-tier brand strategy. There was no longer a single brand strategy that hotels would use in their operations - "the shift from the provision of a single, luxury or up-market brand to a stable of brands that seek to cater for a range of customer tastes"

(Nickson, 1998, p. 59). This market segmentation meant that hotel organisations were able to offer different services and products to different consumer groups (Nickson, 1998). From the earlier examples, major hotel organisations currently offer extensive brand portfolios (for example, 30 different brands in Marriott International) which cater for various consumer markets, tastes and needs worldwide.

As the hotel organisations' operations grew in size and complexity, so did their human resources. These operations were no longer limited to one country, but extended beyond and across different countries worldwide. This international development resulted not only in the increase in employee numbers, but also in the way these operations were and are managed across different countries, particularly in terms of their human resource management function. These variations were first introduced and explained in Perlmutter's (1969) well-known work on different approaches (ethnocentric, polycentric and geocentric) to international business in multinational organisations, which have since been used to assess the human resource management function in global hotel organisations (see, for example, Roper, Brookes, Price, & Hampton, 1997; Roper, Doherty, Brookes, & Hampton, 2001).

2.3 Employment in the hospitality industry

As a service industry, the hospitality industry is heavily dependent on people. There is constant interaction between people, which is reflected in some of the well-known factors which distinguish services from goods, namely *inseparability* and *heterogeneity*. The former means that the service provider and the customer cannot be separated, as the interaction occurs simultaneously between both parties (Hudson, 2008). The latter implies that the quality of service delivery will depend on the person who provides the service and will vary throughout the day (Hudson, 2008). The service provider and the customer are two important parts of the service industry and one cannot exist without the other. Thus, customers are needed to sustain a service business. Equally, the business needs employees to serve those customers.

As a result, the industry is seen to be "a human resource-centric industry", where employees play a vital role in delivering quality service that meets customer needs and expectations (Bharwani & Butt, 2012, p. 151). In fact, delivering quality service has become the core of any hospitality business and this is largely due to the

transformation of the concept of hospitality. Hospitality now falls into the experience economy, the term which was created by Pine and Gilmore in 1998 and marks the transition from the service economy to the experience economy, in which the experience component plays a very important role in service delivery. It entails a customer having a positive and memorable experience which, in turn, is deemed to lead to repeat business.

Therefore, when delivering hospitality services by the aforementioned standards, employees are actually expected to adhere to a range of different requirements. They are expected not only to be flexible, but also possess a range of skills. Flexibility is a key issue, as the hospitality industry is a very labour-intensive industry and therefore needs significant labour flexibility to meet constantly changing customer demands (Lai, Soltani, & Baum, 2008) on a daily, weekly and seasonal basis (Williams & Hall, 2000). Flexibility in the workplace enables employers not only "to manage their labour costs", known as numerical flexibility, but also to exercise functional flexibility, which refers to the ability to undertake different tasks and responsibilities often across different departments (Baum, 2006a, p. 65).

The hospitality industry currently has core, full-time and part-time employees (Davidson, McPhail, & Barry, 2011), but is increasingly relying on casual and outsourcing contracts to control labour costs (Lam & Han, 2005). The departments which tend to be considered for outsourcing are HR, IT and housekeeping (Davidson et al., 2011). Cost savings have been identified as the key reason for outsourcing (Davidson et al., 2011). However, this arrangement also has a number of disadvantages, including "loss of control, loss of skills and experience within the organisation" (Davidson et al., 2011, p. 509). Equally, casual contracts also have a range of advantages and disadvantages. While these contracts offer great flexibility to certain groups of employees, such as students and young people as well as businesses in terms of managing their "staffing levels to match business requirements", they tend to be "low paid" and offer "little attachment to the organisation" (Davidson et al., 2011, p. 509).

In terms of skill requirements, Nickson, Warhurst, and Dutton (2005), found that while technical, or 'hard' skills, are considered to be important, employers tend to place greater emphasis on 'soft' skills. The latter has been linked to the changing

nature of the hospitality industry "from its predominantly technical basis to include a range of, arguably, sophisticated generic skills covering areas such as communication, languages and information technology as well as emotional and aesthetic labour inputs" (Baum, 2006b, p. 131). Employees are now able to communicate with customers on a more personal level, narrowing the traditional 'social distance' between hospitality workers and customers (Baum, 2006b). As a result of these changes, employers expect the 'soft' skills to be "oven ready" at the time of one's employment, while focusing their training mainly on the development of 'hard' technical skills (Nickson et al., 2005, pp. 204-205). The 'soft' skills include not only attitude, social and interpersonal skills, but also what the researchers have termed "aesthetic skills" (Nickson et al., 2005, p. 196). They found that these skills are considered in addition to the other soft skills and are "an integral part of the "product" offered by hospitality and retail organisations" (p. 205). These skills come "in the form of language, dress codes, shape and size of body, manner and style" and are particularly important in customer-facing roles (p. 201).

2.4 Internationalisation of human resources

As the hospitality industry is set to grow further, there will also be a need for "the development of managers who can operate in an international context" (Watson & Brotherton, 1996, p. 16). There are different terms that have been given to this type of manager, such as 'international manager' (see, for example, Watson & Littlejohn, 1992; D'Annunzio-Green, 1997) or 'transnational manager' (Edwards & Rees, 2006), all of which have one thing in common – reference to the manager's ability to operate globally and think locally. To explain this further, Watson and Litteljohn (1992) identify two key skill sets that an international manager is required to possess. The first skill set refers to the manager's ability to work in different locations, while also being able to adapt to the local environment. They go on by pointing out that in the hospitality industry managers have always been expected to manage a multicultural workforce. However, this will become even more important, as organisations continue expanding their operations. The second skill set refers to the manager's ability to become a "truly global" manager, which encompasses being internationally mobile and having the education and experience to deal with cultural differences (p. 148). As Edwards and Rees (2006, p.13) note, an international manager will become "more cross-functional,

cross-business and cross-geography" as well as "highly flexible" with the capability of "implementing the very complex strategies involved".

This marks the transition from the traditional term 'expatriate manager'. The term gained its popularity in the period from 1950 to 1980 when a number of US organisations started expanding their operations on an international basis (Edwards & Rees, 2006). This expansion is discussed in the previous sections. The primary goal of this expansion was to achieve economies of scale by replicating the organisations' domestic operations in their foreign subsidiaries (Edwards & Rees, 2006). This approach has been termed an ethnocentric approach, which suggests that the way things are managed in the home country are deemed to be superior to the way of doing things in the host country (Perlmutter, 1969). An underlying principle is "This works at home; therefore it must work in your country" (Perlmutter, 1969, p. 12). As a result, human resources are managed in such a way that key managerial posts of foreign subsidiaries across the world are filled by home-country managers (Heenan & Perlmutter, 1979). These home-country managers or expatriate managers act as "enforcers of HQ policy" (Edwards & Rees, 2006, p. 72) and are considered to be "more competent and trustworthy" than their local counterparts (Go & Pine, 1995, p. 215). An ethnocentric approach has been noted to be particularly useful "in situations where the company is committed to standard operating procedures and a strong company culture, and where there is a shortage of skilled/qualified people in the local labour market" (Roper et al., 1997, p. 206). However, the effect of cultural differences on the performance of the expatriate managers is often overlooked by Multinational Corporations (MNCs) and can be a key factor in expatriate failure (Go & Pine, 1995).

Although the aforementioned approach is "very common" (Roper et al., 1997, p. 209), there has been a major shift towards the development of a global manager, which can be further connected with a geocentric approach that many MNCs are now striving to adopt. The approach stresses the importance of developing a global strategy with the equal consideration of local differences - the concept of "think global, act local". Perlmutter (1969) argues that a key aim of the geocentric approach is to ensure a worldwide orientation is maintained in both headquarters and subsidiaries. Therefore, the HRM strategy within this approach would be "With legal and political limits, they seek the best men, regardless of nationality, to solve the company's

problems anywhere in the world" (Perlmutter, 1969, p. 13). This also means that organisations need to be able to develop the type of manager who can operate globally regardless of where he or she comes from. This means that organisations need to have the human resource structure or system that would allow for the development of such managers, and it is important to ensure that this structure or system can function globally. However, a key problem with this approach is it is highly dependable on "having an adequate supply of men who are geocentrically oriented" (Perlmutter, 1969, p. 17). He notes that managers who choose such a career path need to be willing to make considerable adjustments not only with regards to their personal life, but also cultural attitudes. It is important to mention that in 1969, Perlmutter appears not to have considered women in senior managerial positions. However, due to the process of globalisation and major developments in international business, there has been a gradual increase in the number of women participating in international assignments since the 1980s in spite of a range of obstacles, and this is set to continue (Altman & Shortland, 2008).

Roper et al. (1997) argue that out of the three centric approaches, namely ethnocentric, polycentric and geocentric, the latter may be the most challenging one to achieve. They state that "while an ethnocentric or polycentric profile is very common, a geocentric profile still eludes many MNCs" (p. 209). They explain that the traditional lack of investment in employee development as well as innovative management strategies are the two key reasons why the approach could be difficult to achieve in the hospitality industry. Roper et al. (1997, p. 207) note that MNCs will need to ensure that their human resource policies are "sophisticated" (p. 207) in order to develop "globally competent managerial talent" (Scullion & Collings, 2011, p. 7). This includes "the greater need for international learning and innovation" (Scullion & Collings, 2011, p. 7), the development of such organisational aspects as training and development, with the latter also including the development of cross-cultural management teams (Roper et al., 1997). D'Annunzio-Green (1997) explains this further by pointing out that managerial careers will require complete transformation in the hospitality industry. This refers to the transformation that would present development opportunities for "the acquisition of the skills, knowledge and experience needed to work in a global market-place" (p. 200).

2.5 Labour market issues

The tourism and hospitality industry is considered to be "one of the world's largest economic sectors" accounting for 313 million jobs, or 9.9% of world employment, in 2017 (World Travel & Tourism Council [WTTC], 2018). The number is set to rise by 2.5% per annum reaching 414 million jobs by 2028 (11.6% of total employment) (WTTC, 2018). In terms of direct employment, it is predicted that the tourism and hospitality industry will be responsible for 150 million jobs directly by 2028, with an increase of 2.2% per annum (WTTC, 2018). This is larger than initial predictions for the global economy, which is expected to grow 1.2% per annum through 2022 (WTTC, 2012).

Taking into consideration the projected growth, future developments and the number of potential jobs, the industry will need to ensure it has the required skills and enough people to meet these demands and sustain this development. However, one of the issues currently facing the hospitality industry across both developed and developing countries is major labour and skill shortages (Choi, Woods, & Murrmann, 2000; Baum, 2006a; Joppe, 2012). The following examples will demonstrate this further.

For example, in the UK, there is a strong and continuous demand not only for front line positions, but also for high level skills to fill managerial positions (People 1st, 2013a). However, there are "insufficient numbers of applicants and not enough applicants with the right skills" (People 1st, 2015, p. 12). The latter, in particular, is seen to contribute to "the industry's high labour turnover rates" (People 1st, 2013b, p. 10) and, as a result, leads to issues in such areas of the business as meeting the quality standards, distribution of the workload among the available staff, motivation and productivity factors (People 1st, 2013a). The issue of recruiting applicants with "the required skills" has been reported particularly in relation to hard-to-fill vacancies, such as chefs, kitchen and catering assistants, restaurant managers, waiting staff and housekeepers (People 1st, 2013a, p. 47). By sector, hotels are experiencing greater difficulty finding the right people in comparison with restaurants (People 1st, 2013b).

The problem with the shortages can be further attributed to such issues as low perception and attitude towards the industry. The "relatively easy entry" to hospitality

work positions has been noted to be one of the key contributors to the creation of a poor image for the industry (People 1st, 2013a, p. 23). The low barriers create a perception that the industry offers low-skilled and temporary jobs. Moreover, there is little requirement for prior knowledge and experience. People can start their jobs with little knowledge or skills and gradually progress into higher positions as they learn 'on the job' (People 1st, 2013a).

The attitude towards the hospitality industry is also deemed to be low, primarily due to the status of work in the industry, which is considered to be low in a number of developed countries (Baum, 2006a), including the UK (Baum, 2002). This perception is normally attributed to employers' failure to "attract the level of skills and ambition that they desire and … employ workers from social groupings that are frequently perceived to be low status and marginalized within that society" (Baum, 2006a, p. 131). The type of employee selected, in turn, is seen as a contributing factor in the development of the way hospitality work is perceived - "as an environment of poor conditions, remuneration and limited opportunity" (Baum, 2006a, p. 131). Baum (2002, p. 345) points out that work in the hospitality industry is socially constructed, and people "are more interested in how work in the sector is perceived than in what the actual operational tasks involve".

In comparison with the UK, Russia has major skill shortages caused by "a professional and qualification imbalance in workforce supply and demand" (Iontsev & Ivakhnyuk, 2012, p. 8). Applicants lack practical skills to perform a job and this is largely due to the fact that professional education does not match the needs of labour markets (Iontsev & Ivakhnyuk, 2012). There is also "the unwillingness of Russian citizens to work in a number of low-skilled professions" (Iontsev & Ivakhnyuk, 2012, p. 8). In addition, such factors as "the loss of motivation to work, disdain for physical work, and often a chronic unwillingness to work at all" have been found to be contributing factors. An office or sales job is seen as more attractive and "prestigious" than that of a cook or construction worker, and a managerial position is the most attractive option (Iontsev & Ivakhnyuk, 2012, p. 8).

These issues can be further explained by changes in Russian labour market in a transitioning economy in the 1990s (Iontsev & Ivakhnyuk, 2012). Russian economy was undergoing a major transition from a state controlled economy to "the rapid rise of

private ownership and market-based allocation of resources and consumer goods" (Gerber, 2002, p. 631). This led to the redistribution of jobs and workforces "from the state sector to the private sector, from manufacturing industries (especially defence and heavy industry) to services and finance, and from large to small and medium-size enterprises" (Gerber, 2002, p. 631). Before the transition, catering and hospitality services were "underdeveloped", as manufacturing and, in particular, "defense and heavy industry" was given the highest priority under the Soviet rule (Gerber, 2002, pp. 630-631).

To deal with skill and labour shortages and issues, it is important to consider the concept of Talent Management, and also one of the increasingly utilised solutions, which is the use of migrant labour. Both will now be discussed further in the following two sections.

2.6 Talent Management

As it was noted in Section 2.4, there is a need to develop "globally competent managerial talent" (Scullion & Collings, 2011, p. 7). To do so, MNCs need to consider and effectively utilise the notion of talent management or even "global talent management", particularly at the time when many MNCs experience "a shortage of leadership talent" (Farndale, Scullion, & Sparrow, 2010, pp. 161-162). Such shortage of managerial talent has been noted to exist not only in North America and Europe, but particularly within the emerging economies of Brazil, Russia, India, China, Central and Eastern Europe (Bhatnagar, 2007).

However, the shortage of leadership talent is not a new issue. In 1997, a growing demand for leadership talent was reported in McKinsey & Company's study on talent management in major US private organisations (Michaels, Handfield-Jones, & Axelrod, 2001). Specifically, there was an increasing demand for "high-calibre managerial talent", or "strong managerial talent", to assist with the rapidly developing process of internationalisation (p. 3). Organisations were looking for managerial talent with "a sharp strategic mind, leadership ability … and the ability to deliver results" (p. xiii). "The war for talent" had begun, forcing organisations to review and improve their talent management processes, as it was the organisations now that needed talent, and not the opposite (pp. 4-6).

Therefore, talent management is not a new phenomenon. Rather, it can be seen as an *enhanced* human resource management function used to deal with changing demands. Indeed, talent management was initially used for the purpose of improving such human resource functions as recruitment and development to address the previously mentioned organisational demands (Bhatnagar, 2007). Today talent management can be seen as "a holistic approach to human resource planning aimed at strengthening organisational capability and driving business priorities using a range of HR interventions" (D'Annunzio-Green, 2008, p. 807). Talent management encompasses a range of different human resource management functions, namely "attracting, retaining, developing and transitioning talented employees" (D'Annunzio-Green, 2008, p. 807).

The complexity of the concept of talent management can be further attributed to various "human capital challenges" currently facing multinational organisations (Tarique & Schuler, 2010, p. 131). These challenges include improved education, increased mobility, diversity and size of workforces worldwide (Briscoe, Schuler, & Claus, 2009). Therefore, in order to remain competitive on a global scale, multinational organisations need to ensure that their human capital is managed effectively (Tarique & Schuler, 2010), and this is what talent management can assist with, as human resource management tasks are carried out in relation to an organisation's strategic objectives, thus upgrading talent management to "the strategic management of the talent" (Baum, 2008, p. 720). Taking into consideration the previously considered future development of international hotel organisations, the latter is likely to be an essential part of the organisations' human resource agenda.

However, the extent to which multinational organisations effectively manage their human capital on a global scale has been widely criticised (Scullion & Collings, 2011). It has been noted that multinational organisations are often unable to recognise which of their employees have most potential (Collings, Scullion, & Morley, 2007). This can be further related to the issue of what constitutes talent in an organisation, as well as what is regarded as talented employee. These will vary from one organisation to another because different organisations will present different definitions of talent which will include "describing the behaviours that they would like to encourage in talented employees … [and] … the specific talent profile that fits best with their culture

and structure" (D'Annunzio-Green, 2008, p. 809). Furthermore, as Farndale et al. (2010, p. 162) point out, talent management "is still lacking in definition and theoretical development, particularly in the global context". This "disturbing lack of clarity regarding the definition" therefore serves as an open ground for various interpretations of the concept (Lewis & Heckman, 2006, p. 139).

So far, talent management has been presented as a concept that has focused mainly on the development of managerial talent. However, research on talent management in the hospitality industry (Baum, 2008; D'Annunzio-Green, 2008) has highlighted the importance of considering all levels of employees within an organisation. Thus, Baum (2008) highlights the need to seek talent among workers of various professions available within the industry. He points out that although hospitality work is perceived as "low skills", "there is little doubt that there is room for talent and its development within the sector"; talent should be considered in the view of "the diversity of work and employment situations that exist within the sector" (p. 725). D'Annunzio-Green (2008, p. 813) also supports this notion by arguing that talent management strategies should be "directed at all employees with potential, rather than an exclusive focus on managers".

It is important to consider these different levels, as the effective management of these levels can further assist with the management of talent pipelines within an organisation (D'Annunzio-Green, 2008). This can be "a particularly intriguing opportunity" for hospitality organisations which have been dealing with high staff turnover rates and have been struggling to recruit applicants with required skills (Christensen-Hughes & Rog, 2008, p. 755). D'Annunzio-Green (2008) points out that the transitioning part of talent management requires not only a significant effort from employees ("be self-motivated and build their self-belief and confidence" (p. 819), but also from the organisation itself, as it needs to have clearly defined levels of progression, a clear development structure for each level, and also "a more individualised approach" for some categories of employees (p. 812). The latter means that the higher the position the more responsibility an employee is expected to take for their own development, requiring a more tailored approach to their development (D'Annunzio-Green, 2008, pp. 817-818). For example, a general manager would require a more "individualised" or "bespoke" approach to their development and

further progression (D'Annunzio-Green, 2008, p. 812). Thus, at this level the development will be driven more by the individual rather than the organisation (D'Annunzio-Green, 2008). On the other hand, it means that an organisation has more control over the structure of the talent development process for lower levels of employees, which, as it has already been mentioned, should be considered to ensure the successful progression of talented individuals at *all* levels within the organisation. The organisation has an opportunity to create a strong internal market, with a clear development structure, thus reducing the high turnover rates and, in turn, ensuring the long-term commitment of its employees.

In order to successfully achieve this holistic approach to talent management, an organisation will first need to develop "a strong business case for talent" (D'Annunzio-Green, 2008, p. 810). Second, the commitment to the concept of talent management should be demonstrated across different levels of the organisation, starting from the highest level and all the way down to the supervisory level (Christensen-Hughes & Rog, 2008). However, this may be difficult to achieve if senior management has very little awareness or understanding of what constitutes talent management (D'Annunzio-Green, 2008). Specifically, the study found that although being "extremely committed to the notions of TM", senior managers were struggling with "defining the boundaries of TM strategies and prioritising different groups of employees" (p. 814). The research was conducted by interviewing senior managers across a range of different organisations, including "SMEs, large MNCs, charities and government funded bodies responsible for hospitality and tourism development" (p. 808). However, it is important to note that "quite a high percentage of the respondents" were "representative of SMEs" (p. 812). MNCs have very different structures and resources in comparison with SMEs. Therefore, the perception may also be very different, depending on the complexity of their structures and operations around the world.

All the aforementioned processes are some of the key aspects of talent development, which is a crucial component of Talent Management (Garavan, Carbery, & Rock, 2011). Its main goal is to "deliver the capabilities, competencies and skills required to support sustainable business development" (Chartered Institute of Personnel and Development [CIPD], 2017). As the external environment continues to change, there is a need to ensure that an organisation's learning and development

strategies and processes reflect those changes and meet the organisation's business needs (CIPD, 2017). Furthermore, talent development can assist with succession planning, as having clear career paths can help an organisation to retain its employees, thus remaining competitive (Rowland, 2011). This is particularly important in the hospitality industry where skills shortage is a key issue (Ladkin & Kichuk, 2017). This was also demonstrated in the previous section. Hospitality organisations can optimise their talent by using career management practices not only to motivate employees, but also develop their skills and show them that they are seen as valuable (Ladkin & Kichuk, 2017).

Despite being presented as an enhanced human resource management function, there is little doubt that talent management, or more specifically, talent development can deliver a number of benefits to organisations if the previously mentioned practices or processes are followed, together with the consideration of different staff levels. However, such critical dimensions of talent management as what is considered to be talent and how that talent is treated will depend on an individual organisation (Nilsson & Ellström, 2012). Specifically, such questions of whose talent development needs an organisation should be focusing on; whose responsibility it is to develop talent; what an organisation is trying to achieve by implementing different talent management models; as well as what drives an organisation to view talent in a certain way are some of the crucial questions (Garavan et al., 2011). In addition to the latter, defining talent will perhaps be one of the most challenging first tasks in considering talent management strategies, as it was mentioned earlier in the section. When defining talent, organisations will need to consider whether to "develop an *exclusive* focus where learning opportunities may be restricted to key individuals … or [to] define all staff as 'talent' and run a broader suite of programmes to suit a broader strategy, adopting a more *inclusive* approach to employee development" (CIPD, 2017). Thus, to understand how talent is managed at different levels, and also how talent management is or can be used in hospitality organisations, it is important to consider such dimensions as the definition of talent, who is seen as talent, what opportunities are offered to employees, and, most importantly, which employees they are offered to.

2.7 Migrant labour

The hospitality industry is a culturally diverse industry and is becoming even more so with increasing reliance on migrant labour. Migrant labour is not "a new phenomenon in the hospitality industry" (Baum et al., 2007, p. 229). The hospitality industry has a strong tradition of cultural diversity, particularly in terms of the use of migrant labour since the early development of the commercial hospitality sector (Baum et al., 2007). However, the issue of migrant labour is becoming a *critical* one, primarily because of major skill and labour shortages that many developed countries, including the UK (Baum, 2006a), and, indeed, developing countries like Russia are experiencing. Migrant labour can be seen as "an alternative solution for labour shortages" in the hospitality industry (Choi et al., 2000). According to the ILO (2010), if labour migration is properly monitored, it can assist in filling labour shortages in high-skills and low-skills sectors of the market. In fact, migration is predicted to "constitute a significant 'reserve army of labour' by which the sector will, in the future, be able to draw on additional skills to meet local and global needs" (Baum, 2010, p. 185).

Joppe's (2012) research on skill and labour shortages in tourism shows how migrant labour is used by different countries to deal with skill and labour shortages in the hospitality and tourism industry. The study also shows the extent of this issue across these different countries. Specifically, the research considers the use of migrant labour in selected OECD (The Organisation for Economic Co-operation and Development) countries as part of the organisation's wider initiative to "determine good practice education and training policies and programmes that support a more attractive labour market and business environment in tourism" (p. 666). Using the results of the questionnaire, Joppe designed a "classification system of migration flows", together with the analysis of *the official government positions* of the participant countries in relation to migrant labour as a solution to labour shortages (p. 666).

Table 2:1 (next page) exhibits the classification system which consists of five categories, each specifying the level of emigration (outward migration) and immigration (inward migration) in relation to individual countries. These five categories are High/High, Low/Low, High/Low, Low/High and Low/Controlled. Each of

the categories includes examples of countries. The table also shows the position of migrant labour as a solution to labour shortages in relation to each of the categories.

Table 2:1: Migrants as a solution to labour issues in the tourism and hospitality industry

Classification status and examples of countries (emigration/immigration)	View of migrant labour force
Content removed for copyright reasons	

There are clear differences in the type of jobs that migrant workers are employed in across these different countries. There are also clear differences in the way these different countries approach the issue of migrant labour, particularly as to whether it is seen as a long-term or short-term solution to skill and labour shortages. For example, in the High/High category countries, such as Greece, Spain, the UK, migrant workers are usually employed in unskilled positions. This means that the countries are not able to source talent from their own labour pool, forcing them to look for this talent elsewhere. It has been noted that one of the primary reasons for this may be the fact that migrant workers are more willing to engage in elementary jobs in comparison with native workers (see, for example, Devine et al., 2007a; Devine et al., 2007b; Baum et al., 2007). In terms of considering migrant labour as a solution to labour shortages, these countries and, in particular, southern European countries have not considered the position of migrant workers and "the challenges they encounter" (Joppe, 2012, p. 669). This may be seen as a less sustainable approach when considering the future of the hospitality industry, particularly in the countries where tourism plays a significant role.

In comparison with the previous category, the situation is different in the Low/Low and High/Low category countries. Examples of member countries include Turkey, Finland and the Czech Republic. Migrant labour is predominantly employed in skilled positions. Joppe explains that since outward migration is greater than inward migration, there is a demand for migrant labour to sustain the growth of the hospitality industry in these countries. Thus, special schemes have been developed to facilitate inward migration. For example, Poland has "specific legislation" that allows for the access of migrant workers from Russia, Belarus, Slovakia, the Ukraine and Moldova to its hospitality labour market (p. 667). However, the countries in the above categories do not recognise migrant labour as a long-term solution to their labour issues. Instead, they believe that the emphasis should be placed on the improvement of the industry's image, which, in turn, should allow for the attraction of native workers.

There are also countries where migration has been traditionally used to build and grow the industry. These are "traditional settlement countries", such as Australia and New Zealand, which are highly dependent on migrant labour (p. 664). Migrant

workers occupy various positions, and there are many programmes designed to deal with different types of labour shortages. As a result, these countries view migrant labour as a long-term solution.

A similar approach has been taken in some countries in the Low/Controlled category. For example, Switzerland "realise that immigration is an important solution to fulfilling industry needs over the long-term" (p. 669). However, most of the countries, albeit relying heavily on migrant labour, believe that the industry's overall image as well as working conditions must be changed in order to attract local talent. As it was mentioned in the case of the Low/Low and High/Low categories, this is not an easy task. However, with the hospitality industry's projected growth, it must be assessed to what extent this decision can contribute to the future developments.

As a point of clarification, Russia was not considered in Joppe's research because it is not a member of the OECD. In addition, although the UK is a member of the OECD, it "did not respond in spite of repeat reminders" to complete the questionnaire (p. 667). Therefore, the UK was included in the classification based on other OECD data. The position of the selected countries (Russia, Turkey, and the UK) in this research remains to be seen and will be revisited later.

The contribution of migrant labour to the host country's economy has also been studied from the perspective of perceptions and views of *hospitality employers* (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014), as well as the experiences and motivations of *migrant workers* (Devine et al., 2007a; Baum et al., 2007; Janta et al., 2011a; Janta, 2011; Janta et al., 2011b; Janta et al., 2012; Zopiatis et al., 2014). There is however room for further research in this area. As Baum et al. (2007, p. 230) point out, "contemporary labour migration, within hospitality in Europe, has received limited attention from researchers". In addition, there is also an emerging theme of return labour migration in the hospitality industry, which is becoming particularly important in light of such recent events as Brexit (Filimonau & Mika, 2017). The study looks at return labour migration from the UK to East-Central Europe and, in particular, Poland, and seeks to understand migrant workers' motivations to return and their "re-integration experiences" in the home country.

Following this literature review, it is important to highlight the themes which are of significance for this research. In general, the existing research shows that migrant workers tend to occupy primarily low-skilled positions in the hospitality industry. Native workers have been noted to be less willing to work long hours and tend to complain about "how hard the job is"; they are also seen as "less enthusiastic, with a very poor attitude towards work, less willing, and even lazy" (Lyon & Sulcova, 2009, pp. 23-24). Conversely, migrant workers are regarded as "very hardworking, dedicated, reliable, punctual, obedient, respectful of authority, highly committed, and willing to do any kind of job" (Lyon & Sulcova, 2009, p. 23). Furthermore, migrant workers are perceived to be employees with "a stronger and more positive work attitude and ethic" than native employees (Lyon & Sulcova, 2009, p. 23; Zopiatis et al., 2014).

Migrant workers are also perceived to be highly educated. Devine et al. (2007a, p. 339) point to "an excellent level of educational attainment" among migrant workers, who have also been found to be involved in high-skilled jobs back in their home country, ranging from banking to law and the military. Baum et al. (2007) note that only a few have specific training in the hospitality sector. However, those who have a different educational background can use their transferable skills to adapt to work in the hospitality industry (Baum et al., 2007).

The mismatch between the level of education and requirements of the jobs undertaken is considered to be one of the key issues. Baum et al. (2007, p. 233) highlight the "high level of educational attainment" in relation to "the perceived demands of the job". Hospitality employers believe that such a mismatch between qualifications and jobs performed could result in migrant workers becoming increasingly "dissatisfied" (Lyon & Sulcova, 2009, p. 24).

Although migrant workers "may be highly skilled and potentially in demand from a wide range of industries, but there is a tendency for them to enter the labour market via the hotel and constructions sectors" (Devine et al., 2007b, p. 121). This is because migrant workers tend to view the hospitality industry as "a stopover to something else" (Janta & Ladkin, 2009, p. 13). Once migrant workers have achieved their goals, they consider moving to a different type of employment where they can use their qualifications as well as acquired skills and knowledge (Janta & Ladkin, 2009).

Migrant workers' decision to move can be attributed to the following reasons. First, "the lack of job opportunities" (Janta, 2011, p. 814) in the home country has been noted to be one of the primary reasons for migrant workers to seek employment outside their home country. For example, Janta (2011, p. 813) points out that many of the participants, who are "relatively young, predominately female and highly qualified", perceived higher living standards and better wages to be very important factors in their decision to migrate. Second, Janta et al. (2011a, p. 1016) found "self-development" purposes, such as "to use and learn foreign languages, gain work experience and receive benefits that the industry may provide", to be important when seeking employment in the hospitality industry. Poor English skills are thought to be "the main barrier" to migrant workers' full utilisation of their education and skills, but the one which is "likely to reduce over time" (Baum et al., 2007, p. 237). Thus, language development, in particular, is regarded by migrant workers as one of the most essential types of training not only for the purpose of performing daily duties in the hotel, but also improving "their chances of acquiring jobs elsewhere" (Baum et al., 2007, p. 234).

Having considered the qualities and characteristics of migrant workers, it is also important to review some of the reported barriers to migrant workers' further progression within the industry. These will now be considered from the employer as well as employee's point of view. Hospitality employers point to migrant workers' tendency to stay temporarily in their jobs, thus leading to high labour turnover (Devine et al., 2007b). As a result, employers "view these migrant workers as a short-term resource to solving recruitment problems"; a "quick fix" to recruitment issues rather than as "part of a long-term strategy" (Devine et al., 2007b, pp. 126 - 127). Employers also indicate that only a small number of migrant workers remain "longer than two years", as they have a tendency to move to a different type of employment or join their families back in the home country (Devine et al., 2007b, p. 126). However, it is important to note that this issue has also been regarded as an assumption from migrant workers' point of view (Baum et al., 2007).

Another issue is "language limitation" (Lyon & Sulcova, 2009, p. 26). The effect of this limitation is evident both in terms of personal training and customer service. It has been noted that migrant workers struggle to complete their training in a short

period of time due to poor English language skills. However, employers also point out that training does not necessarily have to be regarded as a challenging task, as migrant workers are very determined to succeed in whatever they have been asked to do. Migrant workers' "gaps in industry-related language terminology" can also have a significant effect on customer service (p. 22). These gaps tend to generate a number of negative comments from customers. Yet, the researchers also provide some examples of customer comments based on "excellent English", highlighting the fact that not all migrant workers have the same language issue (p. 22).

A number of issues have also been identified from the employee's perspective. These may also be seen as the reasons why some of this talent is getting lost. Devine et al. (2007a, p. 346) point to hospitality employers' perception of migrant workers being "temporary and do not need to be included in normal career development initiatives". Such departments as Kitchen, Food and Beverage and Housekeeping have been identified as departments with very few career development opportunities offered to migrant workers. Migrant workers also point to the lack of comprehensive induction training (Devine et al., 2007a). Instead, there is greater emphasis on on-the-job training and personal experience (Devine et al., 2007a). It is noted that good human resource procedures and policies should focus on such aspects as "feedback, appraisals, promotion, personnel and professional development and outlining the roles and functions of all staff and supervisors" (p. 347).

Despite being highly educated, migrant workers are perceived to be "only capable of low-skilled work" (Devine et al., 2007b, p. 129). This perception, in turn, can lead to migrant workers being "under-used in the labour market" (Devine et al., 2007b, p. 129; Zopiatis et al., 2014). Janta (2011, p. 815) argues that although employers' priority is "to fill … back-of-house positions, candidates could be used in other departments such as marketing, events or reception".

This perception has also been found to influence migrant workers' training and development. Employers are not willing "to adjust the training function to meet the needs of international employees" (Devine et al., 2007b, p. 128). Part-time or short training sessions are offered by a limited number of employers. A common belief is that training is perceived to be "a cost rather than a benefit" and hence must be kept to a minimum (p. 128).

Finally, migrant workers' experiences of working in the hospitality industry can also significantly contribute to their decision to stay or leave (Janta et al., 2011a). Thus, poor working conditions, including low wages and physically demanding work, can affect migrant workers' decision to seek employment in a different industry (Janta et al., 2011a). Conversely, such features as meeting new people, working "in a good working environment" and flexible shifts have been noted to influence migrant workers' decision to stay (Janta et al., 2011a, p. 1017).

Taking into consideration all the positive characteristics of these workers, it is important to consider their retention and further development, as they could be "an invaluable new source of labour for the hospitality industry" (Devine et al. (2007a, p. 333). Janta and Ladkin (2009, p. 13) point to the need for the development of various career opportunities if hospitality employers "wish to take a longer term view of migrant labour". They suggest that in order to retain these employees, especially those involved in menial jobs, it may be useful to ensure that they are aware of different longer term opportunities which are available to them and that the jobs they do are temporary.

As a concluding note, it is important to mention that the previously considered expatriates or senior managers (Section 2.4) are not seen or, in fact, referred to as migrant workers. Having reviewed the above studies on migrant labour in the hospitality industry, it can therefore be said that the term 'migrant worker' is applied primarily to migrant workers in low-skilled positions. The following section will consider further what constitutes a migrant worker.

2.8 What is a migrant worker?

Today labour migration is not only diverse in terms of migration flows, but also "by diversity in origin and destination situations, and in the forms, statuses, directions and durations of the migration experience" (ILO, 2010, p. 210). Previous trends in migration indicate that people used to engage in long-term migration, whereas nowadays this tends to be more temporary in duration. People travel to different places and for different purposes, such as, for example, seasonal migration, skilled migration, student migration and international assignments (ILO, 2010). Migrant

workers have become the 'mobile actors' of today's world (Rydzik, Pritchard, Morgan, & Sedgley, 2012).

According to the United Nations Department of Economic and Social Affairs (2015), the number of migrants reached 244 million people in 2015, which constitutes a 40% increase since 2000. According to the ILO's (2015) report on international migration, there are 150.3 million migrant workers in the world. Almost half (48.5%) of them are based in two major subregions, namely Northern America and Northern, Southern and Western Europe. Interestingly, Eastern Asia (including China) has the smallest number of migrant workers accounting for only 0.6% of all workers in the subregion. Other subregions with insignificant number of migrant workers include Northern Africa, Southern Asia (including India), Latin America and the Caribbean all accounting for approximately 1.0-1.5% of all workers. Of the total 150.3 million migrant workers, 112.3 million migrant workers are in so-called high income countries.

In tourism, the flow of migrant workers has traditionally been from developed to developing countries (Baum, 1983). Baum considers the system of work-related migration in European tourism, which historically focuses on the movement from the 'periphery' regions of Europe, such as many Mediterranean countries (Greece, parts of France, parts of Italy, Portugal, Spain); different parts of England, Ireland, Scotland and Wales; Turkey; North Africa and Central and Eastern European countries to "the highly developed countries of the 'core' of Europe", namely Germany, Belgium, France, the Netherlands, and the south-east of England (pp. 80-81). He gives an example of migration flows, such as Irish people migrating to London, and Italian and Spanish workers moving to France and Germany, and also points out that as a result of such movement, the countries of the 'peripheral' regions have to deal with the loss of "trained and skilled tourism labour" to the 'core' regions (p. 82).

The ILO (2015) estimates that of the total 150.3 million migrant workers, 106.8 million migrants work in services, but does not provide any data as to how many migrant workers are employed in the tourism and hospitality industry. In fact, it can be difficult to obtain this data, primarily due to constantly changing situation from one country to another as well as the existence of informal employment in hotels in some countries (ILO, 2012). Additionally, "diversity in migrant types, circumstances and motivations" also makes it very challenging to provide employment figures for migrant

workers (ILO, 2012, p. 3). It is advised therefore to consider labour migration on an individual country basis (ILO, 2012).

Taking into consideration the characteristics and importance of migrant workers in today's economies, it is important to consider what constitutes the term 'migrant worker'. What does it actually mean? What *is* a migrant worker? To answer these questions, it is essential to adopt a broad perspective on defining the term 'migrant worker' by taking into consideration a range of official definitions and typologies as well as the definitions and typologies that exist in tourism and hospitality literature. To start with, Table 2:2 shows the definitions and typologies developed by major international organisations, including the UN, EU and OECD. As it can be seen from the typologies below, there are migrant workers who are sent or moved by their employer, and there are those who engage in voluntary movement.

Table 2:2: Definitions and typologies of migrant workers by international organisations

Organisation	Definition	Typology
UN	Content removed for copyright reasons United Nations Human Rights Office of the High Commissioner (1990)	

OECD		

	OECD (2003)	United Nations (1998) OECD (2015)
EU	European Commission (2017)	

		European Parliament's Subcommittee on Human Rights (2013)

The term 'migrant worker' is used to refer to various kinds of people, occupations, circumstances and situations. It is a very diverse term. For example, a highly skilled individual or international civil servant travelling for the purpose of completing an international assignment is called migrant worker. A worker travelling for the purpose of doing some seasonal work in a different country is also called a migrant worker. Trainees and working holidaymakers are referred to as migrant workers. However, all the above definitions and typologies have the following two aspects in common. The first aspect is the economic aspect, or "a remunerated activity", in which all these different types and kinds of people are involved. The

second aspect is concerned with the movement of these workers from one country to another.

Taking into consideration the differences between all these segments, the question of how useful it is to refer to or, indeed, label all these workers as migrant workers should also be considered. For example, the attraction and treatment of a worker with "highly specialised skills", or international civil servant, will be very different from the one of a seasonal worker or trainee. Indeed, as it can be seen from the EU 'categories' of migrants, highly-skilled workers are treated very differently in comparison with seasonal workers. Highly-skilled migrant workers are guaranteed "significant rights, including a number of traditional rights and benefits afforded to EU citizens". Seasonal workers, on the other hand, are seen as temporary, as their stay is limited by the short duration of seasonal work and conditions. However, someone working in a different country for a season is regarded as much a migrant worker as someone who is involved in highly-skilled work in a different country for a longer period of time. What makes it even more complex is the approach towards the use of migrant labour which will vary from country to country. For example, the term 'migrant worker' "may not be problematic in some contexts but certainly is in countries such as the United States and Australia which are societies that depend at all levels on long- and short-term migrants" (ILO, 2012, p. 22).

Furthermore, in some of the typologies (for example, the UN Convention from 1990), albeit being well-established and comprehensive, the term 'economic migrant worker' is not sufficiently considered. To explain this term further, it would be useful to consider one of the biggest recent examples of economic migration, which is the accession of eight European countries. On 1 May 2004 eight new countries joined the European Union. These were the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic, and Slovenia (EU, 2013). Due to its scale, the enlargement is considered to be "the biggest" (EU, 2013) and "the most diverse" (Dobson, 2009, p. 121).

Following the 2004 EU enlargement, the UK, Ireland and Sweden were the only three countries which did not impose restrictions on labour movement from the accession countries (McCollum, 2012). According to McCollum (2012, p. 36), "in a short space of time East-Central Europe has become one of the principal source regions of

migrants to Britain". As many as 108,780 migrant workers travelled to the UK alone in the period between May and December 2004, reaching a record 214,055 people in 2006 (Home Office, 2009). The majority of those migrant workers were young people aged 18 to 24 (Home Office, 2009).

The decision to open the borders was due to "severe labour market shortages, especially in South-East England, mainly in low-wage and low-skill occupations" in the hospitality industry (McDowell, 2009, p. 20). The UK government expected hospitality employers to rely on these migrant workers "to fill vacancies in skilled and especially low-waged occupations, where employers found it difficult to *legally* employ migrants before May 2004" (Matthews & Ruhs, 2007, p. 7). For migrant workers, particularly young people, the decision to migrate was also an economic one attributed to high unemployment rates and limited work opportunities in the workers' home country (Dobson, 2008). It was a mutually beneficial arrangement. Today work migration, albeit in much lower numbers in comparison with 2004, remains the most common type of migration from those countries to the UK (Office for National Statistics [ONS], 2017). However, with the UK's ongoing process of leaving the EU, this arrangement may undergo significant changes, thus making economic migration a highly politicised issue.

Table 2:3 further highlights the diversity and complexity of the term 'migrant worker', particularly in the context of the tourism and hospitality industry. There are a number of observations that are of importance here. First, the table shows a variety of different segments which exist in the tourism and hospitality industry, demonstrating its complex nature. Second, unlike the previous table, this table shows that many researchers have explored various types of workers either to define or to explore these types of workers' motivations, or both. Third, it provides simple definitions with much richer exploration of rather specific motivations.

Table 2:3: Typologies of migrant workers in tourism and hospitality literature

Author	Term and explanation
	Expatriates

	- Well-established practice within the industry (Collings et al., 2007). - The term 'expatriate' gained its popularity in the period from 1950 to 1980 when a number of US organisations started expanding their operations on an international basis (Edwards & Rees, 2006).
For example, Watson and Littlejohn (1992); D'Annunzio-Green (1997)	**International manager** A step forward from the term 'expatriate', symbolising the rapid change and expansion of the industry and consequently a growing need to have managers wo can operate in an international environment and can adapt to different cultures.
Baum et al. (2007); Devine et al. (2007a); Devine et al. (2007b)	**International employees or international workers** Reference to workers in different positions, including entry level, supervisory and middle management. However, the majority of the respondents in these studies occupy different entry level positions. Thus, the discussion is primarily related to migrant workers in these positions.
Janta and Ladkin (2009); Lyon and Sulcova (2009); Janta (2011); Janta et al. (2011a); Janta et al. (2011b)	**Migrant workers** Reference to workers in different positions, including entry level, supervisory and middle management. However, the majority of the respondents in these studies occupy different entry level positions. Thus, the discussion is primarily related to migrant workers in these positions.
Adler and Adler (1999)	**New Immigrants** - New immigrants come from Samoa, Philippines, Vietnam, Korea, Thailand, Micronesia and Tonga. The majority of migrants are Filipino. - They come to the Hawaiian Islands in search of better life and opportunities. - They have "no local education, a poor command of English, and few occupational opportunities". - They are "employed as labourers" and "occupied the lowest rung of the occupational hierarchy and fill the lowest, most menial positions". - They are mainly employed in such departments as *housekeeping*, *landscaping* and *stewarding*. - They work "over long hours for very low pay". - They often hold other jobs to support themselves and their families. - They never rise into management positions, primarily due to

	lack of appropriate work and language skills, thus making them a very "stable" workforce within the organisation.
	
	Seekers
	
	• Seekers are "imports to the islands". They mainly come from the mainland.
	• They are highly mobile and seek "to maximise their immediate life satisfaction". They have "intense focus on recreation and the present". Their values are based on the culture of hedonism.
	• They are predominantly young, male and middle-class.
	• Seekers occupy both skilled and unskilled positions, but mainly clustered in such skilled areas as:
	    ○ *spa* (aerobics, fitness, massage),
	    ○ *kitchens* (culinary),
	    ○ *water sports* (scuba, windsurf and kayak instruction), and
	    ○ *academically credentialed specialities* (aquaculture, horticulture).
	• They are more concerned with pursuing experiential rather than material goals.
	• They rise into management positions very rarely.

Conradson and Latham (2005a; 2005b); Parutis (2011)	**Middling transnationals** • Examples of middling transnationals include skilled workers on "so-called gap years, of study abroad in various forms, and of people taking career sabbaticals overseas" (Conradson & Latham, 2005a, p. 229). • Conradson and Latham (2005b) conducted further research to investigate the experiences of young New Zealanders who move to London for a certain period of work and travel. They leave their well-paid jobs in New Zealand to come to London for the purpose of personal development. • These motivations do not focus entirely on economic reasons (Parutis, 2011). In her research, Parutis applied the term 'middling transnationals' to migrant workers from Poland and Lithuania who come to London not only for "economic gains", but also to "see the world and learn English" (p. 37). • Although they are seen as skilled workers, they tend to occupy primarily low-skilled positions, which they use not only for their "economic gains", but also for personal development (Parutis, 2011).
Uriely (2001, p. 5)	**Travelling workers** • *Migrant tourism workers:* ○ Travel in order to 'make a living' and 'have fun' at the same time

	o Skilled or semi-skilled work in the tourism economy
	• *Travelling professional workers:*
	o Travel in order to exercise work
	o Engage in tourist-related activities as a by-product of the excursion
	o Professional, official role, or business-related work
	Working tourists
	• *Working-holiday tourists:*
	o Work is perceived as a recreational activity that is part of the tourist experience
	o Unskilled but usually recreational manual labour
	• *Non-institutionalised working tourists:*
	o Work in order to finance a prolonged travel
	o Unskilled and usually unpleasant manual labour

Each of the segments has its own unique features and characteristics. For example, the use of expatriates is a well-established practice within the tourism and hospitality industry, originating in the 1960s when US organisations were preparing to expand their operations overseas. Today although this term is still being used, there is greater emphasis on the term 'international manager'. An international manager is a highly skilled worker who is expected to be internationally mobile, be adaptable to different cultures and have a global vision. All these characteristics make this segment very different from, for example, international workers or new immigrants. Workers from the latter segments have been noted to occupy primarily low-skilled positions within the industry. Despite their positive characteristics, these workers are not seen as part of a long-term strategy, but rather as a "quick fix" to recruitment issues within the local labour market or, as in the case of new immigrants, are "employed as labourers" and occupy "the lowest rung of the occupational hierarchy and fill the lowest, most menial positions".

To conclude, the overarching term 'migrant worker' can be seen as more of a *generic* term used to refer to all these different segments and types of migrant labour but is not, by all means, reflective of the circumstances and diversity of today's migrant labour, particularly within the hospitality and tourism industry. The diversity of definitions, typologies, occupations and circumstances that fall under the term 'migrant worker' shows just how complex and nuanced this term really is and that it is important to distinguish between these different groups and segments of migrant

labour, as each of them is distinct and unique in its own right. However, moving forward, what brings all those definitions and typologies together is the economic aspect, or "a remunerated activity", in which all these different types and kinds of people are involved. Furthermore, whatever their goal is, economic gain constitutes an important and, indeed, unchanging part of their movement or migration. Therefore, the distinction between the categories is more of a non-economic one based on workers' motivations, occupations and circumstances, but equally very important.

2.9 Intraorganisational migration

Migration occurs not only at the level considered above, which is from one country to another, but also within an organisation's internal labour market. Hotel organisations have been noted "to act as stimulants of intraorganisational migration" themselves (ILO, 2012, p. 21). The results of a survey of "whether employees have opportunities for transnational mobility within the company" conducted by the ILO among global hotel and restaurant organisations showed that "managerial and senior technical levels" have better opportunities in terms of transnational mobility than lower levels (Table 2:4).

Table 2:4: Intraorganisational migration by level of position

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Source: International Labour Organization. (2012). *Migrant workers in the international hotel industry*, p. 21

This finding point to the previously mentioned established tradition within the hospitality and tourism industry, which is the use of expatriates for international

assignments. This type of intraorganisational migration has traditionally been arranged and sponsored by the organisation (Collings et al., 2007), as opposed to the voluntary movement within lower positions, where organisational involvement is considered to be "relatively uncommon" (ILO, 2012, p. 21). However, the latter is not a matter that can be controlled entirely by employers, as "perceived lower skills work does not attract support in terms of work permits and similar permissions" (ILO, 2012, p. 21).

In fact, all work permits and other immigration matters are part of an individual government's approach to migration. As it was demonstrated in Joppe's (2012) research, different countries will have different approaches to migration, and multinational organisations must observe those, as they constitute an important part of the external environment in which they operate (Johnson, Scholes, & Whittington, 2009). Specifically, organisations will need to consider labour laws and rules regarding hiring workforce locally versus from overseas, work regulations, such as minimum wage (Okumus, Altinay, & Chathoth, 2010), employment of migrant workers, both legal and illegal, as all these aspects will regulate or have further impact on labour market structures (Baum, 2006). Furthermore, it is important to note that the more complex and diversified an organisation is, the more complex the environment it operates in (Slattery & Olsen, 1984). For example, the environment in which Marriott International operates in will be more complex than the one of McDonald's, as the former has 30 different brands, ranging from luxury to upper midscale, across 124 countries, whereas the latter is a "single brand corporation" (Slattery & Olsen, 1984, p. 56). Although both still have to face and comply with various political and legal factors in all the countries they operate in, "the single brand corporations by definition minimise the range of environmental factors" (Slattery & Olsen, 1984, p. 56). Thus, complex and diversified organisations like Marriott International will need to assess the environment in relation to each of the brands they have.

Because organisations do not exist separately from their external environment, the environment is likely to have a considerable influence on the organisations, regulating and, in some ways, restricting the use of labour across different countries. Furthermore, as organisations are not static, but dynamic entities, there will be a constant need to adapt to various changes within the external environment (Slattery & Olsen, 1984). Thus, if there are any changes in the approach to migration or

immigration rules, they will have to be observed and complied with, although, as the existing research has demonstrated (Section 2.7), organisations still have a choice with regards to how they choose to utilise or, indeed, *respond to* these changes, particularly the ones concerned with the use of migrant workers.

2.10 Conclusion

The process of internationalisation, which began in the 1980s, is set to continue, with major hotel organisations expanding their operations not only in their country of origin, but also in various overseas territories. As a result, there will be a need for a wide range of skills and a significant number of people to sustain this development. However, one of the key issues that the hospitality industry is currently facing is major skills and labour shortages across different countries, and some of the increasingly utilised solutions are the use of migrant labour and the concept of Talent Management. The latter can largely be seen as an enhanced human resource management function. However, there are a number of benefits associated with the implementation of this concept within organisations, although this will depend on such critical aspects as what talent is and who is included in talent development. Therefore, to understand how talent is managed at different levels, and also the position of migrant labour in relation to this function, it is important to take the two into consideration.

The attitude towards the use of migrant labour as a solution to labour shortages varies from country to county and largely depends on an individual country's government approach to migrant labour. Within the industry, while the use of expatriates remains a well-established practice, migrant workers in low-skilled positions have been noted to be treated more as a "quick fix" to recruitment issues rather than as part of a long-term strategy. However, the simple segmentation into expatriates and migrant workers does not reflect the complexity of today's migrant labour. Migrant labour is a very complex phenomenon, as it encompasses a range of different segments. This is evident not only in the official definitions and typologies, but also in the tourism and hospitality literature, with the latter demonstrating a wide range of different segments that exist within the industry as well as its definitions and motivations.

Chapter 3. Labour market theory and migration

3.0 Introduction

This is the second chapter of the literature review. The chapter builds on the previous chapter by attempting to position the research on migrant labour within the broader area of labour market economics. A key argument that this chapter aims to present is migrant labour is not a homogenous group, but rather a group that encompasses a range of different segments, each of which displays its own unique characteristics and receives different treatment. This is particularly evident in the hospitality industry, with its diverse and highly segmented labour markets. The chapter will demonstrate the application of relevant labour market theories in order to further explain the use of migrant labour in the hospitality industry and how the use of different segments of migrant labour is further justified by employers. A conceptual framework will be introduced at the end of the chapter.

3.1 Labour market segmentation

In order to start positioning migrant labour within the hospitality labour market structures, it is important to start with an overview of the segments which have been developed as part of a range of theories. This section aims to provide a broad overview of the segments, and position migrant labour within them. The next section will then break this down further by considering specific segments that migrant labour occupies within these broad structures, and what jobs migrant workers are involved in.

Labour market segmentation is not a new concept. The idea of dividing the labour market, or organising all jobs into separate groups or separate segments, goes back to Cairnes' (1878, p. 68) concept of "non-competing industrial groups". Cairnes argued that there is a range of "industrial layers" that exists within social economy (p. 66). Members of each group or layer are confined to their particular class or social group, although movements "into the ranks of those who stand above them" are possible, but are considered to be "exceptional phenomena" (p. 66). He proposed four different layers with "unskilled or nearly unskilled labourers" as the bottom layer and "members of the learned professions, as well as persons engaged in the various careers of science and art, and in the higher branches of merchandise business" as the upper layers (pp. 66-67).

In the labour market analysis, new ways, or "alternative segmentation" of dividing the labour market into segments (Wolfs, 1992, p. 12), have since been introduced. Expanding on both Kerr (1954) and Dunlop's (1957) work on labour market structures (particularly internal labour market structures), Doeringer and Piore (1970) proposed two key segments of the labour market, namely internal labour market and external labour market. They view internal labour market as "an administrative unit within which the pricing and allocation of labor is governed by a set of administrative rules and procedures" (pp. 8-9). This view is considered to be "the founding definition" of the internal labour market (Wolfs, 1992). In contrast, external labour market exists in the environment outside the administrative unit, where various labour mechanisms are controlled by economic forces.

The internal labour market is divided into two main segments, which are primary labour markets and secondary labour markets. In general, jobs in the former segment offer stability, a chance of promotion and further development, whereas jobs in the latter segment are characterised by low wages, high labour turnover and little chance of promotion and further development. The primary labour market is comprised of a range of internal labour markets and craft or occupational labour markets which are considered to be less dependent on the rules and procedures of the internal labour market and "do not generally contain jobs filled exclusively through internal promotion" (p. 13). The secondary labour market is viewed as "a mixture of internal markets and jobs not belonging to internal markets" (p. 277). The secondary labour market is subdivided into three categories, namely "completely unstructured, not belonging to any internal market"; "secondary internal labour markets", where formal rules and procedures do exist, but there are many entry points, restricted mobility and low wages; and a secondary internal labour market with "few, if any steps of promotion or transfer rights" (p. 275).

Expanding further on the works of Doeringer and Piore (1970) and Wolfs (1992), Dekker, de Grip, and Heijke (2002) propose the following broad segmentation of labour markets:

- Firm-internal labour markets
- Craft or professional markets
- Secondary labour markets

Firm-internal labour markets are comprised of "skilled jobs which require firm-specific skills", and on-the-job training is seen to be "the most efficient way" of acquiring such skills (p. 108). Mobility is vertical, and promotions are based on "seniority" (p. 108). Professional labour markets refer to jobs that need "specialized vocational training" and hence cannot be easily obtained through on-the-job training (p. 109). The specific nature of the skills required to perform these jobs encourages "external mobility of these workers" (p. 109). Finally, secondary labour markets are broadly referred to by Dekker et al. as *supplementary labour markets* and are characterised by unstable jobs. Due to the unstable nature of these jobs, there will be high mobility to other jobs in the external labour market.

All these theories show that labour market environment is a very complex mechanism, with a clearly divided set of different segments. Each of the segments has its own characteristics and purpose within the environment. Organisations "live" in this labour market environment (Riley, 1996, p. 7). They have their own labour markets, which are governed by separate rules and procedures, and the theories show the various interactions that take place between these internal markets and the other labour markets, which is through mobility between, within, and in and out of these different segments.

3.2 Migrant labour in segmented labour markets

Piore (1979) points out that migrant workers are largely confined to the secondary labour market. Piore argues that modern labour markets in developed countries and, in particular, "most industrialized Western countries", such as, for example, the US, France, and Germany, are inherently highly dependent on "virtually unlimited" supply of migrant workers who migrate to these countries in search of better employment opportunities (p. 25). The figures (pp. 32-33) that were shown earlier further support this point. Migrant labour is positioned within the secondary labour market, while the primary labour market is "largely reserved for natives" (p. 35). This "fundamental dichotomy between the jobs of migrants and the jobs of natives" is largely due to the fact that migrant workers are willing to work for wages and in working conditions that native workers refuse to accept or tolerate (p. 35). Furthermore, migrant workers are perceived to be temporary and are capable of filling

in primarily "unskilled" jobs, as they are unable "to speak the language of the host country" and often "are unschooled and illiterate even in their own language" (p. 3).

However, more recent research (see, for example, Baum et al., 2007; Devine et al., 2007a; Janta, 2011) suggests that the distinction is not as strict as described by Piore (1979), and migrant workers can also be found in supervisory and managerial positions. Furthermore, the ones who occupy entry level positions have been noted to have the *potential* to progress further. They have been noted to be not only "very hardworking, dedicated, reliable, punctual, obedient, respectful of authority, highly committed, and willing to do any kind of job" (Lyon & Sulcova, 2009, p. 23) but, most importantly, to possess "an excellent level of educational attainment" (Devine et al., 2007a, p. 339). However, they are treated by employers as a secondary labour market.

There are, however, certain issues with the full use of that potential. Specifically, employers perceive migrant workers as being "temporary and do not need to be included in normal career development initiatives" (Devine et al., 2007a, p. 346). Furthermore, despite being highly educated, migrant workers are seen as "only capable of low-skilled work" (Devine et al., 2007b, p. 129).

The temporary nature of migrant workers' jobs may largely be attributed to the fact that they use low-skilled work to improve or develop their skills, especially language skills, before they move into jobs where they can fully use their potential (Janta & Ladkin, 2009). In fact, Dekker et al. (2002) found that upward mobility is "the highest" in the secondary labour market segment, as it is often used as a starting point in the process of moving up the career ladder. This also points to the fact that it is the employees who initiate that movement, and not the employers, highlighting the previously considered argument of organisational versus voluntary movement. The segment can be used as "an important route in the transition between the initial education and labour market", meaning a person who is deemed to be *overeducated* to perform a certain job in this market segment can use the segment as a temporary transition from entry jobs to higher level jobs (p. 121). They point out that these findings suggest that the barriers between the market segments are "less severe than traditional segmentation theory predicts" (p. 122). While this is suggested, it will be further considered later in this research.

There is a tendency for migrant workers to move into better jobs once they have improved their skills. However, this talent also gets lost because of employers' attitude towards this labour. Taking into consideration these workers' potential, "opportunities for career development should be considered by employers if they wish to take a longer term view of migrant labor" (Janta & Ladkin, 2009, p. 13).

However, taking "a longer term view of migrant labor" has certain caveats. According to Matthews and Ruhs (2007, p. 10), "the availability of migrant labour almost inevitably leads to important segmentations in the supply of labour, especially at the low skills end of the labour market". It is a matter of convenience, or "mutually reinforcing" relationships, meaning that "employer practices create a permanent demand for migrant labour, the ample supply of which in turn enables segmented labour markets to further flourish" (McCollum & Findlay, 2015, p. 430). The employment practices that create such demand are further discussed by Matthews and Ruhs (2007) in their research on migrant workers in Brighton, UK. Pay level and certain recruitment strategies are among the employment practices which are currently being utilised. The researchers argue that employers are very conscious of "low pay and poor conditions as entrenched features" of employment in the hospitality industry as well as "low profit margins" that impose limitations on wages for all occupations (p. 17). As a result, employers utilise such strategies as "getting more for your money" (p. 17). They actively search for workers who are prepared to work for low pay and in poor working conditions and who are prepared to make continuous effort and work hard. All these aspects are manifested in migrant workers' exemplary hard work and "superior 'work ethic'". Moreover, as the researchers point out, migrant workers are prepared to accept such conditions due to the differences in wage levels between the host country and the home country. Employers are aware of these differences, which, in turn, influence their decision on "whom" profit-maximising" is performed (p. 11).

According to Hendry (2003), a key goal of an HR system is the ability to balance skills and costs. Hendry argues that skills must be secured in a cost-effective way. He explains that while securing skills is concerned with such fundamental aspects of HRM as "getting, keeping, motivating and developing people", it also means that an organisation considers those skills "in different ways and to different degrees,

depending on how important they are to the organisation" (p. 1433). Hendry goes on by explaining that vital skills are controlled "more tightly" by utilising the organisation's internal practices of promotion and development. Other skills, especially lower skills, are controlled through the market by pressing down "upon the price of labour". In any case, control of skills must be done in a cost-efficient and cost-effective manner.

It is important to note that this section has considered the position of migrant labour primarily within the segmented markets of developed countries. This is because debates about migrant labour typically focus on the flow of migrant labour from developing into developed countries (United Nations Development Programme [UNDP], 2009). However, as demonstrated in Joppe's (2012) research, there are considerable differences in the use of migrant labour across different countries. Thus, for example, in Turkey, migrant workers are predominately employed in skilled positions (Joppe, 2012). Therefore, the factors which drive the use of migrant labour in developed countries may not necessarily be the same in other countries.

3.3 Migrant labour in segmented hospitality labour markets

While the majority of migrant workers have been noted to occupy primarily entry level positions, they can also be found in other segments of the hospitality labour market. To explain how these different segments are treated and why it is rational on the part of employers to do so, it is important to start with segmentation in the hospitality labour market.

The diversity of skills and occupations that exists within the hospitality labour market creates more complex segmentation than was discussed earlier. The variation in skills and occupations across the industry can be attributed to the work system that the industry belongs to. Boxall and Purcell (2011) distinguish between manufacturing industries, private service industries and public sector industries. All these different types of industries will have different employment systems, or "economics of work organisation" that have been developed over a long period of time and are currently being used within the industries (p. 127). Various historical factors have contributed to the development of these employment systems, with the manufacturing industry being "the most important source of ideas about work organisation historically" (p. 127). The hospitality industry is a service industry. Boxall (2003) divides the private

service sector into three main categories based on work design, namely 'mass service markets', 'a mix of mass service markets and higher value-added segments', and 'very significantly, if not totally, differentiated markets'. The hotel sector falls into the second category of service markets "where there is much greater variation in customer preferences and higher value-added customers can be targeted" (p. 14).

To accommodate this diversity of customer preferences and needs, there is a need for a diversity of skill levels involved. Riley (1996) identifies four broad skill levels applicable to the hospitality industry. These are managerial level, supervisory level, craft level, and operative level. The levels are depicted in the form of a pyramid (Figure 3:1) where operative skills (semi-skilled and unskilled) are situated at the bottom of the pyramid and constitute the majority of the skills that the industry relies on. Managerial and supervisory positions occupy the top level of the pyramid.

Figure 3:1: Skill composition model

Image removed for copyright reasons

Source: Riley, M. (1996). *Human Resource Management in the Hospitality Industry*, p. 18

To consider further the diversity of segments that exists within the aforementioned broad skill levels, a table (Table 3:1, next page) of key characteristics of core and peripheral segments in the hotel industry will be used. This table was introduced by Deery and Jago (2002) in their examination of the 'Flexible Firm' model in the hospitality industry. The table summarises key aspects from the following studies - Atkinson's (1984) 'Flexible Firm' model and Guerrier and Lockwood's (1989) application of the model to the hotel industry.

Table 3:1: Characteristics of core and peripheral segments in the hotel industry

Image removed for copyright reasons

Source: Deery, M., & Jago, L. K. (2002). The core and the periphery: an examination of the flexible workforce model in the hotel industry, p. 346

The five segments (Company core, Unit core, Operational core, Peripheral Group 1, Peripheral Group 2) can be broken down into two key labour markets: a primary labour market with core jobs and the ability "to conduct the organisation's key, firm-specific activities" with functional flexibility (Atkinson, 1984, p. 4), and a secondary labour market which comprises of different peripheral groups that can be numerically flexible. Functional flexibility allows for the quick and smooth movement of employees between different tasks or jobs. Numerical flexibility allows for quick and easy changes in the number of employees depending on business needs. The basic idea is "at any time the number employed/working exactly matched the number needed" (Atkinson, 1984, p. 3).

The core group is protected from changes in the market, whereas the periphery group is "more exposed to them" (Atkinson, 1984, p. 4). The core group comprises of "full-time permanent career employees" who possess the skills which cannot be easily "bought-in" (Atkinson, 1984, p. 4). The peripheral group of employees includes full-time employees (for example, supervisors, receptionists), but their jobs are less secure and so are their career opportunities - "In effect they are offered a job, not a career"

(Atkinson, 1984, p. 5). These employees are selected from the external labour market. Their jobs are considered to be less skilled and are characterised by "a lack of career prospects" (Atkinson, 1984, p. 5).

Research on migrant labour (see, specifically, Baum et al., 2007; Devine et al., 2007a; Janta, 2011) provides an overview of the positions which are occupied by migrant workers. Examples of these jobs are presented in Table 3:2, Table 3:3 and Table 3:4 (next page).

Table 3:2: Migrant labour - Departments

Image removed for copyright reasons

Source: Baum et al. (2007). Cultural diversity in the hospitality industry, p. 235

Table 3:3: Migrant labour - Job titles and departments

Image removed for copyright reasons

Source: Devine et al. (2007a). Cultural diversity in hospitality work: Northern Ireland Experience, p. 340

Table 3:4: Migrant labour - Job titles

Image removed for copyright reasons

Source: Janta, H. (2011). Polish migrant workers in the UK hospitality industry: Profiles, work experience and methods for accessing employment, p. 811

Migrant workers occupy a wide range of positions, from barman to general manager. However, the majority of migrant workers can be found primarily within the two peripheral groups, occupying different positions in such departments as Housekeeping, Food and Beverage and Kitchen. Yaduma, Williams, Lockwood, and Park (2015, p. 102) found that these migrant workers offer a "positive and significant" contribution to productivity in hotels, as opposed to their native counterparts. This contribution is particularly evident in terms of high levels of financial performance that a hotel receives as a result of these workers' efforts. This may be further linked to "their greater human capital", or the previously discussed high level of commitment and positive characteristics of these workers (p. 102). The positive contribution that these workers make, particularly from a financial perspective, further supports and explains the "important segmentations in the supply of labour, especially at the low skills end of the labour market" (Matthews & Ruhs, 2007, p. 10).

3.4 Employment strategies for migrant workers

Building on the previous section, this section will use the concept of work systems, together with the examples of occupations from Table 3:1, to explain different employment strategies which are used by employers in relation to these different segments.

According to Boxall and Purcell (2011), a work system is comprised of two key parts: the type of work that organisation does and different employment initiatives that are adopted by that organisation to manage the people involved in the work. There are many different work systems that can be used by organisation, and this is due to the employment of different people that an organisation requires. Thus, there will be different work systems for "managers, core operating workers, and support staff", making an organisation's HR strategy "a cluster of such systems" (Boxall & Purcell, 2011, p. 125).

There are many different tasks that are involved in organising such systems, such as "what work needs to be done, who will do it, and where and how they will do it" (p. 126). Such arrangements have implications across different industries. Each industry will have its own specific HR aspects that will need to be taken into consideration. Furthermore, as Boxall and Purcell suggest, these variations are not only evident across different industries, but also across different countries due to cultural differences, attitudes and opinions towards work and gender. The work systems that an organisation chooses to adopt are very important "for an organisation's chances of economic survival and its relative performance" (Boxall & Purcell, 2011, p. 126).

Work systems do not operate in isolation. In turn, they are highly dependent on many different decisions that organisations make. Hendry (2003) argues that although organisations have a major influence over employment markets and employment opportunities, "they do not do so under circumstances that are entirely, or at all, of their own making" (p. 1439). He goes on by pointing out that "the way a firm manages groups of employees is partly determined by factors that it can control and is partly an accommodation to those it cannot" (p. 1439). An organisation's external environment can have a profound influence on the decisions that are being made with regards to various HR practices, thus potentially leading to changes in work systems. Organisations need to constantly adapt to remain competitive and this will mean changing their work systems whenever it is necessary.

There is no universal HR work system that would work for all types of employees (Lepak & Snell, 1999). Furthermore, different groups of employees will have different sets of skills that will differ in value in relation to the organisation's

strategy and competitiveness (Lepak & Snell, 2002). Different groups of employees or skill levels will have their own employment system or mode (Lepak & Snell, 2002).

The Human Resource Architecture Matrix developed by Lepak and Snell (1999) shows how different groups and skill levels are managed within an organisation. The matrix consists of four quadrants, as depicted in Figure 3:2. Human capital (skills and knowledge) under each of the four employment modes varies in its uniqueness and strategic value. The development of an employee will be influenced by the degree of uniqueness (or "firm specificity") of their human capital. When considering the value of an employee, it is important to determine whether "their strategic benefit exceeds the managerial and bureaucratic costs associated with their development" (p. 36).

Figure 3:2: Human Resource Architecture Matrix

Image removed for copyright reasons

Source: Lepak, D. P. & Snell, S. A. (1999). The Human Resource Architecture: Toward a Theory of Human Capital Allocation and Development, p. 37

Before the theory can be used to discuss employment strategies for migrant labour, it is important to consider it in the context of the hospitality industry. To do this, the examples of occupations from Table 3:1 will be allocated into each of the quadrants (Figure 3:3, next page).

Figure 3:3: Examples of occupations in each quadrant - application to the hotel industry

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In *Quadrant 1* human capital is both highly unique and highly valuable. These skills are usually developed internally rather than "acquired" from the external labour market, making them "firm-specific" (Lepak & Snell, 1999, p. 36). There are both financial and strategic motivations to develop these skills within the organisation (Lepak & Snell, 1999), as these employees will then be seen as "multi-skilled and therefore capable of working in all the main departments of the hotel" (Guerrier & Lockwood, 1989, p. 11). Because of the high uniqueness and value of this human capital, it is considered to be the *core* of an organisation. In the hotel industry, these skills are considered to be core because they have access to different career development opportunities throughout the whole organisation (Guerrier & Lockwood, 1989). Therefore, the employment relationship with this group of employees is based on "long-term involvement and investment", which is carefully managed to ensure a greater return on the investments in this human capital (Lepak & Snell, 1999, p. 36).

In *Quadrant 4* human capital is considered to be "unique in some way", but not valuable, as it is not "directly instrumental for creating customer value" (Lepak & Snell, 1999, p. 40). In the hotel industry, the uniqueness of this group of employees comes primarily from the fact that they can "provide continuity and a skill base which allows the company core to be moved around" (Guerrier & Lockwood, 1989, p. 12). In comparison with core employees, these employees have access to career development opportunities within their unit, or hotel, but not across the whole organisation. In addition, they lack the functional flexibility that the core has, as they are "most unlikely to be skilled or indeed interested in working in other departments of the hotel" (Guerrier & Lockwood, 1989, p. 11). The alliance employment mode is adopted to bring both internalisation and externalisation together, meaning that these employees possess the skills which are, in some way, unique to the organisation, but can still be acquired from the external labour market (Lepak & Snell, 1999).

In *Quadrant 2* human capital is valuable, but not unique, meaning it is "widely available throughout the labor market" (Lepak & Snell, 1999, p. 38). These skills are usually acquired from the external labour market, allowing organisations to use the skills that "have been developed elsewhere while holding them internally" (p. 38). This, in turn, enables organisations to save on these employees' development. In comparison with employees in Quadrant 1, these employees are deemed to be "less committed to the organization and more focused on their career" (p. 38). Interestingly, in the hotel industry, these employees are seen to be very important, as they perform "key activities within the hotel", requiring significant training and development (Guerrier & Lockwood, 1989, p. 12). However, they are "usually functionally inflexible" and "have easy access to the external labour market", making them less unique to the organisation (p. 12).

In *Quadrant 3* human capital is neither unique nor valuable. It is considered to be "generic and of limited strategic value" (Lepak & Snell, 1999, p. 39). These employees are similar to the ones in Quadrant 2, as their skills are not seen unique either. Therefore, little significance is placed on their development. These employees have to observe "specific performance requirements"; all the actions are regulated and the rules are enforced at all times to ensure "conformance to present standards" (p. 40). With regards to the hotel industry, it is important to note that there can be some

confusion with regards to Peripheral Group 1. As this group has less job security than operational core (Guerrier & Lockwood, 1989), it can be placed in Quadrant 3. However, both are very similar in the type of jobs (Guerrier & Lockwood, 1989). One of the ways to distinguish these groups is by analysing turnover rates (Guerrier & Lockwood, 1989).

Taking into consideration the previously considered diversity of migrant labour, migrant workers can be placed in all the four quadrants (Figure 3:4).

Figure 3:4: Position of migrant labour within the matrix

Image removed for copyright reasons

However, the majority of migrant workers can be found primarily in Quadrants 2 and 3. These workers are seen as "temporary and do not need to be included in normal career development initiatives" (Devine et al., 2007a, p. 346). Furthermore, despite being highly educated, they are perceived to be "only capable of low-skilled work" (Devine et al., 2007b, p. 129). The theory explains that employees in these quadrants are not unique, meaning that these skills can be easily acquired from the external labour market. Organisations use these skills internally, but do not place great

emphasis on their development. Indeed, employers take advantage of the unlimited supply of this labour, which, in turn, leads to the "important segmentations in the supply of labour, especially at the low skills end of the labour market (Matthews & Ruhs, 2007, p. 10). Furthermore, by confining these workers to these segments, employers are unlikely to place significant emphasis on identifying future potential among them. Their relationship is therefore either transactional, or focused on "short-term economic exchanges", or market based, where skills are used "for immediate contribution" (pp. 39-40).

Lepak and Snell (1999, p. 36) state that "we can expect the degree to which employee skills are unique to a particular firm to influence the mode of employment for their development". It is important to note that although the migrant workers' skills may not be unique, they have the *potential* to develop further. In other words, their human capital has the potential to be internalised and become an invaluable asset to the organisation. Lepak and Snell (1999) highlight the importance of investing into training and development of the employees who are currently placed in Quadrants 3 and 2 in order to increase their uniqueness and prepare them for the movement into Quadrant 1. This is very important to consider if employers wish to avoid future decay, or loss, of skills which could potentially become valuable (Figure 3:5).

Figure 3:5: Decay of human capital

Image removed for copyright reasons

Source: Lepak, D. P. & Snell, S. A. (1999). The Human Resource Architecture: Toward a Theory of Human Capital Allocation and Development, p. 37

They argue that "reinvesting in the skills" is an important strategy, as it can help "increase the uniqueness of human capital and move employees from Quadrants 2 and 3 towards Quadrant 1" (pp. 43-44). By exploring this potential, organisations can achieve competitive advantage not only today, but also in the future, especially "if that potential is identified, developed, and deployed strategically" (p. 45).

As discussed in the previous chapter, migrant labour can be an important source of future labour in the hospitality industry, which has been noted to experience skill and labour shortages. Therefore, an opportunity to recruit and develop "a self-motivated workforce should neither be overlooked nor ignored by organizations"; "a proactive stance" should be taken to find a better use of these workers (Zopiatis et al., 2015, p. 119). To do so, Janta and Ladkin (2009, p. 13) point to the need for the development of various *career opportunities* if hospitality employers "wish to take a longer term view of migrant labour".

3.5 Conceptual framework

The first part of the literature review has introduced the concept of migrant labour in the context of a broader discussion of the current state of the hospitality industry, as well as key discussions on a range of hospitality labour market issues. It has also explored the complexity and diversity of the term 'migrant worker', together with the consideration of the concept of intraorganisational migration. Then, building on the first part, the second part of the literature review has positioned the research on migrant labour within the broader area of labour market economics by utilising a range of key theories and concepts, including labour market segmentation theory, the concept of flexibility, and Lepak and Snell's (1999) human resource architecture matrix. Finally, the theories were used to further explain the phenomenon of migrant labour and how the use of different segments of migrant labour is further justified by employers. Having conducted the literature review, it is now important to bring a range of key concepts and theories together through a conceptual framework.

The conceptual framework (Figure 3:6, next page) consists of three parts. The first part, Riley's (1996) skill composition model, which can be seen on the left hand side, depicts the four key broad segments of the hospitality labour market, including operative level at the bottom of the pyramid, followed by the craft level, then the

supervisory level, and finally the managerial level at the top of the pyramid. The model is also used to show the hierarchy of these different segments within the hospitality labour market.

Figure 3:6: Conceptual framework
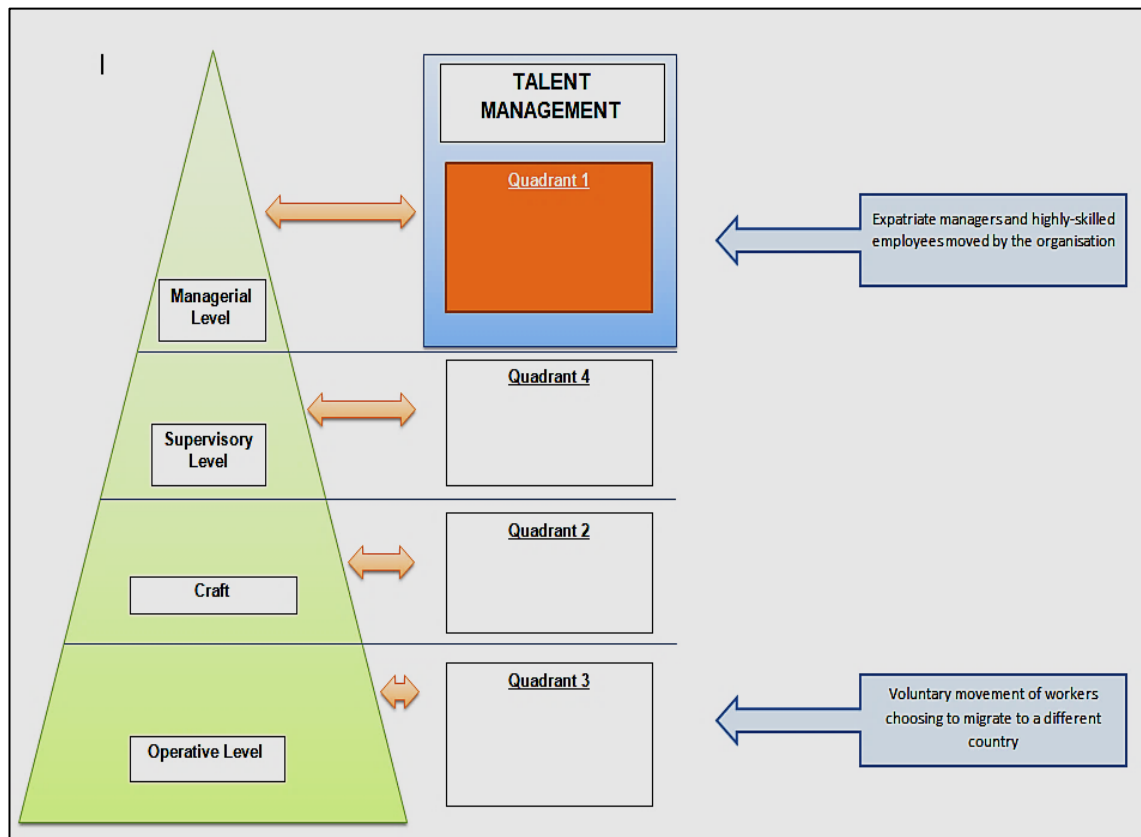
The second part consists of the four quadrants of Lepak and Snell's (1999) human resource architecture matrix. All the depicted segments, or levels, of the pyramid correspond with the relevant quadrants of the matrix. Thus, the operative level corresponds with Quadrant 3, with Peripheral Groups 1 and 2. The craft level is linked to Quadrant 2, with Operational Core as well as Peripheral Group 1. The supervisory level is related to Quadrant 4, with Unit Core jobs. Finally, the top managerial level corresponds with Quadrant 1, containing key and most valuable positions. Talent management encompasses the first quadrant, Quadrant 1, showing the traditional focus of talent management, which is the development of highly-skilled employees in key positions.

The last part of the framework shows the quadrants through which migrant labour comes through. It is important to note that migrant workers can be found in all

the segments of the hospitality labour market. However, the majority of them tend to enter the hospitality industry through Quadrant 3. In fact, there is little movement of migrant labour through the quadrants. Highly-skilled migrant workers, or expatriates, have access to Quadrant 1 due to their both unique and valuable position within the organisation. This part also demonstrates a clear difference between the two movements, which is organisational versus voluntary movement, with the former being aided and supported by the organisation, and the latter happening as a result of a worker's personal efforts.

Reflecting on the literature, this research has been structured around such key areas as labour market issues, talent management, the use of migrant labour as well as key human resource management functions, including attraction, recruitment, development and training. In an attempt to build a holistic picture of these key areas, the research has utilised the following groups within GHG - senior managers above country level, senior managers at country level, such as general managers and human resource directors of selected hotels, line managers and employees. The ultimate goal of the research is to critically investigate contemporary labour migration and talent management within the global hotel industry, with the view of how migrant labour can be better utilised.

The next chapter will introduce and discuss the methods used to conduct this research, together with further information on the sampling techniques and methods used to carry out this research and the subsequent analysis of its findings.

Chapter 4. Methodology

4.0 Introduction

This chapter aims to provide an overview of the philosophical approach, sampling and methods chosen for the purpose of this research. A range of methods used in the existing research on migrant labour will also be considered, as well as how these methods have informed the choices made in this research. The chapter will also reflect on different experiences, such as interviewing people, and also recording and translating interviews. The chapter will conclude with the overview of the data analysis process.

4.1 Research design

4.1.1 Research philosophy

This research sought to explore the practices used by a global hotel organisation for employing migrant labour in different countries and at different levels. To establish an appropriate approach to researching this question, it was important to start from the key ontological and epistemological question of "whether or not human beings can achieve any form of knowledge that is independent of their own subjective construction, since they are the agents through which knowledge is perceived or experienced" (Morgan & Smircich, 1980, p. 493). Adopting a positivist stance would entail being concerned with achieving an objective view of knowledge. The aim of such research would be to offer "causal explanations" and make law-like generalisations to explain "regularities" (Johnson & Duberley, 2000, p. 39). Furthermore, it would be essential to ensure complete independence from what is being observed, without any influence of "human beliefs and interests".

Morgan and Smircich (1980, p. 498) state "the very nature of the phenomena under investigation challenges the utility of such methodological closure". Labour migration is a very complex phenomenon, involving different processes and actors. The research was conducted across different countries, which meant taking into consideration different cultures and settings, different *contexts*, in which there are different attitudes towards migration and in which the situation regarding migration is not static, but changes constantly. Another important consideration included the fact

that it was not a completely value free research from the beginning, as the choice of locations was influenced not only by the organisation, but the researcher herself. This already meant the exploration of the practices within GHG could no longer be "politically neutral" (Johnson & Duberley, 2000, p. 40).

This research aimed to look at *what* these practices are; *how* migrant labour is used across different countries; *what* strategies are adopted; and, most importantly, *what* drives the use of migrant labour and *why*. Furthermore, it was important to consider *what* talent is and *how* it is managed within the organisation, as well as *what* access, if any, migrant workers have to the organisation's talent development opportunities. The overall purpose was to *explore* and *understand* the use of migrant workers, and also make suggestions for improving the utilisation of migrant labour within the framework of what was already happening, rather than to make radical changes. To understand the use of migrant workers, the research looked at different organisational levels and sought to examine the perceptions of different groups of employees. Thus, it sought to explore "the dynamics of *how* things operate" (Ritchie, 2003, p. 29) "from the perspective of insiders" (Lapan, Quartaroli, & Riemer, 2012, p. 3).

By locating this research within the regulatory perspective (Burrell & Morgan, 1979), or working within "existing state of affairs" (Saunders, Lewis, & Thornhill, 2012, p. 120), it can be placed either within the functionalist paradigm or interpretive paradigm. However, as noted earlier, this research did not seek law-like generalisations or problem-solving solutions, as would have been the case within the functionalist paradigm (Burrell & Morgan, 1979). Instead, the aim was to *understand* and *explain* what was going on within the organisation and *why* certain choices or decisions were being made. Understanding different perspectives or perceptions required looking at different or multiple realities and how they are interpreted and constructed, as it is the understanding of the relationship between these different perspectives and realities that leads to the revelations of "underlying patterns and order of the social world" (Morgan, 1980, p. 609). Having considered these arguments, adopting an interpretivist stance was deemed as the most useful choice that would provide the richest results.

4.1.2 Existing research

The choice of methods utilised by a range of key studies on migrant labour in the hospitality industry was also considered (Table 4:1).

Table 4:1: Approaches and methods employed in key studies

Quantitative Method	Qualitative Method	Articles
A self-completion questionnaire (purpose - to find out about training background, profiles and working experiences of migrant workers)	**Focus groups** (six sessions, with between six and eight participants each)	*Cultural diversity in hospitality work* (Baum et al., 2007) (sample - 82 employees from 17 countries)
N/A (not chosen because of "the potentially low response rate and relatively small sample size" - p. 21)	**One-on-one semi-structured and unstructured interviews** with the general managers of the selected hotels (10 hotels participated)	*Hotel employer's perceptions* (Lyon & Sulcova, 2009)
A self-completion questionnaire	**Ten focus groups** involving 82 employees from 17 countries (30 minute discussion)	*Cultural diversity in hospitality work: Northern Ireland experience - first part* (Devine et al., 2007a)
	Thirty minute in-depth interviews ("opportunistic" choice of hotels - p. 124)	*Cultural diversity in hospitality work: Northern Ireland experience - second part* (Devine et al., 2007b)
On-line questionnaires (315 questionnaires returned and analysed)	**Netnography** ("a pioneering method to analyze hospitality workforce experiences" - p. 7) approximately 100 threads were analysed **6 semi-structured** interviews with Polish hospitality workers	***Research on Polish migrant workers in the UK hospitality industry:*** *Employment experiences of Polish migrant workers in the UK hospitality sector* (Janta et al., 2011a) *Migrant relationships and tourism employment* (Janta

		et al., 2011b)
		Profiles, work experiences and methods for accessing employment (Janta, 2011)
		Migrant networks, language learning and tourism employment (Janta et al., 2012)
		Polish migrant labour in the hospitality workforce (Janta & Ladkin, 2009)
N/A	**33 semi-structured interviews** (convenience sampling)	*Migrant labor in hospitality: The Cyprus experience* (Zopiatis et al., 2014)

As it can be seen from the above table, both quantitative and qualitative methods were employed, with the latter being the most popular choice used either in combination with different quantitative methods or as a single choice. A combination of both was utilised in the cases where the aim was to create a profile of either a particular ethnic group (for example, Polish migrant workers) or a profile of migrant workers within a particular context (for example, Northern Ireland), and also to investigate and explore a range of issues related to the employment of migrant workers.

Having access to a global hotel organisation meant that this research could have utilised a number of different methods, both quantitative and qualitative. For example, it could have tested the conclusions or explored the suggestions made in the above studies across various countries, thus utilising all the available approaches to investigate the research problem, or adopting a "pragmatic theoretical perspective", as was the case in the study on Polish migrant workers (Janta et al., 2011a). However, having this unprecedented access was considered as an opportunity to go into the field and not only experience it, but also find out *what* was going on within the organisation, within particular cultural contexts. Furthermore, it also meant developing a deeper understanding of or an insight into how a global business uses migrant labour

across different countries, taking into consideration and learning about the specifics of these different contexts, with the key word here being 'different'. It is the differences which make the environment in which this global business operates both challenging and interesting at the same time. Therefore, the purpose was to find out more about *irregularities* in the use of migrant labour. The studies, which have adopted a qualitative approach, indicate that the reasons for doing so include gaining "further insights of the specific issues" (Zopiatis et al., 2014, p. 114), or investigating perceptions and personal insights (Lyon & Sulcova, 2009) within specific cultural contexts (the employment of migrant workers in Cyprus, Zopiatis et al., 2014) or settings (Cheshire in the UK, Lyon & Sulcova, 2009).

The existing studies (Lyon & Sulcova, 2009; Baum et al., 2007; Devine et al., 2007a, Devine et al., 2007b; Zopiatis et al., 2014) consider different staff levels, including both employees and management at hotel level, but not management above country level. Having access to a global hotel organisation in this research meant that an opportunity to consider different levels, including management above country level, was possible in order to explore the dynamics of a global hotel organisation's human resource management function, as "relatively little is known about the actual human resource policies and practices of international companies" (Roper et al., 1997, p. 207). Combining this with the exploration of the practices related to the use of migrant labour across different countries and at different levels meant that the research could offer a unique insight into both subjects and at international level.

With regards to the methods used in the above studies, interviews and focus groups appear to be the most popular two methods. As some of the existing studies (Devine et al., 2007a; Baum et al., 2007) have demonstrated, using focus groups can provide an insight into the experiences (both work and social) of migrant workers in the host country. The purpose of this research was to explore the practices used for employing migrant labour across different countries and at different levels, which meant that although work experiences of migrant workers were considered, the primary focus was not to explore the living experiences of migrant workers, but rather their experiences of working for the organisation and their views of its talent development opportunities and practices. It was important to understand who gets access to talent development opportunities, and also how talent is managed at

different levels within the organisation. In addition, the practical aspect of organising a focus group would have carried a certain risk (Bryman, 2008), as there was little guarantee that all or most of the participants would be available on the day due to changes in business. Therefore, interviewing, albeit carrying similar risks, was deemed to be the best choice of method to collect data in this research and the one which would still provide a deep insight into the research problem being studied and would "provide an opportunity for detailed investigation of each person's perspective" (Lewis, 2003, p. 58).

4.2 Access

This is an opportunistic research in that access was granted as a result of the ongoing relationships between GHG and Sheffield Hallam University. There are studies (Devine et al., 2007a; Devine et al., 2007b) which also benefited from access that was arranged as a result of "established relationships with these establishments [hotels] by one of the researchers" (Devine et al., 2007a, p. 337). There are also studies (Zopiatis et al., 2014) which had difficulty in gaining access. Zopiatis et al. indicate that "numerous establishments" refused to participate in the study due to the sensitivity of the issues being investigated. The researchers use Janta's (2011) study on Polish migrant workers in the UK when considering the sensitivity of the issues related to the area of labour migration, with the latter including "racism, mistreatment from the management or just low pay" (2011, p. 813). The irregularities that research on migrant labour could potentially uncover may not be beneficial to the hotels involved in such research, thus making gaining access a challenging task, but the one which could benefit from the access gained as a result of established relationships.

Although this research has benefited from such access, it was still challenging to gain access to hotel properties in some locations, primarily in the UK. In terms of the number of properties, two properties in Russia and Turkey and three properties in the UK were initially requested. The difference in the number of properties between the countries was due to the financial considerations. There were no issues with obtaining the exact number of properties requested for Russia and Turkey. In fact, they were all very accommodating and hospitable, despite their busy operations. However, the UK was a very challenging case. Two out of the given three properties declined to

participate in the study due to their busy schedules, and no response was received from the other property despite repeat efforts. Two more properties were requested at a later date, and the arrangement was that *the properties* would be in touch. It is interesting to note that the property which got in touch was the hotel that had already been contacted, but declined to participate. No reply was received from the other property. By the end of data collection in London, it had been decided not to pursue this further due to time constraints.

Thus, gaining access as a result of established relationship can be beneficial, but it is important to be prepared for the possibility of not being able to gain access to all the selected hotels or locations. The exact reasons for such a low sample in the UK are not known. Therefore, it could only be assumed based on the previous research that it might have been the selected hotels' concern over the possibility of the researcher uncovering the type of issues which have previously been indicated by other studies conducted in the UK (for example, Janta, 2011; Devine et al., 2007a).

4.3 Sampling

This section will introduce the sampling techniques as well as different levels of sampling used in this research.

4.3.1 Sampling choices

For the purpose of this research non-probability purposive sampling was utilised. This sampling technique is particularly useful in instances where the researcher "deliberately selects particular ones [people] ", as well as "to ensure that a wide cross-section of items or people are included in the sample" (Denscombe, 2014, p. 41). This technique can also help create a representative sample, as the researcher aims to include "the full range of items or people" (Denscombe, 2014, p. 41).

It is important to note that this sampling technique was applied to the overall sample (Figure 4:1 - next page). Chapter 3 identified different segments that exist within the hospitality industry. Each of these segments contains professions and skills that are representative of the segments. Therefore, the overall sample was developed in such a way as to purposefully reflect all the different segments and skill levels, and was linked to the conceptual framework (Figure 3:6). Furthermore, GHG was asked to

provide the contacts that satisfied the specific criteria provided. In the case of individual hotels, further details in relation to the selection criteria were provided and were negotiated with the hotels whenever it was necessary prior to each visit. The following subsections will provide a more detailed account of the choices, as well as the details of other sampling techniques that were utilised in this research.

Figure 4:1: Research sample
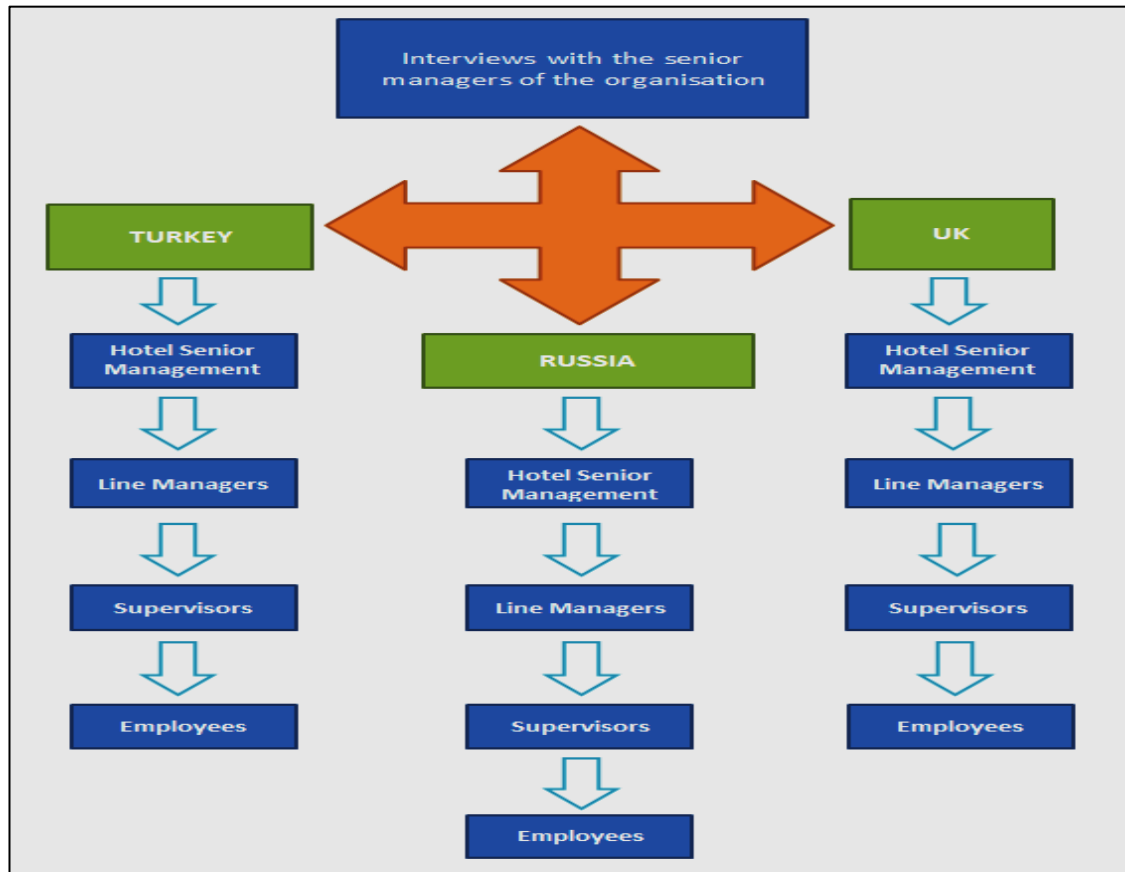
4.3.2 Senior managers above country level

The reason for conducting interviews with the senior managers was to explore the organisation's point of view on a range of aspects, policies and practices, including talent management, cultural diversity, employment of migrant labour, current labour market issues and the organisation's future talent development strategies. The initial request included the Director of Talent Management (Europe), HR Director and the Director of Operations. The following contacts were provided by the organisation:

- Regional HR Director for Eastern Europe, Israel, Russia and Turkey;

- Regional HR Director for the UK;

- Director of Talent Management (Europe);

- VP of HR EMEA [Vice President of Human Resources Europe, the Middle East and Africa]; (the contact details of the VP's PA were provided);

- VP OPS EMEA [Vice President Operations Europe, The Middle East and Africa]; (the contact details of the VP's PA were provided).

All the managers were contacted. However, during the interview arrangement process certain changes had to be made. The Regional HR Director for Eastern Europe, Israel, Russia and Turkey was replaced by the Talent Acquisition Manager for Eastern Europe and Russia (first point of contact back in March 2013) due to the former's busy schedule. The VP OPS EMEA declined the interview on the basis that an interview with the VP HR EMEA had already been arranged and would be sufficient in providing all the necessary information. However, an opportunity to send any specific questions via e-mail to the manager's PA was offered, which was used to clarify some of the points discussed during the interview with the VP HR EMEA. A detailed email containing the answers to the questions was received from both managers (Appendix B).

Additionally, the data obtained during the conversations with GHG representatives (Graduate Recruitment Director for EMEA) were also utilised.

4.3.3 Cities and hotels

A key aspect in the selection of the cities was the type of ownership of the properties. Only managed or owned (owned only in the UK, as the organisation does not own hotels in the other two selected countries) hotels were requested, as the organisation would have been directly involved in the operations of the properties (Contractor & Kundu, 1998). Thus, such decisions as staffing, daily management and quality control will be strongly influenced by the organisation, whereas in franchising, control is exercised by the franchisee, with the help and guidance of the organisation (Contractor & Kundu, 1998).

4.3.4 Hotel staff

All the arrangements were made before the trips. The contact details of the General Manager and HR Manager for each hotel were provided. Both were contacted

in each case to negotiate access and research arrangements, including the dates for the visit and sample requirements. All the negotiations were conducted via email. Examples of email exchanges in relation to research arrangements for trips to Russia, Turkey and the UK, together with an initial formal document used to set up this project, can be found in Appendices C, D, E and F.

Although the basic criteria were provided, the selection of the participants was left to the hotels, thus utilising convenience (availability) sampling, where a sample is chosen "according to ease of access" (Ritchie, Lewis, & Elam, 2003, p. 81). The selection depended on the availability of staff on the selected days as well as voluntary participation. Additionally, opportunistic sampling was also utilised *during* all the trips, meaning that any unforeseen opportunities that arose during the course of the trips were also considered (Patton, 1990). Changes also had to be made depending on staff availability, as well as additional opportunities that were offered during the trips (for example, interview with a person through a recommendation from the previous interview).

It is also important to note that due to the distance and financial constraints, it was not possible to travel to Krasnoyarsk. Therefore, a telephone interview was arranged with the HR manager and was carried out in May 2015.

The final samples were the following:

	Countries	Cities	Number of hotels	Number of people interviewed and level of employment
	N/A	N/A	N/A	**4 senior managers above country level**
	Russia	Moscow Krasnoyarsk	Hotel Moscow	**10 people** • **Managerial** (5 people) • **Supervisory** (3 people) • **Operative** (2 people)

			Hotel Krasnoyarsk	**1** (HR Manager via telephone interview)
	Turkey	Istanbul	Hotel Old Istanbul	**8 people** • **Managerial** (2 people) • **Supervisory** (4 people) • **Operative** (2 people)
			Hotel Modern Istanbul	**8 people** • **Managerial** (5 people) • **Supervisory** (2 people) • **Operative** (1 person)
	UK	London	GHG London Hotel	**12 people** • **Managerial** (5 people) • **Supervisory** (0) • **Operative** (7 people)
Total	**3**	**4**	**5**	**43**

Further details in relation to the above table can be found in Appendix G.

4.4 Research method

In total, 43 semi-structured interviews were conducted between August 2014 and June 2015. There were four telephone interviews (with senior managers), one interview through email communication, and 39 face-to-face interviews (the trips). The interviews lasted from fifteen minutes to two hours depending on the circumstances and previous arrangements. Although an attempt was made to arrange face-to-face interviews with the senior managers as well, it was not possible to do so, as the participants found the "flexibility of rescheduling" to be very important (Cachia & Millward, 2011, p. 271), primarily due to their very busy schedules. While the latter is one of the major disadvantages of conducting telephone interviews (Cachia &

Millward, 2011), it was not the case in this research. All the participants rescheduled their interviews; however, this was done within a week from the initial date.

The reason for selecting the semi-structured interview was twofold. First, most of the interviews had a certain time limit, which was usually agreed in advance. Therefore, it was important to have a structure in place to accommodate specific time requests, but still have the flexibility in conducting an interview (Denscombe, 2014). Second, in most cases all the questions had to be sent in advance either to help the participant prepare for the interview or for further approval before any other arrangements could be made.

Questions for the senior managers and senior hotel managers (an example can be seen in Appendix H) were allocated into different categories. Each category represented a separate theme, which was related to a relevant theme in the literature review. Thus, key themes were related to such aspects as current labour market issues, employment of migrant workers, current Human Resources policies and procedures, and talent management. The introduction (general questions about the interviewee and their job) was important to build a rapport with the interviewee and is not related to any theme in the literature review.

Questions designed for line managers, supervisors and employees (an example can be seen in Appendix I) were not allocated into separate themes. Instead, the goal was to find out about the participants' experiences in relation to their specific department and the organisation as a whole. Interviews with senior hotel managers were generally conducted first in order to explore some of the discussed issues in the interviews with the line managers, supervisors and employees.

4.5 Data collection

This section will look at a range of aspects and experiences related to both primary and secondary data collection.

4.5.1 Pilot interview

A telephone interview with the Director of Talent Management (Europe) was conducted in April 2013. This opportunity was useful for two main reasons. First, it provided general information about the organisation's cultural diversity and talent

management policies and practices, which was used later in the preparation for the interviews with the senior managers, as well as data analysis. Second, this opportunity was used to practise interview techniques, and to identify any potential concerns or issues related to interview recording and transcribing. The following reflections are the key lessons learnt from the pilot interview.

A voice recorder, which had been installed on a mobile phone, was used to record the interview. One of the main disadvantages of the voice recorder, which was identified during the transcription stage of the interview, was that the interviewee's voice was a little distant and was not heard properly at times. As a result, there were some sentences in the conversation which were very difficult to understand and transcribe. The recording was played back several times in order to ensure the missing sentences were transcribed properly, but not all of them could be transcribed in the end due to the poor quality of the recording. Thus, the task consumed more time than it had been initially planned but, most importantly, resulted in the loss of data.

The overall experience of transcribing the interview was extremely time-consuming. It took four days to transcribe one interview, as certain parts of the interview had to be played back several times. Matthews and Ross (2010) suggest that on average it takes three to four hours to transcribe one hour of a recorded interview. The telephone interview lasted only 40 minutes. The poor quality of the recording was deemed to be the main reason for the delay. Based on the experience of recording and transcribing this interview, the decision was made to use a professional mp3 recorder (can be borrowed from the library) or Skype (a compatible professional recorder can be installed on the computer) in future interviews. This experience will be further discussed in Section 4.4.5 'Recoding interviews'.

In addition to the technical side of this experience, it was also useful to practise such interview techniques as asking probing questions. This type of questions is very important, as it can help clarify or explore the interviewee's responses further, (Saunders, Lewis, & Thornhill, 2016). Some of the studies on migrant workers (see, for example, Zopiatis et al., 2014, p. 114) have indicated that asking probing questions is a useful way to explore "both specific and emergent sub-themes, thus providing further insightful data". Furthermore, this interview technique can also help to increase the credibility of data collected (Saunders et al., 2016).

4.5.2 Ethics

For a research project to be considered ethical, it must follow the following three principles:

- no *harm* should be done to the participants (each participant's confidentiality must be protected);
- participants should take part *freely*; and
- *informed consent* must be sought from each participant (Veal, 2006).

This research followed all the above principles. However, the following ethical issues occurred during the data collection arrangements/data collection stage and will now be discussed further. First, maintaining participant confidentiality was not always possible. Thus, all the interviews with employees and supervisors at Hotel Old Istanbul in Turkey were conducted in the presence of the Human Resource Coordinator due to the participants' poor English language skills or a complete lack of those. There is a possibility that the participants felt compelled to participate or were not always comfortable and hence open about their views, as their manager was present. However, the Human Resource Coordinator was an essential part of "the production of the research account" (Temple & Edwards, 2002, p. 6), as either clarification or translation was needed. The issue of translation is explored further in Subsection 4.6.2 'Translation'.

The question of "*who* is actually giving consent" (Miller & Bell, 2012, p. 68) was also an important ethical consideration. There were several access points (overall permission to conduct this research; and arrangements with hotels) and, as a result, several gatekeepers. The choice of employees, albeit the guidance had been provided, was left to the hotels. It was possible that the management of each hotel would have an influence on *who* gets selected. Although all the employees had agreed to participate in the research on voluntary basis, as stated by the hotels, it was nevertheless important to ensure that this *was* the case prior to each interview and that each participant knew what the research was about and was given a choice whether or not to participate in this research, thus following the principle of informed consent. The latter was also observed in the case of each of the selected hotels. The task of selecting hotels was performed by the gatekeepers at a higher level of the

organisation. In all the cases it was important to ensure that those involved in this research were given "sufficient information, the opportunity to ask questions, and time to consider without any pressure or coercion" (Saunders et al., 2016, p. 251). Thus, although there was the critical factor of *who* actually gave the consent, the above measures helped to ensure that each of the participants or hotels had time and all the necessary information to make their decision.

4.5.3 Research diary

Taking into consideration the epistemological position of this research, it was important to reflect on various experiences and to record contextual information. Such transparency is essential, as "we need to take account of the wider context or social embeddedness of human action in order to gain a full understanding" (Nadin & Cassell, 2006, p. 216). It was also important to record the factors which had an impact on both interpretations and methods, as "the research situation is itself a social encounter" (Nadin & Cassell, 2006, p. 216). The research involved a number of different phases. Therefore, it was important to systematically reflect on each of the experiences to ensure that any important pieces of information or reflections were not lost and were recorded as soon as it was possible. For the interviews with the senior managers above country level and all the initial field arrangements, the research diary was simply a Word document, in which entries were made each time there was new information or data gathered. During the trips all the reflections were recorded by using an mp3 recorder. Excerpts from the research diaries will be used to illustrate some of the points in the following subsections. In addition, a separate diary was kept to reflect on a range of other processes, such as translation, transcription and analysis.

4.5.4 Reflections on interviewing people

The *process* of conducting an interview, via telephone or face-to-face, was a gradual and the most challenging learning experience. It involved learning to listen to the participant, and also learning how to "work with" participants (Rapley, 2004, p. 18). The former was particularly challenging during some of the telephone interviews, which will be discussed in the next subsection. The latter will now be considered further.

The interviews with the four senior managers at the beginning of the data collection process were an interesting and challenging experience. It was also the first time the researcher had an opportunity to interview people in such senior positions. They were all different experiences. There were managers with whom a rapport had already been established (either through pilot testing or research arrangements). Furthermore, one of the managers was from the same country as the researcher, which helped to create a sense of trust between the participant and the researcher. This was also the case in Russia. It was much easier to communicate with the participants due to common language, as well as shared customs and traditions. The effect of the researcher's nationality has previously been noted to be an important factor not only in providing access to and establishing a rapport with participants, but also in translating interview data (Janta, 2011).

The most challenging experience out of those four interviews was the interview with the Vice President HR for EMEA. This was not only due to a number of technical issues, which will be discussed in the next subsection, but also due to the structure of the interview. At some point during the interview the participant sounded very irritated, as some of the questions were general rather than specifically related to a particular area. This must have given the participant the idea that the whole interview was going to be conducted in this way and therefore would take a long time, so the participant had to finish the conversation soon after by saying that they had other appointments, but if there were any other questions, they would be able to answer them via email (communication through their personal assistant).

This experience highlighted the importance of taking into consideration any prior knowledge about the participant that is going to be interviewed, including anything that "has been read about them or been told about them". These "various influences" can *also* help determine the questions that are going to be asked during the interview (Rapley, 2004, p. 18). Thus, knowing that the above participant occupies a position that overlooks a wide range of regions and countries, perhaps a more personalised approach was needed in this case, meaning that an interview schedule could have contained more *specific* questions.

While it is important to *personalise* an interview schedule, the idea of conducting an interview is "to follow the interviewee's talk, to follow up on and *to*

work with them and not strictly delimit the talk to your predetermined agenda" (Rapley, 2004, p. 18). An interview schedule should be treated as a "guide, and departures from the guidelines … are often encouraged" (Silverman, 2013, p. 204). Taking into consideration the type of interview approach selected (semi-standardised interview), it was essential to learn how to "work with" participants. The understanding and use of this skill was significantly improved by the end of data collection (June 2015), when not only individual situations were considered, but the confidence in conducting a *conversational* interview (asking main as well as probing questions, having a conversation with the participant) was also developed. Reflecting on these first experiences, they could have gone differently, had they been conducted towards the end of data collection. On the other hand, however, these were essential in building that confidence and reducing the sense of awkwardness, which subsequently led to more interesting and more informative interviews.

4.5.5 Recording interviews

Almost all of the interviews were recorded in this study. The two exceptions were a telephone interview with the Vice President HR for EMEA due to technical issues and a telephone interview with the HR Director for UK and Ireland due to the participant's refusal to be recorded. Taking all these experiences into consideration, the section will be presented in terms of the advantages and disadvantages of recording an interview identified during this process. The use of different ways to record an interview will also be discussed.

The biggest advantage of recording an interview was considered to be the immediate access to all the questions and answers that were covered during the interviewing process. This process allows the researcher "to capture data in real time and unobtrusively" (Lee, 2004, p. 880). Furthermore, there is no concern of *missing out* on any important information, as "audio recordings offer a *permanent record*" (Denscombe, 2014, p. 196).

The convenience of recording an interview was particularly noticed during one of the first interviews, when the researcher had to take notes, as the participant refused to be recorded. It was a very challenging experience, as the task of *listening to* the interviewee very carefully had to be carried out at the same time as note taking.

Attentive listening skills and effective note taking are both very important skills in interviewing, as they test the researcher's understanding of the subject discussed (Saunders et al., 2016). Thus, there was a constant concern of either repeating the same questions or missing out on important points.

It was also difficult to take notes quickly. Saunders et al. (2016, p. 412) point out that most participants will "recognise the demands of the task and act accordingly"; however, the researcher should not be relying completely on such possibility and use simulated situations to prepare in advance. The participant was speaking at a good pace. However, the fear of showing lack of understanding or missing out did have an impact on the quality of the recordings to the extent that a number of important points were missing towards the end of the interview. As there is "no record of the actual discussion" in such cases, it was important to rely on the "recollection and interpretation" of what was discussed during the interview (Denscombe, 2014, p. 197). Although additional notes were made immediately after the interview, it was not possible to recall all the necessary information, resulting in the loss of some of the data.

One of the biggest disadvantages of recording an interview can be the *technical* side of the process. The learning process in relation to that was gradual - it started with the use of a recording application for mobile phones (pilot study) and ended with the skilful usage of an mp3 recorder, which was borrowed from the library. It is important to note that the main learning processes occurred during the first two stages of the data collection, which were the interviews with the senior managers and the trip to Russia. The rest of the data collection process was much easier because of the awareness of all the potential pitfalls of the process as a result of the earlier experiences.

The experience during the pilot stage indicated that a much better way of recording a telephone interview had to be found. A recording programme, which works in combination with Skype (specifically, such Skype function as Call Phones), was used to conduct the four telephone interviews. The programme made it easier not only to record an interview, but also transcribe the recording after the interview without compromising its quality. This was also considered to be a very cost-effective method, especially when making calls to such locations as Krasnoyarsk.

However, this method has its disadvantages. For this method to work there must be a very good Internet signal. This was discovered during the interview with the Vice President HR for EMEA:

> *I am not sure whether I should call this interview a failure or a good learning experience. Because my interview with Senior Manager A went really well and the recording programme worked really well, I thought that I should not have any problems with this interview either, but I was wrong. Although the recording programme was working fine, my interviewee couldn't hear me at all. This must have been due to some Internet signal problem* (Reflections on the interview with Vice President HR for EMEA, 14 August 2014).

Having reflected on the experience of conducting this interview, it was concluded that both emotional control and a contingency plan are essential when working with technology:

> *Instead of taking just a couple of minutes to think about my solutions, I panicked, as I did not want to keep my interviewee waiting (such a senior position!). I just used my landline phone to call him back (very expensive option!). What I could have done is I could have changed the place (leaving room instead of bedroom) or I could have used my mp3 recorder and put the phone on speaker (mobile phone). I think that I was so happy with the recording device that I used to record my interview with Senior Manager A, I was certain that nothing would go wrong. I never thought of any back up plan. It is very important to think about these things in advance – what can go wrong during my interview and how can I prepare myself for it?* (Reflections on the interview with Vice President HR for EMEA, 14 August 2014)

The last telephone interview, which was with the Human Resource Manager from Krasnoyarsk, went very well, as all the previous experiences had been taken into consideration: the best Internet signal spot in the house was chosen and tested prior to the interview; an mp3 recorder was ready in case there was a problem with the signal, and taking notes was also identified as a possible solution.

During the trips an mp3 recorder was used. In comparison with a tape-recorder, an mp3 recorder has a longer battery life, so the researcher can concentrate on listening to the interviewee rather than being concerned with such issues, for example, as changing the tape (Fernandez & Griffiths, 2007). However, the experience

of using an mp3 recorder was not always smooth either. A laptop had to be carried on all the trips to transfer the recordings from an mp3 recorder to the computer after four recordings in order to free the space on the mp3 recorder. If this is not done, it can lead to the loss of data during the recording process, as there is no space to record that data. Other situations, when this can happen, were identified during the trip to Russia:

> *The following technical issue occurred during my interview with the Food and Beverage Director. I pressed the 'RECORD' button. A red light started flashing indicating that the device was ready for recording. According to the instructions, I have to press the button again to start recording a conversation. However, I completely forgot to follow these instructions! I was listening to my interviewee very carefully and did not even look ONCE to check whether the device was recording our conversation. It was only after about 15 minutes that I noticed that the red light was still flashing. I tried to record all the missing information from my memory as soon as I had a chance (immediately after my interview with the Housekeeping Manager).*

> *The following issue occurred during my interview with the Housekeeping Manager. I did not notice that the battery was critically low, and the device had stopped recording our conversation for a couple of minutes. However, thank goodness I noticed this early enough not to miss half of the conversation! The device was immediately connected to the charging port* (Reflections on recording interviews during trip to Russia, 4 December 2014).

This experience taught the researcher to check the recorder carefully before starting an interview and keep an eye on the recorder during the interview. It is also important not to forget to resume one's recording if the pause button has been pressed at any point during the process (either to stop recording sensitive information or as a result of any interruptions).

4.5.6 Using secondary data

Secondary data included GHG's corporate websites and documents, such as annual reports (public access), electronic newspaper articles, electronic reports produced by different international organisations and government websites. The purpose of using all these different sources of information was twofold. First, they were used to provide background information on the selected hotels as well as

contextual information, such as the state of the hospitality and tourism industry in each of the three countries. Second, they were utilised for the purpose of providing background information on GHG, its activities and future plans, which was then used in conjunction with primary data to build a bigger picture.

4.6 Data analysis

This section will consider the different stages of the data analysis process in this research, including, transcription, translation and analysis of data gathered in the interviews.

4.6.1 Transcription

Transcription "facilitates the close examination of data", and as such is a very important *initial* step in data analysis (Tracy, 2013, p. 178). As the purpose of the current research was not concerned with "the specific syntax used by research participants" (Miller, 2007, p. 230), it was not necessary to prepare verbatim transcripts. Instead, interview summaries were developed. An interview summary contains "a very detailed account of both the interaction flow and the content of the interview" (Miller, 2007, p. 230). Direct quotations were included to support individual points. This approach had a significant impact on the translation process (interviews conducted in Russian), as it helped to reduce the time needed to translate the interviews. The interviews were listened to again whenever it was necessary to clarify any points or arguments.

Although the approach had a number of advantages, it also had certain disadvantages, particularly in relation to the earlier stages of finding the best way to organise a summary. The following excerpt from the diary illustrates the latter point:

My initial approach was to start transcribing my interviews from Russia as soon as possible (while I still remember what happened during the trip). I thought that the whole transcription process would be easier in comparison with my previous attempts (transcribing my interviews with the senior managers), as the idea was to summarise all the main points and support those points with quotations. However, it wasn't easy at all. My first interview that I transcribed (interview with HRD; because it was my first interview when I was in Russia) was a very challenging experience. Despite the fact that I had a clear idea and an example of how to transcribe an interview, I found it

extremely overwhelming to try and organise all the main points, especially with the interviewee not being consistent, when it came to the actual process. It took me quite a few days to find the best way to transcribe these recordings. I found that it was easier for me to follow the structure from my interview schedule (for example, three broad areas – discussion about job; Hotel; and Talent Management and then recording main points under each of those broad areas). So each of those broad categories has different subcategories, and sometimes if something, which is discussed later in the interview, is related to one of the earlier categories/subcategories is then included in those earlier categories/subcategories, thus helping me instantly organise my data for further analysis (Reflections on the transcription process, November-December 2014).

Once the initial stage of finding the best way to approach the transcription process was completed, it was much easier and quicker to transcribe the rest of the interviews. In addition, the early experience of transcribing an interview (Section 4.4.1 - Pilot interview) was also taken into consideration, particularly in terms of the quality of interview recordings. Because of the use of either a professional piece of equipment or special computer programme, it was possible this time to reduce the amount of data being lost.

4.6.2 Translation

The issue of translation was addressed twice in this research. The first instance was the translation of the interviews from Russian to English. Being a Russian native speaker was a major advantage in this case, as it helped to explain different words as well as cultural and social meanings that underpin the words. Similar advantages are considered in other studies on migrant labour (for example, study on Polish migrant workers, Janta, 2011), which note that the researcher's nationality can play an important role in translation processes. However, the translation process in this research was still regarded as being very time-consuming, primarily because this was the first time an attempt at translating an interview was made. The following excerpt from the research diary explains this further:

I really underestimated the amount of time it would take me to translate those interviews. As I had never done this before, I didn't know how to do it. I didn't want to lose the original meaning. There were many different cultural expressions and references, and I needed time to think how to translate/explain them, without losing

that original meaning (Reflections on the transcription process, November-December 2014).

In order to preserve the original meaning, all the cultural and social expressions or words were translated literally or by using relevant letters from the English alphabet to spell the word or expression. The following examples show how this translation was approached in practice.

<u>Word</u>:

Human Resource Director says that some of the employees would start calling sick all the time, especially in difficult times, once they feel settled in their new place of work, and having in possession 'ogorod' [in Russian it means a large piece of land for growing vegetables] and "some other opportunities", "as I understand" they would feel comfortable receiving their sick leave payments and taking advantage of what they own/have to sustain their living (from interview with Human Resource Director, Hotel Moscow)*.*

<u>Expression</u>:

"Also, it's about training opportunities. For example, let's take GHG University. There is a range of training courses that one can choose from. Nobody forbids that [a cultural expression meaning it's something that anyone can use/do if they really want to]. And that's all, really. Oh, and the manager's 'coaching'. Sometimes a person doesn't know what he is capable of, so his manager can guide him in finding his inner talent" (from interview with Human Resource Director, Hotel Moscow)*.*

The second instance was the interviews conducted with the employees of Hotel Old Istanbul in Turkey. As it was mentioned in Section 4.5.2, the Human Resource Coordinator had to be present during all the interviews either to translate an interview or support the participant by clarifying a point that they were trying to make. As a result of these difficulties, some concepts or questions had to be explained to the participants in order for them to be able to answer the questions. The following example illustrates this point:

It was very difficult to discuss the concept of Talent Management with the supervisors and senior supervisors mainly because of the language barrier. If I had spoken Turkish or had a professional interpreter, things might have been different. I cannot categorically say that each of them seems to have a little understanding of what

constitutes Talent Management, although it certainly felt that way, as I had to provide lots of explanation. There is also a possibility that they may have a very good understanding of the concept, and it's the language barrier that does not allow them to express themselves fully, or it's the way I expressed myself (most of the time trying to, in a way, impose my view, although not deliberately, but by trying to explain and get some answers) (Reflections on the translation process in Turkey, October 2014)*.*

This situation also created a concern over the credibility of data gathered during the interviews due to the possibility of interviewer bias (Saunders et al., 2016). However, one of the approaches that was used to improve the credibility of these interviews was to ask clarifying questions. Temple and Edwards (2002) argue that in order to determine the meaning, it is important to engage in "the process of negotiation", by which the meaning gets discovered and understood.

4.6.3 Analysis

Taking into consideration the exploratory nature of this research, both data collection and analysis were guided primarily by an inductive perspective, whereby the aim was not to test a theoretical model or hypothesis, but identify patterns in data; "to allow meanings to emerge from data" (Saunders et al., 2012, p. 48). However, it is important to note that the data analysis process also had a deductive element, which will be further discussed in this subsection.

Data analysis was conducted by using thematic analysis, which is defined as "a method for identifying, analysing and reporting patterns (themes) within data" (Braun & Clarke, 2006, p. 79). The actual coding was carried out by using NVivo. However, the subsequent analytical analysis (identification of themes) was conducted manually. This meant that once the coding was completed, the programme was used to generate and print out coding summaries. These reports were then read and reread by using different highlighters and pencils, with key points or ideas under each of the categories written down on flipchart paper or recorded in WORD and supported by quotations. This approach helped to 'visualise' the data and identify patterns. The final task was concerned with producing a written report on each of the countries as well as the interviews with the senior managers above country level.

The initial approach to analysis was theoretical or deductive, which meant that all the initial codes were generated deductively from theory (Boyatzis, 1998). Furthermore, as the research was concerned with a specific question of how a global hotel organisation uses migrant labour and what practices are utilised to manage migrant labour, it was important to develop a frame that would help to answer the question. A "pre-existing coding frame" (Braun & Clarke, 2006, p. 83) consisted of 21 codes (Appendix J) which reflected key themes identified during the literature review. However, a number of changes were made to the frame during the subsequent coding and analysis process. Thus, it was decided not to use the 'Management level vs. Operational level' code after the first stage of analysis (data gathered in Russia), as this code appeared as part of a number of other codes within the frame. In the case of Turkey, such code as 'Overeducation' was substituted with the 'Hospitality Education' and 'Hospitality Experience' codes due to the significance of both in the Turkish hospitality industry. Having coded and analysed the interviews from Russia and Turkey, it was decided not to include the 'Knowledge management' code in the frame for the UK, as it did not carry any significant value in relation to the research question. In the case of the UK, separate codes, such as 'Greece', 'Romania' and 'Turkey' were added instead, as the General Manager of GHG London Hotel had previously been the general manager of different hotels in all the three countries, some of which, such as Turkey, were also visited in this research.

4.7 Data quality

It is important to note that all the selected hotels are situated either in capitals or large cities. This is largely due to the previously mentioned decision (Section 4.3.3) to include only either managed or owned properties. Therefore, the findings from this research mainly reflect the current situation in the capitals and large cities rather than the whole countries. However, each of the trips generated very rich data that also included different aspects related to the whole country.

Another important observation is related to the number of interviews conducted on the day. The number of interviews depended on the availability of staff as well as any prior arrangements. It was found that interviewing more than four people on the day can be very difficult, primarily due to the importance of attentive

listening skills in conducting each and every interview. Thus, if more than four interviews had to be conducted on the day, the quality of the rest of the interviews was poorer in comparison with the previous interviews. Although it was important to ensure the quality of the interviews was not jeopardised, this was not always possible due to the time and financial constraints imposed on the data collection trips.

4.8 Conclusion

This chapter has provided an overview of the process of conducting research across different countries and with people at different levels within the organisation. This chapter has not only explained the decisions regarding the choice of methods and the overall approach, but has also considered and reflected on a range of different experiences in relation to the above. In addition, the chapter has explained the different aspects of the data analysis process, including transcription, translation and the actual analysis of data gathered in the interviews. The following chapters will present and discuss the findings from this research.

Chapter 5. Introduction to the organisation

5.0 Introduction

Building on the introduction to the organisation presented in Chapter 1, this chapter will provide further background information on GHG, as well as an overview of its current human resource strategies and policies in relation to a range of different functions, including Talent Management, recruitment and learning and development across the whole organisation. This will be achieved by combining findings from both secondary and primary research, with the latter consisting of the findings gathered during the interviews with the senior regional managers. Thus, the chapter will consider all the above aspects from the organisation's senior management's point of view, which will be used later in combination with findings from the three research trips to build a holistic picture of GHG's practices.

By providing this overview, the chapter also aims to consider the different staff layers that exist within GHG, as well as the differences in treatment of workers at these different levels. The position of migrant workers within the organisation will also be explored, with a particular focus on the treatment of migrant workers at the various levels of the organisation. The chapter will also identify key themes which will be further explored in the next three findings chapters on Russia, Turkey and the UK.

5.1 Background to Global Hotel Group

GHG was founded in 1919 in Texas, the US, with its first hotel opening in 1925 (GHG, 2017a). Since then, GHG has become a global hospitality leader with more than 4,000 properties in 104 countries around the world across Europe, Asia Pacific, Middle East and Africa and Americas (GHG, 2017b). The organisation's portfolio currently includes 13 brands, "spanning the lodging sector from luxury and full-service hotels and resorts to extended-stay suites and focused service hotels" (GHG, 2016a). However, GHG's development plans do not end here. The organisation is actively looking to expand its global operations even further. According to GHG's latest annual report (2015), the organisation either approved or signed "a total of global development pipeline of 275,000 rooms" in 2015. This development will take place across 85 countries (Marketline, 2016). In addition, a range of new brands has been

introduced, which will not only bring new customers, but will also "offer more opportunities for existing customers to stay" (GHG, 2015). GHG's ultimate goal is "to win everywhere" (GHG, 2015), thus "staying true" to its vision, which is "to fill the earth with the light and warmth of hospitality" (GHG, 2017c).

These statements are "most obvious" in organisations' mission statements and public material, indicating their wish to adopt the 'ideal' geocentric approach, or "a global habit of mind" (Roper, Brookes, & Hampton, 1999, p. 164). Indeed, GHG's orientation is continuous global expansion, with the ultimate goal to be *the* leader in the hospitality industry. However, as part of its geocentric approach, GHG also aims to adapt to its local markets, the notion known as 'think global, act local', which is evident in the following GHG's statement: "We have developed partnerships to advocate for key issues at a global level coupled with programs designed to activate hotels to address local challenges" (GHG, 2017d). The statement shows that the organisation takes into consideration "local operating conditions and local/national market demands" (Roper et al., 1999, p. 167).

However, these statements do not provide any information on the implementation of this strategic approach, which is a different matter (Roper et al., 1999). Roper et al. (1999, pp. 164-165) point out that different strategic approaches can be found across different functions and policies, and "seldom are any of the centric approaches found in their pure form", adding to "the complexity of investigating the centric orientation of a firm", particularly in MNCs. Whether this approach is consistently implemented throughout GHG and its procedures and policies will be considered in the next sections and chapters.

GHG claims to have achieved its global success not only through its continuous innovation and commitment to quality and providing "exceptional service", but also through the efforts of its employees, whom the organisation considers to be its "most valuable resource" (GHG, 2017e). People are seen as the greatest asset because they help to sustain the notion of "exceptional service culture" by "delivering exceptional guest experiences" (GHG, 2017e). The organisation aims to continue supporting and caring for its employees, as they are believed to be an important determinant of its future success - "We succeed only when they have the resources and support to thrive in their roles and be the best" (GHG, 2017e).

GHG currently employs more than 164,000 people and the number is set to increase due to the projected growth and further development (GHG, 2015). The organisation refers to its employees as Team Members, as stated in its mission statement (GHG, 2017c). Team Members are "employees of [GHG] at corporate offices, owned, managed, leased and timeshare properties" (GHG, 2017d). In other words, 'Team Members' can be seen as a collective term which encompasses all levels across different organisational modes. The term also takes into consideration "diverse people, talent and ideas" (GHG, 2017f). Everyone is valued and cared for. However, as it can be seen from the definition, franchise employees are not included, as they are "employees at independently owned and operated franchised properties" (GHG, 2017d). These employees are "not employed" by the organisation, but are still considered to be "a large part of our brands and our culture of hospitality" (GHG, 2017d). In addition, agency workers are also excluded from the definition of 'Team Members'.

Although employees are considered to be the "most valuable resource" within GHG, there have been reports over the recent years suggesting that this has not always been the case. The reports have been found across different countries, including the UK, US and Australia, and are particularly concerned with the organisation's treatment of its housekeeping staff. The first case took place in Melbourne, Australia in 2010 when a hospitality union and a migrant women's group conducted an investigation of the working conditions of housekeepers at some of Melbourne's luxurious hotels (Lauder, 2010). The investigation consisted of interviews with 330 members of housekeeping staff across 23 of Melbourne's four and five-star hotels, out of which three properties belonged to GHG. The investigation revealed poor working conditions, ranging from excessive demands with regards to the time needed to clean a room to extremely low pay in comparison with the price of a room a night. The case does not specify whether the housekeepers were directly employed by the hotels.

The second case took place in Cambridge, Massachusetts, US in 2014 when members of housekeeping staff at a GHG's hotel went on a strike to "protest working conditions at the hotel and pressure [GHG] to agree to their preferred means of unionization" (Klein, 2014). The housekeepers were directly employed by the hotel.

The poor working conditions included low pay and hotel managers' "passivity" with regards to "suffered pain and injury on the job" (Klein, 2014). The unionisation process meant that "millions more per year in salary and benefits" would have to be paid to the housekeepers by the organisation who, in turn, was "fighting" this development due to the effect this would have on its business costs (DePillis, 2014).

The third case is the most recent one (Roberts, 2015). It tells the story of a Polish hotel maid who describes her experience of working as a housekeeper in one of GHG's London hotels. She describes traumatic experiences with regards to pay and working conditions, including lack of breaks, "work unpaid beyond their set hours" and "constant pressure to ensure dozens of rooms are cleaned to an acceptable standard, against the clock". She is an agency worker, which means that the hotel is not directly responsible for her. However, the hotel has a duty to ensure that outsourcing organisations are selected "according to strict quality criteria", and if "any specific irregularities" are noticed, they are dealt with immediately. Her story shows that the duty was not exercised properly, and the hotel is described as "a subtle business that spawns victims while it avoids direct management culpability". Furthermore, although union representation exists, there are only a few people involved in the union due to the organisation's "discouragement of union membership".

All these cases demonstrate the poor treatment of housekeepers within GHG across different countries. Furthermore, these cases reveal a number of similarities in the treatment of team members and agency workers. In fact, they both appear to receive the same treatment: they both have been noted to work in poor working conditions and receive very low pay. Interestingly, the statements, which were considered earlier in the section, show that the organisation aims to support and care for its team members, and the last case points to the organisation's duty to observe "any specific irregularities" with regards to the working conditions of its agency workers. This is very important, as housekeepers, whether they are agency workers or team members, are still involved in providing the "exceptional service experience" on which the organisation prides itself. Therefore, such cases as the ones considered in this section raise questions about the ethical side of the means and cost by which the notion of "exceptional service delivery" is achieved within the organisation, and at whose expense.

5.2 Overview of the policies

This section aims to provide an overview of the organisation's position on a number of aspects concerning its human resource management function from the perspective of the senior managers above country level.

5.2.1 Introduction

GHG's employees are considered to be the organisation's "most valuable resource" (GHG, 2017e). This idea is directly linked to the notion of "exceptional guest experience" and is reiterated in the following statement:

> *At* [GHG]*, our people make the difference when it comes to every facet of the guest experience* (Vice President HR for EMEA (Europe, Middle East and Africa).

GHG's policies and procedures are therefore created with the aim of providing support and a range of different opportunities for its team members.

5.2.2 Geocentric orientation

GHG's geocentric orientation is also evident in its human resource management function:

> *Whilst recognizing the local differences we also ensure a consistent global approach as we are committed to perpetuating a culture of excellence, continuous improvement and innovation, providing the training and development opportunities for all Team Members to succeed* (Vice President HR for EMEA).

The following examples have been provided to demonstrate this further and focus on a range of different policies and procedures within the human resource management function:

Recruitment

> *We measure candidates against a clear set of global competencies to ensure fairness, with specific criteria tailored to location, brand and role.*

> *Our job levels and internal titles are globally consistent to ensure equitable rewards and to make it easier for all members to take advantage of career opportunities across the enterprise.*

Culture

We seek to celebrate the unique cultures of our global communities, develop talent, workplace and marketplace strategies to create a work environment of inclusiveness.

Training and Development

A framework of global development programmes for our identified talent, delivered consistently throughout the business, while accommodating local cultures and needs.

Consistent selection criteria and high quality programme content, materials, collateral and communication.

Structured learning journey based around three key areas: personal, technical, and leadership (Vice President HR for EMEA).

These policies and procedures have been designed in line with the notion of 'think global, act local'. *All* team members have access to different opportunities across the whole organisation anywhere in the world. It is an inclusive approach that encourages movement and emphasises global standards of training and development. However, it is important to note that only selected programmes have been made global:

We have started to make our decentralised programs more global. Therefore in the various areas (US, MEA, Europe, APAC), we have identified the most important programs and we have decided on a global Curriculum. Those programs that were selected have now been adopted across the globe. However before doing so they all had to be fully revised to make them from good to great. We are talking about our Director Development program, GM development program, [GHG Graduate] *fast track program and supervisory trainings* (Talent Management Director, Europe).

The emphasis is placed on the development of the organisation's managerial talent across different regions.

Although GHG has adopted a geocentric approach, the organisation's implementation of this approach may encounter a number of difficulties, as will be discussed in the following subsections.

5.2.3 Recruitment

GHG aims to "maintain and hire strong candidates" (GHG, 2017e). Hiring strong candidates will mean hiring "individuals with relevant experience as well as qualities important to our service culture such as friendliness, warmth, authenticity and

empathy" (GHG, 2017e). In addition, employees are also expected to be commercially aware, a shift from the concept of "the extra mile":

…understanding of how return on investment works rather than the ability to go the extra mile (HR Director for UK & Ireland).

They are expected to be:

…motivated and driven [and] *turning up on time and possessing numerical skills* (HR Director for UK & Ireland).

Interestingly, the recruitment standards for managerial positions also contain the requirement for commercial awareness:

…a tremendous commercial focus our GMs need to have (Talent Management Director, Europe).

As explained in greater detail by Talent Recruitment Director for Eastern Europe and Russia, managers are also expected to possess the right attitude as well as a number of different competencies and skills:

…who are open to changes and challenges; who are naturally hospitable and who are naturally… you know, who want to work in the hotel because that's what they love because they think that's the best career they could have…

…but in general… if we speak about competencies… it's the general [GHG] *values that we are looking for in people… we try to recruit people that are following our values, like leadership…*

Obviously, when we recruit for managerial positions, we are looking for people skills … transferable skills and customer service skills…

GHG is looking for people to work particularly in its developing markets, such as Russia and Turkey. However, other markets, such as Saudi Arabia and China, also need to be considered. An inclusive approach is adopted towards finding this talent:

We need talent to work in our developing countries like Russia and Turkey, so people who speak those languages (this is for Europe, globally of course we have a lot of growth in Saudi Arabia and China). We need people who have a passion for customer service; we need people at all levels (Talent Management Director, Europe).

So, where will all these different types of people come from? GHG has adopted a broad approach to finding talent with the emphasis on diversity and the organisation's internal labour market:

Future Talent in our organisation will come from many areas as our Team Members come from more than 90 countries and understanding their unique perspectives is essential to our success and to driving our performance in an increasingly competitive global economy (Vice President HR for EMEA).

More specifically:

We need people who have a passion for customer service; we need people at all levels. Where it will come from ideally a lot internally… (Talent Management Director, Europe).

GHG's internal labour market will also be a primary source of future managerial talent:

For the key positions we really try to look into the internal talent pool first and then the outside (Talent Recruitment Director, Eastern Europe & Russia).

Furthermore, the organisation aims to shift its focus from the reliance on expatriates to the recruitment from the local market:

Where it will come from ideally a lot internally, but we are also focusing on recruiting talents from each country where we open hotels instead of focusing on expatriates. Each country needs to tailor to a market of potential team members. E.g. in Germany, we have less and less apprentices and we are now working with project groups how we can replace these apprentices with other students and other approaches (Talent Management Director, Europe).

There is a clear understanding that with "an increasingly competitive global economy", there will be a need to ensure GHG has the right skills and people to remain competitive and successful. To accomplish this, the emphasis is placed on seeking talent at *all* levels, adopting an inclusive approach. There is also a clear idea of where this talent will come from and that is *internally*, suggesting there need to be talent pipelines which would enable the development of the type of manager that GHG is looking for and would support employees in exploring different opportunities across the whole organisation.

As part of its recruitment strategy, GHG has also developed a Youth Strategy. This strategy involves a number of different programmes, with the aim of attracting young people with great potential (Vice President HR for EMEA). For example, the organisation has collaborated with ten universities across the UK in order to bring talented graduates into the business (Vice President HR for EMEA). Young graduates are encouraged to apply for a place on GHG Graduate[1], a fast track programme which aims to select "the best of the best" (future senior managers or general managers) (Vice President HR for EMEA). The aim of the programme is to find:

> *…high calibre graduates with excellent reasoning skills, drive and motivation to succeed* (Vice President HR for EMEA).

The requirements and procedures for the programme are the following:

> *That, for example,* [GHG Graduate]*, management programme, which means that we… every year… from… well, about 15-20 open places at this programme… we do a big recruitment process and a lot of assessments, so when we choose those people, they will be for the next 18 months trained at different hotels across the region… the regions, actually… all the regions are participating in that programme, and at the end of the 18 months the candidates will be offered different management positions in* [GHG]*, and one of the prerequisites to enter the programme is the ability to speak one or two Eastern European languages, and Russian is one of them* (Talent Recruitment Director, Eastern Europe & Russia).

The requirements are particularly relevant to those candidates who are applying from Russia or another Eastern European country. The general set of requirements is similar to the aforementioned requirements, with the following exception:

> *You will be fluent in English. A second modern language would be considered a plus* (GHG, 2017g).

The strategy also includes various schemes and work experience opportunities (HR Director for UK & Ireland).

However, some of the managers have expressed their concerns with regards to this strategy. First, encouraging young people to move or be mobile may be problematic:

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[1] This is a pseudonym.

…but, honestly, I see no big, you know, volume of, you know, Russians who are living in the UK or Europe, who want to come back, really because most of the people who migrated from Russia into Europe, they don't want to go back. I see this happening (Talent Recruitment Director, Eastern Europe & Russia).

Second, the issue of retaining young people is becoming increasingly important (Graduate Recruitment Director for EMEA). One of the solutions that the organisation is trying to implement is to find ways to make young people stay for at least 2-3 years during which they can be introduced to a range of different opportunities which could potentially change their mind and make them stay longer.

5.2.4 Talent Management

To facilitate the proposed internal development, GHG has utilised the concept of Talent Management which the organisation describes as:

…overarching approach that we take to support all individuals in the organization to realize their Talent through providing outstanding career development opportunities and learning experiences as well as rewarding and recognizing positive contributions from all levels (Vice President HR for EMEA).

Talent Management is considered to be an inclusive approach, which is open to each and every team member in the organisation and aims to encourage them to develop their talent through the use of different opportunities that are offered to them. Talent Management is monitored by a dedicated team:

…we have a central Talent Management team (Talent Management Director, Europe).

The organisation has also developed a Talent Management Strategy which consists of three key elements:

A unified culture:

– We consider our workforce to be unified behind our strong culture, underpinned by our values, compelling growth and vision.

Global talent strategy:

– We are committed to perpetuating a culture of excellence, continuous improvement and innovation, providing the training and development opportunities for all Team Members to succeed.

Exceptional career opportunities:

– We work hard to create (and measure) a culture of opportunity for all, we espouse the ethos that diversity and inclusion provide strength and a strong link to our customers and the communities we operate in (Vice President HR for EMEA).

In addition, the following key processes are incorporated into the strategy:

…in [GHG] *we define it* [Talent Management] *by our 3 areas: Talent Reviews (succession planning), Performance Management and Learning and Development* (Talent Management Director, Europe).

These will now be considered separately.

5.2.5 Performance Management

This process is considered to be well-developed and is set to work in conjunction with other processes within the human resource management function:

Our global Performance Management, Talent Review and Personal Development Processes are well established. We are now focusing on optimising the links between performance outcomes, personal development and career growth, supported by the system functionality that is now in place across these three key areas (Vice President HR for EMEA).

Performance review is a structured process, which is called "the 9 box matrix" (Talent Management Director, Europe). Team members are allocated into separate categories based on their performance and assessment of their potential. Thus, a talented team member is described as:

Somebody with medium or high performance and high potential rating… who has a green rating in the nine box matrix. This comes down to people who are able to move upwards (Talent Management Director, Europe).

Although there is "a culture of opportunity for all", in reality only those who can progress further will be noticed; those who have used the opportunities and can demonstrate the willingness and drive to progress. There is an agreement that the ability to move upwards is key:

We define Talent as individuals we identify as having the ambition and capability (the so-called "will and the skills") to go further at any level of the organisation. [A talented

employee is the one who has] *the right potential, performance level and attitude. We are looking for aspirational people* (Vice President HR for EMEA).

…it's just the combination of competencies, experience, willingness and character, really… (Talent Recruitment Director, Eastern Europe & Russia).

[A talented employee] *is everybody who has the ability to excel* (HR Director for UK & Ireland).

5.2.6 Learning and Development

Learning and Development encompasses all levels and consists of a range of different on-line and residential courses:

We offer various structured development programmes for different levels (e.g. supervisors, HODs, and Director).

We provide a vast e-learning offer on our [GHG] *University and we provide an L&D Plan which contains residential courses for all levels* (Talent Management Director, Europe).

The e-learning platform is:

…available to all team members, where there are thousands of online courses, some of them… well, most of them are free; some of them, you know, can be sponsored by the hotel, so all the team members have access to that and they can plan their development (Talent Recruitment Director, Eastern Europe & Russia).

Furthermore, the process is coordinated by Learning and Development managers as well as hotel managers:

We have L&D managers/coordinators in place in our hotels to run local programs/training sessions and we have a central Talent Management team. Additionally our business leaders are highly involved. They are mentors for development programs and also participate as observers in development centres. They drive the appraisal process which is linked to personal development plans (Talent Management Director, Europe).

Thus, these "mentors" can be seen as the ambassadors of the strong talent development message that GHG is trying to get across; they have the responsibility to deliver this message in practice, to demonstrate GHG's commitment to talent development.

The organisation also offers access to "online language learning" called Global English (Talent Management Director, Europe). Team members can also access information on a range of different countries:

I have an access to Global English when I went to Russia, for example, there were a lot of things I could read on Russian norms and culture; you know, what they expect from me there. When I went for my trip there and when you are there; when you read in English, you know, any type of information is good for your English learning, but they make it also in a different country available (Talent Management Director, Europe).

The programme is supplied by an external organisation, and the contract has to be renewed every 2-3 years. Therefore:

…we need to renegotiate the contract…and evaluate if it's a good investment business-wise (Talent Management Director, Europe).

The investment has so far proven to be worthwhile because:

…we believe it adds value to our team members and to the business dealing, of course, with the guest. You would need to be able to address them in English when they arrive, from your desk into the restaurant, etc. (Talent Management Director, Europe).

It has also been found to be:

…time saving that was produced from increased level of English from the involvement (Talent Management Director, Europe).

The programme is licensed to each hotel and there are on average five to ten licenses. The selection process for this programme is determined by general managers:

So, it means if I am the General Manager or the Training Manager of the hotel, I can select which five or ten people I can put on the list to get access to this Global English tool, and it means this is an additional access to learn English (Talent Management Director, Europe).

It is interesting to note that the popularity of the programme varies from country to country. For example:

…if we look at the statistics in Turkey, for example, there is a big demand for people to learn English, so we have hotels with 15 to 20 licences on average.

In the UK, the usage is unfairly low. The hotels in the UK don't take the use of the licences that are available to them. Oh, I think, you know, they think 'Oh, I'm in the UK, I'll learn my language there, they keep taking assumptions'. We can see that the use of the UK, for instance, for the countries outside the UK, is lower (Talent Management Director, Europe).

Although there are many Learning and Development opportunities and structured processes, the emphasis is primarily placed on the employee taking responsibility for their own development:

...we ask our team members to take ownership of their development. There are a lot of tools out there for them, but they need to seize the opportunities (Talent Management Director, Europe).

Separate initiatives have also been designed for the training and development of general managers. These initiatives include so-called 'cross-training experience' as well as centralised training opportunities:

Also, we… use… cost training, especially for the opening hotels. We try to send off the managers to the senior hotels somewhere across Europe or across region to see how the operations work in the real life. So… it's kind of… cross-training exercise (Talent Recruitment Director, Eastern Europe & Russia).

Furthermore, GHG is taking a more individualised approach to the development of some of the categories of employees, demonstrating their significance within the business:

I am now working on designing a new Development Centre for future General Managers. We want this centre to reflect the true challenges of a GM and our business. It is quite labour intensive to create such an exercise. It shows how complex our business is and what a tremendous commercial focus our GMs need to have (Talent Management Director, Europe).

5.2.7 Local and cross-national movement

As it was mentioned in the first subsections, GHG has created:

…job levels and internal titles [that] *are globally consistent to ensure equitable rewards and to make it easier for all members to take advantage of career opportunities across the enterprise* (Vice President HR for EMEA).

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Thus, team members have access to different opportunities across the whole organisation anywhere in the world. Furthermore:

> *All our positions are available for all the candidates across the world* (Talent Recruitment Director, Eastern Europe & Russia).

As a result, the organisation is looking for both locally and internationally mobile people, particularly for the Eastern Europe and Turkey:

> *We need talent to work in our developing countries like Russia and Turkey, so people who speak those languages are needed* (Talent Management Director, Europe).

> *It's also, I think, for the Eastern Europe and Turkey, it's the internationally mobile talent that we will be focusing on – people who are willing to go from country to country, from hotel to hotel, so… willing to start from the very bottom and to grow to the very top. So, we need the motivated people who are willing to go to different places* (Talent Recruitment Director, Eastern Europe & Russia).

However, some of the managers have pointed to a number of issues that will need to be taken into consideration. First, it has been noted that the freedom of movement, which is primarily observed in the EU, has a considerable impact on the organisation's recruitment practices:

> *The countries that have been in the European Union longer and which had, you know, international hotels in them, you know, for a long time, are generally quite easy in terms of recruitment because, first of all, you know, they don't need a work permit to come and work, they can relocate from one country to another* (Talent Recruitment Director, Eastern Europe & Russia).

However, these recruitment practices are susceptible to the influence of the external environment. For example, as the UK is preparing to leave the EU, there is much uncertainty regarding the status of current as well as future migrant workers. This is a very important issue, as the UK's hospitality sector remains highly dependent on migrant workers. The future labour supply as well as native workers' right to move freely within the EU will be critical in further consideration of the recruitment policy. This will be further considered in Chapter 8, which explores the findings from the research conducted in the UK. Second, it is also easier for the organisation to move its team members within the EU:

Because of the freedom of movement it is much easier to move staff across Europe.

…and across Europe they are moving them [top positions] *every year* (Talent Recruitment Director, Eastern Europe & Russia).

It is interesting to note that the move is particularly applied to senior team members. Therefore, the opportunities that are available for all team members come with a clear distinction as to who will be aided in their move, although the expectation remains the same - the organisation needs locally and internationally mobile people.

Third, the language barrier is considered to be one of the major obstacles in this movement and not only in the EU, but also outside the EU:

One of the obstacles in this movement can be the language barrier.

…if we talk about moving people from Europe, for example, to Russia, then comes the Russian language knowledge challenge because, obviously, not a lot of people in Europe speak Russian, and for some of the key positions - and not even the key positions - you know, we prefer that all the people at the hotel would speak Russian in Russia because that's… that's the main approach that we are using (Talent Recruitment Director, Eastern Europe & Russia).

Thus, the specific requirements which have been developed for people applying for their position on GHG Graduate in Russia or other Eastern European countries reflect the above challenges.

Finally, the willingness to move is another important issue. As it was mentioned in one of the interviews conducted later in the data collection process:

…but it's that willingness which, I think, is one of the biggest talent issues that we have now as an industry. So, erm, the trick is to actually convince people that they should be moving around, erm, and that they can't just be in a big city all the time if they want to grow and develop. That's going to be one of the big challenges in developing talent in the future (General Manager, GHG London Hotel).

This is further explained by Talent Recruitment Director for Eastern Europe and Russia:

…but people are not willing to leave their comfort, so it's the mobile talent that we need… (Talent Recruitment Director, Eastern Europe & Russia).

5.2.8 Migrant labour

Cultural diversity and inclusiveness are considered to be very important concepts. They are part of the organisation's global Talent Management strategy and the notions that the organisation strongly believes in:

> *We work hard to create (and measure) a culture of opportunity for all, we espouse the ethos that diversity and inclusion provide strength and a strong link to our customers and the communities we operate in* (Vice President HR for EMEA).

This subsection will consider the concept of diversity in terms of the reliance on migrant labour.

The reliance on migrant labour depends on an individual country's needs and is showcased in the following statement:

> *…in comparison with some of the regions in the world, the UK does not really have a problem of finding people to work in the hospitality industry. In comparison with the UK, some of the countries in the Middle East simply do not have enough people to work in the hospitality industry. The industry relies heavily on migrant workers from such countries as India and the Philippines* (Vice President HR for EMEA).

The position towards employing migrant labour in the UK mainly depends on the workers' ability to obtain a work permit:

> *…focusing more on the ability to obtain a valid work permit rather than language skills* (HR Director for UK & Ireland).

This is an interesting point which shows that workers' ability/right to work is more important than their language skills. This suggest perhaps that employers are prepared to overlook any issues regarding language skills as long as the worker can prove that they have the right to work in the UK, highlighting the fact that such external factors as political/legal factors are not only followed, but perhaps are fully taken advantage of by the organisation.

In Turkey, there seems to be little reliance on migrant labour:

> *I don't think it's such a big number of people, and another thing is that hotels have to be replying on them, especially in Turkey, I think they only employ Turkish people for the key positions* (Talent Recruitment Director, Eastern Europe & Russia),

whereas in Russia the situation is different, as:

> *Usually it is a lot of migrant workers… migrant workers… in housekeeping and some of them, you know, in F&B areas…* (Talent Recruitment Director, Eastern Europe & Russia).

However, the influence of national laws and regulations has created a very different attitude towards the employment of migrant labour, particularly in entry level positions:

> *It is quite expensive, and for some positions, which are not top managers' positions, it's practically impossible to obtain work permit because the process is quite… difficult. So, a lot of companies, they just don't get involved into the recruitment of foreigners into, you know, line level positions because it's just not worth it in terms of time, money and effort* (Talent Recruitment Director, Eastern Europe & Russia).

Thus, the use of these workers is being regulated and even restricted by the government. In contrast:

> *… if you are a GM and… if you can earn up to two and a half million roubles per year, the company just have to go through the application process which takes from one month up to two months, and it's OK…*
>
> *But for higher positions, there is such thing that is called highly qualified specialist work permit which easily takes two months* (Talent Recruitment Director, Eastern Europe & Russia).

This example demonstrates the conditions of cross-national movement outside the EU and reiterates the previously considered observation, which is a clear distinction between voluntary movement and organisational movement. Furthermore, the latter appears to be influenced not only by the organisation itself, but also immigration requirements. Thus, migrant labour at this level is seen as something very different from international management as well as candidates selected for GHG Graduate. The latter categories of team members receive a different type of treatment, as either they have reached a stage when it becomes easier for the organisation to move them around, or they have been identified as "the best of the best" in the graduate market. Each category, or segment, appears to have its own place and purpose within the organisation and this is, to a certain extent, is

determined not only by the labour market conditions, but also different external factors.

5.2.9 Labour market issues

Going back to the organisation's goals with regards to recruitment, one of the main goals is to focus on:

… recruiting talents from each country where we open hotels instead of focusing on expatriates (Talent Management Director, Europe).

However, there are a number of different labour market issues that may impact the proposed development. Labour market issues vary from country to country, thus potentially placing demands on adopting a more focused or country specific approach to human resource management. Furthermore, these are the challenges that GHG needs to overcome to be able to shift its focus from the use of expatriates to the recruitment from the local labour market.

For example, one of the major concerns regarding the current labour market situation in the UK is related to the perception of the hospitality industry. The hospitality industry is seen as an industry with low status and long working hours, and it would be "extremely difficult to change this perception" (HR Director for UK & Ireland). It has also been noted that the education system in the UK "lets people down" (HR Director for UK & Ireland). In comparison, the hospitality industry in Germany is highly developed, and the attitude towards developing a career in the hospitality industry is very positive; young people are more willing to consider this career choice (Vice President HR for EMEA).

The issue of perception also varies between Russia and Turkey. In Russia, it is considered not only in terms of the understanding of what constitutes hospitality, but also the overall attitude towards the nature of hospitality work:

So, I think the main talent that we are lacking is people understanding what hospitality is, and people who are actually willing to develop in hospitality.

Russian young people, they don't want to serve - they want to be served (Talent Recruitment Director, Eastern Europe & Russia).

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In contrast:

> *Turkey, I think, is more developed from Russia because generally Turkish culture is more hospitable, you know, it's more people and service oriented. Turkish culture … is more manageable, in my opinion… Turkish people are more willing to learn and grow… in terms of the attitude and willingness to work at the hotel and to start somewhere at the beginning and then grow is much better* (Talent Recruitment Director, Eastern Europe & Russia).

> *…whereas you go to a country like Turkey - they live to work. You know, they are working very hard to move themselves up in the social strata, make sure their kids move up to the next level and so they are driven, you know, in a very different way* (General Manager, London)*.*

International organisations came to Turkey 60 years ago, and GHG is seen as a hospitality school:

> *Yeah, because it's been in…* [GHG] *has been in Turkey for 60 years and… so everybody who has learnt hospitality in Turkey has at one point worked in* [GHG]*…* (General Manager, London).

The differences in perception may be explained by looking at the maturity of each of the hospitality markets. The hospitality industry in Turkey is well-developed and is a big part of Turkish culture. In contrast, the hospitality market in Russia is:

> *…very young. Considering the first international hotels… they came to the country about 25 years ago, which is not that too little time… not a lot of local people were actually hired for key positions, and not a lot of local people were trained to become, you know, local GMs and Directors and so on…*

> *When international hotels came to Russia, what they did is they brought all the expats with them to manage the hotels, to run the operations and so on…* (Talent Recruitment Director, Eastern Europe & Russia).

As a result of the difficulties, there is a need to adopt a different approach to recruitment:

> *…why they have to compromise some of our requirements…or they have to reject people.*

In Russia, that's the only way to find good people; it's to head hunt directly… (Talent Recruitment Director, Eastern Europe & Russia).

However, there are also similarities between the two industries in that both are experiencing the issue of "lack of the English language skills". In Russia, this issue is directly related to the maturity of the hospitality market and has an impact on the organisation's recruitment strategy:

It's the lack of the English language skills because not a lot of international companies are opening there, so people are just not used to speaking English or using English on the daily basis (Talent Recruitment Director, Eastern Europe & Russia)

So, the answer is yes, we are ready to employ people without English, but it is very difficult for them to work for us then, and it's very difficult for us as an international company to adapt our standards or the policies and all the descriptions of all the standards into Russian because it takes time and money (Talent Recruitment Director, Eastern Europe & Russia).

However, there are exceptions, when the organisation is not prepared to compromise:

Well, the thing is that for some positions at the hotel level we cannot really recruit somebody without language skills. For example, GM of the hotel, he must speak English (Talent Recruitment Director, Eastern Europe & Russia).

Team members have an opportunity to learn English. However, it is not considered to be an ideal option and is available for selected positions only:

So, for some positions we allow people to start with [GHG] *and we do provide English language courses for them, but it's not really, you know, the best solution, but we have to work with it* (Talent Recruitment Director, Eastern Europe & Russia).

Examples of the selected positons will be:

…which are not, you know, Director Level, you know, we sometimes… we recruit people without language skills because we understand that, well, it's impossible to find candidates with the skills (Talent Recruitment Director, Eastern Europe & Russia).

These issues have been noted to be of particular concern outside such major cities as Moscow and St Petersburg:

Honestly speaking, all the hotels that we are opening outside of Russian St Petersburg are the most challenging ones. First, because of the English skills and the experience of people, of local people at the market. Also, now we are working on Ulyanovsk, which is also our hotel is going to be the first international hotel there. So, we understand that hospitality there is non-existent, this general underdevelopment of the hospitality market (Talent Recruitment Director, Eastern Europe & Russia).

This underdevelopment further manifests itself in the lack of Food and Beverage management skills:

For example, Food and Beverage Manager's position, especially outside of Moscow and St Petersburg in Russia, you know, it's practically impossible to find Food and Beverage skills and to also, I think, expect the person to be able to speak English (Talent Recruitment Director, Eastern Europe & Russia).

Similarly, in Turkey, the language issue results not only in having difficulty in using the organisation's internal programmes, but also in finding a job:

…difficult to use the systems once inside the organisation, as all the programmes are in English, and not all the employee can speak very good English.

…and with the lack of the English language it also becomes quite difficult for them to actually find out jobs, apply for our jobs and go through all the interview process (Talent Recruitment Director, Eastern Europe & Russia).

In addition, a lack of IT skills, particularly outside of the capital and Istanbul, is also seen as a major concern:

…people don't have computers, people don't know how to use computers, and people don't have access to Internet and so on (Talent Recruitment Director, Eastern Europe & Russia).

5.3 Conclusion

This chapter has provided further information on GHG, which was first introduced to the reader in the Introduction, and also an overview of GHG's human resource strategies and policies by utilising the findings from both secondary and

primary research. The chapter has also identified such key themes as the gap between the intention to be geocentric and the actual implementation of this strategy across the whole organisation; and also a clear distinction between different layers of staff as well as the subsequent treatment of these different segments.

GHG is a multinational hospitality organisation, whose long-term strategy is to become *the* global leader in the hospitality industry. To achieve this, the organisation has adopted a geocentric business strategy across its many functions. The implementation of the strategy has been considered primarily with regards to GHG's human resource function. Although the strategy is clearly evident in a range of different human resource policies and processes across the organisation, there are indications that this may be very difficult to achieve in practice, as there are a number of issues to be considered. For example, labour market issues vary from country to country, thus potentially placing demands on adopting a more focused or country specific approach to human resource management. It has also been noted that the movement of staff, to a larger extent, depends on the economic area, and also one's level within the organisation, with the latter further underpinned by the legal requirements, which vary from country to country. Thus, for example, the need for and development of internationally mobile talent may be challenging to fulfil.

Each layer of staff has its own place and purpose within the organisation. This observation is evident across the different human resource aspects, which have been considered in this chapter. This is also evident in the treatment of different categories of migrant labour. Migrant labour at lower level is seen as something very different from international management or senior positions within the hotels, as well as the people who are selected for GHG Graduate. The latter categories of team members receive a different type of treatment, as either they have reached a stage when it becomes easier for the organisation to move them around, or they have been identified as "the best of the best" in the graduate market.

In addition, the chapter has also highlighted major differences between corporate rhetoric and reality. This is evident in a number of cases, such as the poor treatment of housekeeping staff across different countries; the movement of staff across different countries; and also Talent Management. Thus, while these different principles and opportunities may be an attractive option on paper, in reality the

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implementation of these principles and availability of these various opportunities may be a different matter altogether.

The following chapters will provide further evidence for and explore the key themes which have been identified in this chapter. Furthermore, the chapters will consider the use of migrant labour within the countries' labour market structures, and also the management of migrant labour across these different countries. The chapters will also examine GHG's Talent Management practices across the three countries, with the aim to further the understanding of how talent is managed at all levels within the global hotel industry. Each of the chapters will not only introduce new findings in relation to GHG's Talent Management practices, as each of the trips presented new information on the concept, but will also consider the themes that have already been identified in these chapters. In addition, the chapters will explore migrant workers' experiences of working for the organisation and their views of its talent development opportunities and practices.

Chapter 6. Russia - a tale of two cities

6.0 Introduction

This is the first chapter in a series of chapters which will explore and present the findings from the three research trips. This chapter aims to present the findings from the research conducted in two different cities in Russia, namely Moscow and Krasnoyarsk. The first part aims to provide key background information on the hospitality business in Russia, as well as the cities and hotels where the research took place. It will also consider the organisation's position with regards to its development plans in Russia, as there have been some significant changes since the research trip in 2014.

The second part of the chapter will provide an overview of key findings in relation to migrant labour and, in particular, its contrasting position and treatment within the hotels. To explain these further, this part will also look at the current state of the labour markets, together with an overview of the hotels' various human resource management functions. Lastly, this part will further examine what constitutes Talent Management within GHG and, in particular, its talent development aspect, together with the consideration of migrant workers' access to GHG's talent development opportunities.

6.1 Background to the study

This section will provide an overview of the hospitality market in Russia and will consider the organisation's position with regards to its future development plans in Russia. The section will conclude with the presentation of key information on the hotels, where the research took place.

6.1.1 Overview of the hospitality business in Russia

The hospitality market in Russia is relatively young in terms of foreign investment. It experienced a "major transformation" in the 1990s, which was characterised by "the privatization of former state properties, and by the entry of foreign companies" (Karhunen, 2003, p. 84). The first international hotels were opened in the capital, Moscow, followed by the openings in St Petersburg (Ernst & Young,

2013). These developments were mainly upscale and upper upscale hotels (Ernst & Young, 2013). Then international openings began to take place in other major industrial cities, followed by development in towns and cities with the population of over 500,000 people (Ernst & Young, 2013). Today these openings may be observed in smaller towns with the population of less than 500,000 people (Ernst & Young, 2013).

Karhunen (2003) points out that one of the key motivational factors for international hotel organisations to enter the hospitality market in Russia was a rapidly growing demand for tourist services. After "the opening of the country" in the 1990s, tourism started undergoing a significant transformation - the country was open for tourist arrivals; likewise, Russian people could travel abroad (Karhunen, 2003). However, the hotel sector was not meeting "the needs of incoming visitors either in quantitative or qualitative terms" (Karhunen, 2003, p. 87). International hotel organisations offered a different set of standards, as many hotel properties were "in need of renovation" and did not meet "Western standards" (Karhunen, 2003, p. 88). Today the share of hotels under international brands is approximately 2.5 times higher than the share of hotels under national brands (Ernst & Young, 2015). Furthermore, there is now a demand not only for upscale, but also mid-scale value accommodation.

The tourism industry GDP grew by 89% between 1995 and 2014 and is forecasted to grow further, with an annual growth of 3.3% over the next decade, while the whole economy is expected to grow at 2.6% per year (WTTC, 2015). The number of tourist arrivals is also set to grow, as can be observed in Chart 6:1.

Chart 6.1: International tourist arrivals in Russia

Image removed for copyright reasons

Source: Euromonitor International. (2017). *Inbound arrivals - number of trips (Russia)*.

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The number of international arrivals is forecasted to grow from approximately 31 million in 2015 to 34 million arrivals by 2020. Dunning and McQueen (1982, p. 86) view the tourism factor as a "fundamental" determinant of foreign investment, particularly where business tourism is concerned. Russia continues to remain "a country of primarily business tourism, with business needs being the main visit purpose both for foreign and Russian tourists" (Ernst & Young, 2014, p. 2).

Hotel development in Moscow and St Petersburg will see a 6% decrease in their share of international hotel developments due to the growth which is set to continue outside these two major cities (Ernst & Young, 2015). This will mean that the previous share of 54% will be reduced to 48% (Ernst & Young, 2015). Furthermore, such big events as the FIFA World Cup 2018 are projected to bring more business, as it will be held across 11 different cities (Ernst & Young, 2015).

Today the hotels under international brands can be found in 38 cities and towns of Russia (Ernst & Young, 2015). By 2020 this number is forecasted to increase up to 54 cities and towns (Ernst & Young, 2015). The number of hotels is set to rise by 118 new properties. If all the openings go ahead as planned, then the number of hotels will increase to 270 hotels across 54 towns and cities (Ernst & Young, 2015). To put this into perspective, there are over 1,100 cities and towns in Russia (Federal State Statistics Service, 2010). Taking into consideration that this is the largest country in the world, the development may seem very small and insignificant. However, it demonstrates the huge potential that is yet to be explored.

Despite recent political and economic events, the general outlook for the hospitality market remains positive and encouraging. The recent events include economic sanctions against Russia, which have been imposed by the US and EU on Russia "in response to the annexation of Crimea and the crisis in Eastern Ukraine" (BBC, 2014b). These sanctions have had a direct as well as indirect effect on Russia's many economic areas, which has resulted in "persistent geopolitical tension" as well as diminishing "attractiveness of the Russian economy for Russian and foreign investors" (Gurvich & Prilepskiy, 2015, p. 363).

6.1.2 GHG's position

Before GHG's position with regards to its development plans can be considered, it is important to review existing hotel operators' share of the hospitality market in Russia. As it can be seen from Chart 6:2 (next page), the biggest share of the market belongs to Carlson Rezidor Hotel Group. GHG's share is amongst the lowest (7%) in the market.

Chart 6:2: Share of hotel operators in Russia (as of October 2015)

Image removed for copyright reasons

Source: Ernst & Young. (2015). *International hotel chains in Russia - 2016*, p. 4

However, Chart 6:3 shows that by 2020 the shares of some of the leaders in the hospitality market will decline, while GHG's share is set to grow.

Chart 6:3: Share of hotel operators in Russia by 2020

Image removed for copyright reasons

Source: Ernst & Young. (2015). *International hotel chains in Russia - 2016*, p. 4

In fact, GHG's share has seen a steady, albeit small, growth over the last years as can be observed in both Chart 6:4 and Chart 6:5.

Chart 6:4: Share of hotel operators in Russia (as of October 2013)

Image removed for copyright reasons

Source: Ernst & Young. (2013). *International hotel chains in Russia - 2014*, p. 3

Chart 6:5: Share of hotel operators in Russia (as of October 2014)

Image removed for copyright reasons

Source: Ernst & Young. (2014). *International hotel chains in Russia - 2015*, p. 4

The future surprising decline - and this is despite the projected growth in international tourist arrivals - that can be observed with regards to some of the international brands may be due to the uncertainty associated with the current political and economic situation.

With regards to GHG's development plans in Russia, the organisation stated in 2014 on one of its websites related to development in Russia that:

Some [GHG] *brands are already franchised in the country, and more future hotel openings are planned for Russia that anywhere else in Europe. We are committed to the future of Russia tourism and hospitality market and the creation of thousands of new jobs in the years to come* (GHG, 2014).

This commitment stems from the organisation's announcement in 2011, which revealed that Russia had become GHG's "largest European growth market with significant new hotel signings" across many cities (GHG, 2011). GHG was committed to this development not only because of the reputation of such major cities as Moscow and St Petersburg as well as ongoing development outside these cities, but also a number of upcoming sporting events:

Moscow, St Petersburg and cities of "The Golden Ring of Russia"; are the main tourist destinations, due to their history, legendary buildings, monuments, theatres and museums. However, it is expected that global events like the Olympics and World Cup will expand visitors' horizons. Also "eco-tourism" is now developing fast in Siberia and Urals offering crustal clear rivers and lakes and green forests that will be bringing tourists closer to nature (GHG, 2014).

GHG also had ambitious plans with regards to the introduction of its mid-scale value accommodation in Russia. Three more properties were set to open by the end of 2014 in such major cities as Kaluga, Kirov and Krasnoyarsk. These cities were viewed as "significant economic centres and transit hubs thanks to the country's rapid industrial growth and expanding transport infrastructure" (GHG, 2013). The organisation stated that:

In a further step towards achieving [GHG's] *ambition of establishing award winning, mid-market accommodation in Russia's regional cities, the company today announced plans for the introduction of three new* [GHG's brand] *hotels* (GHG, 2013).

However, it was noted during the last meeting with the organisation's representatives in autumn 2014 that GHG's interest in the hospitality market in Russia had declined due to the political and economic situation. While the predictions regarding the organisation's future development suggest otherwise, this is a strong indication of the already changing attitude towards this market. Furthermore, many of the websites have also changed due to the marketing efforts of the organisation. The previous websites, with the exception of the media centre announcement articles, no longer exist. Taking into consideration all the changes, it will be interesting to observe if the predictions do realise in 2020, or the changes in the organisation's attitude towards this market will have proved to be game changing.

6.1.3 Key information about the hotels

The two hotels, where the research took place, are examples of international hotel development in the capital, Moscow and outside the capital. Both hotels are examples of mid-scale accommodation and are managed under the organisation's focused-service brand. The distance between the cities, where the hotels are located, is approximately 2000 miles, or two days by train, or five hours by airplane.

Hotel Moscow

Hotel Moscow opened in March 2014 and is located just outside Moscow (HR Manager). It is a managed property that features 162 rooms (HR Manager). The hotel is positioned as "perfect for a family vacation or a romantic rural retreat", but is also a suitable choice for business travellers (GHG, 2017h). The hotel is located in one of the villages outside Moscow and "offers easy access to the centre of Moscow and the city's three airports" (GHG, 2017h). The hotel offers a range of "summer and winter leisure facilities, including sports courts, expansive outdoor areas, swimming and fishing ponds and a beach area" (GHG, 2017h). There are also conference and events facilities, including "six flexible meeting spaces" (GHG, 2017h). The hotel features a full-service restaurant that offers breakfast, lunch and dinner (GHG, 2017h).

The location is deemed to be attractive from the customer's point of view. However, it has been noted to be one of the major issues in terms of recruitment. The hotel has had a number of people refusing to work there mainly because of the

location rather than the brand. The hotel is seen to be very far from Moscow city centre. Even if someone has a car, it does not help, as they need plenty of time and resources to get to the hotel. Constant traffic jams are the main issue, although it is difficult to find any roads that would not experience constant traffic jams in Moscow (HR Manager, Hotel Moscow).

Hotel Krasnoyarsk

Krasnoyarsk is "the largest industrial and cultural centre of Eastern Siberia, and capital of Krasnoyarsk Territory, the second largest region in Russia by area" (Krasnoyarsk City Administration, 2017). The city is emerging as a prosperous business centre and is home to such traditional industrial sectors as metallurgy, power engineering and mechanical engineering. Other "proposals and creation of ideas, technologies and projects" continue attracting investment into the city (Krasnoyarsk City Administration, 2017).

The hotel opened in January 2014 and is the first international hotel in Krasnoyarsk (HR Manager, Krasnoyarsk). Furthermore, this was the first GHG's managed property in Russia, followed by Hotel Moscow (HR Manager, Krasnoyarsk). The hotel features 259 rooms and is located "in the heart of the city", in the Vzletka district, which is "the city's dynamic business and administrative centre" (GHG, 2017i). The hotel is also located next to the "extensive 'World Class' Fitness Centre, Spa and Bowling Centre" (GHG, 2017i). The city's airport, Yemelyanova International Airport, is a half an hour drive from the hotel (GHG, 2017i). The hotel offers conference and banqueting facilities, including five meeting spaces and a ballroom. The hotel also features a restaurant that offers breakfast, lunch and dinner.

6.2 Findings

6.2.1 Attitude towards the organisation

The attitude towards doing business in Russia might have changed due to the ongoing economic and political situation. However, it is important to mention that the attitude towards the organisation itself was found to be very different in Russia. In fact, the development opportunities, standards, knowledge and ideas that the organisation has to offer are highly regarded and even admired in some cases.

6.2.2 Business approach

Despite GHG's global orientation, the findings show that there are significant differences between the organisation's well-established brands and newer brands in terms of recruitment strategies and requirements. The former refers to the brand under which GHG first started operating in the 1920s in the US and brought outside the US later in the 1950s. With regards to the well-established brands, there is a requirement to ensure that expatriates are employed in key positions:

> *Because we are a focused-service brand, so we do not have to employ foreign workers to fill in our key positions in comparison with* [GHG's main brand]*… I know that in St Petersburg they have some sort of responsibility to ensure that both their GM and Executive Chef are from* [GHG's main brand] (HR Director, Hotel Moscow).

For the newer brands, such as the one which is considered in this chapter (midscale focused-service brands), this is not a requirement or responsibility. These brands were established in the earlier 1990s, after GHG's international expansion had already begun (GHG, 2017j). All the senior management positons in the two hotels are occupied by natives, with migrant workers being at the bottom of the hierarchy and working primarily as agency workers. This will be further considered later in the section.

6.2.3 Recruitment

Recruitment models

Hotel Moscow has adopted the *numerical flexibility* approach, meaning that the hotel has "the ability… to increase or decrease employment quickly in line with fluctuations in business demand" (Baum, 2006a). The hotel's recruitment strategy is called '**the 30/70 rule'**, where 30% accounts for full-time members of staff, and 70% is outsourcing. This is one of the emerging practices, which is becoming popular in Russia:

> *It has been practised in Europe for a long time. In Russia it's only starting to emerge* (General Manager, Hotel Moscow).

However, a key requirement is to ensure that such positions as Front of House, Marketing, General Manager, Head of Departments, supervisors are all permanent

members of staff. They are all Russian nationals. In comparison with these departments, such departments as Housekeeping and Food and Beverage are seen as "very diverse departments" (General Manager) because they are comprised of not only native workers, but also agency workers, with the latter constituting the majority of the hotel's labour force. Thus, Housekeeping is comprised of 95% of agency staff, and Food and Beverage has 80% of agency staff. Agency workers are mainly migrant workers, who are employed by different outsourcing organisations.

The hotel currently has six outsourcing contracts, and the main two reasons for this arrangement are related to seasonality and cost control:

> *It has proved to be beneficial, particularly in terms of seasonality. For example, we have just gone through a season when we had to employ a number of temporary workers, such as waiters/waitresses, cleaning ladies, kitchen staff and even experienced chefs from different agencies; but now the season is over, we can say goodbye to these people in one day, thus rapidly decreasing the total amount of our payroll* (HR Director).

This approach ensures a certain degree of stability in terms of numbers, but not in terms of training and development. As noted by one of the supervisors, this arrangement actually creates instability and disappointment:

> *There is no stability. Today this person is available, and tomorrow he won't be. You coach and invest in him, and then he just leaves. It hurts* (Restaurant Supervisor).

Employment legislation has been identified as another reason for this arrangement. Russian employees are very well-protected, and it is not easy to dismiss an employee:

> *I don't know whether this is good or bad, but our Russian law system does protect employees very well. It's really not easy to fire somebody* (General Manager).

Therefore:

> *…it probably doesn't make sense for us to hire them* [agency workers] *as permanent members of staff because of the same reason I have already mentioned, i.e. it's more difficult for me to part with a permanent member of staff in those moments than with agency staff* (General Manager).

Permanent team members are all local people, who work full-time at the hotel. They are regarded as a priority and are an integral part of the hotel's future growth:

> *Our permanent team members are all full-time workers because there is only a small team of employees that we want to work with because we must develop a permanent team. Our business needs to grow, so we cannot afford not to have permanent full-time workers. Therefore, selection and recruitment is an ongoing process because each department must have permanent full-time workers in spite of the availability of agency staff* (HR Director).

Hotel Krasnoyarsk currently employs 105 people, who are all full-time permanent team members. The hotel does **not** have any outsourcing contracts, with the exception of IT and DJ services, as the number of employees is deemed to be sufficient to cater for the hotel's needs, which are different from the ones of Hotel Moscow in that the hotel primarily caters for business travellers. Therefore, the hotel does not need to have outsourcing contracts to ensure stability in meeting various demands. Furthermore, it was revealed that it is, in fact, the organisation's policy to keep the number of permanent full-time employees to a minimum:

> *…as far as I can understand it is the company's policy to keep the number of permanent employees to a minimum if possible so I do not have a situation when an employee has nothing to do for half of his shift* (HR Director).

Thus, the decision on the recruitment strategy, which has been adopted by the two hotels, appears to be further supported by the organisation's requirements.

The hotel achieves its numerical flexibility by considering other approaches. For example, if there is a big function, the hotel uses the help of so-called "calling staff", mainly waiters. This means that an individual service contract or agreement is drawn in such cases to specify the type of help needed and the rate of pay. This help comes from local workers employed outside the hotel.

Hotel Krasnoyarsk also offers placements to college and university students, and there have been several students who chose to stay and continue working for the hotel. This is a strategic decision, which aims to ensure that there is a supply of qualified candidates in the long-term:

We can provide them with very good career development opportunities. We had a placement student who later started working part-time. Eventually, we gave her a full-time job. Now she is an F&B supervisor, and it all happened within a year and a half… We've had about 50 placement students since January this year. I give placements not only to university students, but also college students. We work with education establishments a lot. Of course, there are stars who we would like to hire, but we don't always have available jobs for them. However, as a rule, we do keep in touch with this sort of person, so if there is a vacancy we can get in touch with them (HR Director).

Language skills

Language skills are very important and are one of the main requirements. Furthermore, it is one of the main brand requirements. Sometimes the interviews are conducted in English in order to assess the candidate's ability to speak the language. Such departments as Front of House and Food and Beverage are seen as departments where people must speak English. However, the reality is very different, which will be considered in the following subsections.

6.2.4 Migrant labour

Expatriates

Migrant workers are not employed in any of the senior positons, as this is not a brand requirement. Both hotels are currently relying on their local labour market in terms of the supply of highly-skilled candidates, with the assumption that if needs be, then the option of hiring expatriates will be considered. However, it is interesting to note that at the same time there is a major concern with regards to finding highly-skilled candidates, as expressed by Hotel Moscow's General Manager:

There are not enough professionals. I mean hoteliers, specialised departments.

By specialised departments he means such departments as Front Office, Housekeeping, Food and Beverage, Sales and Marketing. Thus, "as a rule", head hunting is seen to be a key hiring strategy for "highly-skilled roles" (HR Director, Hotel Krasnoyarsk).

Furthermore, complex immigration documentation processes are seen as a major obstacle in the way of hiring a migrant worker, and unless it is a highly skilled specialist, "which is worth fighting for", it is very difficult to do so (HR Director, Hotel

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Moscow). As there has not been any need so far to consider the option of recruiting highly-skilled migrant workers, the hotels' experience of working with migrant workers is primarily related to entry level positions.

Economic migrant workers

In **Hotel Moscow**, migrant workers are not employed as full-time employees. Migrant workers are employed as *agency workers*. With regards to agency workers, the hotel applies further segmentation called '**the 20/80 model**', where 20% accounts for regular agency staff, and 80% is agency staff who are hired if there is a business need:

> *The 20% are those who work for us on a regular basis. So, they came here. We taught them, and the 80% are those whom, for example, Boom! four banquets at once, we call to help us with those banquets, and these people can be absolutely different each time - either those who have already worked here before or those who are here for the first time. Therefore, we develop these systems to help them adapt quickly. So, if it's their first day, they will know the location and where everything is and who they can ask for help…* (General Manager).

These workers are:

> *…young people from the CIS, Asia, Moldova. They come here* [Russia]*. They live together. They rent flats together, so it's easier for them to survive. Of course, these are unskilled workers* (General Manager).

Although there is talent amongst these agency workers:

> *They can't simply develop a career in our company, although they are capable of doing it…* (Restaurant Supervisor),

they cannot easily become the hotel's full-time employees because of the rule regarding the use of agency workers:

> *…our agreement with an agency because as a rule they state in their agreement that they may face fines* [if a worker leaves the agency to work for the Hotel] (General Manager).

International workers and workers on their own visa arrangements

In comparison with Hotel Moscow, migrant workers are employed as ***full-time employees*** in **Hotel Krasnoyarsk**. The hotel does not employ agency workers not only because of the differences in business needs, but also because it relies primarily on the help of "calling staff" and placement students. It is also important to clarify the meaning which is attached to the term 'full-time migrant worker'. There are three migrant workers who come from such countries as Uzbekistan, Kirgizstan, and the Philippines. The only migrant worker who is considered to be "international" is the worker from the Philippines. The other two workers are not seen as migrant workers, as they speak very good Russian and come from former USSR republics. Therefore, they are seen as migrant workers only because of the immigration status which was officially attached to them when they entered Russia. Furthermore, at the time of their employment they already had a temporary permit to live and work in Russia. The worker from the Philippines is married to a Russian citizen, and at the time of the interview it was mentioned that he was due to get his PR (Permanent Residency) soon. All the three workers are full-time line employees and as such have the same employment rights as Russian citizens. They have their own pension scheme and pay the same taxes.

Immigration legislation

The three cases are exceptions, as the workers either already hold a valid work permit or have special personal circumstances. In reality, the complexity of the current immigration law and, in particular, the documentation side of the process is cited as a major reason for not employing migrant workers. An employer has to apply for a quota in order to employ migrant workers. In order to get a work permit quota, an employer has to submit all the necessary documents to the authorities before 1st of May of the year proceeding the year in which foreign workers are expected to be employed. The employer can only learn about the outcome towards the end of November or December, and there is no guarantee that they will get the exact number of people or the quota that they requested. Therefore, the process is seen as lengthy and time-consuming:

It takes a while to receive permission to employ migrant workers (HR Director, Hotel Krasnoyarsk).

However, migrant workers can apply for full-time positions if they hold a valid work permit or have special personal circumstances. In fact, these workers are "welcome to apply for a job at the hotel" (HR Director, Hotel Krasnoyarsk). An exception would be a migrant worker who does not speak good Russian. The HR Director (Hotel Krasnoyarsk) gave an example of one of her recent interviews with an Italian gentleman, who was also half Belgian. The interview process was very difficult and "a very big problem", as the candidate spoke "very poor Russian" and could only say "hello", "how are you" and "goodbye" in Russian.

Language skills

The above example also highlights the requirement for prospective candidates to speak good English but, most importantly, good Russian. In **Hotel Moscow**, an exception is the "cleaning ladies" (Housekeeping Manager), who all come from Uzbekistan. These workers speak very little Russian and no English (HR Director), but are seen as very hard-working and reliable:

> *…they are very responsible. They like this place. They are ready to do more and work extra hours, stay longer because they have this desire to help* (Housekeeping Manager).

In **Hotel Krasnoyarsk**, the "cleaning ladies" are all Russian. They do not speak English, and the hotel does not request them to learn the language:

> *It is very difficult to find employees who can speak English. We have simplified our requirements a little bit in a way that our waiters do speak English, our receptionists speak English, but our maids don't speak English. This is probably to do with the fact that these are not young people, but grown up women, who are purposefully not interested in learning English. However, there are usually no complaints with regards to the communication side of things* (HR Director).

Perception of migrant workers

The general perception of migrant workers, whether they are agency workers or full-time employees, is *very positive*. Migrant workers are perceived as very motivated, hard-working and willing individuals. One of the reasons for such behaviour

is attributed to migrant workers' responsibility to provide for their families back in their home country. This is seen as a strong personal and economic motivational factor in their work:

> *A native worker does not really bother about his future. Well, everyone bothers about their future. I mean that he doesn't really consider his job in such a way that he needs to support himself and his family. He lives in his own world and does things in such a way that he knows that he has someone to turn to any time. Let's put it this way: not everyone thinks this way, but subconsciously everyone has this in their head because if anything happens he can always talk to his mother, father, brother or sister and tell them about his situation and that he needs help and they will help. So this is the main difference between native workers and foreign workers* (Restaurant Manager, Hotel Moscow).

Furthermore, this motivational factor plays an important role in migrant workers' choice of job:

> *…they are very hard-working… They do try to earn their salary. They understand that their families back home often depend on them. They are ready to do any job in order to earn more money. Well, in general, like the rest of the population some people are lazy, some are hard-working. They are just ordinary people. We don't really draw any distinction between nationalities, whether it's a foreign worker or a Russian worker. Everybody likes them* [those three workers] (HR Director, Hotel Krasnoyarsk).

This choice has been noted to be similar to the type of occupation that a migrant worker had in his or her native country prior to coming to Russia. Furthermore, this is one of the requirements for obtaining a work permit:

> *The main advantage of foreign workers is that they are more motivated because they come here to work. They have the same occupations here as they have in their home country, no more no less, so they don't have a choice because they get a work permit for those occupations that they already have…* (General Manager, Hotel Moscow).

Those who do come to Russia in search of better opportunities and employment have been noted to express the desire to stay longer and the hotel appears to have the power to influence that:

However, I want to say the following. However, those people come here and work hard. They like it here. They do their best. They even ask whether they can stay longer, and we help them. We observe and select (General Manager, Hotel Moscow).

Cultural aspect

Both employers have a very positive perception of migrant workers. The customer's perception of dealing with migrant workers, on the other hand, is very different from the employers', particularly in the case of Hotel Moscow:

Of course, it would be good to see more Russian people, but it is more to do with our guests' perception. They have a negative perception. Unfortunately, in Russia a negative perception has been formed towards those people, like 'They are janitors, and now they are serving us' (General Manager, Hotel Moscow).

Employing Russian people appears to be the best solution here. However, this is a challenging task, as there are a number of labour market issues which need to be taken into consideration.

6.2.5 Labour market issues

Language issues

Language issues are most evident in the hotels' housekeeping department, as the requirements can be and even have to be "simplified". It is either the case of having a reliable workforce or not being able to find younger people to work in the department.

Receptionists must and do speak very good English. This is a requirement which cannot be compromised. In Food and Beverage, not everyone speaks English, with the exception of some of the supervisors and employees. As explained by the Restaurant Manager (Hotel Moscow):

…because of the skill gaps that exist in the market [and] *because we are located far away from any sort of activity, there is not much choice.*

However, it is interesting to note that Hotel Krasnoyarsk, which is located in the city centre, is also experiencing difficulty in finding candidates with good English skills. This skill gap is explained by the fact that English skills are not generally regarded as being desirable within the local labour market:

> *There are no compulsory English language requirements in the city. It is very difficult to find employees who can speak English. As a result, some of the requirements have been simplified. …our waiters do speak English, our receptionists speak English, but our maids don't speak English* (HR Director, Hotel Krasnoyarsk).

Furthermore, it is particularly difficult to find an HR manager who would speak English. In fact:

> *It is practically impossible* (HR Director, Hotel Krasnoyarsk).

Thus, language issues can be attributed to a range of different positions, and the location is not always important. In fact, it becomes more difficult to find candidates with good English skills outside the capitals.

Alcoholism

This issue is specifically related to Hotel Moscow. Alcoholism has been identified as a major problem in the surrounding areas. As the hotel is located "far from any sort of activity" (Restaurant Manager), it is very challenging to recruit from the local labour market. As it was mentioned in the previous section, the location of the hotel has been another major challenge in the hotel's recruitment process. Therefore, the use of the recruitment model, which was considered earlier, may be seen as a way of dealing with these issues. The next subsection looks at "unwillingness to work", which appears to be a common issue amongst the hotels.

"It's very hard work"

This issue is related to the nature of hospitality work, particularly in such departments as Housekeeping and Food and Beverage, and employees' unwillingness to do this hard work.

In Hotel Moscow, this issue was specifically mentioned in relation to their Housekeeping department:

> *I would call it unwillingness to work. I have never seen anything like this before. I would say that, as I would call it, the work and personal career development gene is missing."*
> "We just couldn't rely on the people who didn't want to work (HR Director).

Those employees were portrayed as being unreliable and uncaring. Furthermore, the employees would very often use some of the benefits that they were offered as part of their contract (i.e. paid sick leave), thus abusing their right to the benefits. Such behaviour would often leave their manager and supervisors to clean rooms themselves. This situation prompted the senior management to reconsider the type of employee in the department. Hence, the department is currently comprised of 95% of agency staff, who are seen as reliable and very hard-working. From the management point of view, the nature of the job cannot be changed, and there should be some understanding towards the needs of the business:

> *Around 80% of people left because this job was too hard for them, but I can't really do much about it. This is the nature of this job. This is a housekeeping job, and I can explain that your work will become easier once you get used to it, but I can't say that your work will get easier because you will have five rooms to clean instead of ten rooms because you are struggling. Unfortunately, this is business at the end of the day* (HR Director).

In Hotel Krasnoyarsk, a number of Housekeeping and Food and Beverage employees left the hotel in the beginning because of the nature of hospitality work - "it's very hard work" (HR Director). However, they did come back later, as the organisation's benefits had been recognised by the employees as very useful and, most importantly, could not be found anywhere else in the city:

> *Having worked in this sort of conditions, a person starts realising how good they are… we do offer proper employment, free lunch and uniform, paid holidays, paid sick leave… I can proudly say that we are probably the only establishment in the city which offers all those things* (HR Director).

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Unskilled positions

Unskilled positions, particularly in the Food and Beverage department, have been noted to be very difficult to fill. The service industry has seen a rapid increase in the number of bars and restaurants, and the growth is set to continue. However, there are not enough people to work in these establishments:

> *One can find a director. One can find an accountant, but not a waiter, or everyone just has to hire people without any prior experience* (HR Director, Hotel Krasnoyarsk).

One of the solutions to this problem has been to hire those who do not have any prior hospitality experience and teach them. Unskilled positions are occupied primarily by young people (below 25):

> *Anyone older than 25 - it's only probably abroad - can work as a waiter until their retirement, and I think it's a good thing. Here there is a perception that this is a job for students. As a rule, when people turn 25-26, they prefer moving up their career ladder by becoming a supervisor or choose a completely different career path* (HR Director, Hotel Krasnoyarsk).

Many of them view this as a temporary job (Restaurant Administrator, Hotel Moscow).

Generational changes

In addition to the findings, young people have been noted to have "unrealistic expectations" (HR Director, Hotel Krasnoyarsk). These unrealistic expectations manifest themselves in demands for big salaries at the very early stages of one's career:

> *…this person has not achieved the right level yet to be able to claim this kind of salary* (HR Director, Hotel Krasnoyarsk).

However, it appears that the problem is not related only to young people:

> *You see, the only strong motivation in Russia is money. Everyone wants a big salary straight away, plenty of money, and everyone is so money-oriented* (General Manager, Hotel Moscow).

Young people have also been noted to be more willing to change employers than older people. Older people are more interested in benefit packages and stability,

whereas young people are more focused on their career development (HR Director, Hotel Krasnoyarsk).

6.2.6 Talent Management

Talent Development

Before considering the next three subsections, it is important to note that these human resource aspects concern only permanent full-time employees. It will also be demonstrated, particularly in this section, what happens once a migrant worker becomes a full-time team member.

Talent Management is considered to be:

…overarching approach that we take to support all individuals in the organization to realize their Talent through providing outstanding career development opportunities and learning experiences as well as rewarding and recognizing positive contributions from all levels (Vice President HR for EMEA).

The development aspect of Talent Management is very important, and this is mainly related to the organisation's long-term goal of developing talent within, making the organisation's internal labour market one of the primary sources of future managerial talent. As noted by one of the managers:

First of all, it's about developing employees. The goal is to help him discover his inner abilities, to plan his future development and this is the general help that has to be available. Therefore, there occurs a division which gets involved in this not only at the recruitment stage, but also at the development stage because, of course, now corporations like [GHG] *are interested in people investment and to collect this long-term results* (Sales Director, Hotel Moscow).

The development aspect manifests itself in giving a chance to the team member to show their talent by encouraging them, providing support and different developmental opportunities. There are different examples and success stories, which demonstrate this development and recognition. In Hotel Moscow, one of the most successful talent development cases is the current Housekeeping Manager. The manager is a young lady who comes from one of the major industrial cities in Russia. She has previously worked in Sochi during the Olympic Games and came to Moscow

after the Games. She first started working at the hotel as a supervisor. She was seen as very professional and motivated:

> *We started realising that in comparison with our then Housekeeping Manager she was more professional…X* [Housekeeping Manager] *hadn't been really keen on the job any more, as her priorities had changed, and she was just tired, there were health issues…So it was a mutual agreement between us and her that she should leave…So we then offer this job to X* [the supervisor]*. So it was…We just saw this huge potential in her, this correct approach to the whole housekeeping process. She is really good. The only thing we are all helping her with at the moment is to develop her managerial skills. We want her to be a wise manager because she is emotional and still lacks some experience. So she often asks me or our GM for advice, and the good thing is that she listens to and understands what we tell her* (HR Director, Hotel Moscow).

The example also demonstrates the team member's responsibility for her own development. There is an agreement that it is not only the organisation which is responsible for talent development (a talent developing workplace), but also the team member themselves. This is further evident in the Housekeeping Manager's response to this opportunity:

> *Giving up is always easy. However, when you've been entrusted with running a department and told that it's your department, take it, develop yourself, try and learn, you have to be responsible. Actually, it's very interesting. I have grown up here, and it's not just my career, but also my personal development.*

Furthermore, it is also important that a team member has a natural ability to develop further:

> *It is very difficult to develop a talent if one doesn't have a natural ability to do something* (Restaurant Manager, Hotel Moscow).

Thus, talent development encompasses three key elements: a team member's ability to develop further; their willingness and commitment to their development, and the organisation's ability to recognise and support this development. Both sides will be further considered in the next subsections related to learning and development opportunities.

Migrant workers

As it has already been mentioned, only full-time team members have access to the organisation's development opportunities. Therefore, although talented people have been identified among agency workers in Hotel Moscow, they do not have access to the development opportunities within the organisation. In Hotel Krasnoyarsk, there are three full-time migrant workers one of whom has been recently promoted (the team member from the Philippines). His initiative and willingness to learn new things were the key factors in the decision process.

6.2.7 Local and cross-national movement

The next two subsections will explore a range of learning and development opportunities which are available to team members. Although team members have access to all these opportunities, it has been noted that the General Manager's attitude to learning and development plays a very important role in creating a culture where employees would want to learn and develop further. As noted by one of the team members:

> *Actually, everything depends on the General Manager. We have motivation here and the opportunity to develop our career* (Reception Supervisor, Hotel Moscow).

GHG positions itself as an organisation where team members have access to many different opportunities, particularly to those which are related to transfers abroad:

> *…and I was told that it's a big hotel chain and there are many big opportunities here and that one can travel to different countries and stay and work there for a certain period of time. One can even move to a different country and work in* [GHG] (Bartender, Hotel Moscow).

This transfer is encouraged by the organisation. However, there are certain conditions attached to it:

> *…once I've worked at this hotel for three years, and if I want to work at a* [GHG] *hotel in Hawaii, for example, if there are vacancies available, I will get a job there, not a*

problem. This transfer is welcomed in this company (Front Office Administrator, Hotel Moscow).

Furthermore, this will be further determined by the General Manager's attitude, as noted by one of the team members:

Actually, everything depends on the General Manager. We have motivation here and the opportunity to develop our career (Reception Supervisor, Hotel Moscow).

Transfers have been noted to take place between Krasnoyarsk and Moscow, and it is interesting to note that people are more willing to transfer from Krasnoyarsk to Moscow rather than the other way round. Those who are already working in Moscow are thinking to travel abroad, but would mainly consider going on a training course in a different city in Russia. A possible reason for the latter was given by one of the team members:

I went to Kursk not long ago, but I wasn't impressed at all. It's interesting to travel to these oblasti [regions] *because there are many old churches there. The history of the city is fascinating, but people are not happy there, unfriendly and angry, and it's boring there. There is nowhere to go, nothing to do, and the pay is low* (Bartender, Hotel Moscow).

Such training courses are mainly seen as part of the "knowledge exchange" process between the hotels (Front Office Administrator, Hotel Moscow).

The reasons for transferring abroad vary from personal development to gaining new knowledge, but most importantly, they are related to exploring a different way of doing things, or "to see how things are". For example, as noted by the Restaurant Manager in Hotel Moscow:

Russian people are not used to any service. We don't know how to work like that. We always have to learn from our Western colleagues. That's why I always want to and I am always ready to travel and learn something.

There have not been any cases of a transfer abroad from the hotels. However, some employees have moved to different countries (Dubai and US), but they are not working for GHG (HR Director, Hotel Krasnoyarsk).

These opportunities are not easy to take advantage of, as there are also personal circumstances which need to be taken into consideration. Family life has been identified as an important reason for not considering the option of a transfer abroad. However, either a move to a different city in Russia or a training course is a possibility:

> *…it would be interesting to work at a different* [GHG] *hotel in Russia to see how things are done there because it will be a different city, different people. To work and live in a different country is just a fantasy because I am married and have a family here and I wouldn't like to go anywhere without my family, so I am going to stay in Russia anyway, but a training course would be an interesting opportunity* (Front Office Administrator, Hotel Moscow).

6.2.8 Learning and training

"Written down and described"

The learning opportunities, which are offered by GHG, are seen to be "fantastic", as the organisation offers access to different courses and information. Furthermore, the organisation provides guidance and advice on a wide range of issues which team members can access anytime, without searching for this information elsewhere or relying on their assumptions:

> [GHG] *has fantastic programmes that teach you how to work with people… These are really good tools. Frankly speaking, I had really been struggling without those tools before I started working at* [GHG] *and I knew somehow how to do it and understood that this is how it can be done, but such simple things, which are written down and described, I didn't have them* (General Manager, Hotel Moscow).

Furthermore, the training and learning opportunities are highly regarded and even seen as "cool" not only because they provide a structured approach to training and learning, but also because this is the first time that most of the team members have experienced this. GHG e-learning platform offers thousands of courses to team members and is used by both line employees and managers. The benefits of this platform have been described as:

I can definitely say that the number of training courses and opportunities that are offered in [GHG] *and for free cannot be found anywhere else, only in* [GHG] (Restaurant Manager, Hotel Moscow).

It is interesting to note that some basic courses are now being translated into Russian, which is a significant change (HR Director, Hotel Krasnoyarsk). As it was mentioned in the previous chapter, this was first considered to be time consuming and cost ineffective:

…and it's very difficult for us as an international company to adapt our standards or the policies and all the descriptions of all the standards into Russian because it takes time and money (Talent Recruitment Director, Eastern Europe & Russia).

These changes may be attributed to the language issues which were presented earlier and a subsequent need to adapt and change to the market labour conditions in Russia.

Attitude towards training

Not everyone is prepared to use these various learning and development opportunities or even understand their significance. This is primarily related to an older generation, as:

…they have never done any training before they started their work at [GHG] *(i.e. different training courses) because all these training courses are non-existent in traditional Russian restaurants* (HR Director, Hotel Moscow).

To illustrate this point, the manager gave an example of an employee who attended one of the training courses on satisfaction promise:

…he is 40 years old and this is his first training course, so I am telling him all about satisfaction promise and all this is done as a play. I put a card board on the table. There are different teams and rules. Trying to make this interesting for an adult person… [laughs] And then I think to myself, 'Thank God, I am doing quite well, although I only started training employees when I started my job here.

Departmental transfers

Transfers can be arranged not only at local or international level, but also departmental level. If a team member wants to learn more about a different aspect of the business, they can request such a transfer from their HR Manager. However, it is not always possible, as there have to be the right conditions in the team member's current team for this move to be possible:

> *If we want something, we can go to our HR Manager and say to her,* [name of the manager]*, I would really like to learn more about Finance', and they would let me do some work in the Finance Department, so I can see how things are done there. Well, at the moment we can't really do that… Our team is very young and wouldn't really cope if someone has to go, and you have to become a professional in your own area before you move anywhere else* (Front Office Administrator, Hotel Moscow).

6.3 Conclusion

The chapter continues exploring the themes from the previous chapter, particularly in relation to different layers of staff which exist within the hotels and what drives this division, as well as the position of migrant labour within those structures. The hotels' management and line positions are primarily occupied by Russian nationals. As a brand requirement, the hotels do not have to employ expatriates in their senior management positions. Therefore, migrant workers have been found to be employed primarily in entry level positions, and either as agency workers or full-time members of staff.

The latter is determined not only by the local labour market issues, but also the organisation's brand requirements. According to the organisation's brand requirements, the number of full-time employees must be kept to a minimum. Thus, the emphasis is placed on the development of a small team of permanent full-time members of staff, which, in turn, ensures stability and is seen as cost effective. Furthermore, employees are very well-protected by the employment legislation. Therefore, it has been noted that it is easier to part with an agency worker than it is with a full-time employee. Both hotels follow the requirements. However, their recruitment models are different and have been adapted to the local labour market conditions as well as business needs, particularly in the case of Hotel Moscow.

In Hotel Krasnoyarsk, the number of full-time employees is deemed to be sufficient to cater for the hotel's business needs and if there is a function the hotel uses the help of so-called "calling staff", or local people looking for extra short-term employment, or placement students. Therefore, migrant workers are only employed as full-time members of staff if they can prove their right to work in Russia. There are a number of local labour market issues, including language issues and difficulty in filling entry level positions, particularly in Food and Beverage. However, the previously mentioned arrangements are the key contributing factors towards the decision of not employing agency workers.

In contrast, Hotel Moscow relies heavily on agency workers, who are mainly migrant workers, and has currently several outsourcing contracts. They are used by the hotel to fulfil its seasonal demands, but also to deal with some of the major local labour market issues, such as, for example, unwillingness to work among local residents. The agency workers constitute 70% of the hotel's workforce and are further divided into regular and casual workers. The latter are used primarily for the purpose of fulfilling the hotel's seasonal demands.

Russia's immigration legislation has also been found to further support the current use of migrant labour. There is a clear division between migrant workers in highly-skilled positions and migrant workers in lower positions. It is much easier to employ and "worth fighting for" migrant workers in highly-skilled positions than it is for those in lower positions.

Thus, although there is a culture of opportunity for all, only full-time team members can access development opportunities and be part of the talent development process. Only the full-time migrant workers in Hotel Krasnoyarsk have full access to the organisation's development opportunities. In Hotel Moscow, despite the positive perception of migrant workers, a considerable 70% of them do not have access to the organisation's talent development opportunities. The ones who are used on a regular basis have been "taught" by the hotel, but, like the majority of migrant workers, do not have full access to the available talent development opportunities, as they are not full-time members of staff. However, it has been noted that some of the migrant workers have expressed the desire to stay and continue working for the hotel, who, in turn, "observe and select" the right candidates. Thus, there is a possibility for

such a transfer, but it depends not only on the rules regarding the contracts with the agencies, but also whether the workers can prove that they can work in Russia in their own right, **as the hotel *could*, but does not hold the permission to employ migrant workers in its entry level positions.** No examples of such transfers were mentioned.

The next chapter will look at the findings from the research conducted in Turkey and, in particular, the use of migrant labour in a country where the hospitality market is seen to be more developed in comparison with Russia.

Chapter 7. "So resilient and so dynamic" Turkey

7.0 Introduction

This chapter aims to present the findings from the research conducted in Istanbul, Turkey. The development of the tourism and hospitality industry in Turkey has undergone a considerable change. This change is particularly noticeable in the hotel sector, which welcomed its first international hotel in 1955 in Istanbul and now includes hundreds of international hotels. As a result of this development, the role of migrant labour has also changed. The chapter will further explore these changes, as well as the labour market issues and conditions that enable the current use of migrant labour.

The first part of the chapter will look at the "resilient" side of Turkey. Despite a number of recent events, the country's tourism industry is set to grow further not only in terms of international tourist arrivals, but also new hotel openings. The second part will consider the "dynamic" side of Turkey and, in particular, the country's current labour market structures, which have formed as a result of the tourism development, and the subsequent use of migrant labour within those labour market structures. This part will also build on the findings from the previous chapter in relation to Talent Management by not only considering the talent development aspect in the context of Turkey, but by also providing an overview of the Talent Management programmes that GHG offers to its employees across the whole organisation.

7.1 Background to the study

7.1.1 Overview of the tourism industry in Turkey

Turkey has seen a considerable growth in the tourism industry over the last ten years. International tourist arrivals to Turkey increased by over 210% between 2002 and 2014, while tourism receipts rose by over 145% between 2003 and 2014. The direct contribution of the tourism industry to the country's GDP in 2014 was $34.3 billion, accounting for 4.3% of total GDP (OECD, 2016, p. 287).

Turkey is "a bridge between Asia and Europe" and a popular tourist destination for many European countries because of its rich history, culture and national beauty

(Deloitte, 2013, p. 7). It is also "an emerging destination" for golf tourism, with a range of golf courses in the south of the country (Deloitte, 2013, p. 55). There are various opportunities for sports tourism, including winter sports and summer sports (Deloitte, 2013, p. 57). Lastly but not least, there has been a great interest in ecotourism, as Turkey "is not only a natural peninsula but also 26% of its land is covered in forest" (Deloitte, 2013, p. 48). In 2014, the number of international arrivals to Turkey reached 39.8 million tourists, an increase of 5.3% since 2013 (OECD, 2016, p. 287). Russia, Germany and the United Kingdom were "the top tourism markets" for Turkey in 2014 (OECD, 2016, p. 287).

It is important to note that the research was conducted in 2014, when Turkey saw a considerable growth in tourism. It was a peaceful time, but since then Turkey has been shaken by a range of devastating events. A number of bomb attacks in Istanbul and the capital, Ankara, unrest in the south-east of the country, and a coup attempt - all had a significant effect on the country's tourism industry (Letsch, 2016). The industry was also affected by the dispute with Russia over the downed fighter jet, which resulted in a considerable drop in tourist arrivals from Russia. It is reported that this dispute has been resolved, but its effect is still felt in the tourism industry (Letsch, 2016). The attacks and unrest led to a significant 30.35% decrease in the number of international tourist arrivals between January and December 2016 (Ministry of Culture & Tourism, 2016). According to the Association of Turkish Travel Agencies (2017), there have been "serious falls in the number of tourists coming from Russia, the US, Europe and especially from the Middle East". This year started with a major attack on a nightclub in Istanbul, which was the latest event "in a country increasingly unsettled by terror" (Morris, 2017).

Despite all these events, the country's tourism industry is set to see an increase in international tourist arrivals, reaching an estimated total 81,385,000 in 2026 (WTTC, 2016a). This positive outlook, albeit still in small numbers, is already evident in the latest figures for international tourist arrivals. Thus, the number of international tourist arrivals in May 2017 increased by 16.27% in comparison with May 2016 (Ministry of Culture & Tourism, 2017). Overall, the number of international tourist arrivals for the period between January and May 2017 increased by 5.5% in comparison with the same period in 2016 (Ministry of Culture & Tourism, 2017). Furthermore, a positive outlook

is also evident in the country's tourism strategy 2023, by which Turkey aims to become "a world brand in tourism and a major destination in the list of the top five countries receiving the highest number of tourists and highest number of revenues in 2023" (Ministry of Culture & Tourism, 2007, p. 4). The year of 2023 was also chosen because of a number of planned celebrations of the centenary of the Republic of Turkey. As a result, the accommodation sector will also need a considerable investment; up to 1,500,000 beds will need to be created to cater for the projected demand (Deloitte, 2013).

Turkey has been hit very hard by the recent events. However, a positive outlook remains. This will be further demonstrated in the following subsection, which looks at the hospitality industry in Turkey and, in particular, the historical presence of GHG in the country. In the words of the General Manager of GHG London Hotel, "Turkey is just so resilient and so dynamic".

7.1.2 GHG in Turkey

Today's hospitality industry in Turkey is strongly associated with the opening of a GHG hotel in Istanbul in 1955 (GHG, 2017k). This was the first five-star hotel in Turkey, and for GHG it was another major step because it was the first hotel that the organisation opened outside the US and moved into the rest of the world (GHG, 2017k). GHG's goal was to expand beyond the US and open GHG's doors to Europe (Altun, 2015). Istanbul was chosen because of its "geographical location, cultural fabric, historical past, and its popularity among tourists" (Altun, 2015, 2015, p. 15). For the city, it was the opportunity to establish itself as the "centre of global tourism" (Altun, 2015, p. 15). Istanbul was being reconstructed after World War II and "seriously lacked modern accommodation facilities" (Altun, 2015, p. 15). Furthermore, the Turkish government wanted to use this hotel project in order to build strong friendship between Turkey and the US, but also position the hotel as "the symbol of modernity, prestige, development" (Altun, 2015, p. 16). And this is what GHG in Turkey remains today and more:

Actually, you can call it the first chain in the international [GHG] *chain.* [GHG] *has always been known in Turkey for what it stands for: for luxury, and it's always been*

known as a very good school that teaches how to become an hotelier (Hotel Manager, Hotel Old Istanbul).

You know, your CV is written for life. I mean, that's it. Erm, do whatever you want after that… (General Manager, London GHG Hotel).

GHG continues demonstrating its commitment to "an incredible legacy" in Turkey (GHG, 2016b). The organisation currently has 74 hotels in Turkey, and more hotels are "under construction in more than 17 locations across the country" (GHG, 2016b). GHG is also preparing to sign more franchise agreements and open managed properties in the locations. Furthermore, GHG was named one of the World's 25 Best Multinational Workplaces in 2016, with particularly high rankings in China and Turkey (GHG, 2016c).

The name GHG is very popular in Turkey:

'I am working in blah blah blah hotel' - nobody understands if you don't, if you are not into this industry, but if you say [GHG]*, everybody knows, even my grandmother knows what is* [GHG] (Assistant Housekeeping manager, Hotel Modern Istanbul).

GHG is associated with a number of positive things. For team members, GHG represents a world of different opportunities, including opportunities to travel worldwide and the "licence" for further development:

Um, because the [GHG] *is the worldwide company, and then I already graduated in hospitality management, so this is the licence actually; it's like, I studied five years, then I would like to be, of course, is my career should be upper later on, and if I get any opportunity from my, er, hotel or any other* [GHG]*, and I would like to do that later on, of course, and this is my goals, and, erm, also, erm, this is, I think this is so important things. Then that's why I already choose the* [GHG] (Front Office Clerk, Hotel Old Istanbul).

The reason [GHG] *is because it's an international brand. It's got great career prospects in terms of if you want to move around places; in terms of being able to build your career.* [GHG] *is very good for that. They take care of their employees* (Front Office Supervisor, Hotel Modern Istanbul).

The latter point of view is further highlighted when the organisation is compared to other hotels:

> *…the* [GHG] *good for career and it's very known hotel. It is good for the CVs. Er, when you compare with the other hotels, managements; it's also nice because I have many friends who is working in the other companies. I can compare it. That's why* (Front Office Supervisor, Hotel Old Istanbul).

GHG is also associated with stability and is seen not only as a safe place to work:

> *…and it's really stable, er, company, and. Er, it's a famous brand, er, reliable. Er, I trust this company that I have a work safety…* (Housekeeping Shift Leader, Hotel Old Istanbul),

but also as a family:

> *Yes, of course. Believe me, because this* [GHG] *family is different other hotel. I don't know, I never work at the other, er, outside bar, restaurant, also other hotel, only work at* [GHG] *family, three hotel* [GHG] (Waiter, Hotel Old Istanbul).

All the team members expressed the desire to stay in GHG. However, not everyone is prepared to stay committed to the organisation, and there are certain conditions attached to this:

> *I would love to stay in this company, but only if I can make to the top and quickly because I don't see it worth doing the same every day* (Guest Relations Ambassador, Hotel Modern Istanbul).

This point will be further explored in the next section and is linked to a number of issues and changes in the current labour market.

7.1.3 Information about the hotels

Both hotels are located in Istanbul. Istanbul has a population of over 14 million people and is the largest city in Turkey (Deloitte, 2013). It is also "the most visited tourism destination" in Turkey (Deloitte, 2013, p. 65). In order to meet future tourism demands, the city has extensive plans with regards to its infrastructure, which will include building a new international airport and the third Bosphorus Bridge (Deloitte, 2013). The airport is set to become "one of the world's largest airports when completed with a capacity of 150 million passengers" (Deloitte, 2013, p. 63). Both

hotels are managed under the organisation's oldest and well-established brand. This is the brand under which GHG started operating in the 1920s in the US and then brought to Turkey when it opened its first international hotel in 1955.

Hotel Old Istanbul

This is a four-star hotel located in the European side of Istanbul (GHG, 2017l). It is a city centre hotel, with 117 rooms and 10 meeting and events rooms (GHG, 2017l). The hotel has been operating for more than 10 years and has been noted to have "a boutique atmosphere" not only in terms of guest experience:

> *We have more of a boutique atmosphere here, and that's one of the advantages. Most of our team members know our guests by name. They know how they drink coffee, their tea, so when they come to the restaurant, usually their requests are put in front of them before they actually even ask, so that makes us slightly different to the larger hotels. We are more family atmosphere, we have here, and we take pride out of this* (Hotel Manager),

but also in terms of interactions with its employees:

> *I try to find the opportunity to see people during on the job. I go to the floors while they are doing their jobs and ask them, 'How are you today? Do you have something to tell me about your life?' Sometimes we speak about their private life. They trust to me as well as the others telling, yeah, disclosure themselves* (HR Coordinator).

Hotel Modern Istanbul

In comparison with Hotel Old Istanbul, Hotel Modern Istanbul is a much bigger property. It has 829 rooms (information from the interviews), 12,000 sq. m. meeting space, a spa, a large restaurant and several bars and shops (GHG, 2017m). The hotel employs more than 500 people to look after all these different operations. It opened in January 2013 and is also located in the European side of Istanbul, in the city centre.

Hotel Modern Istanbul is a new and unique project for two main reasons. First, this Hotel is the largest hotel of its kind in Europe. There are only 20 GHG hotels of this scale of operations in the world (18 of them in the US). Second, because of the aforementioned facts the hotel has attracted a lot of international talent. It is interesting to note that Istanbul was once again chosen by the organisation to bring its

latest innovation outside the US. The hotel symbolises prestige, luxury and opulence - all the features that the very first hotel brought with it all those years ago. GHG's commitment to maintaining its legacy in Turkey continues.

7.2 Findings

7.2.1 Recruitment

Recruitment philosophy

The basic recruitment philosophy, which was obtained from the Cluster HR Management (senior HR management team who looks after several hotels as a cluster in Turkey), is summarised as following:

> *Hire character and train talent.* [GHG] *focuses to recruit, retain and train the highest quality team members that we can find and hire. It gives us especially important role to play during recruiting and developing team members.*

'Character' refers not only to the candidate's attitude and personality:

> *…hiring for attitude is by far the most important thing. It's about attitude and personality, and a bit of hard work with it, you'll go a long way in most industries* (General Manager, Hotel Modern Istanbul),

but also willingness to succeed:

> *That's why I've kept saying that we need people who are willing to learn and want to do something with their career* (Hotel Manager, Hotel Old Istanbul).

The latter is a very important characteristic, as it is seen to aid a team member's talent development at a later stage when the 'train talent' part is utilised. If there is willingness to learn and succeed, then a team member can make the most out of all the different opportunities that are offered to him:

> *Yes, there are differences between the quality of teacher, but there is no such thing as a bad teacher. There is always a bad student because you put the knowledge on the table and how much the person takes is completely up to them. We are here to show what we know, what we've learnt in the past, but how much people take on board is completely up to them* (Hotel Manager, Hotel Old Istanbul).

However, one of the issues with regards to recruitment is related to the interviewing process. A job interview may not always help to choose the right character:

> *People in HR may want to kill me after saying this, but I don't think there is an exact formula for interviews because that's supposedly the first step where you define talent from people who are great for this workplace or not. In my experience, I've seen people who would have flying colours in the interview, but just not fit in, and I've also seen the opposite where maybe we were not very impressed with the interview itself, but after they started work, they found that, you know, the right person for the right work and they, you know, were very successful… People seeing people at work on the job is better criteria* (Hotel Manager, Hotel Old Istanbul).

Employment legislation and cultural aspects

Both hotels only employ full-time staff. Part-time employment is possible, but is not practised not only due to the current employment legislation but, most importantly, due to cultural reasons, such as having a sense of belonging to one place and stable employment:

> *It's mainly full-time staff. The labour law is slightly more complicated in Turkey. So, part-time: it is technically possible, but working in the business and market - it's completely different. A lot of team members still would not think of working part-time in two different hotels. So, the general perception is 'Yes, I am working in this building. This is my work place, and this is where I am.' Unlike places, where in England people have three or four jobs… It's not the case in Turkey at the moment* (Hotel Manager, Hotel Old Istanbul).

With regards to the employment legislation:

> *…the law states that if you start giving someone more hours, then you need to make them full-time because these things are being checked during government audits* (HR Coordinator, Hotel Old Istanbul).

This shows that workers are well-protected by the employment legislation and that there is a clear difference between full-time and part-time employment. A part-time worker cannot be given any extra hours even if there is a business need for it.

Agency workers

Agency workers are employed when there is a business need, particularly in the Food and Beverage department. However, the previously mentioned cultural aspects still play a very important role in this process:

It's still not like Europe at the moment. It's mainly permanent team members, and we also have on-call staff provided by companies. So, instead of team members having working three hours, four hours, it's usually run by a company who will send them to different hotels, but for them in their mind it's still 'I am working for one single company, but the place I spend my days is just different.' But it's under still one legal entity that they are working there (Hotel Manager, Hotel Old Istanbul).

Thus, working for "one legal entity", whether it is a hotel or an agency, is a very important arrangement. The role of this arrangement appears to be the one of providing stability in employment for different types of workers.

The use of agency workers differs between the hotels. Hotel Old Istanbul *uses* agency workers to manage their business demands. The number of workers depends on the hotel's business needs:

Two-three people mainly. It depends. If we are busy, we get more. We are not busy, we don't have (Food and Beverage Captain).

The agency workers are mainly young people, with little experience. However, the hotel appears to have a set of procedures which allows it to deal with the agency workers' lack of experience:

Sometimes we're, er, getting some people from outside company. There were two or three people. Most of them are young. They have not enough experience. We are here to help them, how they do it, how they serve. They have to teach everything in the morning.

In contrast, Hotel Modern Istanbul *needs* agency workers to deal with labour shortages created by the lack of qualified workers:

And this hotel deserved very good skills and training, and attitude, or knowledge, or study, what else you can say, this kind of employees, but sometimes not easy to find, you know. This is my challenge (HR Director, Hotel Modern Istanbul).

This point will be further explored in the next subsection, which looks at current labour market issues. The agency workers are all Turkish nationals. There are no agency workers among the participants in this piece of research, only full-time members of staff.

Recruitment process

In terms of the scale of this process, there is a big difference between the hotels. Hotel Old Istanbul is a much smaller hotel, where recruitment processes have already been established. The hotel keeps in touch with its former employees, and also has established relationships with local colleges and universities. This strategy also helps the hotel deal with skill shortages, particularly those related to language skills. Because of the uniqueness of the project, Hotel Modern Istanbul was:

> *…in a fortunate position that just got CVs with a lot of experience. We were very fortunate to select people with a lot of relevant background. Here, I think, the big thing is the project was unique with this size, and this is the largest opening we've done in over a decade for* [GHG]*, er, so it had a lot of attention from all angles, so size, its complexity, and, er, logistics.* (General Manager).

> *We didn't do anything. It* [talent] *came to us. We just chose the best out of these applications, so we were lucky, really* (Hotel Manager).

The hiring standards were also much higher. The primary reason for this is "this hotel deserved very good skills" (HR Director). The hiring process was thorough and required considerable attention and energy. There was considerable pressure to get it right from the beginning:

> *Yeah, we hired 500 team members, so…and that was a very exciting process to lead… I think it's important to lay the foundation with the first ten or fifteen hires you do to make sure you have the same in mind, not just financially, but also service-wise, and also team member-wise, that you have similar philosophy, that you have similar thoughts, that you have the time because once you go to fifteen, and then you go suddenly to fifty, to suddenly five hundred, that multiplication and that mass hiring… If you don't get the first ten people right, then the next 490 are gonna be also…and I think looking back that must have something, that must have been the process we have managed extremely well because we have the attitude of the people, and we*

were very early on, very aware, and we've talked about it openly, you hire 500 people,
the likelihood that you've got 10 per cent wrong is very very high (General Manager).

Once the initial recruitment process was completed, the hotel was then faced with some of the ongoing labour market issues, as mentioned earlier. However, the high recruitment standards still remain in place:

We check every single person properly over here (Assistant Restaurant Manager).

7.2.2 Labour market issues

Increasing competition for talent

So, the talent has developed. The talent pool has developed (Hotel Manager, Hotel Old Istanbul).

The talent pool has developed primarily due to the continuous tourism development. In the beginning there was just one five-star hotel, and now there are "thousands of them, lots of international chains, lots of local chains as well" (Hotel Manager, Hotel Old Istanbul). Specifically, there were 165 hotel chains in Turkey in 2012, out of which 15% belonged to international hotel groups (Deloitte, 2013). Thus, GHG is currently competing with such major international chains, for example, as Intercontinental Group, Best Western International, Accor and Marriott International (Deloitte, 2013). However, GHG's biggest advantage, as it has already been mentioned, is its reputation.

The rapid tourism development has resulted in ever increasing competition for talent:

Fourteen years ago the labour market in Istanbul and now… totally different, 360
degrees different… Er, and at the time maybe fifteen international hotels in Istanbul.
Now there's hundred… It's very difficult these days to keep the talent because the next
hotel, they will pay for talent, and as a [GHG]*, as a global company, we have certain*
policies in place. We cannot just pay what we want to pay. We are limited, so that
makes the job a little bit difficult in terms of that we've got (Hotel Manager, Hotel
Modern Istanbul).

It is interesting to note that the set policies and procedures, which have been established across the whole organisation, are almost seen as a disadvantage in terms of the organisation's ability to adapt to the local market conditions and, more

importantly, find and retain local talent. It appears that the decisions that come from the head office have a considerable influence on the way GHG operates in its local labour markets. This is a strong indication of an ethnocentric approach, which suggests that the way things are managed in the home country are deemed to be superior to the way of doing things in the host country (Perlmutter, 1969). An underlying principle is "This works at home; therefore it must work in your country" (Perlmutter, 1969, p. 12). However, as GHG's ambition is to become a truly global organisation, there needs to be a shift from this approach towards a geocentric approach, which takes into consideration both global and local needs, and it appears that GHG has already started doing this:

> *Where it will come from ideally a lot internally, but we are also focusing on recruiting talents from each country where we open hotels instead of focusing on expatriates. Each country needs to tailor to a market of potential team members* (Talent Management Director, Europe)*.*

Retention

The rapid tourism development has also led to changes in the attitude towards employment in the hospitality industry:

> *That time if you employ someone, they wanted to stay with you for the rest of their life, and it was so difficult for someone to step in to any five-star hotel in Istanbul, but now the challenge is to keep your team members. Nobody wants to stay with you! Everybody wants to make a jump - they want to change their job; they want to get a promotion; they want more money; they want to get better facilities, you know…*
> (Hotel Manager, Hotel Modern Istanbul).

This is very important to consider, primarily because GHG is looking to develop its talent internally. Internal development is a key part of GHG's talent management philosophy. Therefore, this can be seen as a major challenge that GHG needs to overcome if the organisation is to follow its strategy of developing talent internally.

Young people are particularly keen on finding a workplace where they can develop themselves and "make it to the top and quickly". They appear to be very ambitious and determined to succeed:

Er, and then when I was looking for a job I've always wanted to do a hotel, you know, I've always wanted to go into the hotel industry, so, er, I applied to some places. I got a job, first as an internship to be more exact, and then from there built my career up, and at the moment I am a Front Office Supervisor here at [GHG] (Front Office Supervisor, Hotel Modern Istanbul).

Now I am who I wanted to be… If you ask me five years before, this question, I wanna be a supervisor. It was enough for me. Always I am thinking for one step forward (Front Office Supervisor, Hotel Old Istanbul).

Another example is HR Coordinator in Hotel Old Istanbul, who studied tourism administration at Bosphorus University, "one of the most prestigious universities in Turkey". He had two internships during his university degree. When he was looking for a hotel to do his internship, he received an offer from GHG, which he accepted "straight away" because GHG is "a famous brand". He was offered a full-time HR position after his graduation. One of the reasons why these young people want to "make it to the top and quickly" may be due to their potential - they are all educated to university level and can speak English or even several languages in some of the cases. The ability to speak different languages is a major advantage in Turkey.

There are also employees who have been working for the same hotel for a long period of time, as in the case of Hotel Old Istanbul. Those employees come from older generations and value both stability and atmosphere which the hotel has to offer. Further explanation is provided by the General Manager from London GHG Hotel and is related to the difference between managed properties and franchised properties:

[GHG] *is changing now in Turkey. I mean, you have franchises. You have managed hotels, and the people who work in the managed hotels don't want to leave the managed hotels cos they are working for an international company; and the people who are working in franchised hotels, they are working for a Turkish boss, and so, that's a very different environment. So, that's part of the reason why there isn't that movement that needs to happen, you know, even amongst properties because if they work for one of the managed properties, erm, they wanna stay there because they know that they will be treated fairly in an international business and labour perspective. If they work for a Turkish boss, then it's a gamble, so, which does, of course, stop people from being able to move around, but yeah…*

Language skills

It has been noted that it is very difficult to find Turkish people who would speak very good English. This is primarily due to the fact that Turkish people do not use English in their daily life (HR Coordinator, Hotel Old Istanbul). There are some opportunities to learn English while one studies at university. However, because the main language is Turkish, people do not feel the need to learn it. University degrees do offer opportunities to learn English, but do not place importance on learning a foreign language:

> *And of course, the other foreign language, English or what else, needs to speak very good, and it is not easy to find the, er, young people from graduated from university in the first years because the university use some information, but not so much, er, language* (HR Director, Hotel Modern Istanbul).

There are also exceptions, and these are Turkish people with international upbringing. These individuals come from multilingual families and have previously studied and worked in the UK. These individuals speak several languages, including Turkish. The language skills are seen as a "major advantage" in Turkey because they increase one's employability:

> *So, it's a major advantage in any country I would suppose, but especially in Turkey there is, er, huge, er… a lot of people of my age are fighting to get a job, so that's why I'm here right now in Turkey* (Guest Relations Ambassador, Hotel Modern Istanbul),

and also offer an increased chance of promotion:

> *Er, in Turkey for me anyway getting promoted is a bit more easy so to speak that if I were to go to a different country; and because I have languages as an advantage, for example* (Front office Supervisor, Hotel Modern Istanbul).

In comparison with Hotel Modern Istanbul, Hotel Old Istanbul identifies the lack of language skills as a major issue, particularly during the recruitment stage. During their job application process applicants tend to specify that they can speak English, but when it comes to the actual interview, they often struggle to express themselves. This, in turn, leads to the delays in the hiring process (HR Coordinator). One of the ways to deal with these skill shortages has been to maintain a good

relationship with some of the universities and colleges, or by asking former employees to consider coming back (HR Coordinator).

Because of the hiring standards and the scale and significance of the project, Hotel Modern Istanbul receives applications of higher level. That was particularly evident in the interviews with the team members.

Qualifications

Tourism and hospitality degrees are very popular in Turkey because of the tourism development and the country's position in global tourism. There is an estimated 732 tourism related university programmes and high schools, with a total number of students reaching 38,321 (Deloitte, 2013). These programmes utilise "dual educational system, which combines theoretical work in the classroom with its application using on the job training" (Deloitte, 2013, p. 31). Thus, the country has highly qualified workforce (Deloitte, 2013). However, it has been noted that:

> *…there is still a demand there that needs to be exploited and developed at the same time* (Hotel Manager, Hotel Old Istanbul),

and the quality of some of these courses is still not good enough (HR Director, Hotel Modern Istanbul). Specifically:

> *…there's still demand for hoteliers being whichever department it is from* (Hotel Manager, Hotel Old Istanbul).

In addition to the previously mentioned issue with language skills, there is also a general lack of professional education as education which would produce graduates with the right set of skills. Because of the success of the tourism development, there has been a major increase in the number of tourism and hospitality courses, but the quality of this education appears to have suffered as a result of this increase:

> *OK, the tourism sector sometimes, I saw this, sometimes bigger, bigger like that* [showing]*, everywhere is the hotel, but, for example, it is not grow because the people is not enough, as education that I mentioned before, OK? It means that this is not growing. It's getting fat* (HR Director, Hotel Modern Istanbul).

Inflation

Inflation has been identified as one of the most important economic issues in relation to the current labour market in Turkey, as it can have a considerable impact not only on productivity, but also cultural perception in the near future:

> *People are used to get 10 per cent salary increase a year because of the inflation. I am not used to work in a country like that. I've never worked in a country with such inflation levels and that means that that's the biggest strength to our business because that means that we are…management is probably already aligned, gets paid equal to Western European standards. That means that managers in five years from now will be seriously higher paid than any other Western country if you do it ten times higher in the next five years and the same as your lower wage. Your lower wage levels, those are still lower than in the rest of Europe, but with the ten per cent a year, then they are catching very very fast and that's gonna make a dramatic impact in the coming years on the need to improve productivity, and that is going to be a big cultural change generally because people have much more used to have aid, people around, just in case, on various levels already. So, I think on the labour market, in general, inflation will, er, if they don't get inflation under control, this will have a dramatic impact on productivity requirements for labour because the other option is to increase your sales price, and again if you do that 10 per cent increase, your price every year, then five years from now you are uncompetitive, you are too expensive, so left or right, it needs to start to give* (General Manager, Hotel Modern Istanbul).

The rising inflation rates are a major concern for GHG, particularly in terms of competition. Turkey offers not only highly qualified workforce, but also highly competitive labour costs (Deloitte, 2013). It appears that highly competitive labour costs, particularly in entry level positions, allow GHG to keep its "sales price" at a certain level. If these changes were to continue, GHG would then be at risk of becoming "uncompetitive" or "too expensive". Furthermore, taking into consideration GHG's reputation and future plans in Turkey, such changes are likely to have a significant effect on GHG. Another area, where this effect will also be noticeable, is the current employment of "aid", or assistants, on various levels, which is an important cultural aspect. These are the people who provide specific support to help people in key roles to carry out their jobs. If there are no assistants, then most of the current workload and responsibilities will be given to the roles where assistance has been

previously used to complete the tasks, placing increasing demands on their productivity levels. It is interesting to note that with regards to managerial positions, the rising inflation rates, however, are seen as an *advantage*, or "the biggest strength to our business", as management salaries, which are "probably already aligned" with the Western ones, have the potential to rise further, making these positions a very attractive and competitive option not only at local, but also international level.

"Huge gap between skilled and unskilled labour"

There is also a:

> *…huge gap between skilled and unskilled labour both in competencies, language skills, and in salary levels* (General Manager, Hotel Modern Istanbul).

Filling in managerial positions is not an issue, as the labour market is considered to be "big enough" (General Manager, Hotel Modern Istanbul). These positions are usually well-paid, so there will always be demand for these positions, although poor language skills remain a major issue, even among highly qualified people. Entry level positions, on the other hand, offer highly competitive labour costs, which are maintained by the availability of cheap labour with low competency levels, but willingness to do the job:

> *Erm, so the challenge is particularly in developing countries, where you find the skilled labour's weakest because for the education for a cook and for a chef are probably less the starting competency level. Here for a cook who walks in he probably never held a knife in his life, hence why the salary level is lower. In Western Europe your entry level of competency is a lot higher, but then the salary is also better, but in this environment here there's still so many people who are working five and a half days per week as well, which does not necessarily make the industry attractive. So it's the base of house labour will be the challenge to find* (General Manager, Hotel Modern Istanbul).

Thus, the previously mentioned economic changes can potentially have a significant influence on the current recruitment standards in entry level positions, particularly in terms of competency levels. The next subsection will look at migrant workers who can be found primarily in senior managerial positions. Native workers do fill entry level positions and above, but there is a *need* for highly skilled migrant workers to fill *key senior managerial* positions.

7.2.3 Migrant labour

Migrant workers

The issue of migrant labour has undergone a significant change in the last fifty years in Turkey:

> *In the last 10-15 years we've seen a big change in general in Turkey from… We have a lot more Turkish team members, or, let's say, we have a lot less expats now, expatriates in our hotels because the base is there.* [GHG] *has been operating in Turkey for fifty years now, almost fifty five years. When* [GHG] *first came, quite a lot team members were foreign because the hospitality industry, it just wasn't there, but now we have in all our hotels, we have limited expatriate staff, not that we don't want it, but the local talent is there"* (Hotel Manager, Hotel Old Istanbul).

Local talent is comprised of not only highly educated people, but also native workers, who fill positions at entry level and above. It is acknowledged that cultural diversity is very important, particularly in dealing with international guests. However, in practice it is very difficult to achieve. Therefore, employers prefer focusing on and adapting to local talent. Such qualities as *attitude* and *character* are becoming the benchmark against which potential candidates are being measured in lower level positions.

There are no migrant workers in positions at entry level and above. A key reason for this is the current immigration law. The documentation process is considered to be very difficult and time-consuming:

> *I used to work with expatriate people because I always experience in the international hotels. That's a good advantage for me, but is the challenge for us because of the procedures and documentations because it's happening with the government part, you know. It takes time and a little bit boring issues, so much paperwork, you have to follow it, you know. This is bureaucracy. You put the paper in the bureaucracy and then you will wait. Hey, where is my paper? This is little bit challenge for us, but it's very good experience for us that work with different people, different culture, different country, you know. You'll get many, er, benefits from them* (HR Manager, Hotel Modern Istanbul).

Expatriates

The hotels refer to highly-skilled workers in key senior managerial positions as expatriates. Examples include Executive Chef (Hotel Old Istanbul and Hotel Modern Istanbul), Revenue Manager (Hotel Modern Istanbul), and General Manager (Hotel Modern Istanbul). The reason for employing expatriates in these senior managerial positions is twofold. First, expatriates are seen as very experienced, as they can offer extensive expertise and international perspective. It is believed that if someone has worked in Turkey for all their life, they have only seen the Turkish way of doing things. Thus, there is a need for people who have "new thoughts" and "think out of the box, looking at things from different perspectives" (HR Coordinator, Hotel Old Istanbul). As GHG is a global company, it is considered to be much easier to recruit foreigners for these key positions; the Head Office can be contacted for "suggesting some talented people" (HR Coordinator, Hotel Old Istanbul).

Second, the local talent pool does have highly qualified workers, but lacks highly skilled workers with international experience:

> *We were trying to manage a little bit because understandably they are more expensive. So in the senior roles we wanted to get obviously both the attitude and the experience. The more senior the position in the opening, the more relevant it was; the more junior you go, the more attitude starts to win from experience. Er, but with some competencies, which are revenue management, which are…we believe, or difficult to find them in the local market, or at least I didn't find the people which I liked, which are…so there we have some expatriates working. Er, we were very fortunate that we had a lot of Turkish people, or a number of Turkish people working and living abroad who, because of this unique project, wanted to come back. That was obviously combining the best of both, both having the local knowledge and local language, plus the international experience. It's both for me, but for the brand of* [GHG] *it kind of combines the best of both. We have a number of expats, but not a large amount. So we have the Executive Chef, er, so which is clearly a very specialised area, the Revenue Manager, and the Director of Business Development, and I think that's it already* (General Manager, Hotel Modern Istanbul).

Thus, the labour market needs not only highly skilled workers with international experience, but also highly skilled workers who can speak Turkish and know local

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traditions. In other words, the labour market needs *global managers*, the managers who have international experience and can adapt to the local labour market conditions. As Hotel Modern Istanbul is one of the few hotels of this scale, it therefore requires a different level of expertise and knowledge. To demonstrate this further, an example of the Revenue Manager is presented:

> *Yeah, so we had the senior director here, the bank and sales person who sells all this. He is Turkish living in Washington and did the same job there. Er, so literally we were thinking before, "Where do I find somebody who's sold a big hotel like this before?" because they don't exist in Istanbul nor many in Europe, and then he actually wrote to me. He read about this project, and he was interested in coming back* (General Manager, Hotel Modern Istanbul).

International workers

As it has already been mentioned, there are no migrant workers in entry level positions and above. However, there are *international workers*. These workers can be described collectively as workers who have adapted to the life in Turkey and are citizens of the country, but still retain their international identity. The following three examples explain this further:

a) People who have been living in Turkey for a long period of time. They have a Turkish passport. Examples include housekeepers from Bulgaria in Hotel Modern Istanbul. These workers speak very good Turkish and have adapted to the Turkish way of life. All these workers are full-time members of staff.

b) People with international upbringing and education. Examples include Guest Relations Ambassador, who is half Turkish half French, and Front Office Supervisor, who is half Turkish half Dutch. Both of them have previously studied and worked in the UK.

c) A worker who does not need a visa or work permit to live and work in Turkey because of the family circumstances. Examples include an American Junior Sous Chef who is married to a Turkish national.

All the individuals are the employees of Hotel Modern Istanbul. There are no international workers in Hotel Old Istanbul. Thus, international talent includes not only highly skilled migrant workers, or expatriates, but also the above types of international

workers. The second example is very interesting, as it includes international workers who have international education, and also have the ability to speak Turkish and several other European languages, making them potential candidates for becoming the global managers that GHG is looking for.

7.2.4 Talent Management

Developing talent within

Developing talent within, or the "train talent" part of the recruitment philosophy statement, has been identified as the basic principle of GHG Talent Management philosophy. One of the main advantages of this approach is related to the commercial benefits that it delivers:

> *Recognising internal talent is also cheaper than buying them from the competition. So,*
> *I think that's the commercial advantage to talent management..."* (General Manager,
> Hotel Modern Istanbul).

Furthermore, it has been noted to have practical value in the hospitality industry:

> *Talent development definitely works in the hotel industry... In the hotel business you*
> *can start from the very bottom and move all the way to the top... It definitely works."*
> (Hotel Manager, Hotel Old Istanbul).

There are many success stories to support this argument. However, there is no consensus on how to select talent or identify talent; who is a talented employee; what constitutes talent. It appears that the process of talent recognition and talent development is very subjective. The only consensus is that it is not only the organisation's responsibility to develop talent (a talent developing workplace), but also the team member's (a person who is willing to learn and develop himself or herself). This is a reoccurring theme, which was also identified in the previous chapter. Talent development encompasses three key elements: a team member's ability to develop further; their willingness and commitment to their development, and the organisation's ability to recognise and support this development. In short, talent development is considered to be mutual responsibility.

Line employees

Line employees have access to GHG University platform and a wide range of courses that it has to offer, on-the-job training opportunities, and various training courses arranged by the management. Line employees are encouraged to use these training opportunities for their development. However, it is the willingness to learn and succeed that helps employees to move to the next level in their career. Young people have already been noted to be more interested in developing themselves than their older counterparts. Hotel Modern Istanbul has a number of examples of line employees who have already been promoted based on their performance. The assessment of their performance was based on positive guest feedback. This has been identified as one of the main ways to recognise talented employees, who then become entitled to move to the next level by completing one the development programmes which will be considered later in this subsection.

However, not all employees are happy. One of the employees claimed that she had not been recognised in spite of what she has to offer in terms of her education and skills:

> *I've had the performance appraisal, but it wasn't a good thing at all. Erm, what happened was we sat down and we picked up some points, and then I got some really interesting feedback from the manager, which was like, 'You need to be more organised, and you need to keep doing this job. You need to just stop looking for other jobs and focus on this job and do better at it.' – which was quite shocking – 'and then we'll see.' And then kind of like, erm, lies about cross-training because obviously everyone knows it's not gonna be possible in the next, I don't know, not even six months, so, erm, even waiting for that to happen isn't gonna motivate you. It's just like, erm, blindfolding you, you know. It's something you hear… It just makes it worse, and at that moment I didn't feel like I can say what I'm really thinking, which is like some of my colleagues have already passed without doing cross-training for different department. So, how come you're making rules for others that actually deserve to, you know, pass? "I want to have, like, more foresight from the managers, like, thinking, 'Oh, she is good at this. Why don't we try her here?' Of course, the person has to show, erm, kind of forwardness as well, but they need to help them along. The managers know everybody. They should know each person, each individual and try and see where*

they'll fit in, in which part they'll fit into. They need to support more staff on their

career paths anyway they can.

The employee was also unhappy about her future development opportunities and goals:

There's a bit of difference there, and the new ones are coming in, and I'd love to train them and help them along and to show them the things that we've done, erm, because the Hotel is wonderful. It's huge, and, you know, you can do anything here. You are being given that potential to make it right for anyone. So, it's a great thing to teach, and we'd just love to have them, but I think this position is not one, where you can stay long time in, especially if you're overqualified. I mean because, erm, if the company doesn't see that, they're just gonna lose the talent. You're gonna go looking for a different company who's going to help you grow instead of trying to keep you, like, in the same spot because how much do you need from someone who's gonna stay at the door and say hello and goodbye. You know, you don't need, like, erm, five-year-qualified-degree person, so... I mean I have a very strong opinion about that.

This example has already been mentioned earlier in this chapter. She is an international worker who has studied and worked abroad, and also speaks Turkish and several other foreign languages. She appears to be a very ambitious individual, who constantly strives to achieve more in her career and "make it to the top and quickly". Furthermore, she appears to be the type of individual that has the potential to become a global manager, the type of manager that the organisation is looking for.

One of the reasons for this lack of further progression may be attributed to the previously mentioned employment structure. The availability of "aid", or assistants on different levels, may be creating strong competition for the movement into higher positions. Many different staff levels make it increasingly difficult for an employee to "move up the career ladder". Furthermore, as noted by the General Manager, there is "a huge respect for hierarchy". All these cultural aspects, in turn, may be creating discrepancies in the talent development model that was considered earlier. This means that the employee appears to be fulfilling her part of the agreement by willing to develop further and succeed, and it is the organisation, or the hotel, that is not willing or, indeed, unable to provide those development opportunities and train this talent. It is a very interesting case, as it can be viewed from these different angles.

However, because there is a *need* for highly skilled managers with international experience and local knowledge, one thing is clear - this is the case that does require further attention.

Supervisors and managers

The next two levels have access to a range of development programmes. This research has identified several examples of team members who are currently completing one of these programmes. There are six main talent development programmes and trainings:

- MDP 1 (Leadership 1)
- MDP 2 (Leadership 2)
- MDP 3 (Proactive Leadership)
- GMDP 1 (GHG Graduate)
- GMDP 2
- GMDP 3

The first three programmes are designed for the next line of managers and aim to prepare a team member to become a department head. *GMDP 2* is a programme that helps to prepare directors to move into their roles. In GHG, there are four directors under every General Manager, including Human Resources Director, Director of Operations, Director of Business Development and Director of Finance. *GMDP 3* "prepares people moving into the Hotel Manager and General Manager position" (Hotel Manager, Hotel Old Istanbul). *GHG Graduate* is a programme that aims to:

> *…take young talents and develop them into the General Manager role within ten years.*
> *Again, the person is getting experience in different properties, in different*
> *departments. They learn. We teach them how to manage departments and manage*
> *the business, and they get one-to-one experience working in the hotels in each*
> *department. Then they can decide on which way they want to go. Will it be more a*
> *revenue-oriented? Will it be an operational-oriented, or will it be a human resources, or*
> *a finance-oriented career that they want to go through* (Hotel Manager, Hotel Old
> Istanbul).

From a former potential candidate's point of view:

> *Erm, the application process is quite easy, and there are several candidates chosen from within different continents, and it's very sought after because, erm, the idea that you get in hospitality is that it's, erm, more related to your age and that's the way you are going to progress in your career deserving the merits, and actually, erm, so being chosen for this programme means that you are becoming a departmental manager within five years, and you see different aspects of the hotel that you wouldn't see if you weren't chosen, so it was just an idea* (Guest Relations Ambassador, Hotel Modern Istanbul).

It is interesting to note that she did not receive a place on the programme, for which she applied while she was studying in the UK. Therefore, the decision was made to return to Turkey and pursue a different route in the same organisation.

7.2.5 Local and cross-national movement

Internal talent pool is developed in such a way that employees are encouraged to transfer from one property to another, thus at the same time engaging in the process of knowledge exchange:

> *…so we do try to develop our team members as much as possible, and we also encourage them to transfer because we believe that sharing the knowledge is the best way of developing talent, best way of developing the experience in each hotel. So, you start a job in a country in the world somewhere, any country, in a city somewhere. You learn what you can learn there. Then you take your experiences. You move to another hotel. You share what you've learnt from that market in this new hotel, and also you learn new things in the new market… It's like building blocks… So, that's the basic philosophy* (Hotel Manager, Hotel Old Istanbul).

There are cases where the participants have been working for GHG for a long period of time and now occupy senior positions. Examples include Hotel Manager in Hotel Old Istanbul, and also both Hotel Manager and General Manager in Hotel Modern Istanbul. These individuals have worked in different GHG properties not only in Turkey, but also abroad, transferring their knowledge and developing themselves to become future hotel managers. Therefore, all of them consider willingness to learn and succeed as one of the most important aspects of talent development. For them, it

is the willingness to use the opportunities and support that the organisation has to offer, together with the ability to move around that helps an individual to succeed.

There is willingness to travel abroad among the participants and there are examples of those who are putting their plans in place to achieve that. An international transfer is seen not only as a career move, but also the opportunity to improve one's English skills and learn about a different culture:

> *One of our supervisors wants to go to London. We are supporting her, and if she finds the job in* [GHG]*, er, she's gonna go there and maybe she can go for a training, you know, in* [GHG] *there are too many training programmes, for example,* [GHG Graduate] *training, management training, that kind of things. So, er, she is, er, actually now she is looking for the opportunities. If she finds something, she's gonna transfer in another hotel, or she's gonna leave for the training, but she's gonna be in the* [GHG] *brand. She wants to improve her language, improve her English and also she wants to see a different culture* (Assistant Housekeeping Manager, Hotel Modern Istanbul).

GHG *encourages* these internal transfers, but this is ultimately *a team member's decision*. Thus, this case is an example of *voluntary movement* within the organisation, whereas the previously mentioned examples of the expatriates are examples of *organisational transfer*s, the transfers which were specifically targeted by the organisation.

Family commitments have also been identified as one of the major obstacles in the ability to move, particularly among female participants. Family commitments have been noted to delay the process for a number of years, but the idea of moving around is still maintained.

There are no other examples of internal transfers in Turkey. The lack of willingness to move outside Istanbul has been identified as a major issue in the development of talent within the organisation. As summarised by the General Manager in London:

> *Yes, it is a major obstacle, but part of the obstacle in a country like Turkey is if they're in Istanbul, they are not willing to pack up and move to a place like Adana or to Kayseri, um, you know, and if you wanna move, that's the best way to do it. Um, you are not gonna get paid as much, but it doesn't cost you as much to live, but, erm, you're not in Istanbul. So, but it's that willingness which, I think, is one of the biggest*

talent issues that we have now as an industry. Everybody wants to work in big cities and glamorous places. Um, they are not willing to necessarily move to the back of the country and so it slows you down in your development because everybody wants things right away, and you don't want to leave the big city, and you have the big city expectations in terms of salary and life style. So, erm, the trick is to actually convince people that they should be moving around, erm, and that they can't just be in a big city all the time if they want to grow and develop. That's going to be one of the big challenges in developing talent in the future.

7.3 Conclusion

Despite a number of recent events, which have had a significant effect on the tourism industry in Turkey, the tourism industry is forecasted to grow further, demonstrating its resilient nature. The hospitality industry is also set to develop further, particularly in terms of new hotel openings. GHG is committed to maintaining its legacy in Turkey by opening more managed and franchised properties across the country and supporting the established image of "a very good school that teaches how to become an hotelier". However, there are a number of issues to be considered.

Highly qualified workers have been noted to lack not only language skills, but also the desired level of experience. The labour market needs not only highly skilled workers with international experience, but also highly skilled workers who can speak Turkish and know local traditions. In other words, the labour market needs *global managers*, the managers who have international experience and can adapt to the local labour market conditions. Therefore, migrant workers, or expatriates, are used to fill key senior managerial positions, whereas native workers occupy mainly entry level positions and above.

Turkey offers not only highly qualified workforce, but also highly competitive labour costs. Highly competitive labour costs are maintained by the availability of cheap labour with low competency levels, but willingness to do the job. It appears that highly competitive labour costs, particularly in entry level positions, allow GHG to keep its "sales price" at a certain level. Therefore, the issue of inflation is a concern for GHG, as GHG would be at risk of becoming "uncompetitive" or "too expensive" if the inflation rates were to continue to rise at a level they do now. However, not everyone will be at a disadvantage. It is interesting to note that with regards to managerial

positions, the rising inflation rates are seen as an *advantage*, or "the biggest strength to our business", as management salaries, which are "probably already aligned" with the Western ones, have the potential to rise further, making these positions a very attractive and competitive option not only at local, but also international level.

There is a strong indication of an ethnocentric approach, which is evident not only in the employment of expatriates, but also in the fact that the local management feels restricted by the established policies and procedures in relation to the attraction and recruitment of local talent, particularly at the time of ever increasing competition for talent. This is a concern, as retaining talent, especially among young and ambitious people, is also becoming increasingly difficult. The latter can be seen as a major challenge that GHG needs to overcome if the organisation is to follow its strategy of developing talent internally.

GHG *encourages* internal transfers. Developing talent within, or the "train talent" part of the recruitment philosophy, has been identified as the basic principle of GHG Talent Management philosophy. One of the main advantages of this approach is related to the commercial benefits that it delivers. However, there is a clear distinction between different groups of employees in that an internal transfer is ultimately *a team member's decision*, or the case of *voluntary movement* within the organisation, whereas the previously mentioned examples of expatriates are examples of *organisational transfer*s, the transfers which were specifically targeted by the organisation.

There are many success stories regarding further development and promotion of employees. However, there is also an indication that the talent development process may have certain issues. Specifically, the availability of "aid", or assistants on different levels, may be creating strong competition for the employees to move into higher positions. Many different staff layers or levels as well as "a huge respect for hierarchy" - all important cultural aspects - make it increasingly difficult for an employee to "move up the career ladder". Taking into consideration the previously mentioned issue of retaining talent, especially among young and ambitious people, it is therefore important to ensure that this talent does not get lost, while established cultural norms and traditions are being observed and followed.

The next chapter will explore the findings from the research conducted in London, UK. The chapter will demonstrate a very different attitude towards migrant labour, as the industry relies heavily on migrant workers to fill many positions, ranging from management to entry level positions. The implications of such dependence will also be considered, particularly in the view of the current political situation in the UK.

Chapter 8. "Maximum effort, minimum wage" - UK

8.0 Introduction

This chapter aims to present the findings from the research conducted in London, UK. In comparison with the previous two chapters, this chapter will explore the issue of migrant labour in greater detail, as the participating hotel heavily relies on migrant workers to fill its many positions, ranging from entry level to senior management positions. The chapter will present a range of different categories of migrant workers employed by the hotel and the subsequent differences in the treatment of these migrant workers. These findings will be explored in the context of Brexit as well as the current state of the UK's hospitality labour market.

The chapter is structured as follows. The first section will consider the current state of the tourism and hospitality industry in the UK and will provide key information about the hotel. The second section will focus on the findings from the research. This part will also provide further information on Talent Management and, in particular, its talent development aspect, together with the consideration of the previous findings, but in the context of the UK.

8.1 Background to the study

8.1.1 Overview of the hospitality industry in the UK

The tourism sector is considered to be "a key sector for growth, employment and overseas earnings" in the UK (PwC, 2016, p. 2). The sector's direct contribution was £66.3bn in 2016 and is forecasted to grow by 2.2% annually to £84.6bn by 2027 (WTTC, 2017). This positive outlook will also be evident in terms of international tourist arrivals. The UK attracted approximately 37.3 million international tourists in 2016 (VisitBritain, no date) and this number is set to rise annually, reaching an estimated total of 54,389,000 international tourist arrivals by 2027 (WTTC, 2017).

Tourism is expected to continue seeing positive results in 2017, as a weaker pound is set to attract more international leisure spending (WTTC, 2016b). However, further predictions, especially for the 2018-2020 period, are highly problematic due to the uncertainty surrounding the UK's economy after the UK leaves the EU (WTTC,

2016b). Thus, the above numbers and predictions are likely to be subject to change in the years to come.

Despite the forecasted growth in terms of the number of stays, the hotel sector also faces an uncertain future, as "forecasting likely demand in the hotel market over the next five years" is likely to be very difficult (Mintel, 2016). The occupancy levels are expected to decline in London in 2017, but will see an increase in the cities outside London (PwC, 2016). The decrease in occupancy levels in London is the reflection of a range of terrorist attacks in Europe, which led many tourists to avoid large cities, "while corporate uncertainty and tight travel policies, pre and post the EU Referendum, also took their toll on demand" (PwC, 2016, p. 5). This decline has been further affected "by a glut of new hotel openings", which led to increasing competition at this difficult time (PwC, 2016, p. 5).

It is expected that the number of rooms will increase further in 2017, with a total of 7,000 rooms to be added to the existing provision in London and a further 11,400 rooms outside London (PwC, 2016). Major hotel brands, including GHG, are set to introduce their new brands in the UK in 2018 (Mintel, 2016). In fact, the UK hotel market is seen to be moving forward towards "a US-style heavily branded market" (Mintel, 2016). The share of the branded hotel segment rose from 38% in 2007 to 45% in 2015, thus making the UK hotel market "an intensely competitive marketplace with a growing risk of oversupply" (Mintel, 2016).

The UK's hospitality sector employs 2.5 million people, a rise of 251,878 since 2009 (People 1st, 2015), thus making it the UK's fourth largest industry in terms of employment (PwC, 2016). As the industry is set to grow, albeit the previously mentioned uncertainty, there will be a need for an additional 993,000 people by 2022, out of which 870,000 people will be needed to replace existing employees (People 1st, 2015). The scale of demand points to a number of exciting issues within the sector (People 1st, 2015).

However, one of the main issues is high turnover rates primarily in entry level positions, which is attributed to "the lack of visible career pathways in the sector and sector businesses' focus on recruiting transient labour" (People 1st, 2015, p. 13). Transient labour includes young people under 25 and migrant workers. With the

prospect of ageing population (People 1st, 2015) and the UK's exit from the EU (PwC, 2016), the situation is becoming increasingly concerning. The latter could have a considerable impact on "the sector's ability to recruit and retain skilled staff" (PwC, 2016, p. 2), as the sector remains highly dependent on migrant workers. As it can be seen from Figure 8:1 (next page), there are considerable variations in the percentage of migrant workers across the UK, with London's businesses employing a significant 70% of migrant workers.

Figure 8.1: Percentage variations of migrant workers across the UK

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Source: People 1st (2015). *The skills and productivity problem: Hospitality and tourism sector*, p. 13

8.1.2 Information about the hotel

London remains a very popular tourist destination thanks to its position as one of the leading financial and business centres, attractions, entertainment and leisure offers, transport infrastructure, and various retail outlets (PwC, 2016). London welcomed 30.5 million overseas and domestic visits in 2015, with expenditure reaching £15 billion (PwC, 2016). Therefore, although the occupancy levels are set to decline, London is still expected to achieve "some of the consistently highest global occupancy levels" (PwC, 2016, p. 9).

GHG London Hotel has a central location and is half an hour away from Heathrow Airport (GHG, 2017). It is also closely located to a number of famous London attractions (GHG, 2017n). GHG London Hotel is a large property which has 600 rooms. The hotel is referred to as "factory" due to its very busy operations:

> *This is a hard hotel. It's very exhausting, so you have to love what you're doing and you have to like people you are working with in order to stay… You know, this is a 600-room hotel that runs at 90% occupancy. I mean it is a factory, with 300 plus people coming for breakfast. So, if you consider you are doing this seven days a week, except for Monday morning and Sunday night, it's very tiring* (General Manager).

8.2 Findings

This section will now present the findings from the research. It will begin by looking at GHG London Hotel's workforce, as well as what constitutes a migrant worker. The rest of the subsections will further explore the hotel's employment of migrant labour by looking at such aspects as recruitment and talent management. Labour market issues will also be considered to explain the use of migrant labour.

8.2.1 Migrant labour

GHG London Hotel heavily relies on migrant labour to run its "factory"-like operations:

> *It's hard to talk about it here because overwhelmingly our team in this hotel aren't British. Out of 140 directly employed team members - and that's not including Housekeeping - I would say probably less than 20 are actually British born and bred* (HR Cluster Director).

What is a migrant worker?

This piece of research has identified a range of different categories of migrant labour. These will now be presented separately in the following subsections.

Foreigners

These workers refer to themselves as 'foreigners' rather than migrant workers. These are young people who came to the UK with their parents a long time ago. They grew up in London and are used to the way of life in the UK. Examples of these

workers include a worker who works part-time as a Food and Beverage Assistant, but wants to pursue a career in nursing, and also a full-time worker who has recently graduated with a Bachelor degree in filmography, but wants to continue developing his career in hospitality. He does not see himself working for GHG in the future and is currently considering moving to a different hotel organisation.

Economic migrant workers

These workers come from Italy and work as line employees in the Front of House department or Food and Beverage department. They are young, ambitious and hard-working individuals. All of them are highly educated, with degrees ranging from undergraduate to Master's level. They speak very good English and a second language (mainly Spanish), with some being able to speak several other languages (for example, French and German).

Some of them have worked in the tourism industry for a long time. Others wanted to work in the hospitality industry in their home country, but there were no opportunities available. All of them came to London because "here there are more opportunities for everybody" (Mariella, Reception). They may not like the way of life in the UK, but in comparison with the current economic situation in their home country, the UK offers a much better prospect for employment.

The economic situation in Italy is referred to as "black mourning" (Agnese, Reception). The meaning of the phrase is further explained by another team member:

Italy is passing a very bad economic crisis. Unfortunately, there is no possibility for young people to have a job, to grow up. In Italy, it's like they closed every door for young people because basically if you haven't got experience in hospitality or in every job that you want to do in Italy, they say that they will not take any people without experience… (Bellissa, Food and Beverage).

Work experience is seen to be extremely important in Italy. In fact, it is considered to be more important than a university degree:

So, it's very hard for me and I have a Master's degree! They are looking for experienced people, but how can we get our experience then? If you're looking for experience, then

let us get some experience. We can be experienced people as well. You know what I mean? (Elenore, Reception).

One of the ways to gain work experience is through an unpaid internship, which is seen as a very popular option by both interns and businesses. However, businesses tend to rely heavily on internships, as they allow the businesses to employ highly qualified people at a minimum cost and avoid paying taxes:

You can do, like, an internship. You work like a normal employee, 8 hours per day, 5 days, and maybe you don't get paid. Yeah, because I've done three months in a travel agency. They only paid my travel expenses there, and that was it. For three months I worked with them, 8 hours per day. I was alone. I was working. I wasn't resting. I wasn't photocopying stuff. I was working and I wasn't paid. How can I live if I'm working but not getting paid? OK, I've got my experience and OK, from the company you get, like, three months of experience, and OK, let's make a contract. No! Instead of doing the contract, they would rather do a contract for another internship and they hire other people because they are not paying taxes on internships (Elenore, Reception).

The pay that the migrant workers receive in the UK is considered to be an issue. However, the UK's wages are seen as more attractive in comparison with the current basic pay in the migrant workers' home country. Some of the migrant workers have noted that they are very happy to receive any pay at all, as they were never paid in their home country. The issue of pay will be considered further in the 'Recruitment' and 'Labour market issues' subsections.

A similar situation has been noted with regards to Lithuania. However, it should be noted that the following explanation comes from the Reception Manager, who is from New Zealand, rather than the migrant worker himself, as he refused to participate in this research:

Apparently, Italy and Lithuania are not very good working environments. Lithuania is not a very nice place to work, where a few dodgy things are happening. I don't know too much, but, like, no contracts and they pay you under the table type of thing, which obviously doesn't give you any work stability whatsoever. You can turn up one day and they'll go like, 'Who are you? We don't need you!' because there is no contract involved.

It has also been noted that the general profile of economic migrant workers has changed considerably in recent years:

Yeah, and I don't find now that you get people… I think in the past you probably got lawyers or physicists, doctors or whatever coming and working in a role like this. Now I think you don't get that as much anymore. I don't see that as much anymore. Er, certainly in this hotel people who come and generally work in here are much younger and they are really just starting out their work careers. So, you know, I think that that used to be very much more the case… (General Manager).

One of the main reasons for this change is attributed to a number of economic changes in the migrant workers' home country:

…but I think as those countries, where, if you look at Poland, for example, you know, or the Czech Republic, those people now can get good jobs, erm, in their own countries. They have a good enough pay and they can go and learn English if they want to. Um, you know, I remember the story of somebody who in Prague was, you know, when they opened the hotel people applying for jobs were... People were doctors and… to work at Reception in a hotel as a bellman because that was a good paying job and in an international company, so the motivation was to work in an international company when you were in those countries, and it still is the motivation, um, more than money even in some cases, but here I don't encounter that really (General Manager).

The young people who come to the UK in search of better opportunities do so in order to improve their career prospects in their home country. Thus, their whole experience involves a circular movement:

Yeah, there's that, and there is also, you know… I've had the opposite where I've lived in those countries where they come from, like Romania and Turkey, where in Greece, where they came, they've worked abroad and then they got back home; and a) they've worked abroad and b) they speak better English, so they can get better positions and get higher salaries. Erm, that's a little bit how the cycle works. So, I would get that a lot. My staff, especially in Romania, when they were leaving, erm, because they were getting paid such low salaries as per the European Union, they would come and they would work in a place like London or Dubai and then when they go back home to Romania eventually, they've automatically moved themselves into a new salary bracket because they are that much more qualified than so many other people that

they can get much better jobs and they have that international experience. So, that's part of the game (General Manager).

However, it is important to note that this does not apply to all young migrant workers. Most of the Italian workers who were interviewed for this research do not see themselves going back to Italy. Instead, they would like to travel the world. Those who want to go back to Italy have the same intentions as the young people described above. Therefore, it is important to differentiate these workers from those who do not consider the option of going back to their home country.

Workers who migrate for new employment opportunities as well as personal development

The economic migrant workers in this research also have the intention to continue their personal development and are very ambitious. However, their primary goal was and still is to *escape* the economic situation in their home country. An example of worker in the above category is a migrant worker who wanted to come to London not only for her personal development, but also to gain enough experience to be able to apply for a similar job at GHG in Italy. In order to apply for a job at GHG in Italy, one must have prior experience. In addition, she also wanted to have "a different experience, it's not really about the job" (Gabriella, Reception) by learning English and experiencing the life in the UK. Once she has worked on Reception for a few years, she intends to apply for a transfer to a GHG hotel in Rome, Italy.

Senior Managers and Directors

These include general managers or managers at Director Level. An example of senior manager in this research includes the hotel's General Manager. She is from Canada. She has built her career in GHG, starting in the Front of House department and moving all the way up to the position of General Manager:

> *When I finished university I started working at the* [GHG] *Toronto, erm, as a* [not clear from the recording] *manager, and then I moved to Toronto Airport, after a few years to Aruba as a Front Office Manager there. Then I moved…I did project management for four years installing systems and training people around the world. Erm, then I became the Area Revenue Manager after the Mediterranean, before moving to Athens and*

Greece, where I was the General Manager of Athens... Er, sorry, I was the Director of Business Development and Director of Operations in Athens, and then I moved to Istanbul [GHG] *ParkSA, where I was the Hotel Manager before moving to Adana and Mersin, where I was the Cluster General Manager in Turkey, South East. Erm, then I moved to Bucharest, Romania, where I was the General Manager of the Athenee Palace* [GHG] *and then here I am at* [GHG London Hotel]*.*

GHG London Hotel currently sponsors these workers' visa. This means that GHG London Hotel currently holds a Tier 2 sponsorship licence which allows the hotel to employ skilled workers from non-EU countries long-term or permanently (GOV.UK, 2017a). 'Intra-company transferees' is one of the main categories which falls under this sponsorship licence. An organisation has to pay a fee to hold this licence depending on the size of the business - the bigger the organisation, the higher the fee. Managers in lower positions must have a valid work permit or have the right to work in the UK, as in the case of line managers.

Line managers

Examples of line managers include HR Manager from Italy, Reception Manager from New Zealand, and also Restaurant Manager from India. The HR Manager has previously worked for another GHG brand in London and has recently transferred to GHG London Hotel. The Reception Manager is in London temporarily, as his two-year visa is due to expire soon. He intends to go back to New Zealand to work in a different GHG hotel. The Restaurant Manager has always wanted to work for GHG. After gaining substantial experience in Food and Beverage in India, he came to the UK on a non-EU work visa. He intends to continue developing his career in GHG.

Immigration legislation

It has been noted that the recruitment process is "the same for everyone", and GHG London Hotel:

…don't make a difference between people coming from Europe or coming from Asia or Africa, but, you know, we just comply with the law in these cases and we require people to have the right to work in the UK (HR Manager).

However, in practice the situation *is* different and depends on one's level within the organisation. Such senior positions as general manager and director are sponsored by the organisation, as these positions are associated with stability and loyalty:

> *We're not interested because it's too much of a risk for the business then* [about lower level positions]. *If I sponsor somebody to work in the UK and something goes wrong, it's* [GHG's] *responsibility. That's why we always say, 'You have to have the right to work here before we even look at your application.* [For senior management positions] *The situation is different. If it's the General Manager or someone who is in a Director position and we know they are transferring from Dubai or anywhere, then yes, we would cover the cost of that sponsorship because you've got that guarantee that that person has got a career with* [GHG]. *For example, our General Manager is Canadian. I know it's slightly different because Canadians are part of the Commonwealth, so it's easier for them to work in the UK. Yeah, when you get to a certain level, then it's easier* (HR Cluster Director).

The hotel does receive ambitious applications from different parts of the world. However, visa requirements are the key obstacle in considering these applications further:

> *Sometimes I'll get CVs sent through me. I am on LinkedIn and people see my position, so I get a lot of contact on LinkedIn, particularly from India, lots from India, who are saying 'I really want to work in the UK. I really want to work for* [GHG]*' and they are all very experienced people. I have to respond, 'Please refer to our website for career opportunities' because we won't…* [GHG] *won't subsidise visas* (Cluster HR Director).

Another exception in this case is a graduate who is taking part in an international development programme:

> *We won't do sponsorship for anybody coming along unless there are certain caveats that perhaps with our international development programme for graduates potentially. It's never a guarantee, but potentially we'll look at each individual case…* (Cluster HR Director).

Thus, there is a very clear distinction between senior management positions and lower positions within the hotel, which is created not only by the current immigration rules

and regulations but, most importantly, by the overall attitude towards these different positions.

Housekeeping department

The hotel's Housekeeping department is the only department which is currently outsourced. There are no agency workers in the Food and Beverage department or Front of House department. However, GHG London Hotel directly employs Rooms Division Manager, whose responsibility is to look after the housekeeping contract and communicate with the Head Housekeeper, who is also employed by the agency, to ensure that the organisation's standards are being followed properly. The main reasons for outsourcing the department are linked to *numerical* flexibility and recruitment issues:

> *Housekeeping is traditionally a department that is outsourced in hotels, er, because the number of people you need to work in the department fluctuates every day based on the rooms that you have. By having it outsourced you have that flexibility because the outsource company can move people from one hotel to the next. So, if I'm not busy, they can take those room attendants and use them in another hotel that is busy, for example. Um, so, that's one of the reasons. That's initially how it all began. Er, then the other reason is it's a full-time job just to maintain the staffing in the housekeeping department, you know, to keep the number of employees, probably 200 people that you need to have on your payroll rotating through, and hiring and training, and hiring and training. Erm, so that becomes a project of bulk, well, in a way. Er, so, that's the other really big reason why it's outsourced in general. There are good things and bad things about it. That's what it is, so… I go back and forth a bit whether I like it or not* (General Manager).

The "good things" are associated with the numerical flexibility approach, as it is considered to be cost-effective and important in meeting fluctuating demands, whereas the "bad things" are linked to language issues. A lack of language skills had become one of the key issues:

> *…guests have been asking the housekeepers when they serve their rooms for certain items, and the housekeepers don't understand what they are asking for* (Cluster HR Director).

As a result, the hotel started receiving an increasing number of guest complaints, prompting the hotel's management team to get involved in the running of the department. The housekeepers were asked to carry business cards which contained the number that the guests could call on to request what they wanted. It has been noted that this is "not an ideal solution, but that's what we have at the moment" (Cluster HR Director). The issue is still being resolved, so the cards are only a temporary solution.

The Housekeeping department is comprised of migrant workers who come from different Eastern European and Western European countries:

> *I know that 60% are Romanian, probably about another 30% are Polish, and then you've got some Spanish, some Portuguese, some, I think, one or two Czechs, some Slovakians…* (Cluster HR Director).

It is interesting to note that these workers are expected to follow the hotel's rules and standards because they wear the same uniform as the hotel's team members:

> *They are part of our team because they wear the* [GHG] *uniform, so they have to adhere to the* [GHG] *standards, but we don't get involved in any way in their recruitment, their management and development* (Cluster HR Director).

However, once an agency worker becomes part of GHG London Hotel's permanent team, the situation changes. The worker gains access to a range of different talent development programmes and opportunities, and also new career opportunities and possibilities. There are examples of some of the agency workers becoming part of the hotel's team - a move which is seen as "a way into hospitality". A most common career move among housekeepers is a transfer from the Housekeeping department to the Food and Beverage department:

> *Quite a lot of our Food and Beverage team are actually ex-housekeepers. Our current Food and Beverage supervisor, she first started in Housekeeping, and one of our Shift Leaders on Reception used to be in Housekeeping as well. It's certainly a way into hospitality. I think there's a certain negative view of Housekeeping in some respects because they think we see them as cleaners, but actually there is so much more to it than cleaning* (Cluster HR Director).

The current situation in the Housekeeping department can be further linked to the examples of treatment of housekeeping staff in GHG, which were explored in Chapter 5. This subsection explores this matter in greater detail, providing the reasons behind the outsourcing decision as well as the overall attitude towards these workers. Despite acknowledging that "there is so much more to it than cleaning" in this department, it ultimately comes down to the issue of cost and savings, which, in turn, may be contributing to the negative view of this department, especially from the guest's point of view. The only instance when the hotel gets involved with the actual management of this department is when there is a guest complaint, which has been shown to be a "bad thing" for the hotel. However, because this arrangement is seen as cost-effective, there is hesitation in changing it. As noted earlier, this and the previously considered cases therefore raise questions about the ethical side of the means and cost by which the notion of "exceptional service delivery" is achieved within GHG, and at whose expense.

Perception of migrant workers

Cultural diversity is considered to be very important, as it allows GHG to have an advantage over its competitors:

> *… for hospitality different cultures merge very well and* [GHG]*, for example, is one of the company which really, er, make a point about, you know, increasing diversity and developing people and, you know, giving equality and diversity training because it's felt as something that gives competitive advantage to other company* (HR Manager).

Migrant workers have been noted to possess not only the right attitude, but also the right set of skills and experience. However, what is more important is the migrant workers' right to work in the UK:

> *One of our challenges is those who we tend to see in recruitment days - and we have open days every couple of weeks in Food and Beverage - the majority who turn up are people from Eastern Europe or may have just arrived in the UK and they haven't got a bank account; they haven't got a National Insurance number; they haven't even got an address sometimes, but they have the right work here, so they come along and we will recruit them because they've got the personality; they've got the skills; they can demonstrate to us that they have worked in this area before. But then we do have the*

challenge of a significant language barrier because a lot of them, their English, isn't… If they can speak English, I'll certainly try my hard, but it's not to the level that our customers perhaps expect it to be and we do have some issues with customer feedback, for example, that their requests aren't understood correctly at breakfast or in the bar. That's an issue we need to deal with (Cluster HR Manager).

These migrant workers do have the attitude and skills that GHG is looking for, although the lack of language skills is one of the key issues. The difference between the Food and Beverage department and Front of House department is also evident in this research, with the receptionists being able to speak better English than their Food and Beverage counterparts, whether they come from Italy or Lithuania or any other country. Variations in the Food and Beverage department also exist, with those who come primarily from Eastern Europe that tend to experience major language difficulties, the extent of which has been noted to include not knowing such basic words, as 'fork' and 'knife'. However, they are recruited because there are significant labour market issues that prevent the hotel from recruiting native workers who do speak English.

These conditions, or continuous reliance on this "very hard-working bunch of people" - and this was before the Referendum - had been noted to remain the same in the future. These workers are seen as a good *temporary* solution:

On the front line level, I can definitely see it will continue being European migrant labour. I don't see there's going to be any sudden shift, and it's not a bad thing. You know, we've got a very hard-working bunch of people who will put everything into it when it comes to work and then, you know, a few months later they'll move on somewhere else, where they're going to get paid more. So, we can't argue with that because when they are here, they deliver a good service for us (Cluster HR Director).

It also appears that despite this positive perception, the issue of pay, which *is* acknowledged by the management, is an *obstacle* to the retention of these workers.

"I think we are an advantage for [GHG]*"*

The previously mentioned "competitive advantage" has also been explained from the migrant workers' point of view. Both migrant workers and international workers have highlighted the importance of having an international team. One of the

main reasons for this is the workers' ability to communicate with guests from different countries and in "a multicultural environment" like London:

> *They* [team members from different countries] *are very important! If you have all English staff here and do not have a second language, it would be difficult. It's a hotel, tourist place* (Katrine, Food and Beverage).

The communication aspect is seen as a collaborative effort. For example, if a Vietnamese guest is checking in to the hotel and he does not speak good English, the hotel currently employs a Vietnamese team member who can help to communicate with the guest. It has also been noted that if the guests speak very good English, but they see a team member who also comes from the same country as them, they "feel relaxed… and they always come back to you, asking for you" (Gabriella, Reception). This helps the team member to establish a rapport with the guest, potentially leading to repeat business.

Despite the previously mentioned perception, there are many success stories among these migrant workers. There are also examples of those who went back to their home country and came back later to continue working at the hotel. In both cases, the migrant workers have demonstrated their commitment and loyalty to GHG.

8.2.2 Recruitment

Shared recruitment system

The recruitment for entry level positions is conducted through "shared service team", whose purpose is not only to review entry level applications and to send the selected ones to the hotel's managers, but also to organise the type of open days which was mentioned earlier. One of the key tasks for the team is to ensure that the applications meet the requirements in terms of the candidates' ability to work in the UK.

Numerical flexibility

GHG London Hotel currently has three main types of contract. The first type is *salary contract* for line and senior managers. This contract includes a set salary that is paid into a manager's account every month. The other two types of contract are for

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supervisors and line employees. *Permanent contract* is an hourly paid contract, which guarantees that an employee will be getting a certain amount of hours per month (with 39 hours per week as a minimum). There are also various *part-time contracts* depending on "whatever suits the operations and the team" (Cluster HR Director). These contracts have become very flexible - a change from the standard twenty-hour part-time contract. The new contracts range from eight or even four hours and are specifically tailored to an employee's needs. They are also seen as an advantage to the hotel's operations:

> *This makes it much more flexible for us and efficient as well* (Cluster HR Director).

There is also a casual agreement, which is not a contract:

> *We only do that if it suits the team member. It's not something we do for us. We don't actually need casuals in this hotel because we've got a fairly stable operation. There's no picks and drops, for example. So, we only have a few casual people, as purely because they want that. For example, something with students, they want to be able to tell us when they can work and when they can't work. So, it works very well for them* (Cluster HR Director).

Functional flexibility

There are also examples of functional flexibility, primarily among line employees. This means that a team member has the skills and knowledge to perform a range of various tasks not only within his own department, but also other departments in the hotel depending on the hotel's business needs. Some of the examples include:

- **Amir, Food and Beverage Assistant** – Amir can perform a range of different tasks within a number of functions in his department, including Room Service, bar, and restaurant. He is also responsible for organising and carrying out induction and training programmes for new team members.
- **Elenore, Reception** – Elenore has completed a range of different training courses and can now perform various tasks not only in her department, but also Food and Beverage department.

It is interesting to note that the ability to perform a range of different tasks, which are outside of one's job specification, does not necessarily lead to an increase in salary nor

it does to any kind of promotion. In fact, the team members continue receiving the minimum wage (£6.50 per hour for Food and Beverage/ £8.80 per hour for Reception). When the team members were asked whether they were being financially rewarded for all these extra efforts or had ever been offered a promotion, they said no. As one of the team members noted, "They put me everywhere!" (Elenore, Reception). This suggests that the functional flexibility works out as an advantage to the hotel more than it does to the team members themselves – an arrangement described as **"maximum effort, minimum wage"** (Amir, Food and Beverage).

Pay

There is a considerable difference in pay between entry level positions in the Food and Beverage department and Front of House department. The rate of pay for a Food and Beverage Assistant was £6.50[2] per hour, plus tips and service charge, whereas the rate of pay for a receptionist was £8.80[3] per hour, plus a commission from upselling. These rates of pay constitute the basic financial reward as per contract (whether it is a permanent or part-time contract).

The hotel's management are aware of such a big difference in pay between the departments, but there is "nothing" that can be done about it, as this is a **commercial decision** that cannot be easily changed:

> *At the lower end of the market, our front line team, for example, our Food and Beverage team here, in* [GHG London Hotel]*, we are paying them the minimum wage, which is a commercial decision and that's nothing we can change at the moment…* (Cluster HR Director).

However, it is acknowledged that one of the main disadvantages of such arrangement is:

> *…with that…you get a very transient workforce. So, we have people who will come to you purely because they want a job and they don't necessarily see it as something to aspire to…* (Cluster HR Director).

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[2] It is important to note that at the time when this research was conducted (May 2014), London's Minimum Wage was £6.50 per hour. However, it has changed since then and now constitutes £6.70 per hour.

[3] London's Living Wage has also been increased and is now £9.15 per hour. Despite these changes, there is still a significant difference in wages between the departments.

This, in turn, is seen as a contributing factor towards the poor image of the industry:

…the biggest challenge we have in hospitality is our salaries because we are a very very low paying industry in general and it's very difficult to attract people who want to make a career at certain level (Cluster HR Director).

It is important to note that the above issue is related to entry level positions and perhaps supervisory positions. Managerial positions, on the other hand, are not seen as "a problem":

If we look at head department level, maybe even assistant manager level and above, we don't have a problem attracting people because there's a certain recognition that goes with [GHG]*,* [GHG] *brand like I talked about. It's a brand people aspire to work for, and they know they are going to get their career development and if they want to make a career in hospitality, that is the company to come to* (Cluster HR Director).

From the team members' point of view, although there is a difference in pay between the departments, the perception of these current rates of pay is the same across the departments - "not very good". Such perception is largely attributed to the expensive way of life in London. As one of the team members pointed out:

It's fine if I wasn't in London. This is the point because London is very expensive. So, for the money that I earn, if I was in another city, I would be perfect because I could have my own house, pay my bills and all this kind of stuff. But in London the life is really so expensive (Nicci, Reception).

Furthermore, it has been noted that the commission is not paid regularly:

They do not even pay our commission. I mean, we had two months of delay for our commission, and you want us to do upsell? Let's pay our commission before! Of course, you want a reward. You work for it a lot! A lot! (Elenore, Reception).

As a comparison, one of the team members talked about her friend, who works in a similar position at a GHG hotel in the US and receives not only a better pay, but a range of benefits, such as gym membership, free massages, therapy sessions, and counselling. If she works more than six days in a row, her rate of pay is increased

automatically - "the more she works, the more she gets, and I don't think it's the same for us here" (Mariella, Reception).

The issue of pay highlights the fact that the expensive way of life in London is not reflected in the current wages. It should be noted that this is mainly related to entry level and supervisory positions. Furthermore, there appears to be little difference in pay between an entry level position and a supervisory position in the Front of House department across similar GHG hotels in London, which is seen as demotivating and discouraging in terms of future development:

> *I've done an interview as Guest Relation Executive – that would be our supervisor position. It was in Euston. The pay was £14,500 yearly. Do you think that a person can live on this salary?* [pauses] *So, I wouldn't leave the company because I don't like it, but because in my next step I am going to earn less money that I'm now! I don't even have that much motivation because I know that my supervisor is getting my same pay. I am an ambitious person. I would love to grow, but I can't work for the glory – I don't know how you say it, you know?* (Elenore, Reception).

8.2.3 Labour market issues

It is important to note that the issues that this section will focus on are mainly related to London. The assessment of the labour market situation outside London may present a different picture, particularly with regards to the employment of migrant workers in entry level positions:

> *…if you are outside of London, you have that much more… You have a whole different picture, erm, of who works in the hospitality industry* (General Manager).

For example, as pointed out by the Cluster HR Director:

> *The team have been there. They've stayed there. They don't leave… The team have been there a long time. There is much more of a kind of English bias in the team members in Reading…*

Perception of the hospitality industry

The perception of the hospitality industry in the UK - and particularly in London - remains "fairly negative" (Cluster HR Director and General Manager):

…there's a fairly negative perception of hospitality, which we are trying to change and I think that it's seen as not a dead end job, but a kind of job that you do if you can't do anything else, and it's a shame because people don't see that there is so much more to it… (Cluster HR Director).

In comparison with the UK, other European countries - and particularly Western European countries - have been noted to have a different attitude towards the hospitality industry:

If you look at how, you know, a German or an Austrian school operates for hospitality and tourism, er, they go in and they, you know, they have very big programmes and, you know, serious development programmes within those countries.

…it's seen as a very prestigious career still to work in the hospitality industry, whereas London it's not necessarily seen as…unless you get to a certain level, so and it's – are people willing to make it to that level, you know, and putting the time and not get the pay, so to speak… (General Manager).

In order to tackle this "fairly negative" perception of the hospitality industry, the hotel is currently working with different charities to promote hospitality work among the younger generations. It is about teaching those generations that "there is so much more" that they can do in the hospitality industry:

…and I am doing a lot of work with two different education providers … who are very much focused on getting into schools early and promoting hospitality as a career and saying, 'Well, it's not just working in a bar. It's not just working in a restaurant. Yeah, certainly it's a great experience for you if you want to move up, but you can also work in Finance. You can also work in IT. You can work in HR. You can work in so many different parts of the business.' So, it's changing that perception (Cluster HR Director).

However, in the meantime, the situation remains the same: the negative perception further contributes to the need to hire migrant workers primarily for entry level positions. These migrant workers have been noted to possess the right personality and set of skills but, most importantly, they are willing to work in those positions for a minimum wage, or "putting the time and not get the pay", which is another way of looking at the previously mentioned team members' perspective of "maximum effort, minimum wage".

Entry level positions vs. managerial positions

There appears to be a significant gap between these levels, particularly in relation to the employment of migrant workers. In the hotel, entry level positions are primarily occupied by migrant workers, whereas senior positions (starting from assistant manager position) are occupied by both British and migrant workers. Furthermore, GHG luxurious brands have been noted to attract more British workers in their management positions:

> *Erm, you know, if I look at, for example, the* [GHG luxury brand]*, there's a lot of British nationals who work in that hotel, more in the management team level than I have, for example. So, I guess it just depends, but then I look at the rest of the team in that hotel, for example, and it's pretty international as well, and that's just what it is, you know* (General Manager).

Despite GHG being positioned as "a big brand" and having "good employer branding", and also "recently been awarded 'One of the top companies to work for'" (HR Manager), the hotel is struggling to fill entry level positions, which, in turn, has certain implications for their talent development strategies:

> *I mean, we find people who will stay for a while but they don't stay for a long period of time. So, we are continuing, er, changing the people at the entry level position and we can admit it's difficult for us to develop someone from an entry level position to our better position…* (HR Manager).

He explains this further:

> *Many many people in London, they come here, but they are not sure how long they are gonna stay. They look for a job, which is not the job for the rest of their life, so they see an entry level position in F&B, for example, as a step in order to do something else later on, and they don't really want to invest in their career in hospitality, but, of course, it's not everyone. It's not generalising, but most people do that.*

From the team members' point of view, low pay is one of the main reasons for such high turnover. Other reasons that could potentially be contributing towards the workers' decision to leave include: lack of team work (new team members feel rejected or not welcome sometimes by the team); poor induction practices for new

employees; and allocating new team members in the jobs/departments where they do not want to be or do not have the right skills to work (particularly language skills). The current reward and recognition system has also been noted to be an issue:

> *I know that my managers appreciate me. It's really not because of them, you know? It's not even coming from them because there are much higher managers who decide about this stuff, and, you know, I work nights. I work days. I'm doing the switchboard. Then I'm doing the Executive Lounge for a couple of days. If you ask me to stay late, I will stay late and I'm training people. I am really putting a lot of effort. Well, actually, I used to put lots of effort. Then you see how you've been rewarded. OK, we have been rewarded, like High Five Recognition and stuff like that, but you know, at some point it's not enough, OK? I receive a lot of recognition for what I'm doing. I'm not blaming anyone, but at some point it's just not enough, you know? But I don't know if it has to come from me or from them. It would be much appreciated if it came from them because this will mean that they appreciate what I'm doing, even much better than sending me these High Fives. They only appreciate me with a piece of paper* (Elenore, Reception).*

This example once again points to the previously considered arrangement of "maximum effort, minimum wage". It appears that although the line managers do recognise the efforts of their employees, the recognition of the efforts is also expected from a higher level.

8.2.4 Local and cross-national movement

Both internal transfers and knowledge exchange constitute an essential part of GHG's Talent Management philosophy. The ultimate goal is:

> *…to keep them* [team members] *within the family and develop them if they are good* (General Manager).

Internal transfers are encouraged and "actively" aided by GHG:

> *We've got a good talent pipe line within* [GHG] *anyway, which is one of my roles promoting that. If we have people not in this hotel, but perhaps in another* [GHG], *who are in a talent pool, if they are ready for their next move, we'll actively move them throughout the company, so that's very positive* (Cluster HR Director).

Indeed, this is a positive thing. However, the part ''we'll actively move them throughout the company'' is critical. Moving team members around locally may be feasible, but moving them internationally could be an issue. Taking into consideration the previously mentioned legislation and the hotel's attitude towards different levels, the latter may not be as a straightforward choice. Besides, a team member needs to be "good" in order to be considered for a transfer. So, what does it mean to be in the talent pool?

8.2.5 Talent Management

It has been noted that GHG London Hotel has only recently become a talent developing workplace. This change took place after the arrival of the current General Manager. Before that:

> *…there was just no talent that we could actually do very much about promotion. Erm, people didn't either stay long enough because they didn't feel that there was going to be the opportunity or that the expectation of how long they were going to have to work to get to that position, er, was going to be too long, and they could go and do something somewhere else. So, it's a bit also getting people to take risks in developing people to move up. You know, nobody is ever 100% ready to take a job when they get that job, erm, if they know they've waited too long* (General Manager).

As a result of this change, the Front of House department has seen a decrease in staff turnover and is now a more stable environment. However, the Food and Beverage department is still experiencing high staff turnover. It is expected that with the arrival of a new General Manager as well as Food and Beverage Manager this will change.

The General Manager's vision is also shared by the Cluster HR Director:

> *…it is 100% the manager's responsibility [talent development]. This is something I am very focused on. It is about managers developing their teams and what they can do to impact that*.

However, in order to accomplish this, there has to be "a significant culture shift". Managers have to be able to focus not only on the operational side of the business, but also on the human resources side of the business by becoming "people managers".

A coaching type of culture needs to be developed, "which we are doing, we are getting there, but it needs to come from HR first".

Talent development also assumes that any talent development investment has to generate "return on investment". This means that if a manager invests time and resources into developing a team member, then the team member is expected to demonstrate that they are capable of achieving the set goals and completing different tasks, thus returning the investment. This principle is applied throughout different aspects of Talent Management, and it is essential that a manager selects the right team member for this "investment" opportunity as a first step in the process. Thus, talent development encompasses three key elements: a team member's ability to develop further; their willingness and commitment to their development, and the organisation's ability to recognise and support this development.

Nine-grid matrix

A nine-grid matrix is a "standard feature in our practice" (Cluster HR Director). This tool helps to select and manage talented employees based on their performance and potential:

> There are three boxes which are called 'The Top Talent Boxes'. That's low performance/high potential, medium performance/high potential, high performance/high potential. So, these three boxes are on the right hand side of the grid and that's our top talent boxes. So, these are high potential people, who we know want to progress in [GHG]. So, you actually have to tell us that you want to do more. So, that's how we select them, and then it's down to the manager to target that development. So, everyone should have a PDP… So, it's down to the manager to help a person to make sure they've got actions, make sure they've got deadline targets, and the manager needs to review them (Cluster HR Director).

However, one of the main issues with targeting a team member's development is the manager's inability to take this "responsibility":

> We've got lots of team members who want to develop, but the problem we are facing is the managers don't have the time or can't find the time to do that development with them and give that feedback. So, that's my challenge at the minute (Cluster HR Director).

The lack of time is the result of the operational efforts of running the "factory":

It's not that [GHG] *hasn't been good at* [Talent Management] *because* [GHG] ***is*** *actually very keen on Talent Management, but I think some of our hotels perhaps haven't been the best at doing it because the operations take over, and the operation is so busy, especially at* [GHG London Hotel]… (Cluster HR Director).

Thus, it has been acknowledged that although GHG's Talent Management principles are the same across the organisation, the implementation of those principles varies from one hotel to another.

There are also issues with the nine-grid matrix as an appraisal tool. The matrix is seen as an outdated practice which aims to categorise team members:

Again, this is something I am not particularly keen on because it's pigeon holing people, but it's a [GHG] *practice at the minute, so we need to go with what we have, but there are other many different new ways of thinking…* (Cluster HR Director).

Another issue is related to the subjective nature of this assessment. Selecting the right person is the manager's personal decision, which may not always be the right one. This carries a greater risk of losing the return on investment and opportunity to focus on a different team member. An example of this talent development issue was given by the Reception Manager, who was telling the story of a team member who had been identified as having high potential, but not being able to meet the required standards in terms of his performance due to his complete lack of interest. The Reception Manager tried to encourage the team member to focus on "thinking for himself and pushing himself". However, with no results, the decision had to be made to consider a different team member. The former is still considered to be an individual with high potential, but is no longer treated as a priority.

8.3 Conclusion

The hospitality industry in the UK is set to grow further. As a result, there will be a need to employ a considerable number of people to fill new as well as existing positions. However, as the hospitality sector remains highly dependent on migrant workers, the future labour supply will be a critical issue. At the time of this research - and this was before the Referendum - the employer indicated that this reliance on

migrant workers, particularly on a "very hard-working bunch of people" in entry level positions, will continue in the future. However, with the ongoing process of the UK's withdrawal from the EU, uncertainty regarding the position of current as well as future migrant workers is bound to raise questions about the current arrangements, particularly in relation to entry level positions.

GHG London Hotel relies heavily on migrant labour to run its factory-like operations. Migrant workers occupy different levels and positions within the hotel. There is a very clear distinction between senior management positions and lower positions, which is created not only by the current immigration rules and regulations but, most importantly, by the overall attitude towards these different positions. Such senior positions as general manager and director are associated with stability and loyalty, making it "easier" for GHG to invest into their development and intraorganisational movement. Lower positions, on the other hand, are occupied by migrant workers who are responsible for their own development as well as compliance with visa requirements, if such are necessary.

Despite being seen as a "very hard-working bunch of people", migrant workers are perceived to be a good temporary solution. Indeed, some of the workers do want to go back to their home country, whereas others want to travel the world. However, at the same time, these workers have also been noted to possess the right personality and set of skills and, most importantly, they are willing to put maximum effort into their work for a minimum wage, or "putting the time and not get the pay". Furthermore, the negative perception of the industry further contributes to the need to hire these workers primarily for entry level positions. Language skills have been identified as a major issue, particularly amongst migrant workers coming from Eastern European countries. However, there are also international and migrant workers who speak very good English and even several other languages in some of the cases.

It has been noted that high staff turnover, particularly in entry level positions, has an impact on the hotel's talent development, as "it's difficult … to develop someone from an entry level position to … better position" if they do not stay long enough. However, there are a number of issues that are seen to have contributed to this. One of the major issues considered in this chapter is the issue of pay. The management have acknowledged that the organisation's "commercial decision" to pay

minimum wages is an obstacle to the retention of these migrant workers. In fact, GHG will need to consider the issue of pay, particularly in the view of the current political situation, as this is not only an obstacle to the retention of talented migrant workers, but also a major obstacle to the recruitment of native workers.

Equally, Talent Management has also been found to contribute towards high staff turnover. It has been noted that GHG London Hotel has only recently become a talent developing place, with the focus being shifted towards the human resource side of the business rather than the operational side of the business. Furthermore, a range of issue has been identified with regards to the hotel's current talent development practices. Therefore, the "temporary" perception of migrant workers, who have also been found to be very mobile, may, to a larger extent, be attributed to the hotel's management decisions, as well as the differences in attitude towards different positions in the hotel.

Having presented the three different cases, the summary of which can be found in Appendix A, the next chapter sets to discuss the key themes identified throughout these three chapters. In particular, the next chapter will attempt to explore the current use of migrant labour by utilising the labour market theories identified in the Literature Review, as well as in relation to the previous research conducted on the subject of migrant labour in the hospitality industry.

Chapter 9. Discussion

9.0 Introduction

The aim of the research was to critically explore the issues of contemporary labour migration and talent management within the global hotel industry, with the view of how migrant labour can be better utilised. Drawing on the previous four chapters, this chapter will interpret and explain key findings and themes in relation to the aim and objectives of this research and, more broadly, in relation to the existing research on migrant labour in the hospitality industry. The chapter will also attempt to put forward a case for improving the current use of migrant labour by using a range of key labour market theories explored in Chapter 3 of the literature review, including Lepak & Snell's (1999) Human Resource Architecture.

9.1 What is a migrant worker?

The term 'migrant worker' is a very diverse and complex term used to refer to various occupations and circumstances. As per Table 2:2 (pp. 34-37), there is a wide range of different official definitions and typologies which explain what constitutes a migrant worker. The complexity of the term 'migrant worker' is further evident in the context of the hospitality and tourism industry (Table 2:3 on pp. 39-41). Migrant workers can be found at different levels and in different segments of the industry, with each of those possessing a unique set of characteristics. However, what brings all these definitions together is the economic motivation behind these workers' migration. Thus, their occupations and circumstances may be different, but the purpose of their move remains unchanged, and that is to gain an economic advantage.

Table 9:1 (next page) exhibits all the categories of migrant workers identified across the three countries, with some of them grouped together under a collective term due to similar circumstances and characteristics. The table also provides a short explanation or summary of each of the categories, and also indicates the countries where these terms are present. Each of the categories will now be discussed separately.

Table 9:1: Categories of migrant workers identified in this research

Category/Segment	Collective term	Countries	Definition
Expatriates	*Expatriates*	• Turkey • UK	Highly-skilled workers in senior managerial positions, such as General Manager and Director
Senior Managers and Directors			
International workers	*International workers*	• Russia • Turkey • UK	Workers who have been living and working in the host country for a long period of time; also, have or are about to become the host country's nationals. Also includes workers who are natives, but with an international family background, international education and work experience
Foreigners			
Workers on their own visa arrangements	*Independent migrant workers*	• Russia • UK	Workers on their own visa arrangements migrating in search of employment opportunities, and also, in some cases, further personal development
Workers who migrate for new employment opportunities as well as their personal development			
Line managers			
Economic migrant workers	*Economic migrant workers*	• Russia • UK	Agency workers and workers in entry level positions who migrated or 'escaped' to a different country in search of better employment opportunities

Expatriates

These are highly-skilled workers employed in senior managerial positions, including General Manager and Director Level. They have either been with GHG for a long time, moving through the ranks or, as some of them in the case of Turkey, have been invited by GHG in particular circumstances (opening of Hotel Modern Istanbul) to fill the positions which could not be filled by native workers. The employment of these workers is associated with stability and loyalty, as they are seen as committed to, or have "a career" with GHG:

> *If it's the General Manager or someone who is in a Director position and we know they are transferring from Dubai or anywhere, then yes, we would cover the cost of that sponsorship because you've got that guarantee that that person has got a career with* [GHG] (HR Cluster Director, GHG London Hotel).

The term 'expatriate' is typically referred to a manager who is physically relocated to manage business operations in a foreign country (Collings et al., 2007). It gained its popularity in the period from 1950 to 1980, when a number of US organisations started expanding their operations on an international basis (Edwards & Rees, 2006). As a result, human resources were managed in such a way that key managerial posts of foreign subsidiaries across the world were filled by home-country managers (Heenan & Perlmutter, 1979). However, with a growing process of internationalisation, there has been a shift from the traditional term 'expatriate' to the new term 'international manager', with the latter referring to a manager who has the ability to work in different locations, while also being able to adapt to the local environment (Watson & Litteljohn, 1992).

There are examples of international managers in this research, such as, for example, the General Manager of GHG London Hotel, who has been a successful general manager in different countries, including Romania, Turkey, Greece and the UK. However, it is important to note that this manager as well as the other senior managers come from predominately Western countries. This finding is consistent with previous research on approaches to international management in a multinational organisation, which states that "it is ironic that global development systems, which have the potential to deliver geocentric outcomes, have actually delivered an

ethnocentric, or at least 'Anglo-centric', staffing profile" (Roper et al., 2001, p. 24). Indeed, despite the availability of a wide range of global and universal principles and programmes across GHG, the employment of expatriates, particularly from Western countries, is considered to be a very important feature. For example, in the case of Turkey, this may be explained by going back to the history of GHG in Turkey. GHG has an established reputation in Turkey, dating back to 1955. Therefore, it is perhaps imperative to ensure that the operations, particularly for Hotel Modern Istanbul, due to the uniqueness of the project, continue to deliver the standards that were set when GHG opened its first hotel in Turkey. Interestingly, GHG appears to be aware of the reliance on expatriates, as it is trying to shift its focus from the employment of expatriates to recruitment from local labour markets:

> *Where it will come from ideally a lot internally, but we are also focusing on recruiting talents from each country where we open hotels instead of focusing on expatriates. Each country needs to tailor to a market of potential team members* (Talent Management Director, Europe)*.*

International workers

These are the workers who have been living and working in the host country for a long period of time and, most importantly, have or are about to become the host country's nationals. This category also includes workers who are natives, but who have an international family background, international education and work experience. The category 'international workers' appears in the case of each of the three countries.

International workers can be compared to Adler and Adler's (1999) 'locals'. Indeed, these workers are the citizens of their current country of residence, are line employees and, in some cases, such as Russia, for example, fill the jobs which are *not* occupied by economic migrant workers (new immigrants in Adler & Adler). However, one of the main differences is the international workers' identity - the fact that they were also citizens of different countries before they migrated, or have an international background. Although most of them come from a different country, they ceased or will cease to be migrant workers when they became or are about to become citizens of the receiving country, indicating a breaking point at which they may no longer be considered as migrant workers.

'International workers' is also the term which is applied to different groups of *migrant workers* in the previously conducted research in the hospitality industry (see, for example, Baum et al., 2007; Devine et al., 2007a; Devine et al., 2007b). In these studies, the term 'international workers' has been applied to such categories as 'line managers' and 'economic migrant workers', thus having various meanings. However, it is important to differentiate between those, and this research has shown that the category 'international workers' can be a *distinct* category in its own right not only due to the previously mentioned characteristics, but also for the following reasons.

In the UK, international workers *do* have a *permanent right* to stay and work in the UK, unlike economic migrant workers, whose stay, particularly in the view of the current political situation, is not guaranteed. Thus, workers in both of these categories have the right to stay and work in the UK. However, the latter is most susceptible to changes in immigration rules. The same applies to line managers, who are either in the UK on their own visa arrangements or do not require such as they come from the EU. However, in both cases they are still susceptible to changes in immigration rules and policies.

In Russia, there is also a very clear distinction between the category 'international workers' and the category 'economic migrant workers' not only in terms of the immigration rules, but also in terms of the workers' access to the organisation's talent development opportunities. Thus, the former is not only free of any visa obligations, they are also full-time employees, which allows them to have access to GHG's talent development opportunities. In Turkey, 'international workers' is the most diverse category, which includes not only examples which are similar to those in Russia and the UK, but also examples which are unique to Turkey (young people with an international upbringing, education, and experience).

Independent migrant workers

These are the workers who came to the receiving country on their own visa arrangements or terms and, most importantly, are not dependent on an organisation or any particular circumstances. They tend to have a clear purpose regarding their career or personal development and, in some cases, have an advantage over certain categories of migrant workers in that they have access to an organisation's talent

development opportunities on their own terms. The collective term is used to show *the independent nature* of these workers' movement and intentions, and this will now be further demonstrated by discussing the following examples. The category 'line managers' is similar to Adler and Adler's (1999) 'managers', or 'middle management'. However, in comparison with Adler and Adler's 'managers', the line managers in this research are not seen on the same level as senior managers. GHG's sponsorship only extends to the most senior positions, meaning that only expatriates will be aided in their move between the hotels. The line managers, in turn, travel on their own visa arrangements or do not need a visa because they are from the EU. Interestingly, these managers have also been found to be career oriented, have very clear plans of what they would like to accomplish in the future and, most importantly, be committed to GHG by expressing the desire to stay and continue working for the organisation, or having already made the arrangements to do so. However, unlike expatriates, they are not seen as "committed" by GHG. It is ultimately *their choice* whether they would like to work for GHG and in which location.

'Workers who migrate for new employment opportunities as well as personal development' have been identified as a separate category, although it is similar to the category 'economic migrant workers' in a way that the workers' initial motivation is to search for better employment opportunities outside their home country. However, what makes these workers different is their ultimate goal to seek personal development. Similar to Parutis' (2011) 'middling transnationals', these workers also occupy entry level positions, which they use not only for their "economic gains", but also for personal development. Furthermore, these workers are independent in a way that they are not restricted by the situation in their home country. In turn, they are willing to return to their home country, but they want to do so on their own terms, which is to use the opportunity to enhance their skill resources in order to improve their chances of finding better employment in their home country. They also appear to have a clear idea of what they would like to do and who they would like to work for in the future.

In some cases, such as Russia, for example, being able to enter the country on one's own visa terms is a great advantage, as it allows a worker to gain access to different talent development opportunities within an organisation of their choice,

which they would not have otherwise. This is particularly related to entry level positions. In contrast, in the UK, for example, this would only be possible for *EU workers*. In order for a non-EU worker to get a work permit in the UK, they must be earning approximately £30,000 annually (GOV.UK, 2017b), which far exceeds the amount earned in entry level positions (minimum wage, as it was mentioned in the UK findings chapter). This threshold means that in this particular case work permit is available only to highly skilled positions in the UK's hospitality industry, which, in turn, relies heavily on EU workers, who do have the right to stay and work in the UK in any position. In contrast to the UK, in Russia, it is possible for migrant workers to access entry level positions in the hospitality industry, and they are "welcome" to use this opportunity (HR Manager, Hotel Krasnoyarsk).

Economic migrant workers

This category includes agency workers as well as workers who came to the host country on their own visa arrangements, but their ultimate goal is to escape the economic situation in their home country by finding better employment opportunities in the host country. These workers occupy entry level positions. Similar to independent migrant workers, these workers are also keen on further personal development and are eager to succeed. However, they do not have definite plans of returning to their home country and are determined to build a better life for themselves in the host country.

It is also interesting to note that these workers can be also seen as *critical* to the hotels' business operations. For example, if there is no supply of economic migrant workers in Hotel Moscow in Russia, then the hotel's recruitment model, which attributes a considerable 70% to these workers, will only have 30% of native staff left to cater for the hotel's particularly busy seasonal operations. Equally, if there are issues with the supply of these workers in the UK, particularly in the view of the current political situation, then sustaining the hotel's factory-like operations will become very difficult. The same applies to the hotel's housekeeping department, which is currently being outsourced and includes workers only from the EU. Therefore, these workers may not have the advantages of the previous categories of migrant workers, but they are very important to the hotels' business operations.

What is a migrant worker?

This section has further demonstrated the diversity and complexity of migrant labour in the hospitality industry. It has also shown that referring to different types of migrant workers as 'migrant workers' may be confusing, as each of the discussed categories can be a *distinct* category in its own right.

However, to answer the question of this section, which is 'What is a migrant worker?', it is important to take into consideration the category 'international workers' as a contrasting term to the rest of the categories in this research. Specifically, the rest of the categories have highlighted the temporary nature of the worker's movement regardless of motivations or level within an organisation. This is important, as the temporary nature of stay, which in the existing research has been attributed primarily to either economic migrant workers (see, for example, Devine et al., 2007a) or seasonal workers or intra-company transferees only (OECD, 2015), can, in fact, be attributed to *all* these workers, and it is only when they become or are about to become the citizens of the host country, they cease to become migrant workers, even though they continue working or will be working in the host country. ***Therefore, a migrant worker is defined as a worker who has moved to a different country for the purpose of undertaking employment on a temporary basis either as a personal choice or as part of intraorganisational movement. This economic gain may be achieved either through pay, personal development, or a combination of both.***

9.2 Perceptions of migrant workers

The existing research on migrant labour in the hospitality industry (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014; Devine et al., 2007a; Baum et al., 2007; Janta et al., 2011a; Janta, 2011; Janta et al., 2011b; Janta et al., 2012) has indicated that migrant workers are employed in various roles. However, it has also been noted that the majority of them tend to occupy entry level positions. Therefore, the above studies primarily focus on the perception of employing migrant workers in entry level positions. This research adds to this by considering the perception of employing different categories of migrant workers, including economic migrant workers.

The overall perception of employing migrant labour within GHG is very positive, and this is further evident in GHG's statements on diversity:

We seek to celebrate the unique cultures of our global communities, develop talent, workplace and marketplace strategies to create a work environment of inclusiveness (Vice President HR for EMEA)

Future Talent in our organisation will come from many areas as our Team Members come from more than 90 countries and understanding their unique perspectives is essential to our success and to driving our performance in an increasingly competitive global economy (Vice President HR for EMEA)

*We work hard to create (and measure) a culture of opportunity for all, we espouse the ethos that **diversity** and **inclusion** provide strength and a strong link to our customers and the communities we operate in* (Vice President HR for EMEA)

… for hospitality different cultures merge very well and [GHG]*, for example, is one of the company which really, er, make a point about, you know, increasing diversity and developing people and, you know, giving equality and diversity training because it's felt as something that gives competitive advantage to other company* (HR Manager, GHG London Hotel).

Cultural diversity is not only acknowledged, but even celebrated within GHG, as it provides "unique perspectives", "a strong link to our customers", and is also essential in today's "increasingly competitive global economy". Furthermore, it is an important part of GHG's strategy on finding future talent. It is clear that cultural diversity is seen not only as a benefit, but also as an important feature that allows GHG to gain its competitive advantage. All these statements indicate that GHG has a clear understanding of the importance of cultural diversity in today's hospitality industry. Indeed, in order to address the needs of culturally diverse customer markets, it is crucial to recognise the importance of a culturally diverse workforce and the benefits it can bring to successful management (Baum, 2006a). Cultural diversity has also been noted to be directly linked to and closely connected with the organisation's competitiveness (Kim, 2006; Harvey & Allard, 2002).

While the benefits of having a culturally diverse workforce are clearly recognised, it appears that in practice these will vary between different groups of employees. Table 9:2 (next page) shows the perceptions of employing different

categories of migrant workers within GHG. It is important to note that as GHG does not make a difference between the categories of 'independent migrant workers' and 'economic migrant workers', they will therefore be broadly referred to as migrant workers, although the distinction will sometimes be used to illustrate specific points.

Table 9:2: Perceptions of the identified categories of migrant workers

Category	Perception
Expatriates	These workers are perceived to be loyal and fully committed to GHG because they are seen as the ones with a "career" in GHG. They are also seen as very experienced, as they can offer extensive expertise, international perspective, and "new thoughts". They perceived to be "worth fighting for", as the immigration rules for this category tend to be easier than for the rest of the categories.
International workers	These workers are treated as native workers in that they are not seen as migrant workers. These workers are, have or are about to become citizens of the host country. These workers are seen as motivated, willing and hard-working. Some of these workers have been found to be highly-educated, particularly in the case of Turkey and the UK. The young people in this category are not loyal to GHG and are very career driven.
Migrant workers (with particular reference to workers below Line Manager level)	These workers are seen as a "hard-working bunch of people". They are perceived to be reliable, trustworthy, very motivated, willing, have the right personality and skills and, particularly in the case of the UK, have the right to work in the host country, which is seen as a significant advantage. Although these workers do not have plans to return to their home country, they are very keen on personal development and further progression. Some of these workers are highly-educated, having acquired either Bachelor's or Master's degree, or both. These workers have further highlighted the importance of cultural diversity in GHG, particularly in such multicultural environments as London, due to their ability to speak different languages and communicate with guests from different countries. However, in Russia, the guest's perception of dealing with migrant workers is very different from that of the employers'. Migrant workers are seen as "janitors" and as such should not be serving guests. In addition, most of these workers appear to be career driven and would like to stay in GHG, whether it is in their home country or host country.

Expatriates have been found to receive preferential treatment within GHG. Indeed, they are perceived to be loyal and career-oriented. They are also seen as very experienced, as they have international expertise as well as the ability to bring new ideas and perspective - all the qualities and characteristics that make them "more competent and trustworthy" than their local counterparts (Go & Pine, 1995, p. 215). Expatriates are aided in their move between the hotels and are seen as "worth fighting for", as the immigration requirements across the three countries have been noted to be much less complicated for this category than any other category, with the exception of workers from the EU in the UK. This finding further confirms the results of the survey conducted by ILO (2012), where intraorganisational migration was found to be associated primarily with senior managerial positions in the hospitality industry.

Workers in lower categories, particularly the ones who occupy entry level positions, are perceived to be very hard-working, reliable, willing and very motivated individuals. This finding is consistent with the findings from the existing research (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014) on hotel employers' perceptions of employing migrant workers. This research also confirms that the fact that these workers are very important or even critical to the hotels' operations may not be fully acknowledged. For example, the perception of economic migrant workers in Russia is such that they can be easily parted with after a busy season is over. In the UK, the management were certain that the endless supply of these migrant workers would continue - something which now remains to be seen. Thus, these workers are viewed mainly as a "quick fix" rather than as "part of a long-term strategy" (Devine et al., 2007b, p. 129), and this is best illustrated in the following quote:

On the front line level, I can definitely see it will continue being European migrant labour. I don't see there's going to be any sudden shift, and it's not a bad thing. You know, we've got a very hard-working bunch of people who will put everything into it when it comes to work and then, you know, a few months later they'll move on somewhere else, where they're going to get paid more. So, we can't argue with that because when they are here, they deliver a good service for us (Cluster HR Director, GHG London Hotel).

To clarify, the adjective 'hard-working' used to describe migrant workers points to the workers' willingness to do well, to succeed or better themselves in their new environment. Taking into consideration the primary reason for moving to a different country - and that is to seek better or different employment opportunities - these workers are willing and prepared to work hard and use the opportunities to improve their lives.

It is interesting to note that being career-orientated is a feature which is applicable not only to 'expatriates', but also other categories. Thus, migrant workers in other categories, such as 'independent migrant workers' and 'economic migrant workers', have also been found to be very keen on further development, with some of them wishing to continue their careers in GHG, indicating migrant workers' future intentions with regards to their mobility. In addition, most of these workers have also been found to be highly-educated and have the ability to speak several languages, with the latter having been described as an advantage by the migrant workers themselves, as it helps deal with guests from different countries, especially in such multicultural environments as London:

> *They* [team members from different countries] *are very important! If you have all English staff here and do not have a second language, it would be difficult. It's a hotel, tourist place* (Katrine, Food and Beverage).

All these findings point to the fact that there is more to these workers than their ability to deliver "a good service", and that is related not only to the workers' potential and positive characteristics, but also their future intentions. The latter is very important to take into consideration, primarily in view of GHG's goal of seeking future talent at *all* levels within its diverse *internal* labour market.

9.3 Migrant labour in contemporary hospitality labour markets

Having presented the perceptions of different categories of migrant workers, it is now important to consider what drives or limits those perceptions. Some of the existing studies (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014) explore hotel employers' perceptions of employing migrant labour, but are mainly concerned with the influence of different external factors. This research has demonstrated that the differences in the above perceptions are further

fuelled by the organisation's external as well as internal environment (Figure 9:1), which will now be discussed separately.

Baum (2006a, p. 56) states that "a labour market … is a dynamic concept responding to a diversity of factors". Such external, or macro environmental, factors as legislation, politics, economics, and social/cultural factors determine "the character of this wider labour market" (p. 55). Organisations "live" in this labour market environment (Riley, 1996, p. 7), and the more complex and diversified an organisation is, the more complex the environment it operates in (Slattery & Olsen, 1984). Therefore, the above factors are seen as critical in the assessment of the external environment of a multinational organisation (Slattery & Olsen, 1984; Johnson et al., 2009) and will be further discussed in relation to the employment of migrant workers within GHG.

Figure 9:1: Factors influencing the perceptions of migrant workers
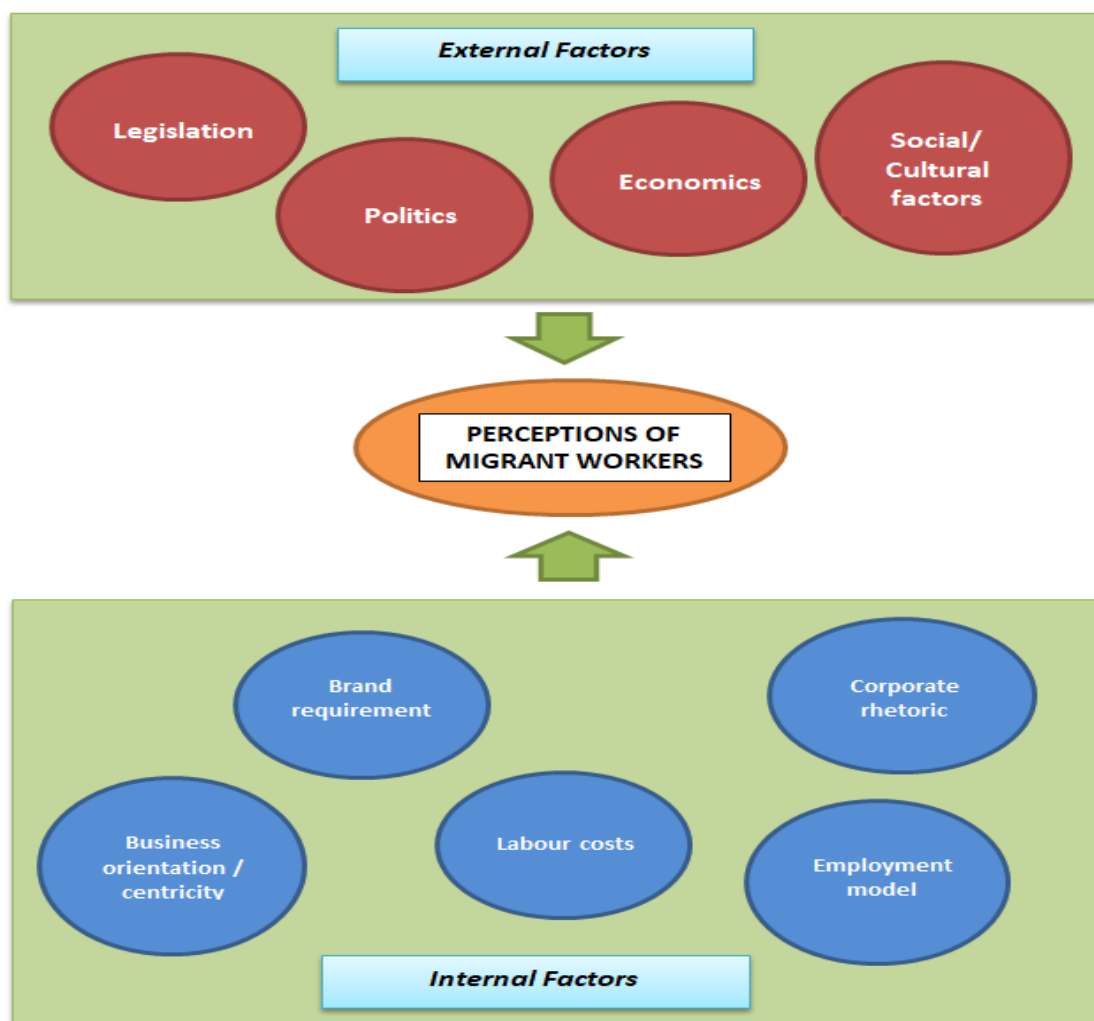
Politics and legislation

Political and legal factors are considered to be interconnected. As it was demonstrated in Joppe's (2012) research, different countries will have a different approach to migration, which, in turn, will have an impact on the rules and regulations regarding the use of migrant workers. As a multinational organisation, GHG operates in a very complex environment, which comprises of 104 countries around the world across Europe, Asia Pacific, Middle East and Africa and Americas (GHG, 2017b). The rules and regulations in each of those countries must be observed and followed. However, what this research has shown is there appears to be one common pattern across the three countries, which is very different treatment of expatriates in comparison with any other category not only at country level, but also and most importantly, at organisational level. Thus, the rules regarding the employment of expatriates have been found to be "easier" than the ones for the lower categories of migrant workers. For example:

> *… if you are a GM and… if you can earn up to two and a half million roubles per year, the company just have to go through the application process which takes from one month up to two months, and it's OK…*

> *But for higher positions, there is such thing that is called highly qualified specialist work permit which easily takes two months* (Talent Recruitment Director, Eastern Europe & Russia)

As a result, expatriates are perceived to be as "worth fighting for" in comparison with other migrant workers, for whom the rules have been found to be much more complicated and very time consuming. This distinction is summarised in the following quote:

> *It is quite expensive, and for some positions, which are not top managers' positions, it's practically impossible to obtain work permit because the process is quite… difficult. So, a lot of companies, they just don't get involved into the recruitment of foreigners into, you know, line level positions because it's just not worth it in terms of time, money and effort* (Talent Recruitment Director, Eastern Europe & Russia).

Taking into consideration the rules regarding the employment of migrant workers in lower categories, it is interesting to note that out of the three countries, the

UK has a unique position because of its access to the EU's Single Market. As pointed out by Janta and Ladkin (2009, p. 6), EU migrant workers are seen as "hugely beneficial to the hospitality industry" because of the vital combination of high level of education and legal employment rights. GHG appears to be particularly aware of the latter one, as the attitude towards the legal requirements is:

> *…focusing more on the ability to obtain a valid work permit rather than language skills* (HR Director for UK & Ireland).

Indeed, as this research confirmed later, EU migrant workers are recruited primarily because of their right to work in the UK, in spite some of them possessing very poor language skills:

> *…but they have the right to work here, so they come along and we will recruit them because they've got the personality; they've got the skills; they can demonstrate to us that they have worked in this area before. But then we do have the challenge of a significant language barrier because a lot of them, their English, isn't…* (Cluster HR Director).

This further suggests that GHG is prepared to overlook certain issues as long as the worker can prove that they have the right to work in the UK, highlighting the fact that such external factors as legislation/politics are not only followed, but perhaps are fully taken advantage of by the organisation. However, due to the changing political situation, the UK's hospitality sector will need to consider its current position with regards to the employment of EU workers, the number of which has already been noted to start declining (ONS, 2017). To assist the UK government with the formulation of new immigration policies, the Home Office has ordered "an independent review into the impact of EU migrants on … different sectors of the UK economy" (McCann, 2017). It is not clear yet what those new immigration policies are going to be. However, one thing is certain - perceptions, such as this one:

> *On the front line level, I can definitely see it will continue being European migrant labour. I don't see there's going to be any sudden shift, and it's not a bad thing. You know, we've got a very hard-working bunch of people who will put everything into it…* (Cluster HR Director, GHG London Hotel).

are likely to change, especially once the UK leaves the EU officially in March 2019.

Labour market conditions and social/cultural factors

At GHG, people are seen as the most important resource:

> *… our people make the difference when it comes to every facet of the guest experience*
> (Vice President HR for EMEA).

GHG will require significant human resources to sustain its future growth and development (GHG, 2015). Therefore, as noted earlier, one of GHG's key concerns is "staffing shortages" in different parts of the world, which could have an impact on the organisation's growth and further expansion plans (GHG, 2015, p. 24). GHG has expansion plans in each of the three countries, which are further supported by further tourism development. This research has identified a number of labour market issues, which are of concern for GHG, in all the three countries. Furthermore, this research has demonstrated how migrant labour is used, or helps GHG deal with varying labour market conditions across the three countries. Table 9:3 uses Joppe's (2012) classification system and shows the levels of emigration and immigration in relation to the three countries, which largely confirm his initial findings. It is important to note, however, that the level of emigration in Russia and the UK cannot be determined here, as there is no or little data available to support the claims.

Table 9:3: Migrants as a solution to labour issues in Russia, Turkey and the UK

Country	Classification status (emigration/immigration)
Turkey	High/Low
Russia (assumption, as this country was not included in Joppe's research)	Low (very little data available to confirm this)/controlled
UK	High (cannot be confirmed)/High

In Turkey, a key concern is the lack of highly qualified candidates with international experience, which leads to the employment of expatriates in senior managerial positions. According to Joppe (2012), Turkey belongs to the 'High/Low'

group of countries, where immigration levels are low, and migrant workers are used to fill primarily skilled positions. Furthermore, these countries do not view migrant labour as a solution to their labour issues, and consider the focus on "improving the image of tourism-related jobs as a career choice" a more suitable strategy (p. 669).

This research has shown that Turkey's tourism industry has undergone major development since the 1950s. The industry's image has also been improved, and this is evident in the following examples. Positions at entry level and above, with the exception of senior managerial positions, are now occupied by native workers. In addition, employment laws, which have been found to reflect a range of cultural norms and traditions, further support the employment of native workers.

There are also many different tourism and hospitality courses at school, college, and university level. However, the education system has been noted to be failing to produce the right candidates. In addition, retaining young and ambitious individuals is becoming very challenging due to the increasing competition fuelled by the continuous tourism development. Thus, although the tourism industry's image has been improved, the future prospect of filling in highly-skilled positions is becoming a real concern. The fact that emigration levels are high suggests that many Turkish nationals travel abroad, and this research has presented examples of young individuals who have been abroad (the UK) for study and work related purposes and who have since returned to Turkey to find employment, making them potential candidates for senior managerial positions. However, the influence of different cultural aspects has been identified as a one of the reasons for the lack of further progression, which, in turn, could be further contributing to the main issue.

The UK's hospitality industry appears to be highly dependent on migrant workers. The low perception of the hospitality industry, which is further fuelled by low pay and poor working conditions, has been identified as a key factor that contributes to the employment of migrant workers, particularly in entry level positions, and particularly in London. In order to progress further, the employee must be willing to put time and effort, but at the same time "not get the pay", with the latter referring to a considerably higher level of pay that one receives once they reach a certain level, such as a managerial position. As a result, native workers are seen to be more attracted to managerial positions, leaving entry level jobs for migrant workers (for

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example, economic migrant workers and independent migrant workers) who are prepared and willing to work very hard and "not get the pay". Furthermore, they have been noted to have the right personality and skills to do the job. Native workers' unwillingness to do hard work has previously been noted to be a key contributing factor to the employment of migrant workers primarily in entry level positions (Lyon & Sulcova, 2009; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014). Interestingly, as noted by the migrant workers themselves, low pay is "not good". However, they are more willing to tolerate it because employment opportunities in the UK are considered to be better than in the migrant workers' home country. Migrant workers with a higher level of experience in the hospitality industry (line managers as independent migrant workers) have been found to occupy managerial positions across different departments, where the issue of pay is no longer an issue. Therefore, it may be said that the low perception is related primarily to the operational segment of the labour market.

It is interesting to note that the type of employee selected, in turn, can be seen as a contributing factor to the way hospitality work is perceived - "as an environment of poor conditions, remuneration and limited opportunity" (Baum, 2006a, p. 131). Baum (2002, p. 345) points out that work in the hospitality industry is socially constructed, and people "are more interested in how work in the sector is perceived than in what the actual operational tasks involve". The issue of perception can be attributed primarily to developed countries (Baum, 2006a), although this research has found that this is not an issue in such developed countries as Germany or Austria. In the UK, this issue can be explained by such political decisions as the decision to open the country's borders to an unlimited influx of migrant workers from the EU (McCollum, 2012), who are prepared to work in those conditions, thus creating a vicious circle, where the longer hard-working migrant workers continue to be employed in those positions, the longer this is likely to continue contributing to the industry's poor image. The influence of politics is therefore particularly evident in the case of the UK.

In Russia, strict immigration rules and regulations control the use of migrant workers. There is a possibility of employing migrant labour in entry level positions. However, the immigration process has been noted to be very time consuming and

difficult, limiting the reliance on migrant labour to the one of outsourcing. Thus, migrant workers can be found primarily in the supplementary labour market, working as either agency workers or occupying entry level positions, if they can demonstrate their right to work in Russia. Expatriates are employed in senior managerial positions, but in a different GHG brand. Many native workers expressed the desire to work abroad. However, this can be a difficult decision, primarily because of family commitments, leading to the assumption that emigration levels may be low in Russia.

Native workers' unwillingness to do hard work, particularly in the housekeeping department, has been found to be a key reason for employing migrant workers. The unwillingness to do hard work is a result of a number of economic and political changes in Russia (Iontsev & Ivakhnyuk, 2012; Gerber, 2002), and "a chronic unwillingness to work at all" has become almost a cultural norm (Iontsev & Ivakhnyuk, 2012). Other factors, such as alcoholism and generational changes, albeit not directly linked to the employment of migrant labour, can still be considered, as they are contributing to the use of employment models, which, in turn, enable the use of migrant labour.

Although there are similar labour market issues between Moscow and outside the capital, the reliance on migrant labour appears to be more obvious in the capital, where migrant workers are used as agency workers, whereas outside the capital migrant workers can be found primarily in full-time positions if they can demonstrate the right to work in Russia. This situation is similar to the one in the UK, where it was noted that more native workers can found in entry level positions outside the capital. It could also be explained by the difference in management approach. Thus, Moscow Hotel deals with the above labour market issues by using agency workers, whereas Hotel Krasnoyarsk deals with the same issues by using college and university students as well as the help of so-called "calling staff", who are native workers looking to earn extra money outside their main jobs.

This research has shown that although there are some similarities in the labour market conditions between these countries, there are however, fundamental differences which are further fuelled by a wide range of legal, political, economic and cultural factors. However, as this research has also demonstrated, the way these factors are dealt with by an organisation in practice can also have a considerable effect

on the use and subsequent perceptions of employing migrant workers. This will be further considered in the next section.

9.4 Employment strategies for migrant workers

The previous section looked at the influence of external factors on the use and perceptions of migrant workers. It was also noted that internal factors have been found to be equally important in shaping the perceptions of migrant workers. The latter finding can be further connected to the idea that organisations have their own labour markets (Kerr, 1954, Doeringer & Piore, 1970). These internal labour markets are seen as administrative units "within which the pricing and allocation of labor is governed by a set of administrative rules and procedures" (Doeringer & Piore, 1970, pp. 8-9). Taking this into consideration, it is argued that an organisation's internal environment can be seen not only as a response to various external factors, but also as an independent mechanism that determines how some or all of those external factors are managed in practice (Riley, 1996). It is this premise on which the section will be based. This research has identified a range of internal factors, including labour costs, brand requirements, business orientation/centricity, employment model and corporate rhetoric, which allow GHG to manage its external environment and further determine the use and perceptions of migrant workers within GHG.

The identified categories of migrant workers can be placed in all the quadrants, with particular variations across the three countries. The following models (Figure 9:2, Figure 9:3 and Figure 9:4 - next two pages) demonstrate these further. To explain the employment strategies for the identified categories of migrant workers, this section will use Lepak & Snell's (1999) Human Resource Architecture Matrix considered earlier in the Literature Review. Each model shows the allocation of the identified categories of migrant workers into relevant quadrants in relation to each of the three countries. Although international workers are not seen as migrant workers in this research, they are still considered for the purpose of presenting an argument in this section.

Figure 9:2: Employment position of migrant workers in Russia

Image removed for copyright reasons

Figure 9:3: Employment position of migrant workers in Turkey

Image removed for copyright reasons

Both Russia and Turkey (Figure 9:2 and Figure 9:3) are emerging economies. However, Turkish hospitality industry has been noted to be more mature in its development than Russian hospitality industry, where international hotel development

began in the 1990s, 40 years later than the former's. Both hospitality markets are yet to reach the level of the hospitality market in the UK, with many opportunities to be explored outside the capitals and major cities covered in this research.

Turkey appears to have passed the stage where migrant labour was needed to sustain its tourism development, albeit the one which is set to continue considerably further, thus currently limiting its demand for migrant labour to senior managerial positions. There are, however, international workers, who have been living and working in Turkey for a long period of time. In Russia, the majority of migrant workers can be found primarily in Quadrants 2 and 3. Expatriate managers are used, but in a different brand of GHG.

This research has shown that the UK's hospitality market (Figure 9:4), particularly in London, is highly dependent on migrant workers, who occupy a range of different positions and levels within the market. However, the majority of migrant workers can be found in different departments within the supplementary labour market, which, in turn, receives a *continuous* supply of workers, primarily from the EU.

Figure 9:4: Employment position of migrant workers in the UK

Image removed for copyright reasons

The influence of corporate rhetoric has already been considered earlier in this chapter. It is clear that GHG recognises the benefits of having a culturally diverse workforce. However, in practice this recognition has been noted to vary between different staff levels within the organisation, and this is further evident in the employment strategies for the identified categories of migrant workers.

GHG's ultimate goal is to be *the* leader in the hospitality industry, which can be observed not only in the organisation's mission statement, but also other corporate statements, such as, for example:

> *Whilst recognizing the local differences we also ensure a consistent global approach as we are committed to perpetuating a culture of excellence, continuous improvement and innovation, providing the training and development opportunities for all Team Members to succeed* (Vice President HR for EMEA).

To achieve this goal, GHG is striving to follow the 'ideal' geocentric approach. However, this research has shown that it may not be consistently implemented throughout GHG, and this is further evident in the employment of expatriates, which varies between GHG's well-established (Turkey and the UK) and newer brands (Russia). The finding also confirms that different strategic approaches can be found across different functions and policies, and "seldom are any of the centric approaches found in their pure form", adding to "the complexity of investigating the centric orientation of a firm", particularly in MNCs (Roper et al., 1999, pp. 164-165). Variations between corporate rhetoric and practice can therefore also be observed in this case.

For the well-established brands, the employment of expatriates has been noted to be an essential requirement, indicating the use of an ethnocentric approach, which is traditionally associated with the use of individuals who are seen as "more competent and trustworthy" than their local counterparts (Go & Pine, 1995, p. 215). This is particularly the case in Turkey, where some of the expatriate managers have not been working for GHG for a long time, but rather have been "acquired" from the external labour market. Lepak and Snell (1999) state that skills in Quadrant 1 are usually developed internally rather than "acquired" from the external labour market. However, these expatriate managers have been *invited* to fill the positions which could not be filled by native workers. Roper et al. (1997, p. 206) point out that an ethnocentric approach can be particularly useful "in situations where the company is

committed to standard operating procedures and a strong company culture, and where there is a shortage of skilled/qualified people in the local labour market". It is important to note that by the definition, these expatriate managers therefore should not be placed in Quadrant 1. However, the perceptions of these workers as well as the positions that they occupy within GHG make them "company core" (Deery & Jago, 2002, p. 346). As it has already been noted, both General Managers and managers at Director Level are seen as loyal and committed employees within GHG.

There are also expatriate managers who have been working for GHG for a long time, growing through the ranks and hence having developed "firm-specific" skills, which make them both highly unique and highly valuable (Lepak & Snell, 1999, p. 36). As a result, these employees are perceived to be loyal and career oriented. In the case of the UK, the current General Manager has been noted to have improved the hotel's standards and conditions, which were previously considered to be very poor. GHG London Hotel is now seen more as a talent development workplace than a "factory", with the former being part of GHG's overall Talent Development strategy. Therefore, it may be said that the use of an ethnocentric approach in this case shows that GHG is "committed to standard operating procedures and a strong company culture". In summary, the perceptions of expatriates, which have been identified in this research, are based either on the competency characteristic or the employment relationship of "long-term involvement and investment" associated with *core* employees in Quadrant 1.

The rest of the identified categories of migrant workers can be found in Quadrants 4, 3 and 2. However, while both international workers and independent migrant workers can be found in all the three quadrants, economic migrant workers have been placed only in the lowest quadrants, namely Quadrant 2 and Quadrant 3. It is interesting to note that the workers in Quadrant 4 are not employed to address any specific labour market issues, but rather to "provide continuity and a skill base which allows the company core to be moved around" (Guerrier & Lockwood, 1989, p. 12).

Many of the workers in Quadrant 4 are examples of internal transfers, thus making them "unique in some way" (Lepak & Snell, 1999, p. 40), which is their internally acquired knowledge of GHG operations. However, there are also those who have been acquired from the external labour market and have not worked for GHG

before, but who would like to build their career in GHG. Although all these workers are considered to be "unique in some way", they are not valuable, as their skills are widely available in the external labour market. Furthermore, because they are not in the positions which are associated with commitment within GHG, they are not aided in their move, making their development confined primarily to the unit where they are based (Guerrier & Lockwood, 1989) unless the workers themselves decide to transfer, which has been noted to take place. The workers in this quadrant have been found to be career oriented, with many of them wishing to continue developing their careers within GHG. Therefore, although they are not seen as committed as expatriate managers, they have been found to be committed to the *idea* of further career development within GHG.

The employment strategies for migrant workers in both Quadrants 2 and 3 are largely based on different labour cost strategies, and also the use of different employment models, or flexibility approaches, such as outsourcing. Human capital in these quadrants is not unique, as it is "widely available throughout the labour market", or "of limited strategic value", as in Quadrant 3 (Lepak & Snell, 1999, pp. 38-39). Indeed, although there appears to be several points of entry within GHG, as demonstrated earlier, the jobs in these quadrants have been made particularly open to the external labour market. This will now be explained further.

Multinational organisations need to consider not only labour laws and rules regarding hiring workforce locally versus from overseas, but also work regulations, such as minimum wage (Okumus et al., 2010). However, as this research has shown, organisations can also choose to what extent these rules and regulations are followed. For example, in the UK, it was found that GHG's employees in entry level positions across different departments, including Food and Beverage and Front of House, are paid the minimum wage, which is "a commercial decision" that the local management can do "nothing" to change, presenting yet another example of the use of an ethnocentric approach within GHG. This decision may be seen as GHG's attempt to remain competitive in a time of ever increasing competition. Indeed, it is expected that the number of rooms will increase further in 2017, with a total of 7,000 rooms to be added to the existing provision in London and a further 11,400 rooms outside London (PwC, 2016). Major hotel brands, including GHG, are set to introduce their new brands

in the UK in 2018 (Mintel, 2016). In fact, the UK hotel market is seen to be moving forward towards "a US-style heavily branded market" (Mintel, 2016). Thus, keeping the wages low may be seen as an attempt to sustain this continuous growth and future development. As it was found in the case of Turkey, employing cheap labour allows the hotels to keep its "sales price" at a certain level, and if any changes, such as increasing inflation rates, for example, were to happen, GHG would then be at risk of becoming "uncompetitive" or "too expensive".

On the one hand, the decision to pay the minimum wage can be seen as good practice, particularly in view of recent reports on a number of different employers, including retail outlets, independent hotels, chain hotels, restaurants, bars, and health clubs, having failed to pay its workers the minimum wage and, as result, fined by the government (BBC, 2017; GOV.UK, 2017c). As many as 350 employers across the UK have been "named and shamed" on the official government's website (GOV.UK, 2017c). The fact that GHG's name is not on the list, together with the findings of the research, shows that the organisation does comply with the current work regulations.

However, on the other hand, the local management has acknowledged that this decision, in turn, attracts a particular type of worker. Thus, entry level positions are occupied by migrant workers who are prepared to "deliver a good service" for the minimum wage, making them, indeed, very hard-working and willing employees in the employer's eyes. In fact, these workers' attitude to work is an important 'soft' skill in today's hospitality industry, together with their willingness to learn and work hard (Nickson et al., 2005). In addition, the employment of these workers provides both numerical (as in the case of housekeeping department) and functional flexibility, with the former identified as a "positive and significant" contribution to the hotel's financial performance (Yaduma et al., 2015). The latter has also been found to be important, with examples of full-time workers (among receptionists and waiting staff) being able to work in different departments within the hotel, while still being paid the minimum wage. Thus, a lack of functional flexibility, which is attributed to workers in these roles (Deery & Jago, 2002), may not necessarily be the case with regards to the employment of migrant workers.

The above findings echo what Matthews and Ruhs (2007, p. 17) termed as "getting more for your money". They argue that to manage labour costs employers

actively search for workers who are prepared to work for low pay and in poor working conditions and who are prepared to make continuous effort and work hard. This is why the employment of migrant workers is an attractive option. Such factors as "employers who are prepared to offer employment" and the government who is willing to accept these workers are the important *pull* factors which attract these workers, who, in turn, leave (the *push* factor) their home country and migrate in search of better employment opportunities (Dobson, 2009, p. 127). However, if there are changes in the government's immigration policy, as in the case of the UK, the attraction of the pull factors may no longer exist. For employers, this is also important. As explained by Turner (1994), secondary jobs are highly exposed to market forces, which means that wages will increase or decrease as a result of any changes in the external market. Thus, if there is a further decrease in the number of workers from the EU - and this has already been noted to take place - GHG may be forced to reconsider its "commercial decision" as well as the current perceptions, which, in turn, may influence the future growth plans that the organisation has in the UK.

In the UK, despite some of the workers occupying the positions which are seen as operational core, both independent and economic migrant workers appear to receive the same treatment, which is largely based on the strategy of "getting more for your money", or "maximum effort, minimum wage". In contrast, in Russia, there is a clear difference in the treatment of economic migrant workers and independent migrant workers, with the latter having the same rights as native workers, including paying the same taxes as native workers and having access to pension schemes. Full-time employees are also well-protected by the employment legislation. Economic migrant workers, on the other hand, are used not only to fulfil various seasonal demands, but also to deal with some of the major local labour market issues, such as, for example, native workers' unwillingness to do hard work. Similarly to the UK, their use is facilitated through the employment model (the '30/70' model) that places significant emphasis on such cost savings approaches as outsourcing, although in Russia this is also driven by strict immigration legislation.

In both quadrants, human capital has been acquired from the external labour market, allowing GHG to use the skills that "have been developed elsewhere while holding them internally" (Lepak & Snell, 1999, p. 38). Indeed, these workers have been

noted to be very hard-working and willing, and also have the right skills, personality, and attitude. Some of these workers, as in the case of the UK, have been found to be highly-educated. All these skills, which are held internally through the use of labour costs strategies and employment models, are used primarily to deal with a range of external factors. However, the sustainability of these strategies is yet to be tested, especially in the UK.

This section has considered a range of internal factors that have been found to have an influence on the employment and perceptions of migrant workers. It has also shown that economic migrant workers are perhaps the worst treated in comparison with any other category identified in this research, and this is further demonstrated in a triangle of the hierarchy of the identified categories of migrant workers (Figure 9:5), where economic migrant workers have been placed at the bottom of the pyramid.

Figure 9:5: Hierarchy of the identified categories of migrant workers
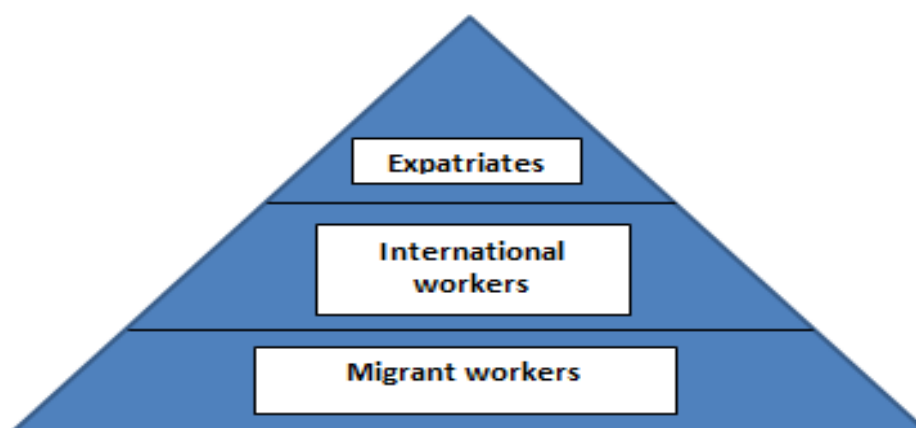
The next section will demonstrate how the use and perceptions of the identified categories of migrant workers are further translated into GHG's Talent Management practices across the three countries. The section will also consider what is seen as talent within GHG.

9.5 Talent Management in contemporary hospitality industry

The basic principle of GHG's Talent Management philosophy is internal development, or developing talent within. Talent Management has been identified as an *inclusive* approach that aims to support all individuals within the organisation. GHG is looking for locally and internationally mobile people; people who are willing to

move, as they grow through the ranks. Therefore, team members are not only offered various development opportunities, but are also encouraged to transfer between different properties locally as well as internationally. GHG's talent transitioning process has very clearly defined stages, or levels, each containing various development programmes which are designed to help a team member to progress to the next level. All these opportunities are available to all team members across the whole organisation.

GHG appears to be very committed to the concept of Talent Management, with the commitment being evident across the whole organisation - from senior management through to line management. This has previously been noted to be very important in promoting the concept of Talent Management within the organisation (Christensen-Hughes & Rog, 2008), and GHG's inclusive approach also appears to take into consideration the importance of seeking talent among different levels, professions and employment situations (Baum, 2008).

At senior level, talent is defined as:

We define Talent as individuals we identify as having the ambition and capability (the so-called "will and the skills") to go further at any level of the organisation. [A talented employee is the one who has] *the right potential, performance level and attitude. We are looking for aspirational people* (Vice President HR for EMEA).

…it's just the combination of competencies, experience, willingness and character, really… (Talent Recruitment Director, Eastern Europe & Russia).

[A talented employee] *is everybody who has the ability to excel* (HR Director for UK & Ireland).

Although the exact definition has not been cited across different levels of the organisation, it is nevertheless reflected in the shared understanding of talent development within GHG across those different levels. There is an agreement that talent development encompasses three key elements: a team member's ability to develop further; their willingness and commitment to their development, and the organisation's ability to recognise and support this development. In short, talent development is considered to be mutual responsibility. The talent development process shows what is expected from a talented employee; what characteristics a

talented employee *should* possess or be able to demonstrate in order to progress further. It is largely concerned with "describing the behaviours that they would like to encourage in talented employees" (D'Annunzio-Green, 2008, p. 809).

GHG appears to have the 'right' attitude or approach to Talent Management. However, there are variations in the treatment of different staff levels within GHG, particularly in relation to migrant labour, and this is further reflected in GHG's Talent Management practices across the three countries. In fact, Talent Management can be seen as a *vehicle* for all the drivers and limitations related to the use and perceptions of migrant workers.

The following three Talent Management models (Figure 9:6, Figure 9:7, and Figure 9:8 – pp. 230-231) have been designed to showcase the availability of talent development opportunities to different groups of employees. These models are presented as hierarchical pyramids reflecting the different levels that are considered not only in the figures on pp. 220-221, but also in earlier models such as Figure 3:1 on p. 53. To demonstrate the connection with models on pp. 220-221 further, each of these levels is assigned a corresponding quadrant. They also each contain information on the talent development opportunities that are available to employees at an individual level. Furthermore, all the pyramids have a base level, which is allocated to agency workers – the point which will be explained further a little later in this section (pp. 231-232). Table 9:4 below provides further information on the elements that were used to create these models.

Table 9:4: Key to diagram symbols

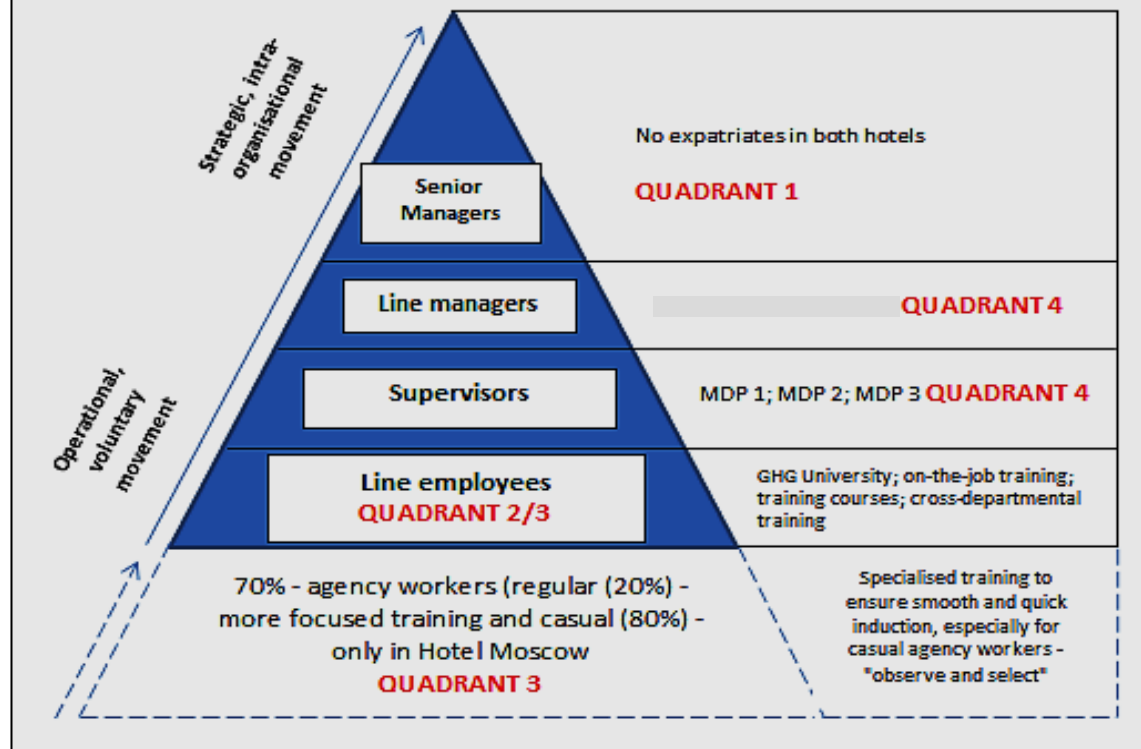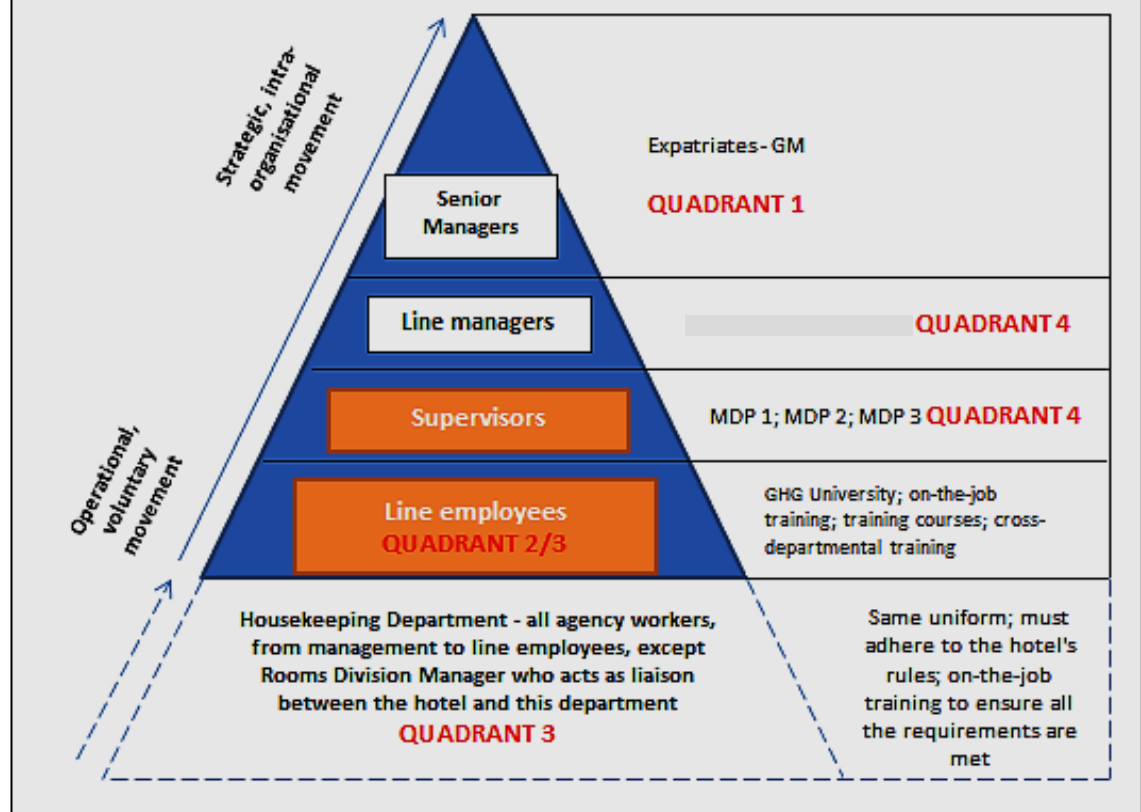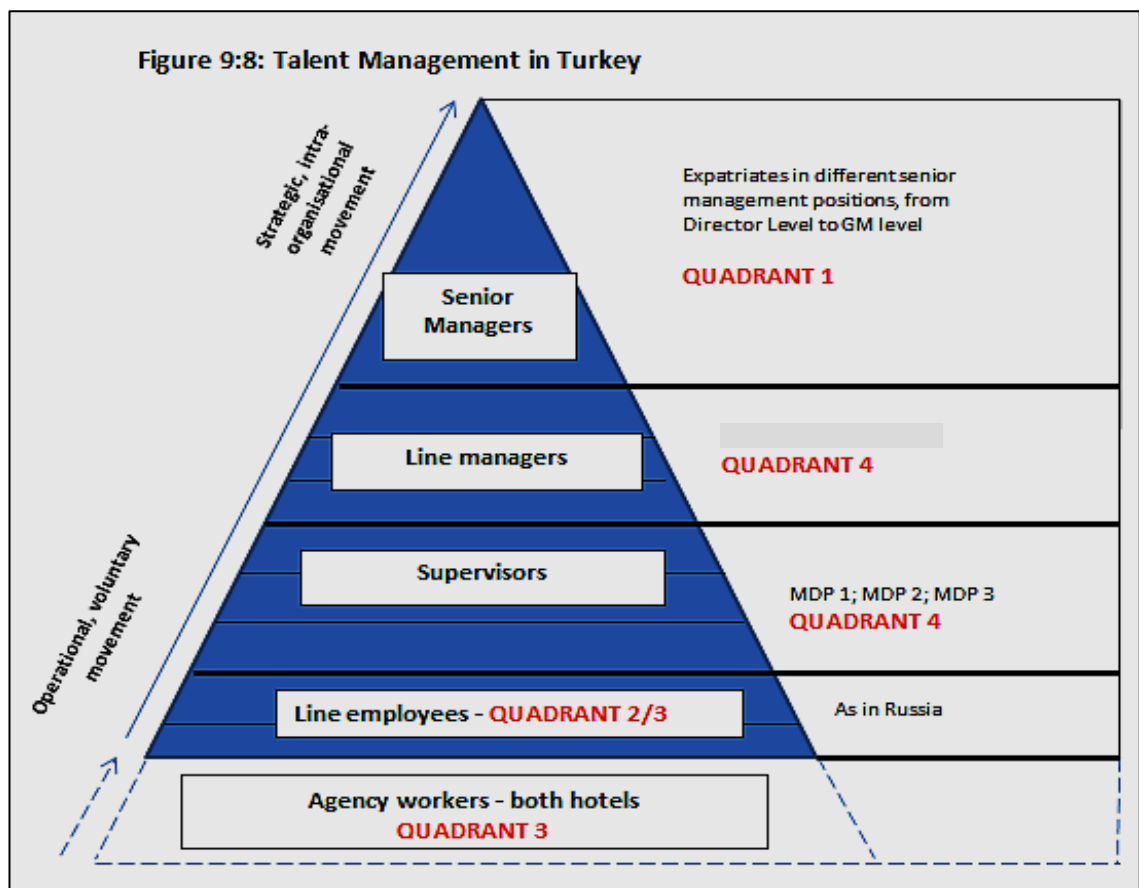|	
	Considerable concentration of migrant labour at this level
QUADRANT 1	**Terms from the figures on pp. 220-221 to show the corresponding levels within the diagrams**
- - - →	**External (possible) progression**
→	**Internal progression, with the type of movement changing towards strategic or intraorganisational movement at the highest level as an employee progresses through the ranks**

Figure 9:6: Talent Management in Russia

No expatriates in both hotels

Senior Managers — **QUADRANT 1**

Line managers — **QUADRANT 4**

Supervisors — MDP 1; MDP 2; MDP 3 **QUADRANT 4**

Line employees **QUADRANT 2/3** — GHG University; on-the-job training; training courses; cross-departmental training

Strategic, intra-organisational movement

Operational, voluntary movement

70% - agency workers (regular (20%) - more focused training and casual (80%) - only in Hotel Moscow **QUADRANT 3**

Specialised training to ensure smooth and quick induction, especially for casual agency workers - "observe and select"

Figure 9:7: Talent Management in the UK

Expatriates - GM

Senior Managers — **QUADRANT 1**

Line managers — **QUADRANT 4**

Supervisors — MDP 1; MDP 2; MDP 3 **QUADRANT 4**

Line employees **QUADRANT 2/3** — GHG University; on-the-job training; training courses; cross-departmental training

Strategic, intra-organisational movement

Operational, voluntary movement

Housekeeping Department - all agency workers, from management to line employees, except Rooms Division Manager who acts as liaison between the hotel and this department **QUADRANT 3**

Same uniform; must adhere to the hotel's rules; on-the-job training to ensure all the requirements are met

Figure 9:8: Talent Management in Turkey

Strategic, intra-organisational movement

Operational, voluntary movement

Senior Managers

Line managers

Supervisors

Line employees – QUADRANT 2/3

Agency workers – both hotels
QUADRANT 3

Expatriates in different senior management positions, from Director Level to GM level

QUADRANT 1

QUADRANT 4

MDP 1; MDP 2; MDP 3
QUADRANT 4

As in Russia

Although hospitality organisations are advised to consider talent in view of "the diversity of work and employment situations that exist within the sector" (Baum, 2008, p. 725), in practice not all levels and employment situations can be or are considered, particularly in relation to migrant labour. This can be further explained in terms of *inclusive* versus *exclusive* approach to Talent Management.

Thus, in Russia (Figure 9:6), only full-time members of staff (30%) have access to talent development opportunities, making it an *exclusive* rather than inclusive approach to Talent Management. The agency workers at the bottom of the pyramid *could* potentially become part of the talent development process, and there are regular agency workers who are more familiar with the requirements within the hotel than their casual counterparts. However, the legal requirements (visa requirements as well as agency contracts) have a considerable impact on the possibility of this progression, placing these workers at the bottom of the talent management pyramid.

Similarly, agency workers in the UK (Figure 9:7) can also be found at the bottom of the Talent Management pyramid. There are cases of transfers from the Housekeeping department to the Food and Beverage department, but these are the

result of individual workers' personal efforts. Thus, access to talent development opportunities remains an *exclusive* rather than inclusive opportunity for these workers - the situation which is similar to the one in Russia, with the exception that the agency workers in the UK have the legal right to stay and work in the UK and can become full-time members of staff if they choose to do so.

In Turkey (Figure 9:8), although there are no migrant workers in lower levels, access to talent development opportunities remains largely an exclusive opportunity for agency workers.

Agency workers constitute a group of workers who are not seen as team members and therefore are excluded from the talent development process. Their interaction with the hotels is limited primarily to the established processes and procedures, which they are expected to observe and follow. These rules and on-the-job training requirements are seen by the management as a way to ensure that GHG's standards are met in a quick and efficient way by those outside the organisation.

However, for migrant workers who do have direct access to talent development opportunities within GHG, taking full advantage of those opportunities can also be a challenge. Specifically, major concerns have been expressed by the migrant workers with regards to the current level of pay, and also the fact that the next level, which is 'supervisors' level, offers little advantage in terms of pay (particularly in the UK - Figure 9:7). This demotivating factor, in turn, requires persistent effort and willingness on the migrant workers' part to enable further progression, in spite of the availability of a wide range of talent development opportunities and processes.

The approach to Talent Management becomes more *inclusive*, as one progresses through the levels to the top of the pyramid, with expatriate managers receiving preferential treatment. This research has identified several examples of successful male expatriate managers. However, there is also an example of a successful female expatriate manager, which points to the inclusion of women in international assignments. The General Manager of GHG London hotel is a woman who has had a very successful career as a general manager, enjoys travelling and has worked in different GHG hotels across the world, including Hotel Old Istanbul in

Turkey. She comes across as a very driven and willing individual and is confident in the choice she has made, which is to travel the world as she moves from one general manager position to another. This example shows that talent development does work for women in the hospitality industry, but this has to be almost a lifestyle choice, involving determination and willingness to make this work.

Thus, Talent Management appears to be, in fact, a largely *exclusive* process, particularly in relation to the groups of migrant workers occupying the bottom or the first lower level of the pyramid. Furthermore, this is where GHG appears to be missing an opportunity to tap into the human resources which could potentially be useful for its future growth. This is especially so in cases where legal requirements do not constitute a major obstacle (for example, in the UK), although this is not altogether impossible in other cases either, such as Russia. However, the factors which are associated with the latter, including being very time-consuming and difficult, *could* still be reconsidered if a different view of these human resources is adopted.

From an organisational point of view, the development of peripheral workers is justified in terms of the workers' "limited strategic value" to the organisation (Lepak & Snell, 1999, p. 39). With little or no job security in comparison with operational core, their actions are regulated by introducing specific rules and processes (Guerrier & Lockwood, 1989). For the operational core, both training and development are essential, as they perform "key activities within the hotel" (Guerrier & Lockwood, 1989, p. 12). However, as peripheral workers, they are not unique, due to their easy access to the external labour market, making their further internalisation a less important task in comparison with those occupying higher levels - "In effect they are offered a job, not a career" (Atkinson, 1984, p. 5)

However, as noted by Lepak and Snell (1999, pp. 43-44), "reinvesting in the skills" is an important strategy, as it can help "increase the uniqueness of human capital and move employees from Quadrants 2 and 3 towards Quadrant 1". By exploring this potential, organisations can achieve competitive advantage not only today, but also in the future, especially "if that potential is identified, developed, and deployed strategically" (p. 45). Taking into consideration GHG's expansion plans as well as ultimate goal to be *the* leader in the global hotel industry, migrant workers in Quadrants 2 and 3 could be useful in more valuable quadrants.

Specifically, the potential in these lower quadrants is the migrant workers' wide range of positive characteristics and skills, including their willingness to succeed, willingness to better themselves, language skills, high level of education, and determination. Talent is defined by GHG as individuals who have the so-called "will and skill" to progress further. Many migrant workers, in fact, are willing to succeed and better themselves, which, in some of the cases, is also supported by the ability to speak several languages and high level of education. Furthermore, GHG has an opportunity to draw on the cultural perspectives of these workers. As pointed out by Doherty et al. (2007, p. 119), the experience of living in different cultural contexts means that people are likely to "have already integrated different sets of values and behaviours".

In an organisation that is aspiring to be a truly geocentric organisation, drawing on "experiences, attitudes and beliefs held by people from different countries" should be essential practice (Roper et al., 1997, p. 207). A geocentric approach aims "to offer competitive advantages because it draws on a rich array of cultural perspectives" (p. 207). This is very important, as the principle of moving human capital from lower quadrants into more valuable quadrants is grounded in the idea that this move will provide competitive advantage. The migrant workers' cultural perspectives, such as the ones that have been brought to as well as acquired in their new cultural setting, could be used not only in their current setting, but also other settings, including their home country. In the long term, this aspect, combined with the willingness and skills, can be an attractive option for GHG, who is looking to develop the type of manager who can operate in the organisation's international context, but also have the ability to adapt to local conditions.

The geocentric approach is also said to have "ethical appeal because it opens up possibilities of career progression for employees in host countries" (Roper et al., 1997, p. 207). GHG has a dual opportunity to integrate not only native employees, but also migrant workers, especially those who come from the countries where GHG already has its operations. To do this, it is important to consider the ethical side of some the current limitations that prevent GHG from a better utilisation of these migrant workers, but also - and perhaps as a first step - to recognise the workers' potential and, more importantly, the importance of this potential for future business.

Thus, the issue is not with the resources and talent development opportunities that GHG has, but rather with the way these employees *are* and *should* be treated as well as what talent actually is in GHG. It is the shift in thinking that is required most in order for that potential to be "identified, developed, and deployed strategically". In effect, these workers *can* be offered a career, not a job.

9.6 Conclusion

This chapter has drawn on the findings from the previous four chapters and has explored those in relation to the aim and objectives of this research. The chapter has considered a range of different categories of migrant workers identified in this research, as well as what constitutes a migrant worker, with a new definition of 'migrant worker' provided at the end of the discussion. The chapter has also explained how GHG, as a global organisation, uses migrant labour across the three countries, and has considered the factors that influence the use of migrant labour, together with the reasons for the choices made in relation to the employment of different categories of migrant workers. It has also demonstrated and discussed how the current use of migrant labour within the organisation is further translated into GHG's Talent Management practices across the three countries, and also what GHG could do differently to ensure a better and more effective use of migrant labour.

The following chapter will conclude the thesis by considering the contributions of this research to both theory and practice. In addition, the chapter will present the limitations of this research and will make suggestions for future studies.

Chapter 10. Conclusion

10.1 Conclusions

The aim of this research was to explore the practices used by a global hotel organisation for employing migrant labour in different countries and at different levels - from operational level through to senior management level. This was opportunistic research in that access was granted as a result of the ongoing relationship between GHG and Sheffield Hallam University. The opportunity was used to conduct semi-structured interviews across three different countries, namely Russia, Turkey and the UK, as well as with the organisation's senior managers above country level to establish GHG's point of view on a range of different aspects, policies and practices, including talent management, the employment of migrant labour, current labour market issues and future talent development opportunities and strategies.

Drawing on the data gathered in the interviews, this research reveals major differences in the treatment of varying segments of migrant workers, which include expatriates, migrant workers and international workers, with the latter having been identified as a distinct segment of workers who have become or are about to become the citizens of the host country and therefore no longer have the same motivations as the rest of the segments of migrant workers. This segment, which also includes native workers, but with an international family background, international education and international work experience, was used to form a new definition of migrant worker as well as support some of the arguments in the discussion. The differences in the perception and subsequent treatment of the identified segments of migrant workers derive from a number of external and internal factors. The former include legislation, politics, economics and social/cultural factors, with the first two being the most influential factors in the employment of migrant workers across the three countries. Internal factors, which have been presented as the outcome of the organisation's set of independent practices that determine how some or all of the external factors are managed in practice, range from overall business orientation to various employment models. The findings also suggest that the above drivers and limitations are further translated into the organisation's Talent Management practices, with expatriates receiving preferential treatment in comparison with the rest of the categories of migrant workers.

This thesis makes the following contributions. First, this research combines two different subject areas, namely migrant labour in the hotel industry and the process of internationalisation within the global hotel industry. The value of doing so lies primarily in the current trends in the international hospitality industry as well as the limitations of the existing research on migrant labour in the hospitality industry (Lyon & Sulcova, 2009; Devine et al., 2007a; Devine et al., 2007b; Janta & Ladkin, 2009; Zopiatis et al., 2014; Baum et al., 2007; Janta et al., 2011a; Janta, 2011; Janta et al., 2011b; Janta et al., 2012), with the latter focusing only on two countries, namely the UK and Cyprus. As the hospitality industry is set to grow further, this will be particularly evident in the development of global hotel chains. This future growth will inevitably require more human resources, which already present a number of issues across many countries, leading to the increasingly utilised solution of migrant labour. Thus, this research has considered how migrant labour is managed by global hotel organisations and whether it is, in fact, seen as part of this future growth and development. Furthermore, in doing so, the research has also explored the human resource practices and business orientation of an international hotel organisation, thus adding to the existing research on the centric orientation of international hotel groups (Roper et al., 1997; Roper et al., 2001).
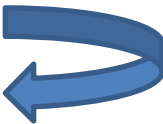
Second, this research adds to the existing definitions and typologies of 'migrant worker' (Table 2:2 on pp. 35-38 and Table 2:3 on pp. 40-43) and, in particular, the ones that can be found in the tourism and hospitality literature (Table 2:3 on pp. 40-43). However, its distinct contribution comes in the form of the clarification of what constitutes a migrant worker, and this has been achieved by distinguishing between the categories of 'international worker' and 'migrant worker', with the former being used in the existing research (Baum et al., 2007; Devine et al., 2007a; Devine et al., 2007b) to generally refer to migrant workers. Thus, international workers constitute a group or category of workers who have become or are about to become the citizens of the host country and therefore no longer have the same motivations as the rest of the segments of migrant workers. In contrast, *a migrant worker is defined as a worker who has moved to a different country for the purpose of undertaking employment on a temporary basis either as a personal choice or as part of intraorganisational movement. This economic gain may be achieved either through pay, personal*

development, or a combination of both. The differences between both categories can provide a useful platform for considering the existing limitations for the use of migrant labour, especially the ones concerned with legal requirements.

A third and a key *theoretical* contribution that this research makes is the explanation of the differences in employment strategies for varying groups of migrant workers within a global hotel organisation, which, in turn, has allowed this research to make the case for improving the current use of migrant labour. By applying the labour market theory and, more specifically, the segmentation theory and Lepak and Snell's (1999) Human Resource Architecture, to the subject area of migrant labour, this research has explained why it makes rational sense for employers to use different employment strategies for different groups of migrant workers. Furthermore, Lepak and Snell (1999) mention the importance of investing into further development of lower quadrants, but do not discuss in detail why this movement should be encouraged. This research, with specific reference to migrant labour, builds on that by explaining how the potential of migrant workers in lower quadrants could be used in more valuable quadrants, particularly in an organisation that is aspiring to be a truly global hotel organisation.

As migrant labour is set to constitute one of the most important solutions to labour issues in the hospitality industry in the future (Choi, 2000; ILO, 2010; Baum, 2010), it is essential to understand how it can be used effectively and, indeed, whether it is being used effectively. To consider the former, the following 'ideal' scenario is going to be presented. Figure 10:1 (next page) shows the revised conceptual framework, which depicts what *should* be happening in the industry to ensure the more effective use of migrant labour. Table 10:1 below provides a summary of key elements used to revise the initial conceptual framework (p. 64).

Table 10:1: Key to revised conceptual framework

|	
	The traditional focus of talent management, which is the development of highly-skilled employees in key positions
	'Ideal' progression of workers through the quadrants
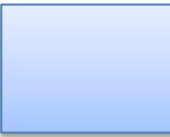
	The need to develop international or global managers in order to look after expanding global operations – comes as a result of the 'ideal' movement of workers
	Link between Quadrant 1 and a corresponding centric approach
	Talent Management as a concept that encompasses all the levels (quadrants)

Figure 10:1: Revised conceptual framework
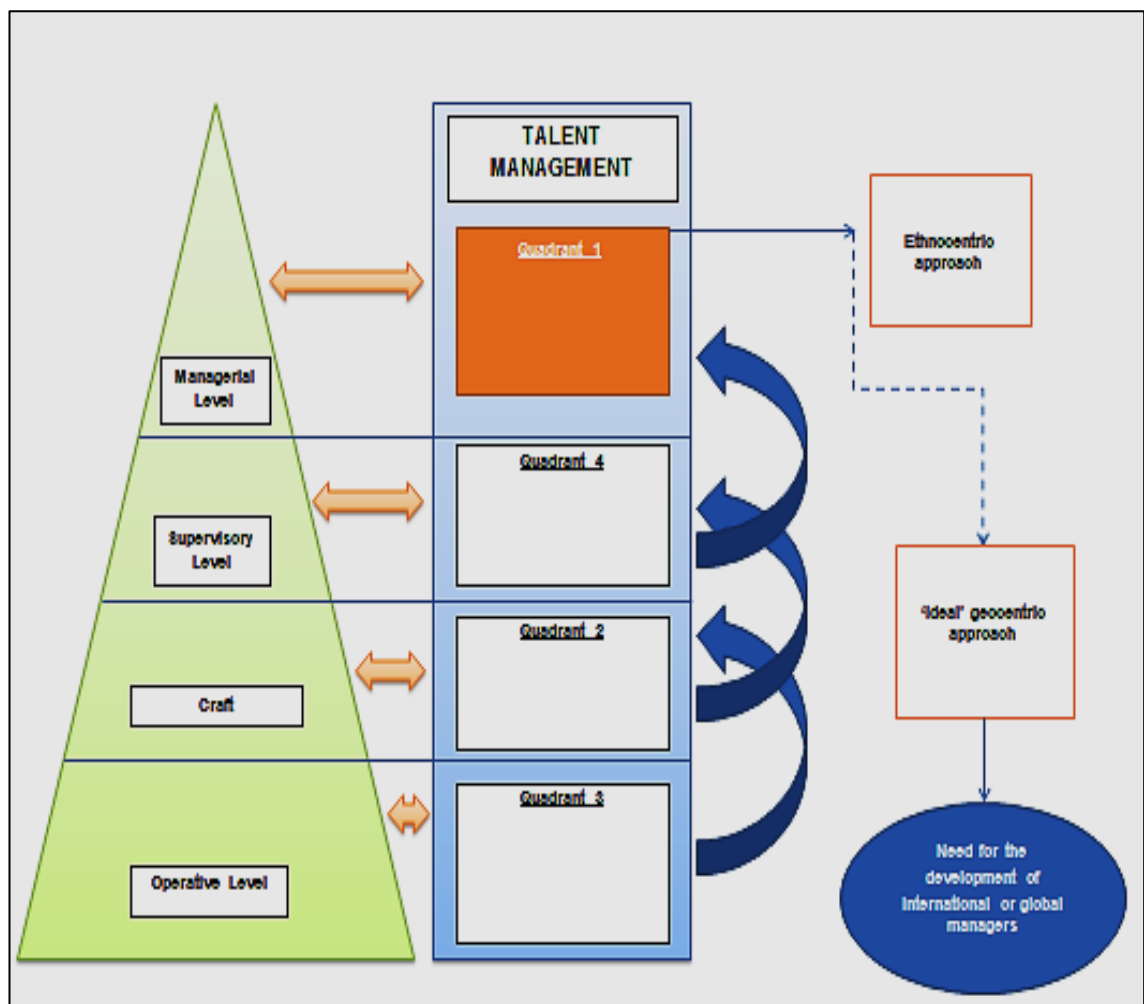
In general, the framework emphasises the need to move talented workers through the quadrants with the long-term view of these workers potentially becoming the international managers that a geocentrically-oriented hospitality organisation will

require in the future. With the projected growth of the hospitality industry, there will be a need for the development of international or global managers in order to look after these ever expanding global operations. Furthermore, there will be a need for the development of managers who can travel internationally and have the international experience and expertise to work in different countries. All these aspects are an important part of the geocentric human resource management function, where Talent Management plays a key role. As it can be seen from the framework, Talent Management encompasses all the levels, segments and quadrants and hence should be viewed as a holistic and *inclusive* approach. The arrows leading from each of the quadrants point to the movement of migrant workers through the quadrants and together constitute the 'ideal' movement, which, in turn, allows for the development of the international manager that a geocentrically-oriented organisation requires.

However, the findings from this research also suggest that this is not what *is* happening, and a key barrier to this 'ideal' movement is the complexity of both external and internal environment of the organisation, which appears to be more complex particularly in the lower quadrants. This is where opportunities to seek talent and encourage that 'ideal' movement are missed, particularly in situations when migrant workers do not have any restrictions in terms of their legal rights to stay and work in the host country. This research confirms the findings from the existing research in that migrant workers in low-skilled positions are not seen as part of a long-term strategy, but more as a short-term benefit to recruitment issues. While it is important to observe relevant external factors and, in particular, political and legal factors, employers have the *opportunity* to seek talent among these migrant workers, as they could *also* be an important source of future labour. Furthermore, the use of migrant labour will inevitably vary from one country to another based on an individual country's approach to migrant labour. However, hotel organisations are encouraged to consider how *they* too can utilise different groups of migrant workers, particularly the ones in the lower quadrants.

The implications for the industry and, specifically, for global hotel organisations, which consider themselves to be geocentrically-oriented or aspiring to be truly global organisations, are such that it is important to consider the long-term value of developing a culturally diverse workforce, particularly where there are

opportunities to do so. The findings from this research reveal that it is not only the organisation that needs to ensure that it has the resources to support the development of talented employees, but also the employees themselves must be committed to their development and be willing to progress further. The demonstration of these attributes could therefore be an essential first step towards identifying talented workers. However, these qualities alone are not sufficient to progress further if the organisation does not offer any long-term opportunities that the workers can aspire to use in the future. Thus, talent development must be mutual responsibility, requiring both parties to work together.

Furthermore, to progress through the quadrants it may not be necessary for the workers to remain in the host country. As a global business, the organisation has the opportunity to offer further progression not only in other countries, but also in the workers' home country if they wish to return and if the organisation has business in that particular country. Taking into consideration one of the current practices of Hotel Old Istanbul, which keeps in touch with its former employees, organisations could maintain relationships with talented workers if they cannot be offered further progression or remain in the organisation. This is especially useful in countries where migrant workers' progression may be more difficult due to the strict immigration rules. In these cases, as the research has shown, workers may be willing to develop further, but cannot do so due to the limitations imposed by the immigration rules. Maintaining relationships with talented workers could therefore prevent complete loss of this potential and ensure that they are considered when new opportunities occur within the organisation.

10.2 Opportunities for further research

The model of the 'ideal' movement of migrant workers through the quadrants discussed earlier in this chapter shows what organisations should be doing to prevent loss of talent among migrant workers, particularly in lower quadrants. Taking into consideration the implications for practice, future research could therefore examine to what extent both employees and employers actually contribute towards the process of talent development. Although this has been presented as mutual responsibility, it still

remains as the 'ideal' scenario, which may vary not only between different hotels, but also different countries.

10.3 Limitations

Through the unprecedented access to GHG I have been able to visit several countries, immerse myself into different cultural settings and interview a number of different people from various backgrounds. All these experiences required a certain degree of flexibility on my part, as a qualitative researcher. Being able to *work with* your participants requires flexibility in the way you interview people (my reflections on having a conversation with participants rather than conducting a survey in Section 4.5.4), arrange research trips and interviews and then analyse your data. As a qualitative researcher, you have the privilege to experience the life of your participants; to have access to their inner thoughts. This, in itself, already makes you part of their world. Doing qualitative research undoubtedly generates very rich data, the volumes of which can be overwhelming at times, but as you read through it, it becomes more and more interesting, especially when you conduct multiple rounds of reading and note taking and try to establish connections between different themes. All these reflections come from my various experiences of becoming a qualitative researcher throughout this doctoral project. However, this process has also taught me that the flexibility, with which you try to conduct qualitative research, will still carry a number of limitations.

First, the findings of this research are limited to the capitals and large cities in which this research was conducted. One of the selection criteria for hotels was concerned with a particular type of property (managed or owned hotels only), as GHG would have been directly involved in the operations of the properties. However, as a result, it limited the choice of locations which GHG was able to offer for the purpose of conducting this research. Research outside the capitals or large cities may generate different findings, and there are indications of that in this research. Thus, for example, it was pointed out by the hotel's management during the trip to London that the situation with the employment of migrant workers is different outside the capital in that more native workers can be found in entry level positions - "There is much more of a kind of English bias in the team…" (p. 191, interview with the Human Resource

Director). In Russia, the process of opening and managing hotels in towns outside the capital and large cities is a very challenging task, as the labour market conditions appear to be worse than they are in the capital and large cities.

Although one of the objectives of this research was to explore the work experiences and perceptions of migrant workers, it was not possible to arrange interviews with migrant workers in some of the cases. Thus, in Russia, Hotel Moscow indicated prior to the trip that the migrant workers employed by the hotel speak very little Russian and no English and that the hotel would not be able to help with the translation. Therefore, all the interviews in this hotel were conducted only with Russian nationals, showing only one side of the story. On a bigger scale, this appears to be one of the critical limitations of conducting research in an international environment. Being able to speak several languages can be a useful skill, as this would mean not only saving on the cost of using the services of a professional translator, but also having direct access to the group of participants one requires for their research and at the same time eliminating any factors that could impinge on the participant's privacy. This would be an ideal solution, but not the one which is possible to utilise at all times. Working with a translator (not a professional translator) provided by the hotel can be a flexible, but challenging option, with a range of disadvantages, as this research has demonstrated.

Another key limitation of this research is concerned with the size of the samples in all the three cases, especially in London (only one hotel), which, in turn, is largely due to the limitations placed on the duration of each trip, or difficulty in gaining access to GHG's properties in some of the locations (the UK). However, the focus on the quality of conducting interviews helped to gather rich data during each of the trips. With regards to the latter, the experiences of conducting a pilot interview (Section 4.5.1), together with the interviews with the senior managers above country level (Section 4.5.4), had helped to improve the quality of the rest of the interviews in this research.

10.4 My PhD journey

As a concluding statement, I would like to talk a little bit about my PhD journey. I had a very interesting, but very challenging PhD journey, and it is the various

challenges that I had to overcome during this journey that made me a researcher. One of the most important things that I learnt during this journey is to never give up. There were many happy moments, but there were also many frustrating moments when I did not know what I was doing or where my research was going. I learnt that to be successful in research, it is very important to keep finding solutions to any problems that occur along the way and learn to be resilient.

There are many different challenges that I had to overcome during this journey. My interviews with senior managers above country level, for example, which were my first interviews, did not go well due to a number of issues not only with the recording devices, but also my skills as an interviewer. I learnt at that point that having a good voice recorder and a contingency plan is essential in conducting interviews. I also learnt the difference between listening to and hearing your participants, with the former being very important if you want your interviews to be fruitful.

Making travel arrangements for my data collection was another challenge that I had to overcome, especially travelling alone as a female researcher. For example, when I was preparing for my trip to Turkey, I chose a single room because it was much cheaper than the other rooms in the hotel where I was staying. However, when I got to the hotel, I found out that the room I had booked was not as secure as I expected it to be. I had to change the rooms as soon as possible, as I did not feel safe. I learnt from this experience that it is extremely important to make safety your absolute priority. Cost considerations are important, and there will have to be certain compromises to ensure you stay within your research budget. However, one's safety should never be compromised.

In addition to the above challenges, I also had to consider the changing context of my research. Labour migration is a politically charged issue. Therefore, any changes in policy needed to be taken into consideration, especially if the subject of one's research is *contemporary* labour migration. When I started doing this research back in 2013, such terms as 'Brexit' or European migrant crisis did not exist, and there were not any such issues as travel bans for residents of certain countries wanting to travel to the US. However, in 2015 and 2016 many things changed. As my research was also carried out in the UK, it was very important to consider what these new terms, and more specifically, the first one, meant in the context of my findings. It was very

important to make my discussion *contemporary*. This is what I really like about my research and I view these changes as interesting challenges, as you constantly have to stay up-to-date with the news to ensure you present your findings in light of a current political or economic situation.

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Appendices

Appendix A – Summary of key points in relation to all three countries

Country	City	Hotel	Recruitment process	Migrant labour	Labour market issues

Russia	**Moscow**	**Hotel Moscow**
		
		• Situated just outside of Moscow
		• Caters for both business and leisure tourists
		• 162 rooms
		• Opened in March 2014
			• Has adopted the **numerical flexibility** approach.
			
			• **30/70 rule:**
			  ▪ **30%** - full-time members of staff
			  ▪ **70%** - outsourcing
			
			• The **70%** (treated as 100%) is further divided into:
			  ▪ **20%** - regular agency workers
			  ▪ **80%** - if there is a business need
				• There are no expatriates, as this is not a brand requirement.
				• Migrant workers are employed as agency workers (the 70%).
				• Very strict immigration rules. Hotels in Russia need to apply for so-called 'quotas' if they wish to employ migrant workers in low-skilled positions.
				• These migrant workers come from former CIS republics.
				• Poor language skills (both Russian and English)
				• Limited access to talent
					• Alcoholism
					• Unwillingness to work hard among natives
					• Poor English skills

				development opportunities.	
	Krasnoyarsk	**Hotel Krasnoyarsk** • First international hotel in the city and GHG's first managed property in Russia • Opened in January 2014 • 259 rooms • Is located "in the heart of the city" • Caters primarily for business tourists	• The hotel does not have any outsourcing contracts, with the exception of IT and DJ services whenever those are required. • All 105 members of staff are employed by the Hotel on a full-time basis. • The hotel uses the help of so-called "calling staff", mainly waiters, and also university or college placement students.	• There are no expatriates, as this is not a brand requirement. • There are three migrant workers, all on their own visa arrangements and all employed on a full-time basis, thus having full access to talent development opportunities.	• Poor English skills • Generational changes, such as unrealistically high expectations among young people towards salaries
Turkey	**Istanbul**	**Hotel Old Istanbul** • A city centre hotel • 117 rooms • Has been operating for more than 10 years	• Both hotels employ full-time staff only. • Part-time employment is possible, but is not practised due to employment legislation as well as cultural	• Both hotels employ expatriates in key senior managerial positions. • In both hotels, there are no migrant workers in entry-level positions	• Turkey offers not only highly qualified workforce, but also highly competitive labour costs. • Talent retention is a major issue due to the industry's rapid talent development.

b

		Hotel Modern Istanbul • A city centre hotel • 829 rooms • More than 500 employees • Opened in January 2013	norms. • Both hotels use agency workers whenever there is a business need for it.	and above. • However, there are international workers, who are described collectively as workers who have adapted to the life in Turkey and have become/are citizens of the country, but still retain their international identity. • Full-time employees have access to talent development opportunities; however, such cultural issues as respect for hierarchy and availability of assistants at various levels, can restrict opportunities for further progression.	Therefore, there is increasing competition for talent. • Low demand for migrant labour due to major tourism development in the last 10-15 years. The use of migrant workers is mainly restricted to key senior managerial positions. • Rising inflation rates are becoming a major issue. Highly competitive labour costs, particularly in entry level positions, allow GHG to keep its "sales price" at a certain level. If these changes were to continue, GHG would then be at risk of becoming "uncompetitive" or "too expensive".
UK	**London**	**GHG London Hotel** • 600 rooms • Referred to as 'factory' due to its very busy operations	• The use of both types of flexibility, numerical and functional, across different departments. • There is a difference in	• The Hotel relies heavily on migrant labour to run its factory-like operations. • Migrant workers	• Low perception of the industry. • Significant difference in pay between low-skilled positions and managerial

c

		• Has a central location and is close to a number of famous landmarks	pay between F&B and Reception, with F&B employees earning London's Minimum Wage, and Reception employees earning London's Living Wage. This is a "commercial" decision. However, one of the main downsides of this decision is high turnover rates, particularly in F&B. Such low wages also attract a certain type of employee, such as migrant workers who are prepared to work hard for a minimum wage.	occupy different levels and positions within the hotel, including all the positions within the housekeeping department, which is currently being outsourced. • Despite being seen as a "very hard-working bunch of people", migrant workers are perceived to be an "endless" good temporary solution, with only migrant workers at the top aided in their movement and visa applications.	positions, thus requiring considerable determination and effort on employee's part in order to progress further (accepting and working very hard for low pay before moving into a managerial position). Native workers tend to occupy managerial position, whereas lower positions are primarily occupied by migrant workers.

d

Appendix B – A joint letter from VP HR EMEA and VP OPS EMEA

At [GHG], our people make the difference when it comes to every facet of the guest experience. We define Talent as individuals we identify as having the ambition and capability (the so called "will and the skill") to go further at any level of the organization. Talent Management is overarching approach that we take to support all individuals in the organization to realize their Talent through providing outstanding career development opportunities and learning experiences as well as rewarding and recognizing positive contributions from all levels. There are 3 key elements to this Talent Management Strategy:

- **A unified culture**
- We consider our workforce to be unified behind our strong culture, underpinned by our values, compelling growth and vision
- **Global talent strategy**
- We are committed to perpetuating a culture of excellence, continuous improvement and innovation, providing the training and development opportunities for all Team Members to succeed
- **Exceptional career opportunities**
- We work hard to create (and measure) a culture of opportunity for all, we espouse the ethos that diversity and inclusion provide strength and a strong link to our customers and the communities we operate in

Our global Performance Management, Talent Review and Personal Development Processes are well established. We are now focusing on optimising the links between performance outcomes, personal development and career growth, supported by the system functionality that is now in place across these three key areas.

- Future Talent in our organization will come from many areas as our Team Members come from more than 90 countries and understanding their unique perspectives is essential to our success and to driving our performance in an increasingly competitive global economy. It makes business sense to develop and execute strategies to attract people to work in our hotels that reflect our customer base. Whilst recognizing the local differences we also ensure a consistent global approach as we are committed to perpetuating a culture of excellence, continuous improvement and innovation, providing the training and development opportunities for all Team Members to succeed for example:

- We measure candidates against a clear set of global competencies to ensure fairness, with specific criteria tailored to location, brand and role
- Our job levels and internal titles are globally consistent to ensure equitable rewards and to make it easier for all members to take advantage of career opportunities across the enterprise
- We seek to celebrate the unique cultures of our global communities, develop talent, workplace and marketplace strategies to create a work environment of inclusiveness
- A framework of global development programmes for our identified talent, delivered consistently throughout the business, while accommodating local cultures and needs
- Consistent selection criteria and high quality programme content, materials, collateral and communication
- Structured learning journey based around three key areas: personal, technical, and leadership

Sheffield Hallam University | **Sheffield Business School**

A Study on Contemporary Labour Migration and Talent management in the European Hospitality Industry

This study is a research project that is being completed as part of my doctoral studies. For this I am aiming to find individuals who hold a range of differing views. I would like to conduct interviews with senior managers as well as employees to gain views and perspectives on labour migration and talent management in the European hospitality industry. The countries, where I would like to conduct my research, are the UK, Russia and Turkey.

I would like to conduct interviews with senior managers, e.g. Director of Talent Management Europe, HR Director, and Director of Operations. I would also like to interview general managers from three properties in the UK and two properties from each of the following countries – Russia and Turkey. I would like to conduct interviews with three employees from each of the properties. These interviews will take approximately one hour. Questions can be reviewed/agreed prior to the interview. I would like to make a voice recording so that I do not miss out on things interviewees are telling me; however, if at any point an interviewee is not comfortable with his or her words being recorded, I can turn off the recorder. Permission to record an interview will be sought prior to each respondent. Names of respondents will be anonymised for use in my thesis and any subsequent published work.

I can be flexible with regards to interview arrangements. Time and place can be agreed with reference to business need. I am happy to organise and set up all the arrangements if contact details are passed over; however if GHG would rather arrange the interviews then this is fine. Please do not hesitate to contact me if any information needs further clarification/explanation. I am also including my supervisor's contact details should you wish to seek further clarification with regards to this research project. I look forward to hearing from you in relation to setting up this project.

Karina Zheleznyak
Karina.S.Zheleznyak@student.shu.ac.uk

Supervisor: Dr Emma Martin
E.Martin.@shu.ac.uk
Tel. No: +44 (0)114 2253320

Appendix D – Example of email exchanges in relation to research arrangements for trip to Russia

All email exchanges were in Russian. The above two emails are translated as following:

Email 1 – from the researcher to Hotel Moscow's General Manager

Good afternoon, [name of General Manager].

My name is Karina Zheleznyak. I am currently in the process of completing my doctorate in the subject of labour migration and talent management in the European hospitality industry at Sheffield Hallam University.

Your contact details were given to me by [name of contact within GHG], who is helping me with my research arrangements.

I am writing to request an interview with you. With your permission, I would also like to interview three employees. These could be employees from the Food and Beverage department (1 manager and 2 line employees) or Housekeeping department (1 manager and 2 line employees). If possible, I would like to visit your Hotel.

Please do not hesitate to contact me if there are any questions in relation to above information.

Kind Regards,
Karina Zheleznyak.

Email 2 – from the General Manager to the researcher

Karina, good afternoon! Of course, we'll be able to help you. You are welcome to visit us to conduct your interviews. [Name of HR Director] will help you with all the arrangements.

Best regards,
[Name of General Manager]

Appendix E – Example of email exchanges in relation to research arrangements for trip to Turkey

████████ ████ <████.█████@████.com>   14/08/2014
to Karina.S.Zhele., ████

Dear Karina,

I am ████ ██████, Human Resources Clerk at ████ ████ Istanbul and I will try to help you with your study.

First of all, could you please inform us about the following :

- What is your exact topic of your interviews?
- When are you planning to conduct the study?
- How many people are you planning to interview including managers?
- How long will it take to interview per person?

Kind Regards,

████████ | Clerk – Human Resources

KARINA ZHELEZNYAK <a9045075@my.shu.ac.uk>   14/08/2014
to ████

Dear ████,

Thank you very much for your email and help with my research.

Please find below the information related to the questions:

1. What is your exact topic of your interviews?
   The general idea of my interviews with the managers is to find out more about the hospitality industry in Turkey (for example, main challenges, staffing issues, recruitment issues). The general idea of my interviews with the members of staff is to find out more about their career intentions and aspirations. Please note that as I am currently working on my interview questions, I will be able to provide a more detailed answer to the above question towards the middle of September. If this is convenient, once the questions have been finalised, I can email them to you.

2. When are you planning to conduct the study?
   At the moment, I am planning to travel to Turkey towards the end of October / beginning of November. I will be able to provide further information on the proposed dates in September.

3. How many people are you planning to interview including managers?
   Managers - General Manager (if possible); HR Manager; either F&B Manager or Supervisor or Housekeeping Manager or Supervisor; Members of staff: either two members of staff from F&B Department or Housekeeping. So, in total, I will need to speak to five people. However, I will be able to confirm the number of people in September.

4. How long will it take to interview per person?
   My interviews with the managers will take approximately one hour. With regards to the members of staff, it will be either a short interview (approximately half an hour) or a questionnaire.

Please do not hesitate to contact me if any of the above points need further clarification or if there are any particular aspects that I need to take into consideration.

Kind Regards,
Karina.

Appendix F – Example of email exchanges in relation to research arrangements for trip to London, UK

PhD Research - a9045075@my.shu.ac.uk - Sheffield Hallam University Mail - Google Chrome

Secure | https://mail.google.com/mail/u/2/?ui=2&view=btop&ver=1abik9o8z9shw&cat=PhD%20-%20My%20Research%2...

Remove label   More

PhD Research   PhD - My Research arrangements with ████   x

KARINA ZHELEZNYAK <a9045075@my.shu.ac.uk>   30/04/2015

to ████████

Dear ██████

Your contact details have been given to me by ██████████ who is currently helping me with my research arrangements. Thank you very much for your help with my research. I really appreciate it.

I am currently looking for hotels in England, who would be able to take part in my research. The topic of my research is 'Contemporary Labour Migration and Talent Management in the European Hospitality Industry'. I am looking at such key topics as labour market issues; employment of migrant workers; perception of employing migrant workers; and talent management strategies for both migrant and native workers.

I have attached 4 documents to these emails. These documents are my interview questions for the following participant groups I would like to speak to:

1. Interview with the General Manager of the hotel
2. Interview with the Human Resources Director
3. Interviews with Line Managers/Supervisors
4. Interviews with Members of Staff

The documents also detail the number of participants I would like to speak to; the duration of an interview; and technical processes (recording an interview).

Other key requirements include:

- **managed** properties, not franchised
- any ████brand (so far I have been working with ████and ████ ████████)
- if possible, properties that employ migrant workers

Thank your for your time and help.

Kind Regards,
Karina Zheleznyak.

██████████ <███████████████.com>   06/05/2015

to Karina.S.Zhele., ████

Hi Karina

Further to your request, I am delighted that ████, one of our London HR Directors, will be pleased to support you with this research. He'll be able to be your HR interview, and will work with you to agree participants for the other 3 areas.

Please get in touch with him direct: ██████████████@█████████

Kind Regards

████████

j

Appendix G – Further information in relation to research samples

Senior managers above country level:

- Regional HR Director for Eastern Europe, Israel, Russia and Turkey;
- Regional HR Director for the UK;
- Director of Talent Management (Europe);
- VP of HR EMEA.

Moscow, Russia (6 – 8 October 2014)

Hotel Moscow

Level	Job details
Managerial	• Human Resources Director • General Manager • Sales Director • Food and Beverage Director • Housekeeping Manager
Supervisory	• Housekeeping supervisor • Reception supervisor • Food and Beverage Administrator (literal translation from Russian, or Food and Beverage Supervisor)
Operative	• Bartender • Receptionist

Istanbul, Turkey (20 – 24 October 2014)

Hotel Old Istanbul

Level	Job details
Managerial	• Hotel Manager • An interview with the Cluster HR Director (someone who looks after several hotels in the area) was arranged before the trip. Unfortunately, this interview was cancelled due to the manager's busy schedule. An attempt was made to rearrange it. However, in the end it was not possible, as the manager was supposed to go on holiday. An interview with the hotel's HR Coordinator, or Cluster HR Director Representative, was arranged instead.

Supervisory	• Front Office Supervisor • Housekeeping Supervisor • Housekeeping Shift Leader • Food and Beverage Captain
Operative	• Front Office Clerk • Waiter

Hotel Modern Istanbul

Date	Details
Managerial	• HR Director • Hotel Manager • General Manager • Housekeeping Manager • Junior Sous Chef
Supervisory	• Food and Beverage Supervisor • Front Desk Supervisor
Operative	• Journey Ambassador

London, UK (18 – 19 May 2015; 12 June 2015)

Date	Details
Managerial	• Hotel Manager • Reception Manager • Cluster HR Director (three properties including the property where the research took place) • Food and Beverage Manager • General Manager
Operative	• Receptionist 1 • Receptionist 2 • Receptionist 3 • Receptionist 4 • Food and Beverage Assistant 1 • Food and Beverage Assistant 2 • Food and Beverage Assistant 3

Theme	Interview Questions
Discussion about job	1. How did you get to where you are now? 2. What made you choose a career in the hospitality industry? 3. Why did you choose your current organisation to work for? 4. Could you tell me about your current job? (i.e. daily routine; responsibilities)

Hotel	1. Could you tell me about the Hotel?
	2. Could you tell me about your team? (If it's a culturally diverse team – what has been your experience of managing a culturally diverse team?)
	3. Could we talk about the labour market that you operate in? What are the key challenges that you, as an employer, are facing at the moment in terms of:
	    a. Skills requirements;
	    b. Recruitment (where do you recruit your staff from?);
	    c. Working hours (mainly full-time staff or part-time staff);
	    d. Development and training.
	4. How do you motivate your staff?
	5. How do you develop your staff?
	    a. Do you have a succession plan?
	    b. How often do you and your management team discuss long term / short term career plans?
	6. Do you employ migrant workers? (If yes – Where do these employees come from? How long (approximately) have they been working at this hotel? (examples) What is your perception of employing migrant workers? (Any issues, challenges or success stories?) Do you rely heavily on migrant workers?)
	7. Have you ever been involved in the opening of a new hotel? If so, could you tell me about your experience? (What were the key challenges in terms of staffing?)

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Talent Management	1. What is your definition of Talent Management? 2. How do you define talent? 3. Could you tell me about any of your success stories in terms of employee promotion or development? 4. How do you identify talent? 5. How do you manage talent in this Hotel? a. What procedures do you use to help you with this? 6. What talent do you think you will need in the future and where will it come from?
Last Questions (job related)	1. Could you tell me about some of the key challenges in your job? 2. What has been the most challenging project / experience for you so far as the General Manager of this hotel? 3. What is the most rewarding part of your job and why? 4. What are your long-term career aspirations? 5. What skills are essential for the role you are in?

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Appendix I – Example of interview schedule for employees

Questions:

1. Could you tell me a little bit about yourself?
   a. Where do you come from?
   b. Study?
2. Could you tell me about your current job? (i.e. daily routine; responsibilities)
3. How did you get to where you are now?
4. What skills are essential for the role you are in?
5. Could you describe the team you are currently working in?
6. Why did you choose your current organisation to work for?
   a. Do you intend to move abroad? (exploring other career opportunities while working in the international organisation)
7. What are your long-term career aspirations?
   a. Is this a job or a career?
8. Why did you choose to work in the hospitality industry?
   a. What motivates you at work?
9. What is your perception of working in the hospitality industry?
10. Have you been offered any training or development opportunities? Yes or no, could you tell me about your experience?
    a. Do you think your employer uses your skills fully?

Additional questions for international employees:

1. Why did you choose to come and work in [the name of the country]?
   a. Do you have plans to stay / return? (Why? - any of the two answers)
2. Could you tell me about your experience of working in [the name of the country]?
   a. How would you define talent?

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Appendix J – Initial codes

1. Employment legislation
2. Local labour market
3. National labour market
4. Rules and policies within the internal labour market
5. Agency staff
6. Mobility within the internal labour market
7. Migrant workers
8. Migrant workers vs. Native workers
9. Flexibility modes
10. Management level vs. Operational level
11. Training and further development
12. Rules about migrant labour
13. Career opportunities
14. Definition of talent
15. Talent development
16. Talent management
17. Talent recognition
18. Knowledge management
19. Generational changes
20. Overeducation
21. Cultural influences