MANAGING DIVERSITY IN THE HOSPITALITY INDUSTRY OF SLOVENIA

Marija Rok

DOI: https://doi.org/10.31410/eraz.2018.582

Abstract: Diversity and diversity management are indisputably current issues in the global socio-economic circumstances and particularly evident in the labour market. Diversity encompasses both differences and similarities among people. The paper assesses diversity in the context of the Slovenian hospitality industry (HI). The HI of Slovenia has been experiencing diversity for a long time due to the shortage of skilled workforce. In contrast to an extensive research on diversity abroad Slovenia lacks similar surveys. The paper has an aim to fill this gap and thus, the first purpose of the present survey was to provide an overview of the migrant workforce in Slovenia, their origin and structure. Secondly, a qualitative content analysis of the HI corporate websites was performed seeking information on their diversity strategies and practices. Surprisingly, employers in the HI seem to ignore diversity and thus miss the opportunity to derive benefits from it.

Key words: Slovenia, Hotel industry, Diversity management, Corporate statements

1. INTRODUCTION

Diversity is indisputably a current issue in the global social and economic circumstances and particularly evident in the labour market. The hospitality industry (HI) of Slovenia has been experiencing diversity for a long time due to the shortage of skilled workforce. Diversity occurs mainly in case of low-skilled and low-paid jobs where employers constantly face shortages of well-trained cooks, waiters, bartenders, chambermaids, etc. To fill in the labour gaps employers in the Slovene HI recruit among students, immigrants, members of marginal groups, and in the black market. Besides, the rates of female workers have always been high in the HI. Thus, workforce in the HI of Slovenia has always been heterogeneous yet there is hardly any evidence of management practices reflecting diversity issues.

The first purpose of the survey is to provide an overview of the migrant workforce in Slovenia, their national structure and an overview of industries with national diversity of workers; the author also seeks answers to what extent employers in the HI fill the vacancies with immigrant workers. Statistical data of the Employment Service of Slovenia (ESS) is processed in order to get a picture of the migrant inflow of workers to Slovenia and their structure (by nationality, age, level of education, and activity).

The main focus of the survey is on the hospitality industry and their diversity management (DM) practices, namely in their corporate diversity statements on web sites. What are their attitudes towards diversity? Do they communicate their diversity strategies and operational policies? Does the process of attracting and recruiting talents from different cultural backgrounds reflect through their statements? Are the advantages of the diverse workforce...
recognized within their corporate social responsibility (CSR) image? The field of hospitality in Slovenia lacks empirical research assessing DM and practices applied. Therefore, the author’s objective is to fill this gap in the hospitality sector. A qualitative content analysis of the HI corporate websites was performed seeking answers to these questions. Furthermore, some recommendations were produced in order to provide competitive advantages of the HI companies over their rivals.

1. LITERATURE REVIEW

Diversity refers to any mixture of themes characterized by differences and similarities. Diversity in organizations is much more than demographics [1]. Although diversity includes several aspects of differences among people, mainly age, gender, nationality, sexual orientation, social and household status, religion, marital status and disability, each country faces some predominant diversity issues. In this paper the author focuses mainly on the national diversity. Slovenia has always been a desired destination for workers from the Balkans and the author posits that they could be a solution to shortages of skilled personnel. Moreover, to gain competitive advantages on the market employers should be aware of the benefits of diverse workforce [2]: increased productivity, improved innovation, enhanced problem solving, less absenteeism and turnover, better public image, etc.

As distinct from foreign research Slovenia lacks surveys on diversity workforce and DM in the hospitality sector. Few authors explored diversity management strategies and operational practices in the overall economy [3] or legislation policies [4]. Particularly attention-grabbing were examples of ruthless exploitation of foreign workers in the construction industry [5]. However, challenges of the diverse workforce in the hospitality industry have not received attention of the researchers so far despite the fact that the HI constantly lacks skilled labour force. Several unfavourable conditions like unsocial and long working hours, hard work, low pay, few opportunities for career advancement, high levels of stress at work, low benefits, and dissatisfaction with the employer or the HI in general, result in high turnover rates [6]. Furthermore, there is a problem of ageing population and unfavourable demographic trends leading to diminishing sources of new recruits from vocational schools. However, there is very little information on the extent to which employers in the HI recruit immigrants. The author posits that thus employers experience problems of usually under-trained and under-experienced international workers, as well as acculturation and assimilation problems.

In the North-American, European and Asian context several researchers have pursued surveys on diversity recently [7], [8], [9], [10], mainly focusing on the human resource managerial point [2], establishing a model of diversity management [11], or preparing a review of DM literature and research and its perspectives [12]. Researchers often explore diversity from the employees’ viewpoints and experiences [2], [13], [14]. Authors also highlight the potential of international workers as an invaluable new source of labour force for the HI if properly managed and looked after [15].

Several industries depend on immigrant workforce both in Slovenia and worldwide. Various reasons lead to deficits of personnel: the ageing population, demographic trends, low interest of domestic people in occupations on semi- and unskilled levels, low image of some sectors and employers, etc. Deficiencies in the labour market are often solved by recruiting immigrants. This concerns industries like food processing, nursing and health care, agriculture, hospitality and catering. Why immigrants leave their native country? There are push factors (e.g. limited employment opportunities) or pull factors (better wages, promotion, attractive target countries
with a higher living standard, etc.). As authors emphasize people are mostly motivated by economic reasons [4].

2. IMMIGRANTS IN SLOVENIA – STRUCTURAL CHARACTERISTICS

Foreign-born citizens are those who do not have a Slovene citizenship but have a permanent or temporary residence. By the end of 2017 the foreign-born population in Slovenia consisted of 114,438 persons (table 1), three-quarters of them were born in one of the republics of the former Yugoslavia [16].

<table>
<thead>
<tr>
<th>Number</th>
<th>%</th>
<th>Sex - total</th>
<th>men</th>
<th>women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign-born population - total</td>
<td>100</td>
<td>114,438</td>
<td>74,314</td>
<td>40,124</td>
</tr>
<tr>
<td>Countries of former Yugoslavia</td>
<td>76,0</td>
<td>82,012</td>
<td>58,461</td>
<td>28,551</td>
</tr>
<tr>
<td>EU countries</td>
<td>16,4</td>
<td>18,719</td>
<td>11,881</td>
<td>6,838</td>
</tr>
<tr>
<td>Other countries</td>
<td>7,6</td>
<td>8,707</td>
<td>3,972</td>
<td>4,735</td>
</tr>
</tbody>
</table>

Table 1: Foreign-born population by country of birth, 2017

When seeking employment the legal status of immigrants differs depending on the country of origin: those from EU/EEA countries and the Swiss are practically in equal position to the natives while people from other countries need work permits.

According to the national statistics [16] the structure of people from the EU/EEA countries and the Swiss who found employment in Slovenia in 2017 shows that there 7,708 people from EU/EEA countries, most of them Bulgarians, Romanians, Hungarians, Italians and Slovaks.

For immigrants from other countries the procedure is more complex. Nevertheless, immigrants from so called third countries prevail over others. Table 2 illustrates trends in issuing work permits to foreign workers in years 2011-2017 [17].

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Work permits - valid</td>
<td>34,266</td>
<td>32,734</td>
<td>27,124</td>
<td>22,853</td>
<td>22,805</td>
<td>16,993</td>
<td>19,838</td>
</tr>
</tbody>
</table>

Table 2: Employment of foreign workers in Slovenia (2011-2017)

Labour market statistics also point to the fact that foreign workers in Slovenia are predominately younger men (the rate of men is over 91%), low-skilled or unskilled, they work in developed regions and mostly in the construction industry, transport, agriculture and hospitality and catering. Statistical data [17] reveals that there is a considerable demand for foreign workforce in Slovenia as the domestic job seekers do not correspond the needs of the businesses or jobs in these sectors do not attract them.

Surprisingly, the author found out that only 1,5 % of valid work permits were issued to the workers in hospitality and catering, while in the construction industry 29%, processing industry 24 %, transport 21%, etc.

The so-called third countries are mostly represented by workers from the republics of former Yugoslavia, Russians and Ukrainians (table 3) [17].
Despite the membership in the EU and rather complicated procedures for work permits for non-EU citizens employers in Slovenia prefer workforce from the former Yugoslav state. Although national diversity brings also cultural, religious and social diversity there is more acceptance or tolerance for these workers as for others from the EU (e.g. Bulgarians or Romanians). Researchers explain this paradox with various reasons deriving from the common history, similar languages, mentality, cultural similarities and customs. After all they lived in the same country until 1990. Furthermore, employers also claim that these migrants show more motivation for work and cost less [4].

3. DIVERSITY MANAGEMENT
CORPORATE COMMUNICATION
ANALYSIS

The second survey has been performed on a sample of employers in hospitality including leading Slovene hotel enterprises, most of them managing several hotels. The author followed their messages on websites with the intention to identify the management’s viewpoints, their attitude and sensitivity to workforce diversity. Corporate websites constitute an increasingly important data source as well as a tool for public relations [18]. The emphasis was on the websites of the internationally operating hotel groups with members in Slovenia so that communication messages were explored and compared globally and locally. Based on the list of hotels on the Slovenian Tourist Board website, 24 hotel companies were selected, including all five star hotels and a selection of four-star hotels, all of them belonging to international or domestic hotel chains or associations (table 4). The choice is based on the assumption that bigger companies operating internationally are more likely facing diversity workforce challenges and have more sophisticated human resource policies.
The analysis comprised all diversity related statements, information and attributes on the websites (Slovenian and English). Key words were not only diversity and diversity management, but also gender, race, age, disability, pregnancy, as well as discrimination, equality, inclusion and wellbeing. Since diversity strategies can have a significant impact on end results, such as being considered socially responsible the author followed carefully all statements regarding corporate social responsibility (CSR) and well-being of their employees. The website content search produced materials that were stored separately and data analyzed. The author defined four judgement criteria: CSR messages, target stakeholders (placement of diversity related information), identified dimensions of diversity and the recognition of benefits from DM. What follows is a summary of findings.
Corporate social responsibility messages

As a starting point the author considered all CSR related messages on the websites of the analyzed hotels. CSR messages integrate environmental, societal and economic parts of sustainable development within the business strategy and operations. Surprisingly, the author found CSR messages only in 50% of the hotels’ websites. Though organizations are always socially responsible in a voluntary manner, it is clear that this is good for their business. Companies should be more aware of the fact that by having a CSR policy they make an impression both on guests, employees, potential recruits, communities and other stakeholders [6]. The author is well aware that some of the hotels may have a CSR policy and do not promote it. Yet, having in mind the importance of corporate websites, this would be a missed opportunity.

Further, most of the CSR related data were connected to the environmental aspects, sometimes very generally, without concrete data on activities like the following quote from the Terme Krka:

Terme Krka is eco-friendly – we are committed to protecting the environment and we want to leave the world better than we found it. Our tourism services strive to be the best, top-quality and professional. And the same passion goes into how we think about environmental responsibility. We work tirelessly to reduce our impact on climate change and conserve resources we all need to thrive with the help of our guests [19].

As expected the environmental part got most of the focus, besides nature protection two of the companies expressed also animal care. Sava Hotels&Resorts mentioned that they are swan custodians in Bled [23]. Bernardin hotels report on the installation of heat pumps and the abandonment of fuel oil heating [25]. An interesting initiative comes from one of the hotels in the capital: their employees were stimulated to use bicycles [20].

Societal aspects of CSR included information on humanitarian activities of the company, sponsorships and donations within the local community or support to various charity projects (e.g. donating Christmas dinner for the homeless people [20]), while some of them remained on the rather ambiguous and general level:

As a global company, Kempinski believes its responsibility extends beyond its employees and guests, into the communities in which it operates. In addition to its hotels’ individual engagement into socially responsible initiatives that meet the specific needs of their local community. Kempinski is active in three main areas: commitment to health, arts and culture and environment [21].

Some companies informed that they were awarded a family-friendly certificate [22]. They also promote responsible tourism by raising awareness of the tourists about their impact [25].

Societal and economic aspects of CSR included also data on human resource management. The function of HR plays a central role in building organization’s reputation as an ethically or socially responsible organization relating to a manner in which people are managed and the impact on society [24]. Nevertheless, a well-developed and implemented HR policy that includes social responsibility can create trust and strong relationship between employers and employees. Several companies mentioned their Code of conduct as their set of rules and principles for ethical conduct and good business practice [e.g.19]. Within their CSR messages
companies listed their investments in education, scholarships, internships and collaborations with schools and universities [e.g. 23].

**Communication of diversity related statements**

Though not unexpectedly the author came across a significant lack of communicating diversity statements in most of the websites. If there were any they were claiming that they “respect and support the UN Universal Declaration of Human Rights and the Polaris Project, which combats all forms of human trafficking” [26], most of them claimed that they respect the Management code for publicly traded companies regarding representation in management and supervisory bodies from the perspective of gender, age or education, etc. [e.g. 27] Commitment to protecting human rights and equal opportunities is recorded in most of the available companies’ annual reports as well.

All discrimination against employees is prohibited. Employees are treated equally regardless of their nationality, race or ethnic origin, national or social origin, sex, colour, health, disability, religion or belief, age, sexual orientation, family situation, trade union membership, financial stability or other personal circumstance [19].

**Target stakeholders (placement of diversity related information)**

Diversity related statements were found mostly on the company profiles, rarely on their careers pages. The author points out that diversity information on HR pages would indicate that target stakeholders are potential recruits and also current employees. Attracting them with diversity related statements would increase interest among potential recruits from different backgrounds and also retain the current ones:

> We believe that diversity enriches our organization as a global hospitality provider. As a result, we proudly embrace a culture of diversity and inclusion that supports team members of all backgrounds and experiences. We offer a variety of leadership training, mentoring opportunities and educational support to continually foster a culture of diversity and inclusion. We view the diversity of our team as a competitive advantage. All are welcome to contribute at Wyndham Hotels. [26]

Having in mind constant shortages of skilled labour force in the HI employers will have to put more effort in recruiting diverse candidates through messages expressing respect for differences in people, cultures, ideas and other attributes.

Recruiting and developing skilled labour are important for any company concerned about competitiveness, productivity, quality, and managing a diverse workforce effectively [1]. Therefore, corporate websites should address potential employees more extensively. The skills gap is primarily solved in HRM but the entire company must engage in attracting recruits with their openness, respect, caring and ethics.

**Identified dimensions of diversity**

Companies that communicated diversity statements used different terms to define diversity. In total they described 16 dimensions of diversity: culture (4), nationality (4), sex (4), age (3), education (3), religion (3), disability (3), colour (2), race (2), gender (2), language (2), experience (2), background (2), inclusion (1), trade union membership (1), and veteran (1). The
The recognition of benefits from DM.

Very few companies defined benefits from DM and did it very generally without any concrete information as to why they are committed to support diversity:

We believe that diversity enriches our organization as a global hospitality provider. As a result, we proudly embrace a culture of diversity and inclusion that supports team members of all backgrounds and experiences. We offer a variety of leadership training, mentoring opportunities and educational support to continually foster a culture of diversity and inclusion. We view the diversity of our team as a competitive advantage. All are welcome to contribute at Wyndham Hotels [26].

Obviously, by ignoring the phenomenon of diversity employers diminish their competitiveness and fail to attract talents from different backgrounds.

4. CONCLUSION

The purpose of the survey was twofold. First, the survey of the statistical data exploring the volume and characteristics of the migrant workforce in Slovenia. Second, a corporate website content analysis on the diversity oriented messages of selected hotel companies in Slovenia.

The author discusses the fact that although employers in the HI have to deal with more administrative procedures when engaging migrants from Non-EU countries, they prefer them to those from the new EU member countries. There are several reasons why employers choose workers from former Yugoslavia.

Secondly, a considerable lack of website diversity oriented communication in the HI was identified. According to other research [28] organizational approaches towards workforce diversity range from straight denial, hostility, neutral to strategic approach which recognizes the positive potential for the long-term business strategy. Based on the results of the present survey the author can classify the Slovenian HI in general as denial. However, the lack of diversity related statements on websites does not prove that they do not have any strategies or operational processes. Further surveys are necessary and the website content search must be considered a starting point to more in-depth exploration of diversity in the HI.

In spite of the constant lack of skilled personnel the employers in the HI seem to ignore the available resources from diverse backgrounds. Migrant workforce seems to be a neglected pool of recruits. The author believes that the employers’ viewpoints and experiences should be explored in order to give explanation to their attitude.

The author proposes a different approach to employers in the HI: to communicate more extensively their mission, values and goals, combined with diversity enriching their competitiveness on the global market. Next, discussion on diversity practices in the Slovene HI should include a selection of programmes introduced for migrant workforce, as well as for domestic workers for integration purposes. Further, migrant workers’ wishes for trainings, development and advancements should be discussed.
Finally, the author agrees with other researchers that improved understanding of diversity seems to be an obvious need, yet the firms fail to invest time, resources, and energy needed to become “diversity friendly” [1].

REFERENCES