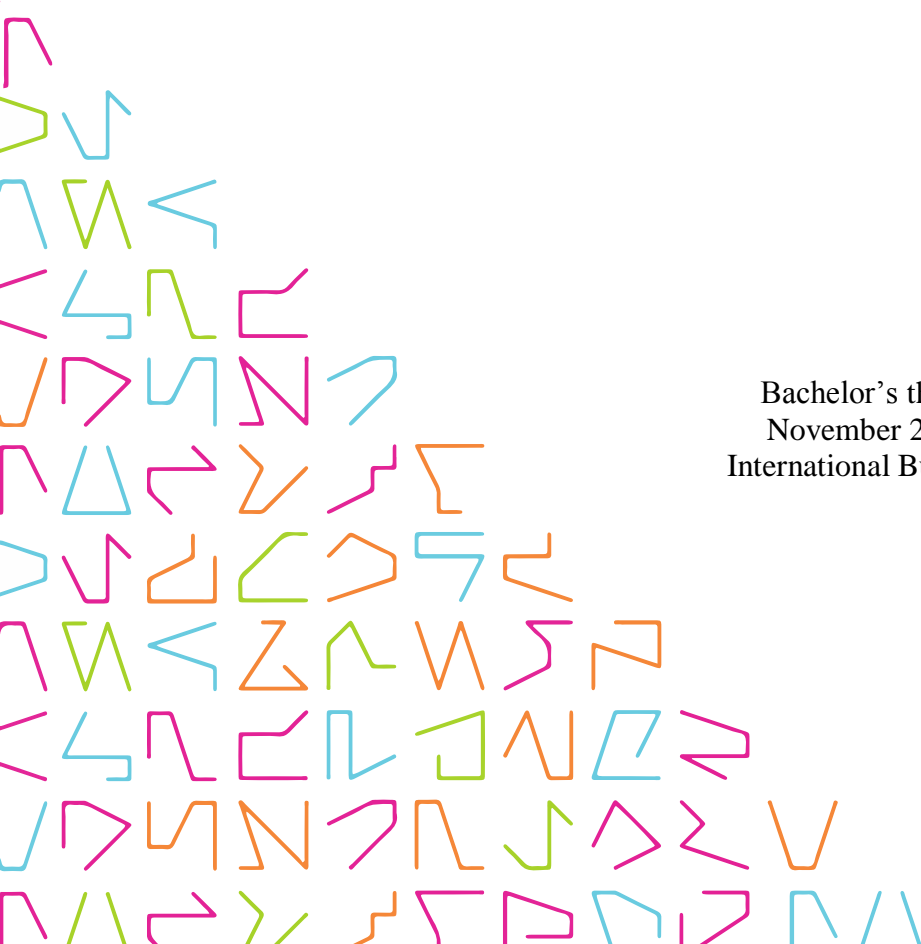


IDENTIFICATION OF FACTORS CAUSING HIGH EMPLOYEE TURNOVER IN HOSPITALITY INDUSTRY

Case Lotte Hotel Saint Petersburg

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Bachelor's thesis
November 2018
International Business



ABSTRACT

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Identification of factors causing high employee turnover in hospitality. Case Lotte Hotel Saint Petersburg

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The consultancy report aims to investigate the main causes of high employee turnover in a new five star hotel in Saint Petersburg, Russia. The primary data was collected with a qualitative method through semi structured interviews with employees of Front Office team and representatives from middle management. The research focuses on the employment turnover in Front Office department. The report is based on the analysis of the available scholars for modern HRM practices in hospitality and it explains Russian and Korean differences in organizational culture with support of Hofstede theories.

Key words: human resource, hospitality, employee turnover, organizational culture, emerging markets, hotel management

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ABBREVIATIONS AND TERMS

HRM	Human Resource Management
FO	Front Office
F&B	Food and Beverage
KPI	Key Performance Indicator
FDI	Foreign Direct Investment

1 INTRODUCTION

Russian tourism industry has faced tremendous changes in the last decades. In spite of turbulent economic conditions and geo-political uncertainties, the world known hotel brands are expanding their operations within the country (Oecd.org, 2018). 149 hotels are currently operating in Saint Petersburg, where 43% of them belong to international brands (St.Petersburg travel guide, 2018).

The official website of Saint Petersburg Administration reports more that 7.2 million tourists in Saint Petersburg for 2017. The flow of visitors has grown by 4,3 % in comparison to previous year (Gov.spb.ru 2018). This number represents both foreign and domestic tourists and the trend is continuing growing. The report also highlights forecasts for hotels prices and its increase by 27% on annual basis (Gov.spb.ru 2018). This may be explained by major national events as FIFA Confederation Cup 2017, FIFA World Cup, Economic Forums and various Trade Missions. Saint Petersburg has become not only one of the most favorable places as a tourist destination, but also a solid business center of the country. The percentage of professional visiting the city for business purposes has doubled in comparison to the results of 2015 (Russiatourism.ru 2018). Thus, the hotels have to provide services for leisure and business purposes.

The analytics expect further growth in occupancy, sales and general development of industry in Saint Petersburg (Gov.spb.ru, 2018). For example, in the last two years in the city were opened two luxury five-star hotels, that are part of international chains (St Petersburg Hotel Market Year-End Review 2017, 2018). In 2018 Saint Petersburg expects grand opening of 7 new hotels, where 2 of them belong to international chains- Holiday Inn Express – Sadovaya and MENNINGER Hotel Nikolsky (Hotel Market Saint Petersburg 2018, 2018). Thus, in the frames of tight competition, hoteliers have to make solid investments in renovation, expansion and service improvement within their enterprises. In the rapidly changing world, hotels provide guest with the most innovative facilities and exceptional service. Those components are essential in creation of outstanding guest experience.

Hospitality industry requires solid and continuous investments in Human Resources for training, educating and developing employees as well as retaining them within the organization. As hospitality is a services-oriented business sector, the success of the company is heavily dependent on employees' performance (Ongori 2018, 49).

Consequently, in the highly competitive environment, staff is a center of hotel's operations and often is the biggest competitive advantage of the company (Zopiatis, Constanti and Theocharous, 2014). Nowadays, hotels correlate a sustainable growth of their enterprise and brand reputation with the effectively functioning staff. That is why, the majority of successful hotels put labor as the core of its values. They are working on establishment of the ideal work environment, where employees can constantly increase their qualifications and deliver the most exceptional service to its guests.

However, in contrast to continuous development of hospitality and significant expansion of employment opportunities in Saint Petersburg, there is an endemic issue of employee turnover. Hotels are challenged with attracting skilled professionals and retaining them within the organization. Hotels cannot cut investments in labor due to its strategy and the service-oriented business model. The only solution to minimize financial losses and keep competitive service level is to reduce employee turnover and keep staff engaged in the hotel operations.

Although the situation is a subject of continuous researches and scholars, there are no standard frameworks for identification of causes that make employees change their workplaces frequently (Ongori 2018, 51). Every case has a flexible and ad-hoc nature, that has to be investigated in line with external and internal business environments as well as organizational specifics of the hotel. The graduation assignment identifies the causes of high employee turnover within the specific enterprise and correlates existing secondary data of previous researches with primary findings.

LOTTE Hotel Saint Petersburg was opened in April 2017 and it initially completed Front Office, Food Beverage and Housekeeping departments with the most experienced and skilled professionals in the industry. Employees were selected with strict requirements for both managerial and line positions. With this, the hotel has offered competitive salaries and a wide range of possibilities to grow professionally within the company. However, in the first six months of operations the Front Office team has replaced 60% of its members and constantly has opened positions. Even though the Korean hotel brand LOTTE is known among Russian hospitality professionals and the opening was highly expected event in the city, the employee turnover remains extensively high and it keeps increasing. Because of the high employee turnover, hotel faces unsatisfactory results in service level, experiences financial losses and it also negatively affects its strategy as well

as harms brand's image. That is why, it is significant to highlight the major causes of employee turnover for prospect analysis and solution development.

2 BACKGROUND OF THE CASE STUDY



Picture 1 LOTTE Logo (Lotte Hotel Korea, 2018)

The research is written under supervision of Front Office team and Human Resource Department of LOTTE Hotel Saint Petersburg. The topic for the research was chosen by commissioner and agreed with the researcher. The thesis is written during the work placement of the researcher and covers the area of expertise. LOTTE has agreed with structure and layout of TAMK thesis requirements. It has agreed to publish the findings as well. All internal data presented in the report is given with the permission of LOTTE team and it aims to find out the main causes of high employee turnover. The results can be further used within the hotel or can be implemented to LOTTE Hotels in Moscow, Samara and Vladivostok.

2.1 LOTTE Hotel and Resorts

LOTTE Hotels and Resorts is a South Korean Brand that is owned by LOTTE Group- the biggest Asian Conglomerate. LOTTE Group currently operates with 90 company names and employees over 60 000 people (LOTTE, 2018). It works in the industry of manufacturing, beverages, retail, hospitality and financial services. Lotte Confectionary is the most known brand for sweets and desserts in South Korean and Japan (LOTTE, 2018).

With this, it has released one of the most known Korean hotel brands. Lotte Hotel and Resorts is expanding its business units within South Korea and extensively develops business in emerging markets. Currently it operates in Russia, Vietnam, Myanmar, Japan, Korea, US and Uzbekistan (Lotte Hotel Korea, 2018).



Picture 2 LOTTE Hotels Map (Lotte Hotel Korea, 2018)

LOTTE is known as luxury five-star hotel brands, that focuses both on leisure and business travellers. The vision of the company is based on humanity and sympathy. In spite of upscale prices and exclusive services provided, the hotel has gained its loyal guests through sincere attitude and high-end quality (Lotte Hotel Korea, 2018). Chairman of LOTTE Hotel Dong-bin Shin has stated the importance of having trustworthy relationship with guests as “Trust is a competitive Power”. Its philosophy connected with love, freedom and abundance. Often LOTTE Hotels use the motto ‘Touching your heart’ to describe the aim of its operations and the experience that guests have (Lotte Hotel Korea, 2018).



Picture 3 LOTTE Vision (Lotte Hotel Korea, 2018)

2.1.1 LOTTE Hotel Saint Petersburg

Lotte Hotel Saint Petersburg has opened in April 2017 in the historical center of the city next to the most known tourist attraction Isaac Cathedral. LOTTE Hotel renovated the building and equipped it with the modern facilities, including construction of summer

terrace on the top floor and a spa zone with swimming pool at the ground floor (LHW, 2018). The initial investments in the project counted to 120 million dollars. The hotel created 207 work places and has attracted new coming tourists from European and Asian countries (Spbinvestment, 2018).

One of the initial goals for the enterprise is to outperform other five-star hotels in the city and in perspective in Russia. As stated in the cores of the company, the key to success is its employees, who provide an exceptional experience to guests and build LOTTE's brand image (Lotte Hotel Korea, 2018). Consequently, there are extremely high standards for hiring professionals in different operation departments. A perfect candidate has to provide the company with a wide range of skills, competencies and experience in hospitality industry. The employee of LOTTE should be able to work with European, Russian and Korean cultures, so it is crucial to have international mind-set and be adaptive to cultural differences.

However, with the high requirements, the company provides employees with a competitive salary, which is higher than in other similar hotels of Saint Petersburg. It also has a solid package of social benefits such as insurance, bonuses, and possibility to build a career within the hotel. As Lotte is a Korean brand, their organizational culture directed towards having long-term relationship with an employee, thus it provides a wide range of possibilities to build a career within the organization.

Even though the hotel is seeming to be a desired work place for every hospitality professional, there is seen a tendency where line staff as well as managers do not stay at their positions and quit job within the first six months of. Since the April 2017 60% of all Front Office employees have quitted their workplaces. Thus, it is significant to find out the core reasons for high employee turnover as it is the first step to determine a strategy of reducing it.

2.2 Research Objectives

The first objective of the research is to design a list with the major causes of leaving workplace within Front Office team. The case study focuses on highlighting the major reasons divided into two groups of job-related factors as well as organizational factors. The second objective is to distinguish the differences or common features of Russian and Korean organizational cultures. The findings aim to assist with correlating the major

culture differences in establishment of “an ideal work place” from the perspective of Korean employees and Russian.

2.3 Significance of the Research

The results are beneficial for the LOTTE Hotel Saint Petersburg as the findings will be used in developing relevant HRM strategy, that will remain employees within the organization and minimize LOTTE’s financial losses in labour investments. A highly skilled and talented employee can guarantee success of the hotel in future. Especially they are needed at the initial phases of operations, where company’s image is developing. What is more, the paper would be also beneficial for the future hotel that is opening in Russian city Samara at the end of 2018 and Vladivostok (LOTTE Hotel, 2018). The experience gained through Lotte Hotel Saint Petersburg would play a significant part in HRM strategies in other new hotels.

From the academic point of view, the report can be used as the secondary data for prospect researches in the field of HRM. The subject of high turnover in hospitality industry is in a high demand. The tourism industry is expanding significantly all over the world and high employee turnover is a common situation for the organisations (Ongori 2018, 49). The case of LOTTE hotel Saint Petersburg may outline the general causes of leaving work places. Consequently, the report can be used to correlate the results within the same academic sphere.

2.4 Research Questions

The main research question for the study case is **“What are the major causes of high employee turnover in Front Office team of LOTTE Hotel Saint Petersburg?”**

In order to obtain accurate results and present valid and reliable findings to commissioner, the following sub questions support the main RQ:

Sub RQ 1: What are the reasons of employee turnover in hospitality?

Sub RQ 2: What factors affect employees to stay or leave a company?

Sub RQ 3: What are the differences between working in Russia and South Korea?

Sub RQ 4: What is LOTTE organizational culture?

Sub RQ 5: How did LOTTE adapted management principles to Russian hotel?

3 METHODOLOGY

The aim of the research is to identify the reasons of a high employee turnover and weaknesses of current HRM practices within the organization. What is more it is crucial to correlate perception of Korean management and Russian employees towards appropriate work conditions and work environment. The primary data for the research is gathered with qualitative method. As the core factors are subjective and would vary based on the employee experience, it is suitable to find out data through in-depth structured and semi-structured interviews. Furthermore, case study is a favorable way to describe and investigate complex processes within organization. It combines solid theoretical framework within the area of HRM as well as detailed analysis of the situation within the hotel.

3.1 Structure of the Report

The graduation assignment consists of seven chapters. The first chapter introduces the reader with HRM trends in hospitality and highlights the major facts of LOTTE Hotels Saint Petersburg. Second chapter also establishes objectives and research questions for the research. The third chapter explains methodology and approaches for primary data collection. Furthermore, it explains the sampling methods. The fourth chapter analyses secondary data from relevant academic studies. The main idea was to investigate the general reasons of leaving work place in relevant academic literature. The fifth chapter provides reader with in depth analysis of hospitality industry in Saint Petersburg as well as its prospects. It also discusses differences between Russian and South Korean cultures and organizational culture of LOTTE Hotel Saint Petersburg. The sixth chapter introduces reader with primary data obtained through interview sessions. The final chapter finalizes outcomes and lists the causes of high employee turnover within the hotel.

3.2 Research Approach

The study is based on the inductive approach. Due to the ad hoc nature of the main research question, it is crucial to explore the knowledge gap by analyzing and reviewing relevant academic literature and case studies of international hotels. Furthermore, it is significant to correlate the secondary and primary data with hotel employees. The main idea is to conduct interview sessions, analyze obtained data and deliver a list with main reasons for leaving workplace. The case study will be conducted in a recently opened luxury five-star hotel in the heart of Saint Petersburg, Russia.

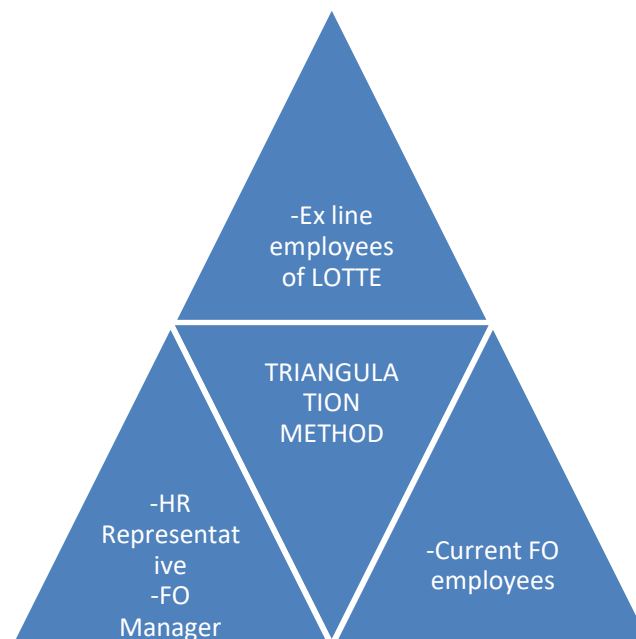
3.3 Scope of the Research

The research focuses on identifying the core reasons for high employee turnover within the Front Office Department as the commissioner is interest in obtaining results from the particular department. Furthermore, the case study focuses on the initial step of HR analysis and will list the reasons of employee turnover. The further researches can be used in analysis of the causes and designing solutions.

3.4 Validity and Reliability

As the research strategy is highly flexible and refers to the ad hoc nature of the main questions as well as sub questions, it is significant to use triangulation method (Table 1). Thus, for the research would be used multiple sources of information. As presented at the picture below, the primary data is collected with the representatives of FO Management, Line staff and HR Manager.

Table 1 Triangulation Method



3.5 Data Collection

As the topic of identification employee turnover has exploratory nature, the qualitative approach was chosen. With this, the semi structured interviews were found as the most adaptive way to extract required primary data. The detailed questions and the answers lists are presented in the appendix 1. Furthermore, the analysis of the data is correlated with the academic researches for the topic. The highlights of the obtained data are presented in the data analysis chapter. The relevant literature review can be found in the

fourth chapter of the report. What is more, the supportive questions of the case study were processed through Hofstede theory.

The primary data was carried out within the period of three months through October 2017 to January 2018. For the research were used phone and face to face interviews with current employees of Front Office team, ex line employees as well as representative from HR department of LOTTE Hotel Saint Petersburg.

In general, interview questions were developed in line with the main research question. The aim was to determine the main causes of leaving workplaces and share experience of culture differences between Korean and Russian Management.

The challenge was to receive objective and reliable data, that can be independently analyzed without imputing personal work experience of the researcher. Respondents had to meet the basic criteria: had to have work experience within Front Office team in LOTTE or have position in the field of Human Resources. The respondents were asked to participate in 30 minutes interview and they were explained with the goals and objectives of the study. For the research the names of respondents were not indicated, they were asked to give brief information about position, age and education background. The questions aimed to obtain data regarding HR policies, working conditions and payment. It was also crucial to see engagement level of employees. At the end 20 participants were identified as the potential respondents and 60% of them agreed to give the data for the further analysis.

The questions were designed in order to see the HR policies of LOTTE hotel from the perspective of a line employees. It included areas of payments, working environment, bonuses and motivation as well as engagement in decision making process.

After the interview session, the data was manually processed, transcribed and anonymized. The idea was to categorize data using taxonomy method to spread the answers into general categories. After the raw data was processes and the designed into the list of main causes, it was compared with the academic literature and conclusions were drafted.

4 LITERATURE REVIEW

The topic of employee turnover has gained popularity in the last decades. (Shaw & Deery 1999, 387). With the rapid expansion of service economy and international tourism, the phenomenon of workers rotation has become one of the core subjects for Human Resource Management. However, both academic studies as well as businesses are challenged with designing universal framework for identifying the key reasons of quitting jobs. The subject is flexible and has to be analysed from the perspective of a particular organization. Within the latest scholars, Henry Ongori offers to distinguish main causes of employee turnover from the perspective of job-related factors and organizational factors (Ongori 2018, 50). As the labour is a center of service-oriented businesses, all investments for training, retainment and education are extensively high. Thus, high employee turnover leads business to financial losses (Surji 2013, 56). What is more, it negatively effects on the company's image. The workplace becomes unattractive for candidates. Employees within team remain unmotivated and barely engaged in the operations (Surji, 2013, 57). According to studies of Bryant and Allen, all recruitment costs of new personnel often exceed annual salaries of the advertised position. In contrast to this, experienced and highly skilled employees, are guarantees of reaching established KPI in the hotel and its long-term strategies (Bryant & Allen 2013, 171). That is why, it is essential for a hotel to identify the main causes of employee turnover and establish strategies for retaining employees in organization.

4.1 HRM practices in hospitality

Alongside with the development of hospitality industry, HR practices in organizations have to be effectively managed. These are essentials in providing high-end services to the guests, enhancing productivity as well as reducing financial losses (Ongori 2018,49). Through the decades, HR departments were known for its autonomy in decision making process. The department had administrative functions for finding and training personnel (Darun & Al Adresi 2017, 30). However, this concept is changing rapidly. Nowadays the department is seen as a solid contributor to the strategy of the organization. It goes alongside with the vision and goals of the enterprise (Darun & Al Adresi 2017, 30). Burma in his studies explains the issue of current HR is not only to find a suitable candidate but to manage the organization with its policies and practices (Burma 2014, 86). With the tight competitive conditions in hospitality, the practices of HRM have to be analyzed thoughtfully to gain a competitive advantage in the service sector.

Through the recent researchers, the best HRM practices aim to engage employee within organization, motivate and award them in line with their responsibilities. Furthermore, modern HR practices aim to train employees and orient towards long term relations. Recent studies outline the list of the most advantageous practices that can be successfully coordinated within the hotel. The most common approach that was evaluated by Tom Baum suggests that HRM practices should increase stability in employment as well as enhance career opportunities (Baum 2016,809). What is more, it should provide attractive rewards and bonuses. By insuring smooth implementation of this processes, the hotel gets in return great productivity.

The research of Martins and Silva identified the best HR practices that are beneficial to implement within hotel. The research was supported with a significant sample study, that investigated 33 hotels within Europe (Silva & Martins 2016, 8). The list below demonstrates the most common practices for sufficient HRM in hospitality industry:

- Hiring
- Training
- Communication and Information Sharing
- Reception and Integration
- Recruitment and Selection
- Performance Appraisal
- Direct compensation
- Retention of employees
- Management and career development

4.2 Employee Turnover in Hospitality

The section with primary data aims to explain Sub RQ 1: What are the reasons of employee turnover in hospitality by evaluating categories of employee turnover.

In the research of Ongori the term for employee turnover was explained as a reduction in the number of employees, who plan to leave their jobs (Ongori 2017, 50). The term was developed with the background of Price academic paper, who suggested to explain turnover as: “The ratio of the number of organizational members, who have left during

the period being considered divided by the average number of people in that organization during the period” (Price 1977, 10).

With the development of HRM, the employee turnover was divided into three major groups: voluntary turnover, involuntary and dysfunction turnover (Armstrong 2012, 212). According to Armstrong voluntary turnover can be calculated with the employees, who initiated to quit the position on their own. In contrast to this, involuntary turnover represents the number of workers, who had poor performance within the company or who did not meet company’s requirements, so the leaving was initiated by company. At last, based on the Armstrong research the dysfunctional turnover is the most negatively influencing on the company’s success. This is a number of top performers, who left the work place and the company could not find a similar substitution to the employer (Armstrong 2012, 214).

4.2.1 Sources of Employee Turnover

The academic sources explain the major factors of leaving a workplace or staying within the company. It gives the core reasons of employee turnover. Sections 4.2.1; 4.2.2 and 4.2.3 answer Sub RQ 2: What factors affect employees to stay or leave a company?

Level of Employee turnover in hospitality is higher than in any other industries worldwide. The reasons are often correlated with low qualifications of employees needed to fill in line positions. The majority of starting positions in hotels do not require specific knowledge and experience. Thus, the research conducted by Ernst and Young in 2014 has proven the ease of replacing low skilled employees in hotels with new. It also highlights low wages that are provided to line employees. Those are considered to be one of the core reasons of high employee turnover (Ernst&Young 2014).

Another common cause of quitting positions is stress factor. Most of the hoteliers do not have a stable work life balance. According to Ongori, the wellbeing is the core of job satisfaction among employees (Ongori 2017, 51). This factor is especially relevant for “feminine” cultures, where people tend to work for living. Within the careers in hospitality, employees are often challenged with inflexibility of working hours and work life conflicts. Furthermore, it is common to work extra hours or additional shifts with a low remuneration. Some employees are expected for overworking because of the specific

events or changes in the demand. Stress is often connected with employee's poor motivation and burns out at work.

In addition to stress factors, employees may be exposed to internal conflicts in the teams. Tensions between managers and line employees can explain the high turnover. Moreover, the stress factors include poor technologies and unexpected situations, that go beyond the control. Studies of O'Neill and Cleveland have examined how technologies and its efficiency effect on employee turnover (O'Neil & Cleveland 2003, 277). The outcomes demonstrated that properly functioning software's, engineering solutions and fixed facilities passively influence well-being of employees and consequently employee turnover.

Poulsen in the research outlined lack of motivation as the major cause of high employee turnover in hospitality business. According to his study, it is connected with difficult working hours, turbulent demand conditions or seasonality and low salaries (Paulsen 2017,56).

Finally, high turnover is explained by research of Alexander and Bloom as the industry with little chances in building a career ladder. Employees consider the current positions only as the temporary effort for the prospect managerial positions. However, promotions in hotels have unpredictable nature (Alexander & Bloom 1994, 505). That is why, by gaining experience in one hotel, workers change it with higher positions in other hotels.

In 2015 Branham determined the key causes of high employee turnover. Author suggests considering shortage of time for training, low trust level in management and feeling of being too devalued. In addition to this, the Branham outlines the importance of career growth and transparent procedures of promotions (Branham 2015, 3).

However, mentioned categories can be divided into job related factors and organizational factors. Thus, based on the studies of Ongori the specifics have to be discussed (Ongori 2017, 49).

4.2.2 Job Related Factors

In general, most of scholars in hospitality industry outline the attractiveness of working within large organizations. Those are seen as guarantee of better wages, career perspectives and better working conditions (Ongori 2017, 50).

With the background of researches written by Firth were outlined biggest causes of turnover are stress related factors as well as lack of commitment and poor job satisfaction. However, the sense of powerlessness and low chances of building a career ladder in hotel are also influencing the decision (Firth, David 2007,174).

Firth and David in the research mentioned economic factors as the biggest cause of employee turnover. According to the study, hospitality industry has unstable and seasonal demand changes, thus it negatively affects employee turnover. However, authors suggest implementing the economic module to HRM practices and calculate prospect changes in employee turnover level.

In 2001, Dess and Shaw have published a study, where employee turnover in hospitality was caused by poor information channels. The authors stated that often employees do not comprehend the required tasks or behaviour at their jobs (Dess & Shaw 2001, 446). This fact causes misunderstandings and uncertainties in daily operations and leads to poor performance. Researchers concluded importance of outlining responsibilities and tasks of employees. With a lack of clarity, the employee turnover increases rapidly.

4.2.3 Organizational Factors

Employees are more likely to remain within stable organizations. In addition to this, the research of Zuber has found a high correlation between efficiency of organization and employee turnover. According to Zuber, employees are looking for a stable work environment, where they can focus on the job and predict career prospects (Zuber 2001,147).

Furthermore, in order to retain employees within organization, companies have to implement solid communication channels and provide labour with necessary information. The research of Ongori stated that employees, who are involved in decision making process are often tending to stay with the organization. Moreover, job satisfaction from it increases significantly (Ongori, 2017, 51).

Finally, the researches analyse the management policies and recruitment policies as the reason for employee turnover. This includes poor procedures of every day operations, little amount of trainings and seminars. Reports of Zuber also highlight the necessity of

sufficient rewards and bonuses. According to him, the top performances usually quit because inadequate payments (Zuber 2001, 148).

In conclusion, based on the previous studies of HRM in hospitality industry, the employee turnover is often caused by personal factors as well as organizational factors.

What is more, economic conditions are also a common reason for leaving workplace. However, as the labour is the center of all operations in hotel industry, it is important to keep it motivated and engaged in the processes. Wellbeing and job satisfaction of employees have to be counted as the major metrics for measuring HR performance.

5 PROBLEM ANALYSIS

5.1 Hospitality Market in Saint Petersburg

Official Data of Hospitality Market in Saint Petersburg has reported 22 000 rooms in 149 hotels (Colliers 2018). The figure below represents the major statistics for number of rooms, occupancy and growth trends (Figure 1).

	H1 2016	H1 2017	H1 2018
Quality room supply, number of rooms	20,091	20,983	22,107
Total supply of hotels managed by international operators, number of rooms	8,948	9,271	10,074
Occupancy rate, %	67	64	65
ADR, RUB/night	6,200	6,490	6,620
RevPAR, RUB/night	4,131	4,164	4,302

Figure 1 Overview of Hotel Market in Saint Petersburg (Colliers, 2018)

Within the last two years, the number of international hotels has increased and the share of FDI in the hospitality industry is 46% from the total amount. In spite of high risks in macro-economic environment within Russia, the multinational corporations are entering the market and expanding their operations in hotel and restaurant businesses (Colliers 2018). In 2017 two 5 star hotels were opened in Saint Petersburg- LOTTE Hotel Saint Petersburg and Hilton Saint Petersburg ExpoForum. In 2018 were scheduled openings of 7 new hotels as well (Colliers 2018).

The number of domestic and foreign tourists in Saint Petersburg has been increasing rapidly. This trend can be connected with exchange rates. Foreign tourists find the exchange rate favorable for visiting Russia and Saint Petersburg. On the other hand, Russian tourists can easily afford traveling within ruble zones in comparison to European countries. Thus, this positively influenced Saint Petersburg Hotel Market for the prospect development. The figure below demonstrates the tourists flow visiting Saint Petersburg within the last ten years (Figure 2).



Figure 2 Tourist flow in Saint Petersburg (Colliers, 2018)

The flow of visitors has been increasing on the annual basis and this affected the growth of prices for rooms. Currently hoteliers constantly increase prices for by approximately 27% on annual basis. The growth has significant consequences for the major upscale and

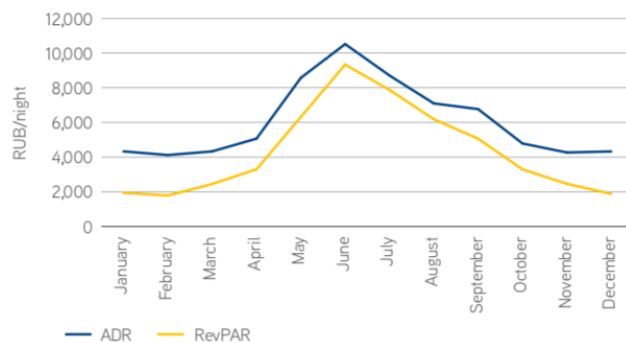


Figure 3 Price per night in hotel throughout year in Saint Petersburg (Collister, 2018)

medium prices hotels. The price difference is especially significant during the peak season between May and September (Figure 3). These five months are popular among tourists and travelers for business purposes. The summer months in Saint Petersburg is known as a period of time for the

best weather, white nights and various economic and business forums. The line chart represents how the price per night varies in Saint Petersburg hotels (Collister 2018).

With the rapid development of hospitality in Saint Petersburg and the general growth of service economy in Russia, the labor remains a weakness for the majority of hotels. This can be connected with the cultural aspects of Russian hospitality professionals. The prestige and status of working within the service sector does not move in the positive directions. Many young professionals avoid hospitality industry or refuse from starter positions within hotel. Often it is explained by status necessity to have degrees in trend areas. Furthermore, in spite of sales growth and increased demand of rooms, the hotel employees often have low salaries, that negatively effect on the loyalty to the hotel (Dzhandzhugazova & Zaitseva 2015, 290). The average Front Office team member for luxury hotel in Saint Petersburg earns 250 euros per month. In comparison to this sum, the minimum costs for an individual in Saint Petersburg is about 429.90 €. What is more, Russian culture is not highly correlated with tipping the personnel, thus it becomes highly

difficult to work within the industry full time without extra earnings (Dzhandzhugazova& Zaitseva 2015, 292).

5.3 Organizational culture Hofstede theory

The section aims to answer Sub RQ 3 by explaining the differences between working in Russia and South Korea.

Organizational culture plays a vital role in entering foreign market. Companies may face significant challenges in starting operations in completely different business culture. The success of the new business unit depends on the local employees, who are a competitive advantage of the company. That is why, the management positions have to be filled not only with in house experts, but also with professionals, who have the insights of doing business in particular company. As an initial step, FDI's allocate management using ethnocentric, polycentric, geocentric and regiocentric approaches (Drachal 2014, 85). The decision about international recruitment approach has to be done carefully especially when Asian company enters Russian market.

For LOTTE Hotel Saint Petersburg, the decision for international recruitment approach was made to fill leading management positions with Korean LOTTE experts. Thus, LOTTE Hotel uses ethnocentric approach. It only chooses South Korean nationalities to work in the host country on the top management positions. The main idea of the strategical decision is to implement the standards of LOTTE Hotel and Resorts from Korea to Russia without any adaptation of standards to domestic market. The interest and of HQ have to be followed. However, Russian market needs adjustments from Russian business experts due to specifics of the Russian hospitality industry and features of luxury service segment in Saint Petersburg.

The figure below represents the comparison of Russian and South Korean cultures with the Hofstede model (Figure 4).

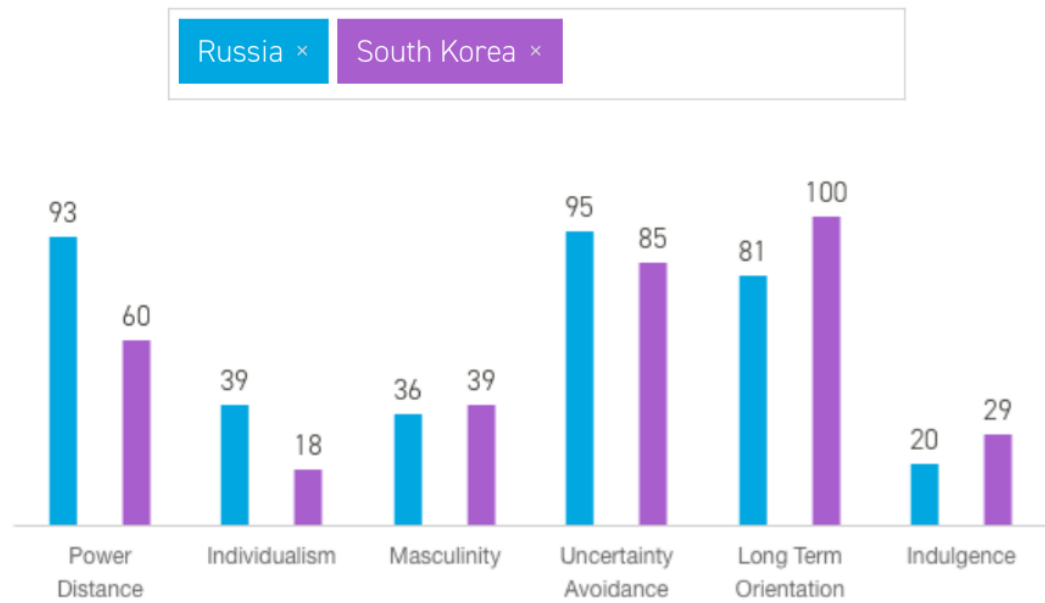


Figure 4 Hofstede model South Korea and Russia (Hofstede Insights, 2018)

The bar chart compares cultures within the six main dimensions, that were developed by Dutch research Geert Hofstede (Hofstede Insights 2018).

Power Distance level by Hofstede defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally”. For the results Russian culture has a higher level in comparison to Korean. The indicator represents the existing in the society discrepancy between more powerful and less powerful people. Russian business culture more often has strictly hierarchical structure and the tasks given by managers have to be given in a top- down way. In South Korea the results demonstrate its acceptance to hierarchical structures and autocratic management as well. Consequently, from this particular category Russia can be a favorable place for South Korea to establish business (Hofstede Insights 2018).

Individualism the term is explained by Hofstede as “the degree of interdependence a society maintains among its members”. In spite of the relatively low level of individualism in Russia, it is still double as what South Korea has. This means, that both countries value relationship the most and rely on networking, connections and collective operations. In collective societies people feel comfortable with being a part of the group and often refer as “WE” instead of “I”. Thus, both countries are seeming to be collectivists, however South Korea is significantly more into this category. The South

Korean culture every individual as the part of the group take care of each other in return for loyalty (Hofstede Insights 2018).

Masculinity indicator refers to “The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)”. Both countries have a relatively low score for the desire to have achievements and success. Dominant behavior is accepted from the management positions but is not welcomed within the group of standard employees. South Korea is also ‘Feminine’ country, which by Hofstede described as a culture where people “work in order to live”. Thus, for both countries it is crucial to have a supportive manager and the quality of life is the most important attribute (Hofstede Insights 2018).

Uncertainty Avoidance refers to the “The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these”. The high score within the indicator represents the idea that Russian culture and South Korean are following the rules and prefer to have a background information. It is common to have complex bureaucratic procedures between the countries and often innovation is resistant as it is a threat to the uncertain consequences in the work and life. The formality of conversations, behavior with strangers is followed as well (Hofstede Insights 2018).

Long Term Orientation in this case represents the pragmatic and normative societies. Normative societies usually have low score and often are more traditional and consider changes suspiciously. On the other hand, pragmatic countries always make attempts to forecast future and prepare for future with education and development. South Korea has a significantly high score for the indicator. It is more common for Koreans to have long term investments and aim to have a steady growth. However, Russia has a high score for being pragmatic too. Both cultures are forwarded to savings and investments. Thus, in this case the countries also have solid common features (Hofstede Insights 2018).

Indulgence for the Geer Hofstede is defined as ‘the extent to which people try to control their desires and impulses’. The high score for the indicator represents the ability to have more free time and leisure. Russia has a low score for the category. The whole culture is pessimistic and does not value leisure time as the part of life. South Korea has also low level of indulgence, the culture is known to be “Restraint” (Hofstede Insights 2018).

In conclusion, both countries have similar results within the Hofstede culture dimensions. This means that establishment of businesses between the countries can be favorable in terms of HR, Management and building an organizational structure. However, in order to understand the insights of the business parts in both countries, it is relevant implement the model of organizational culture differences (Hofstede Insights 2018).

5.4 Organizational Culture of LOTTE Hotel Saint Petersburg Hofstede Model

In order to understand the certain features of the company that operates with both Russian and South Korean employees, it is necessary to analyze LOTTE Hotel Saint Petersburg using appropriate model. Thus, the Hofstede Model for Organizational culture was chosen.

5.4.1 Means Oriented Vs Goal Oriented

According to studies of Geert Hofstede, the first category aims to highlight the major differences in the effectiveness of operations within organizations. Both countries have score for power distance index. What is more, South Korea and Russia are collectivists societies. Thus, the operations within the LOTTE Hotel Saint Petersburg directed towards means oriented approach. Employees are trying to avoid risks as much as possible and complete work as prescribed with rules. In this case, the organizational culture in both countries is similar to each other and does not have any conflicts (Hofstede Insights 2018).

5.4.2 Internally Driven Vs Externally Driven

Within the category, the hospitality standards of Russia and South Korea are directed towards the guest and value guest satisfaction as the key performance indicator. LOTTE Hotel Saint Petersburg is absolutely external driven company, the feedback of guests values the most and the needs of guests are filled in. What is more, the guests are the source of changes in the hotel and the provided services can be highly customized. In this term, the South Korean and Russian hotels have a number of common features (Hofstede Insights 2018).

5.4.3 Easy Going Work Discipline Vs Strict Work Discipline

As Russian culture has a high index for power distance and follows strict hierarchical order within the organization, the discipline within the work place is often strict. This can

be correlated with South Korean organizational culture. For example the organizational structure of Russian company Gazprom with its complex bureaucratic procedures is similar to South Korean companies including LOTTE Group. Companies from both countries prefer to have detailed structure, planning and execution phases of projects. Thus, there are similarities between cultures. Russian and South Korean companies rarely accept easy going work disciplines and adhocracy regimes within the work place (Hofstede Insights 2018).

5.4.4 Local Vs Professional

LOTTE Hotel Saint Petersburg has local organizational culture. The employees are expected to look, act and speak in a certain way. Even during work training the line staff is taught how to keep hands, how to look at the guest and say the name of the guest certain amount of times within the conversation. The environment has a low level of diversity and the action of employees have predictable manner (Hofstede Insights 2018).

5.4.5 Open System VS Close System

LOTTE Hotel has established conditions, where it is challenging to get in in the organization. Even with the level of high employee turnover, the organization hires only professionals that meet the standards of the company and do not need to gain experience within the work place. The majority of line employees as well as management employees have a solid background within hospitality or service sector. The company does not apply approach of leaders, who have flexible way of working. Instead the hotel got reputation of an exclusive place, where candidates have to prove that they can be suitable for the job (Hofstede Insights 2018).

5.4.6 Employee Oriented Vs Work Oriented

In spite the fact, that LOTTE values their employees as the core of the company success, the organizational culture is focused on work centered management philosophy. Leaders do not make enough efforts to make the place as a comfortable working environment for employees. Satisfaction of employees is not considered, but the KPIs are known to be the biggest measure of productivity. This can be one cause of mismanagement from the Korean side. Russian employees prefer to have employee work centered management philosophy. In this case, the hotel as Sokos and Hilton establish more welcome work

conditions and take into considerations factors as empathy of the personnel, well-being and happiness (Hofstede Insights 2018).

To sum up the analysis of organizational culture of LOTTE Hotel Saint Petersburg it is relevant to highlight several factors:

- Russian and South Korean cultures have a number of common features, so adaptation of new business unit among the countries is not a challenging process.
- LOTTE Hotel is not employee-oriented organization. The core KPI are customer satisfaction and getting more loyal guests. However, If the company stated employees as the core value of its strategy, it is essential to consider well being, job satisfaction and happiness. The approach may reduce the level of employee turnover.

5.5 HRM practices in LOTTE Hotel Saint Petersburg

The section explains management principles that were brought from the headquarters to LOTTE Saint Petersburg. The section aims to explain the structure of the hotel and answer Sub RQ 5: How did LOTTE adapted management principles to Russian hotel?

In comparison to other 5-star international hotel in Saint Petersburg, LOTTE Hotel is one of the few FDI that used own subsidiary as its entrance mode. Thus, it is fully owned and controlled by LOTTE Rus. One of the reasons of choosing this entrance mode is a necessity for a full control of the operations. In spite of investments costs and risks, LOTTE is a company, which strives for setting up internal quality standards and puts them to the core values. Company sees these standards as a unique selling point that creates image of the brand. That is why, within the recruitment, prospect employees have to match initial standards of LOTTE Hotels and Resorts. Those can be adjusted to the specifics of the domestic market, but the cores should be followed.

It is crucial to highlight HR policies in Lotte Hotel Saint Petersburg, that are established by LOTTE Hotels and Resorts and examine how they are implemented in practice through interviews and questionnaires with employees. The results would give the insights how effective these policies in Russian market or successfully it can be implemented. The categories are correlated with the established list of common HRM practices that are discussed in chapter 4.1 of the research.

Hiring. Recruitment and selection of candidates is based on the idea of having high emotional intelligence and the attitude to respond guests with “customer care”. However, there are no formal tests and surveys. It is usually spotted through several steps of interviews with various level of management. Every candidate has three appointment sessions with HR representative, line manager and General Manager of the hotel. All interviews for Front Office are conducted in English. The requirements for the prospect employees are higher than in other 5 star hotels in Saint Petersburg. Hotel requests knowledge of several foreign languages, previous solid work experience and provides only full-time positions.

Training. LOTTE has extensive training program to introduce new employees with its department and divisions. Furthermore, it organizes cross department trainings in order to comprehend all operational processes within hotel and picture it as a cohesive whole. With this, the multi- skilling is stated as the appreciated advantage of the employee and highly valued by its management. The trainings are obligatory part of the work. It can be arranged within the team several times in months with the help of internal and external experts. External experts may provide training regarding supportive services, medical help, languages.

Performance Appraisal. LOTTE policies provide competitive social benefits and awards systems. Those include medical insurance, salaries and wide range of financial bonuses, that are higher than in competitive hotels. According to HRM department of Lotte Hotel Saint Petersburg, employees can be apprised by their commercial skills and service skills such as:

- upselling of facilities and services of the hotel
- creating a unique experience for its guests
- engaging guests to join membership programs
- generating new ideas to improve functional of the department

With this, the hotel offers financial bonuses every 13th salary and provides other social benefits according to Russian state laws. Moreover, hotel provides trips to South Korea, staff rates for rooms and hotel services. It engages employees in decision making process with the awards for the best ideas and initiatives.

Management and career development. Currently LOTTE is the only hotel in the city that states its vision for long-term employment relations. It is part of the Korean organizational culture and the company has a wide range of programs for career advancement. The practice is supported with the example of LOTTE Hotel Moscow, where employees were promoted to management roles frequently.

5.5.1 Ethnocentric Approach in Recruitment for Hotel LOTTE Saint Petersburg

LOTTE Hotel Saint Petersburg has chosen ethnocentric approach in recruitment. For HRM the method means hiring candidates, that not only have appropriate skills and competencies, but who are also able to work within international environment. The top management in this case is hired internally, thus the positions are filled with expats from the parent company (Drachal 2014, 87). In LOTTE Hotel all strategical and operational management positions are filled with Korean expats, who have a solid work experience within the company. Consequently, all strategical directions as well as vision of the company is discussed in the headquarters of the organization. The approach is chosen with the target to present business interest of the parent company in host countries (LOTTE Hotels and Resorts 2018)

Furthermore, the approach assists in transferring organizational culture from the parent company, sharing vision with the middle management and line employees as well as having a transparent information flow and control of its daily operations.

However, the approach brings a number of disadvantages to the local HR procedures. First of all, South Korean management may face challenges in working with a different culture. It includes poor knowledge of local language, inability to lead Russian team as well as missing business opportunities with the poor knowledge of domestic market (Drachal 2014, 87).

Thus, the top management hires middle management among Russian specialists to lead the divisions of the hotel. In order to stay within five-star standards, the hotel also has to hire foreign General Manager to run the operations. That is why, there is a high chance in missing the best local candidates for middle management as there are gaps in knowing Russian hospitality labor market.

6 PRIMARY DATA ANALYSIS

At the initial stage of the research were identified 20 potential candidates, who could fit in the research scope. The primary data was obtained through face to face interviews and phone interviews. The response rate was 60%, so the results are representative. What is more, as the research topic is highly flexible and has ad hoc nature, it was crucial to implement triangular method in order to avoid objectivity in the research. That is why, the interviews were taken not only with current line employees, but also with ex LOTTE employees, representative from FO management as well as HR specialist. The questions of the interview can be found at the Appendix 1 of the research and detailed description of sampling is provided in the section 3.5 of the report.

The questions were divided into several major groups, that had been found out through analysis of sources of employee turnover. The groups were then united into categories of HR practices and policies. Every category contains open ended question, that share experience of the employee regarding LOTTE HR policies. The categories are listed as following:

- General information
- LOTTE policies on working hours
- LOTTE policies for rewards and motivation
- LOTTE working environment
- LOTTE Management

6.1 General information

Most of the respondents, that had line position are in the age group from 18 to 25. This can be explained by the nature of entry level jobs in hospitality. The majority of employees are young and have positions that do not require solid previous work experience. This can be supported with the research by Ernst and Young, which outlines young age of line employees in hospitality. The research also correlated these positions with low wages. According to it, this can be one of the main reasons of leaving a workplace.

All line employees had no or little work experience before LOTTE Hotel. For 4 employees LOTTE was the first work place, but they showed outstanding results in service and hospitality potential through the initial work interviews and work trainings.

Whereas manager of FO has been working in hospitality for 18 years and before LOTTE had similar experience in opening high-end hotels within Russia and US.

In addition to this, 75% of respondents have a higher education or currently enrolled in university. This can explain high employee turnover, when young workers cannot combine ongoing studies with a full-time work. LOTTE Hotel Saint Petersburg does not have any part time positions in Front Office department. Within the research, five respondents specifically mentioned stress and overwork from studies and job duties in hotel as the main reason of quitting the job.

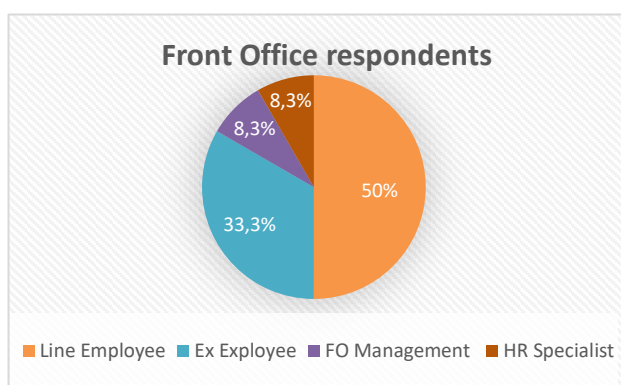


Figure 6 Positions of FO Respondents

The pie chart below represents the division of respondents in the interview sessions (Figure 6). The majority of data was received through the current employees of the hotel, while one third represents ex-employees of LOTTE Hotel. Within the respondents, 60% were female specialists, while 40% respondents were males.

Consequently, the category of general questions presents the key reasons of high employee turnover as it does not provide any opportunity to combine studies with work. Hotel does not have any part time roles in Front Office team. However, in order to get promotions in the industry the most influential factor is work experience. For example, FO Manager has been in hospitality industry for 18 years. Young professionals in this case are not able to gain the valuable skills and finalize studies.

6.2 Policies on working hours

All employees found working hours to be set up not line with the responsibilities and tasks. 10 respondents mentioned extra hours they had to work in order to finish shifts. Most of them specified unclear tasks and insufficient information channels. This can be supported with the study written by Dess and Shaw who outlined it as one of the reasons of leaving work. Line employees claimed that they had to take over tasks, which were not specified in their contracts. For example, they had to do work without support from FO

Management. In addition to this, there were 2 respondents, who did not want to involve managers, because they were convinced that line managers did not have enough competencies.

All employees have claimed that they had to stay at work extra hours, but the idea is not supported with management. Instead FO Manager was always against of over work and was promoting policy of leaving work in time. However, the volumes of work sometimes required staying extra.

Furthermore, 85% of respondents did not have solid work life balance. Their answers usually involved elements of being tired mentally and physically after five days of work. One respondent commented the question with: “Five work days were way too much for me, even during the weekend I could not get proper rest and was exhausted, I did not have time for friends, family and hobby. I was even mentally tired, did not want to start work week” (Appendix 4).

The bar chart below represents the answers based on the question regarding working hours (Figure 7). All respondents were asked whether the work shifts were designed in favor of employees or employer. Representatives from management roles confirmed that the work hours were beneficial for both parties. These answers were also received from Reservation Specialists and Shift Leader. However, the rest of the respondents were not happy with the shifts as it were tightly scheduled with opening and closing of public transport. One of the respondents commented is as “Shifts were designed definitely in a favor of employer. Because for morning shifts I had to wake up at 4 am and catch the first train, but when I had evening shifts I had to literally run to take the last train” (Appendix 4).

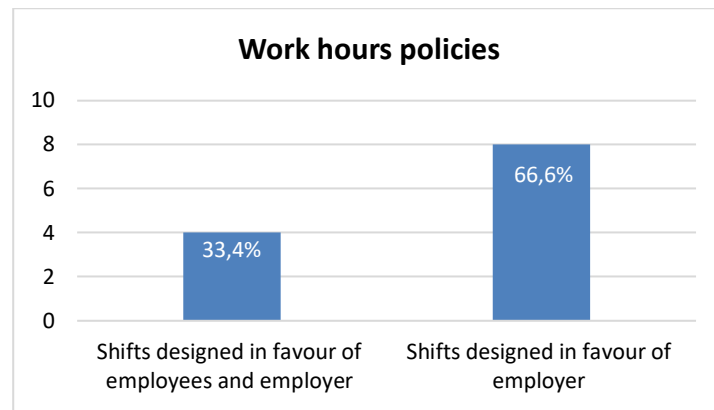


Figure 7 Responses for Work Hours Policies

In conclusion, the category of working hours outlines gaps in the efficiency of shift scheduling. For the majority of line employees five working days were physically and mentally challenging to cope with. Employees were not satisfied with the amount of work hours during the week and pointed that two days for the rest were absolutely not enough. However, for Shift Leaders and Reservation Specialists schedules were created in a favorable way.

6.3 Policies on rewards and motivation

All employees confirmed that the salary was higher than in other five-star hotels of the city, but it was insufficient with the range of responsibilities and tasks. However, low salaries were not pointed as the main reasons of employee turnover. Instead the biggest concern for the employees were grey areas in their responsibilities. The respondents were uncertain about their tasks and did not receive explanation with the particular examples of their work areas. Several respondents emphasized attention to the inability of management to take full ownership of the operations. One of the respondents commented wage settings as “My salary was a little higher than at the same position in my previous hotel. But I had way too many responsibilities. I believe that the wages were set up not in line with the tasks I had to do on daily basis. The hotel is way bigger than my previous workplace, it is a 5 star so way more services needed to guests. We had to work alongside with internal policies of LOTTE and international standards of LHW. We had to upsell more of our facilities and be responsible for it” (Appendix 2).

The primary data highly correlates with scholars of Zuber, who proposed to implement term of “inadequate financial incentives” to explain insufficient system of rewarding and bonuses (Zuber 2001, 147). The research explains high employee turnover from the

perspective, where employees are expected to be top performance with the minimal financial rewards.

Furthermore, LOTTE has officially stated its rewards and bonus system policies. It was officially stated during introduction trainings and Grand Opening sessions; however, the majority of respondents have never received any bonuses or awards throughout their works. Shift Leader commented bonus system as “it did not exist. In general, it was supposed to exist, we even created excel spreadsheets for upselling, so the employee, who could upsell facility of service could get a bonus. FO Manager promised to follow this up but unfortunately it never happened” (Appendix 2).

With the direct bonuses, LOTTE Hotel Saint Petersburg offered a wide range of indirect bonuses, that are crucial in supporting wellbeing of its employees. For example, company provides full medical insurance and offers hotel facilities with staff rates. It provides food, takes care of the uniform and offers transportation to employees, who have to work high hours. However, the majority of employees were negative about the quality of provided food. Furthermore, the staff rate system seemed highly bureaucratic and almost impossible to use. Most of the respondents could not get rooms or services as it was bound with a wide range of conditions and paper work.

In conclusion, high employee turnover can be connected with an extensive job responsibility that were unclear to all member of Front Office team. The work included more tasks, whereas the payment was not proportional to it. Furthermore, the bonus system was not followed up by management and this situation may cause negative impact on employees and their engagement in the process.

6.4 LOTTE working environment

Throughout the interviews, the respondents were asked about differences in working with Russian and South Korean Management. The majority of respondents were positive about management approaches that Korean top management brought to LOTTE Hotel Saint Petersburg. The most common answers included elements of detailed preparation and responsibility for the deadlines. According to Hofstede theory, Russians tending to avoid uncertainty and follow strict procedures and rules. Russian employees valued transparent information flow and detailed explanation of strategy and vision. In spite of high and

often complex bureaucratic policies, the organizational culture background in both countries has the same bases.

What is more, line employees outlined hardworking approach of top management which was noticeable at every level of operations. Respondent commented this as “They worked hard and in time. Tried to push all the department to do in line with schedules. They expected us to be hardworking, by providing a solid example” (Appendix 4).

However, interviews highlighted dissatisfaction with the top management in its ethnocentric approach in recruitment. One of the respondents commented it as “The absolute minus was their poor knowledge of Russians. Seemed like they did not respect us as a culture but treated as just employees. They did not know a lot about specifics of the city. For example, hotel in Moscow and Saint Petersburg are completely different places and have absolutely different guests. However, management wanted to copy paste everything in Moscow to Saint Petersburg, because it is still “Russia”- one country” (Appendix 4). The situation can be correlated with the study of Firth, who explained high employee turnover with the feeling powerlessness and low commitment (Firth, David 2007,174). Russian employees felt uncomfortable with the misunderstanding of Russian hospitality principles and policies towards ignorance of local market specifics.

Within work relations with colleagues and middle management, all respondents mentioned disadvantageous working environment, that was established by FO Management. According to study of O’Neil, stress factors and internal conflicts at work are the core reasons of high employee turnover (O’Neil 2007, 276). Tensions between employees and management do not lead to creation of a favorable work environment. The secondary data is supported with the example of FO staff in LOTTE Hotel. The majority of ex respondents outlined stress factors and inappropriate work atmosphere as the main reasons of leaving job.

Within the career advancements and trainings, employees were satisfied with provided learning opportunities. Manager of FO commented it as “We give fair opportunities for the team members to be able to give their ideas or gain new skills, it is crucial for our organization to create employees with a helicopter view within operations” (Appendix 5). Line employees without previous work experience appreciated trainings and lecturers for giving insights and knowledge of hospitality and luxury sector. On the other hand,

employees with previous work experience did not find learning point in the trainings and were more engaged in cross trainings, where they could obtain new skills in other departments.

Awards and payment increase were not sufficient for employees. The majority of employees outlined that the financial rewards were not paid fair, the targets were extremely high while the rewards was small, so there was no motivation for extra efforts.

In conclusion, high employee turnover could be caused by stressful working environment and tensions with management of FO. What is more, the financial awards and bonus system seemed to be not developed well. Finally, the turnover could be caused by the top management principles, which only aim to work towards interest of the LOTTE company, but do not value culture, business differences and adjustments to domestic market.

6.5 LOTTE Management

The section with questions about LOTTE Management aimed to understand work relationship between line employees with FO Management and top Management. The outcomes demonstrated gaps between designed LOTTE HR policies and its implementation in practice. All line employees commented work of middle management to be insufficient and lacking management competencies. Initiatives and new ideas implementation were commented by one of the respondents as “I felt not valuable at all. HR department was autonomy administrative business units, and our management did not push to be apprised for achievements” (Appendix 4).

Furthermore, through the research were found the treatment of employees were diverse and not equal. Respondents commented it as “There was a circle of employees who were liked by managers more than others. Managers discussed line employees, their attitude and actions” (Appendix 1).

The poor execution of HR principles and unfairness at work place were the top reason of leaving a workplace alongside with low payments and inflexible work schedules. LOTTE Hotel Saint Petersburg has established solid policies and conditions for an effective employment and employee retainment, but the challenge is in its implementation and unclear plan for implementation of this principles.

7 CONCLUSIONS

The phenomenon of employee rotation is a highly sophisticated topic for all service-oriented enterprises. In this organizations, employees are tending to be the core of all operations and usually are the main source of achieving a competitive advantage (Zopiatas & Constanti 2014, 129). Consequently, financial investments for recruitment, training and retaining employees remain one of the biggest company's expenses. Furthermore, low employee turnover is one of the common KPIs in HRM practices which demonstrate operational efficiency of the organization (Zopiatas & Constanti 2014, 129).

Employee turnover within hospitality industry remains higher than in other service-oriented firms. In spite of continuous improvements of HRM strategies and policies, hospitality professionals consider jobs in hotels insecure and undesired. It is often connected with low payments, unclear career advancements and seasonality of the job. However, luxury five-star hotels provide clear policies for long- term orientation principles towards employees. They offer higher salaries, structured tasks and transparent promotion plan. In spite of the efforts to create a solid workplace, employee turnover remains high. That is why, it is necessary to analyse the inside reasons of leaving a workplace.

The main objective of the research was to find out key reasons of high employee turnover in LOTTE Hotel Saint Petersburg. The following lists highlight the most common reasons for leaving a workplace. The primary data was collected with semi structured interviews and correlated with the academic literature.

Table 2 Job Related Factors for High Employee Turnover

Job Related Factors	
Category	Reason for leaving workplace
LOTTE policies on working hours	<ul style="list-style-type: none"> • No part time job options • No possibility to combine work with ongoing studies • Stress factors/ poor work-life balance, too many responsibilities and tasks. Common burns out at work

LOTTE Policies for rewards and motivation	<ul style="list-style-type: none"> • Insufficient payments (higher than in other 5-star hotels of Saint Petersburg, but not in line with responsibilities and workload) • Poor functioning reward system (No follow up from the middle management side) • Lack of financial rewards and bonuses. Most of them are within the hotel facilities and services
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Table 3 Organizational Factors for High Employee Turnover

Organizational Factors	
Category	Reasons for leaving workplace
LOTTE working environment	<ul style="list-style-type: none"> • Low trust level in middle management • Tasks and responsibilities are unclear, job is full of uncertainties and misunderstandings in daily operations
Differences in working with South Korean Hotel	<ul style="list-style-type: none"> • Sense of powerlessness, no involvement in decision making process • Feeling too devaluated as the Korean top Management works only towards it headquarter interests. No adjustments to work with Russian employees
LOTTE Front Office Management	<ul style="list-style-type: none"> • Inability of management to effectively implement corporate policies into practice • Biased attitude of middle management towards line employees

The results were gathered through ex line employees, current LOTTE employees as well as representatives from HR Management and FO Manager. The categories illustrate high employee turnover mostly with the gaps within organizational factors. The majority of respondents have shared concerns regarding skills and competencies of middle management of FO as well as poor knowledge of top management about domestic market. On the other hand, within job related factors the most common reason for leaving a workplace is inability to combine work with studies or have a part time job. This can be

explained by young age of workers and low professional skills that are needed to be met for line positions in Front Office.

The consultancy report was also supported with the relevant sub questions, that aimed to understand hospitality market in Saint Petersburg as well as differences in working in Russia and South Korea.

While analysing the differences in organizational cultures between two countries, the Hofstede model was implemented. It revealed high similarities in organizational cultures of both South Korea and Russia. Thus, the Russian market can be a favourable place for South Korean companies to establish enterprises. Both countries have high score for uncertainty avoidance, long term orientation and prefer using collectivistic approach over individualistic. However, during the interviews, respondents outlined concerns regarding competencies of Korean top management to adapt to changes of Russian market. The ethnocentric approach of LOTTE recruitment has affected the structure of LOTTE Hotel Saint Petersburg. Due to the lack of expertise in Saint Petersburg hospitality industry, Korean expats were challenged in establishing trustworthy relationship with local employees, exchange know how and engage middle management in decision making process. Consequently, it led to gaps in policies implementation and clear division of tasks and responsibilities.

In conclusion, the consultancy report explains the importance of low employee turnover as one of the guarantees of a solid customer service level and minimized operating costs. With the rapid expansion of hospitality industry in Saint Petersburg, the competition rate within hotels has increased accordingly. Thus, the employee's turnover has to be kept low to ensure sustainable business growth.

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APPENDICES

Appendix 1. Interview Questions 1 (2)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

What is your gender?

What is your position?

What is your educational background?

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

If you are an ex-employee, how long did you work for LOTTE and what was your main reason of leaving a workplace?

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

Do you think you have solid work life balance?

Do you think your work shifts designed in the favor of employee and employer?

Does your employer request extra work hours?

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

Do you receive your payment in time?

Appendix 1. Interview Questions 2 (2)

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Do you think your salary is proportional to your responsibilities?

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Do you think your job is stressful? In what way?

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Do you have good relationship with your colleagues?

Do you have good relationships with your managers?

Do you think you are engaged in decision making process?

Can you provide your ideas and be creative at work?

Do you think there is enough staff for every shift?

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

Do you think your contribution and engagement in work process is appreciated by managers?

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Extra questions

Why do you like your job in LOTTE? (did not like)

What were the main reasons you chose LOTTE Hotel as a workplace?

Was the actual work the same as you had expected?

Appendix 2. Interview With Ex Line Employee 1 (5)



LOTTE Questionnaire

Dear respondent, this is a questionnaire that will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under my bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

26

What is your gender?

Male

What is your position?

Shift Leader FO

What is your educational background?

Master of Tourism and Hospitality

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Renaissance St. Petersburg Baltic Hotel, Worked there for 5 years and left it because there we no opportunity to build a career ladder

If you are an ex employee, how long did you work for LOTTE and what was your main reason of leaving a workplace?

7-8 months; Had to leave workplace because I was moving to different country. However I would have quitted anyway because of the poor management, which often had lack of experience and competencies

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

Appendix 2. Interview With Ex Line Employee 2 (5)

Working hours were set up ineffectively. Every day there were three major shifts: morning, evening and night. For task handover it was supposed to take up to 30 min, however because of the amount of information it was impossible to stick to 30 min. I usually spent extra 1,5 to 2 hours at work place. Extra hours were paid, but insufficiently. I would rather prefer to go home in time. Also, time for lunch breaks was not regulated properly, It was not enough to have lunch. I often did not know what time to go and we did not have a system for breaks. There was a situation where you come to canteen to have your meal and you had to stand huge lines because of other departments.

Do you think you have solid work life balance?

No, I worked 5 days per week from 9 to 18, but because of extra meetings, tasks hand over with colleagues and FO management I often stayed longer hours. There were issues with cashier, bills, guests, rooms etc

Do you think your work shifts designed in the favor of employee and employer?

I believe it was designed in favor of management only.

Does your employer request extra work hours?

I was asked to work extra days, this happened. But in general, my line manager Front Office manager was always against staying at work extra hours. However, there were way too much work and you simply had to stay just to cover the tasks.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

My salary was a little higher than at the same position in my previous hotel. But I had way too many responsibilities. I believe that the wages were set up not in line with the tasks I had to do on daily basis. The hotel is way bigger than my previous workplace, it is a 5 star so way more services needed to guests. We had to work alongside with internal policies of LOTTE and international standards of LHW. We had to upsell more of our facilities and be responsible for it.

Do you receive your payment in time?

Yes, salaries were in time. However, my last bonus salary, it is usually a 13th salary was dismissed.

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Well, it did not exist. In general, it was supposed to exist, we even created the tables for upselling, so the employee, who could upsell facility of service could get a bonus. FO Manager promised to follow this up but unfortunately it never happened.

Appendix 2. Interview With Ex Line Employee 3 (5)

Do you think your salary is proportional to your responsibilities?

No, I think it could be better. Especially when we are talking about supervising. At some point we were assigned to control bell boys, guest relations and concierges. While management was in the back office.

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

To be honest, I did not notice the unique features in health insurances, it was standard on every hotel I know.

Talking about discounts, it was quite inflexible and often “painful” to get from the bureaucratic point of view. To get the room with a staff rate we had to fill in papers and get signatures from a lot of business units, that was a little annoying, you also could stay in LOTTE hotels in specific day, not for weekend or something like that. At my previous workplace this procedure was digitalized, so it usually took little time. Also LOTTE is a small chain of a luxury hotels. You cannot travel in every country and stay there. Our options were Saint Petersburg and Moscow. Now Samara and Vladivostok as well.

You can also be awarded with a short trip to LOTTE in South Korea, but it is impossible. You have to work 5 to 10 years and after this you will be given with this opportunity.

Our food was poor quality. The ingredients were quite bad, the amount of food was insufficient. Sometimes you could come for lunch and there was no food. Sadly, it was cooked so terrible I rarely enjoyed it. They really took irresponsible this part.

Transportation was developed on a high level. I never experience driver to come late or bringing me to different address. It was good.

Uniform was good as well. Hotel takes care of it, you never had to bring it home for laundry.

Internal parties were often cozy and sweet, it was organized well, and I had a feeling of goo relationships with my colleagues.

Do you think you job is stressful? In what way?

Definitely. Mostly because you have to work with people and in 5-star hotel. Often their requests were so different and could be addressed to you with different approaches.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

In general, I enjoyed working with South Koreans, I liked their approach. They are funny and organized. Always trying to fit in all procedures under tight deadlines and

Appendix 2. Interview With Ex Line Employee 4 (5)

they do work hard. LOTTE is own subsidiary, so we had Korean management in hotel. They followed all policies of original hotel, made it identical to Moscow and South Korea with little adjustments to market. What I appreciated is transparency in strategy, decision making process. I always knew the direction, was explained with vision and I agreed with it!

However, the structure was highly hierarchical, we were not allowed to talk to managers of managers but had to be delivered with information from top to down. Final decisions were made only by top management but of course they listed to employees too.

Do you have good relationship with your colleagues?

Yeah, we had strong formal relationship. Sometimes semi-formal.

Do you have good relationships with your managers?

Not with everyone. Some of Front Office managers did not have enough experience and solid competencies.

Do you think you are engaged in decision making process?

Yes, we had special meetings for shift leaders and we had to discuss issues within the department or come up with optimization of the processes.

Can you provide your ideas and be creative at work?

Yes!

Do you think there is enough staff for every shift?

It was enough

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

I did not have a desire to build a career in LOTTE. I considered it as the short time work because of the experience of hotel opening. Trainings took place but they were often organized poorly. I think I had opportunity to have a promotion If I had stayed there.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

No, not enough work experience.

Appendix 2. Interview With Ex Line Employee 5 (5)

FO manager I trusted her competencies, but for the rest I cannot say so. Some of the employees were taken with bias approach. FO Manager liked personally potential candidate and hired them. That's why, some managers that were hired could not act in complicated situations as they should or were too emotional.

Do you think your contribution and engagement in work process is appreciated by managers?

Yes, but only in words unfortunately. Would be nice to receive award or bonus

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

I disagree, there were a circle of employees who were liked by managers more than others. The situation can be illustrated with endless "gossip" session in back office, where managers kept discussing line employees, their attitude and actions.

Extra questions

Why do you like your job in LOTTE? (did not like)

I cannot say it was bad experience. There is big room for improvements definitely. All this question concludes us to say that LOTTE is okay place to work for short term. It was experience of working in a dynamic team, I liked my colleagues and we could share our expertise in the work. We were completely different with various backgrounds, so approaches towards services varied too. At the end I learnt a lot.

What were the main reasons you chose LOTTE Hotel as a workplace?

I wanted to participate in the opening of 5-star hotel in Saint Petersburg. Every professional in hospitality would like to open a hotel, especially when you are young and full of ideas.

Was the actual work the same as you had expected?

It turned out a little bit different. At the opening stages it was fair enough and I enjoyed, but after I was assigned with too many responsibilities with the same salary. And also my line Management was not that helpful. I think the majority of my extra responsibilities were shifted from management.

Appendix 3. Interview With Ex Line Employee 1 (4)



LOTTE Questionnaire

Dear respondent, this is a questionnaire that will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under my bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

21

What is your gender?

Female

What is your position?

Guest Relations Specialist

What is your educational background?

Bachelor (currently studying) Business Administration

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

No, this was my first experience

If you are an ex employee, how long did you work for LOTTE and what was your main reason of leaving a workplace?

I had been working for LOTTE 6 months and the main reason of leaving is that it was impossible to combine work with studies, so I decided to come back to full time school

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

It was stressful because sometimes schedule was created in a way where you had to work a couple of weeks from 7 to 15. But for some reason I worked extra hour with the handovers between shifts. My work week was so tiring that I did not even enjoy weekend.

Appendix 3. Interview With Ex Line Employee 2 (4)

Do you think you have solid work life balance?

No, not at all. I don't remember I had time for life. My work was too difficult mentally and physically

Do you think your work shifts designed in the favor of employee and employer?

Definitely employer only

Does your employer request extra work hours?

Not really, only when we had some internal arrangements between Guest Relations team

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

It was my first experience of working in hospitality and mt first real work place.

Do you receive your payment in time?

Yes, I was always paid in time with the amount I had expected

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Sometimes I worked extra hours, so I received some extra payments, but it was such a small amount of money, that I usually did not pay attention to it

Do you think your salary is proportional to your responsibilities?

Honestly no. My management explained small salaries with the tips that hotel employees receive. But there were any. Then the salary could be understandable if there were possibilities to do part time work. But it was impossible. At the end management puts on you high expectations with the salary slightly bigger that in 3 4 star hotels

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Medical insurance was nice and flexible, I used it benefits. For the rest.. I used discount program to get a room, but it was so difficult to organize it. First of all, you are allowed to have it as an employee, but your FO management can decide if you can do it or not. They discuss it internally. So, at the end I got it but did not enjoy.

Food was really good at the beginning, but the standards went down in a couple of months.

Appendix 3. Interview With Ex Line Employee 3 (4)

Uniform was amazing, I never had to do laundry myself. And transport I did not use

Do you think your job is stressful? In what way?

It was stressful, because there were a wide range of standards that were obligatory to follow. Not only LOTTE or LHW, but internal Royal Club policies. Also I was lost with the tasks. Sometimes I had nobody to ask the direction, because my manager did not have enough work experience. Most of the time they did not know what to do themselves.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Do you have good relationship with your colleagues?

I believe so, I did good semi formal relationship

Do you have good relationships with your managers?

I hope so too, at least I had nice conversations with them and felt respectful

Do you think you are engaged in decision making process?

No, there were no possibility to do so.

Can you provide your ideas and be creative at work?

Yes, definitely! But then It should be not that openly discussed, because a lot of managers want to “support you” and you and take the whole process in their hands. You feel as you just lose control and at the end nothing works.

Do you think there is enough staff for every shift?

Definitely, it was good

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

I came with 0 work experience and quickly learnt how to provide the best high end services to guests.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

Appendix 3. Interview With Ex Line Employee 4 (4)

Top management yes, but FO management could have improved it. My line manager did not have previous work experience in management positions. So, huge responsibilities in opening luxury hotel was a challenge for the person.

Do you think your contribution and engagement in work process is appreciated by managers?

I think yes. At least it was written at policies and was explained to us.

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

No, I disagree. For some reason, it sounds funny but management of FO could gossip about line employees in back office, discussing some activities or life choices etc. It was so creepy to hear.

Extra questions

Why do you like your job in LOTTE? (did not like)

I liked because it was a new experience for me and I could learn social skills and some other soft skills.

I did not like because of the treatment of line employees. If I did not have to study I would have quitted job anyway, because it was emotionally difficult to stay within the team.

What were the main reasons you chose LOTTE Hotel as a workplace?

I was interested in trying something new, so I was told it is a great like to participate in the grand opening of a five-star hotel.

Was the actual work the same as you had expected?

Not really, I had so much boring routine things that were not written in my contract. I had to stay still in hall all the time without any support from FO team. But it was not my responsibility. Sometimes I felt miserable and devastated.

Appendix 4. Interview With Ex Line Employee 1 (4)



LOTTE Questionnaire

Dear respondent, this is a questionnaire that will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under my bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

24

What is your gender?

Female

What is your position?

Reservation Support Specialist

What is your educational background?

Bachelor (ongoing studies)

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Yes, more than year in Ibis 3 star, left because I could not combine work with the obligatory training in my university.

If you are an ex employee, how long did you work for LOTTE and what was your main reason of leaving a workplace?

2 months; I left because I could not work in the stressful atmosphere, my line manager and I could not work as a cohesive whole

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

I used to go home in time, but my line manager did not like it. In her opinion, I had to leave at the same time as her, but I could do my tasks in time

Do you think you have solid work life balance?

Appendix 4. Interview With Ex Line Employee 2 (4)

No, because I was so stressed and tired. Felt exhausted, there were too many responsibilities

Do you think your work shifts designed in the favor of employee and employer?

I felt comfortable, it was okay for me.

Does your employer request extra work hours?

Yes, she did. I had to work several days extra hours, because I had to train new employee. I did not get extra payment for it.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

Yes, a little bit, It was not significant, especially if we talking about number of responsibilities and tasks

Do you receive your payment in time?

Yes, It was in time

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

No, It did not exists

Do you think your salary is proportional to your responsibilities?

No, I did way more than I received as a payment

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Well insurance was good. At my previous hotel this thing did not exists at all. What I could not understand is that I could not use the insurance, because it starts working after 3 months of work there.

The food was so disgusting, I could not eat it and at the end decided to skip lunch break.

Do you think you job is stressful? In what way?

Yes, because I could not get proper communication with management, I felt there were unclear tasks and responsibilities. I felt not valued at all.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Appendix 4. Interview With Ex Line Employee 3 (4)

I could not get the tradition of saying hi to Korean Management, this nodding seemed to me disrespectful to me. It was silly.

In comparison to this, I liked that I could speak with Koreans in English. At my previous hotel I had to use French of Google translator.

Do you have good relationship with your colleagues?

Yes, I liked my colleagues. We had rather strong semi-formal relationship

Do you have good relationships with your managers?

I could not find common language with my line manager, that is why it was difficult.

Do you think you are engaged in decision making process?

Yes, I could create tariffs and rates for rooms and business partners.

Can you provide your ideas and be creative at work?

I could, but I did not

Do you think there is enough staff for every shift?

Yes, was enough

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

Yes, there were a wide amount of trainings and job advancements. LOTTE policies says that there is a possibility of promotion every year.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

I don't think so. It seemed the middle management did not have a well-developed emotional intelligence. They could not create a friendly work environment and created stress out of all small problems.

Do you think your contribution and engagement in work process is appreciated by managers?

Yes, line managers liked it and engaged us in the process, but I had nothing to offer. My tasks were not clear.

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Appendix 4. Interview With Ex Line Employee 4 (4)

FO managers in general though they were way better and important in comparison to other divisions of the hotel.

Extra questions

Why do you like your job in LOTTE? (did not like)

I did not like my job because of stress! I don't like when out of all situations there is fuss around. I like when its calm.

At the end we provided the best services and food to our guests, but the food for employees was terrible, timetable awful and management gossips about you.

What were the main reasons you chose LOTTE Hotel as a workplace?

I needed job asap, cause I finished training at university and was ready for employment. While looking for work, representatives from HR in Lotte explained me the advantages of working in the hotel and I checked the reputation of this place and was amused with its hospitality services.

Was the actual work the same as you had expected?

No, at the interview I was promised with the full package of benefits that are completely different from other five-star hotel. It turned out to be not working.

Appendix 5. Interview With Ex Line Employee 1 (5)



Interview Questions

Dear respondent, this is a questionnaire that will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under my bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

22

What is your gender?

Female

What is your position?

Guest relations specialist

What is your educational background?

Bachelor ongoing studies final year

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

No, LOTTE was my first and last hotel experience

If you are an ex employee, how long did you work for LOTTE and what was your main reason of leaving a workplace?

6 months, left because I could not combine studies with work. But I would have quitted anyway, because of the stressful atmosphere and feeling of constant "panic"

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

I had to work extra hours, because my tasks were not clear and certain. I could not understand what management expects from me, tasks were unclear

Appendix 5. Interview With Ex Line Employee 2 (5)

Do you think you have solid work life balance?

No, 5 work days were way too much for me, even during the weekend I could not get proper rest and was exhausted, I did not have time for friends, family and hobby. I was even mentally tired, did not want to start work week.

Do you think your work shifts designed in the favor of employee and employer?

No, definitely employer. Because for morning shifts I had to wake up at 4 am and catch the first train, but when I had evening shifts I had to run to take the last train.

Does your employer request extra work hours?

Generally no, I remember my line manager was against of working extra hours. But sometimes it was just impossible to leave at right time. Because I could have been involved in the situation, that I had to finish with the guest. I could not leave just because, I had to logically finish work. In addition, management just liked it, when you work a little more, its like dedication to LOTTE.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

No, salary was so ridiculously low in comparison to tasks and responsibilities. It was a little higher than in other hotels, but you had to follow strict rules and regulations. Certain nail color, earrings, haircut. You were even told how to stand and hold hands, how many times you were allowed to say guests name. And this is just appearance! Imagine the rules, LHW standards, way of talking. The salary was just insufficient for all the stress.

Do you receive your payment in time?

Yes

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Well, there were plenty of bonuses, I was told. Most of them were within the hotel. So you could get dinner or night in hotel or spa. I don't remember anyone having financial reward.

Do you think your salary is proportional to your responsibilities?

No! Sometimes I was working as a housekeeping supervisor, sometimes as a guest relations manager. There were times I did not want to tell about situation to my line manager, because I thought she would not be able to make it.

Appendix 5. Interview With Ex Line Employee 3 (5)

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Yes, insurance was good but I did not use it. Discounts were also available, but I was not interested in it. Food was okay, and I was given with a taxi a couple of times when I had to stay late at work.

Do you think your job is stressful? In what way?

It was challenging mentally, because FO management used practice to make a problem out of nothing. The situation could be simply resolved within couple of hours, but management makes you feel stressed and panic. It was not only from FO Management, but could come from General Management or Korean top management even.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Specifics of work are different, no doubts. The benefits of Korean Management are their responsibility and ownership of the risks. They worked hard and in time. Tried to push all the department to do in line with schedules. They expected us to be hardworking, by providing a solid example.

The absolute minus was their poor knowledge of Russians. Seemed like they did not respect us as a culture but treated as just employees. They did not know a lot about specifics of the city. For example, hotel in Moscow and Saint Petersburg are completely different places and have absolutely different guests. However, management wanted to copy paste everything in Moscow to Saint Petersburg, because it is still "Russia" - one country.

Also, they were quite not flexible. They were great managers, but not leaders. If something goes not in line with plan, then it's panic everywhere and they could not work. Well, hospitality is all about being flexible to changes, especially with opening a hotel. So they had to be more adaptive to it.

Do you have good relationship with your colleagues?

Semi-formal , good relationship

Do you have good relationships with your managers?

Yes, I have never had any conflicts

Do you think you are engaged in decision making process?

Appendix 5. Interview With Ex Line Employee 4 (5)

I do not know. Maybe even FO managers were not involved all that much too. Korean management executed only things, that represented business interest of a home company.

Can you provide your ideas and be creative at work?

Yes, we had idea box. I never participated.

Do you think there is enough staff for every shift?

Yes, it was enough. Sometimes even too much. I guess its specifics of a 5 star hotel.

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

System of trainings were quite good and it has improved since the first day of operations in hotel. It was obligatory and took place frequently. I learnt a lot! I don't know about colleagues with experience but for me it was definitely helpful.

I was told about promotions and etc in the hotel, but personally I did not notice any of it. After 1,5 years of LOTTE Saint Petersburg everything remained the same.

From the day number 1 of operations I did not think about career in this company.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

No, even though I had no experience in hospitality, I was way more calm and easy going rather than management.

Do you think your contribution and engagement in work process is appreciated by managers?

To be honest, I though nobody cares. I felt not valuable at all. HR department was autonomy administrative business units, and our management did not push to be apprised for achievements.

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Definitely disagree, management had favorite and not favorite employees. Even we knew it, it was so obvious.

Extra questions

Why do you like your job in LOTTE? (did not like)

Appendix 5. Interview With Ex Line Employee 5 (5)

Mostly because of experience. I learnt how business in luxury segment works and gathered sufficient data for my bachelor graduation assignment. I gained soft skills and communicated with different people all over the world. I was also involved in the opening ceremony.

Th major disadvantage was stress factor, but not from the work itself, but mostly managers.

What were the main reasons you chose LOTTE Hotel as a workplace?

It was international company, so I was interested in it. Plus, I was told that experience of opening 5 star hotel is valuable in hospitality sphere.

Was the actual work the same as you had expected?

No, I had completely different tasks and mostly spent work time on working with routine, that was not specified in my contract

Appendix 6. Interview With Front Office Manager 1 (4)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

47

What is your gender?

Female

What is your position?

Front Office Manager

What is your educational background?

Bachelor in Tourism and Hospitality

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

I have 18 years experience in Hospitality. Before LOTTE was another 5 star hotel , where I had the same position

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

The schedule was designed in favor of employee and employer. However, the hotel is new, so we just took practices of our previous work places. I believe if there is a more effective solution for it, we could adjust working hours differently in LOTTE

Do you think you have solid work life balance?

For me yes, I work from 9 to 17, so there are no challenges in this way

Appendix 6. Interview With Front Office Manager 2 (4)

Do you think your work shifts designed in the favor of employee and employer?

Both, we always open if the employee needs some changes in schedule.

Does your employer request extra work hours?

I am absolutely against of it! I believe it is enough to work your hours and do not allow my colleagues to work more.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

Do you receive your payment in time?

Yes, it is a trustworthy employer in luxury segment. Of course there is no problems with money at all.

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Yes, there is a standard bonus system for upselling rooms, hotel services. It was difficult to start it, as the template from Moscow colleagues does not work. We have to design our own KPI and selling points. I hope we will follow it up as soon as possible.

Do you think your salary is proportional to your responsibilities?

Unfortunately, no, as everywhere in hotels. We assume our employees receive tips to be able to balance out the salary. Sad, but Korean hotel is not popular for “tipping culture”, not a lot of guest are ready to pay for it, because they already spend fortune on the rooms, services etc.

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Medical insurance is solid, for sure. I am responsible for assigning rooms with the staff rates, so it works properly. I have never received any complaints about transport and uniform. However, food can be better. I do not know why the quality is so low. It should not be like this at all.

Do you think your job is stressful? In what way?

Definitely! Because you work with people. Your guests can have different attitude and situations. It is not only about being flexible for all cultures and traditions, but about being able to adapt to any situation (from birthday party to accidents).

LOTTE working environment

Appendix 6. Interview With Front Office Manager 3 (4)

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Everything has to be set by headquarters. We do not have flexibility in decision making process.

Do you have good relationship with your colleagues?

I believe so, yeah. Some of my colleagues I have known for ages from previous hotels.

Do you have good relationships with your managers?

Yes, good formal relationship

Do you think you are engaged in decision making process?

Depends on the level of the decision. If it fits within FO department then yes, if it is all about the hotel in general, it is complicated. Korean top management take ownership mostly.

Can you provide your ideas and be creative at work?

Yeah, we did our input throughout the grand opening.

Do you think there is enough staff for every shift?

Definitely, sometimes even too many people

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

As with the example of LOTTE Moscow, every employee gets promotion every 1-2 years. It is a specific of Korean organizational culture. Trainings are organized on weekly basis for all departments. We are trying to be aligned and be “Universal solders” for out guests.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

Yes

Do you think your contribution and engagement in work process is appreciated by managers?

Yes

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Appendix 6. Interview With Front Office Manager 4 (4)

No, every employee is treated equally

Extra questions

Why do you like your job in LOTTE? (did not like)

I like this job for the experience of opening a new luxury segment in the city. It is also the first time I am forking for the own subsidiary, not franchise.

What were the main reasons you chose LOTTE Hotel as a workplace?

I chose it for career perspective. I have more responsibilities here and learning moments.

Was the actual work the same as you had expected?

Yes, absolutely

Appendix 7. Interview with HR Representative 1 (4)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

38

What is your gender?

Female

What is your position?

HR Specialist

What is your educational background?

Bachelor in Economics

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Yes, I worked but for 3 star hotel in Saint Petersburg

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

I believe it is in line with 5-star hotel standards. Our employees are professionals, so they should feel comfortable with assigned responsibilities.

Do you think you have solid work life balance?

Appendix 7. Interview with HR Representative 2 (4)

Yes, I have good common schedule. I work from 9 to 17

Do you think your work shifts designed in the favor of employee and employer?

We were trying to design it in favor of both.

Does your employer request extra work hours?

Sometimes yes, especially when was gran opening. But employees were payed extra of course.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

I have a slightly higher salary than at my previous work place

Do you receive your payment in time?

Yes, I do

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

We do not get bonuses as back office employees, but there is always 13th salary.

Do you think your salary is proportional to your responsibilities?

I believe so, yes

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Yes, the medical insurance is the same as in other hotels of the city. Transport works properly. Food is not at all. We are trying to solve the situation. The uniform was designed by Koreans and made in Russia, so it is nice quality.

We constantly organize events that may enhance work relationship between colleagues. We would like to create a “family” feeling at works. As it is so common in Korea and apparently effective.

Do you think you job is stressful? In what way?

Yes, because employee turnover is extremely high. Every time is so difficult to find a suitable candidate to fill in the position.

LOTTE working environment

Appendix 7. Interview with HR Representative 3 (4)

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

The benefit is LOTTE's idea of long-term relationship with employee. They simply want an employee to grow professionally within the organization.

Do you have good relationship with your colleagues?

Yes, absolutely

Do you have good relationships with your managers?

Definitely

Do you think you are engaged in decision making process?

Within HR department we have to be engaged in decision making process, yes. But it is not separate business unit. We do it with the vision of the company

Can you provide your ideas and be creative at work?

For sure

Do you think there is enough staff for every shift?

Yes, we follow international standards of LHW. They require having this number of people at work to keep to 5 star hotel.

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

Trainings are crucial, we set them up on weekly basis. Promotions are generally should be every 1-1,5 years.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

Absolutely. Professionals in their spheres

Do you think your contribution and engagement in work process is appreciated by managers?

Definitely

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

I absolutely agree. It is a core of any company to treat employees equally.

Appendix 7. Interview with HR Representative 4 (4)

Extra questions

Why do you like your job in LOTTE? (did not like)

I like it for the possibilities to gain more work experience and competencies in my field and specifically field of luxury services

What were the main reasons you chose LOTTE Hotel as a workplace?

I wanted to experience recruiting absolutely new team for a new hotel.

Was the actual work the same as you had expected?

Absolutely, dream place to work!

Appendix 8. Interview With Current Line Employee 1 (4)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

22

What is your gender?

Male

What is your position?

Bellboy

What is your educational background?

Bachelor of Arts

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Yes, in boutique hotel in Saint Petersburg

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

Of course it is stressful. Sometimes my schedule is so uncomfortable that I have to sleep here. It is not healthy for any person to live at your workplace. But it happens sometimes. The reasons behind this is a lot of bellboys suddenly quit their jobs, so there is nobody to work

Do you think you have solid work life balance?

Interview With Current Line Employee 2 (4)

No, I thought I would read more or study. I don't have time for my family and hobby. It is only LOTTE all the time

Do you think your work shifts designed in the favor of employee and employer?

Guess. Employer of course. If someone is quitting his/her job it is not my fault, but it is me, who have to work extra.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

It is slightly higher than in my previous hotel.

Do you receive your payment in time?

Yes, no problem with this at all.

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

The bonus system supposed to exist, but not now. For some reasons it doesn't work. However, it is difficult to get, the targets are impossible.

Do you think your salary is proportional to your responsibilities?

Absolutely not. They want you to be a universal employees, being able to check in guests, provide amenities, maybe even help with cleaning a little. But my salary is a bellboy salary, I receive money for the help with carrying luggage and escorting guests.

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Food. I try not to eat here and bring my own. Its disgusting. Medical insurance is good, but I had the same at my previous work place. Uniform is nice, I don't have to take it home for laundry at all.

I was at LOTTE parties, it was good experience, got to know better my colleagues not only from FO, but F&B and Housekeeping

Do you think you job is stressful? In what way?

Yes, it is. Different people, stressful situations, sometimes management makes me feel nervous more than I should be.

LOTTE working environment

Interview With Current Line Employee 3 (4)

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Koreans are lots of fun! I like it, we find a lot of things common. What I respect is their ability to stick to deadlines and be responsible for the product (LOTTE). They are hardworking, and they expect us to be hardworking. Also, they are really efficient especially with budgeting. They never drink coffee for free, even though they can.

Do you have good relationship with your colleagues?

Yes

Do you have good relationships with your managers?

I hope so, But you never know what they think and discusses between each other.

Do you think you are engaged in decision making process?

No

Can you provide your ideas and be creative at work?

No, but I don't want to

Do you think there is enough staff for every shift?

Yes, always. Only the situation is getting bad when employees are leaving and there is not substitute yet.

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

What I don't like is that for some reason I have to train new bellboys, but it is a function of my line manager. I have been working for a while and did not get promised promotion, but I had salary increase a little bit. Even funny how small can be your increase!

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

No, some of them work experience like me, it makes me frustrated that there is no experts here. You have to act on your own. It is better not to ask for clarity, because there is a high chance that they don't know it themselves and will panic around you.

Do you think your contribution and engagement in work process is appreciated by managers?

I think so yes, because in this way they don't have to do all their tasks.

Interview With Current Line Employee 4 (4)

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

I disagree, I know there is circle of employees who are liked my management and who are not.

Extra questions

Why do you like your job in LOTTE? (did not like)

I like it, because it is a completely different world. I see so many interesting people and learn from them. I get inspired by Koreans and Russian colleagues and I participated in the grand opening of the hotel! It is amazing experience

What were the main reasons you chose LOTTE Hotel as a workplace?

I wanted to do 5 star hotel. I wanted to see how it operates from the inside. I participated in grand opening and now I have more perspective to have career advancement.

Was the actual work the same as you had expected?

No, middle management does not seem to understand luxury segment. Food is terrible, shifts are so long, there are not tips at all, I have to live here sometimes.

Appendix 9. Interview With Current Line Employee 1 (3)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

18

What is your gender?

Female

What is your position?

Guest Relations specialist

What is your educational background?

High School, currently study in university

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

No, this is my first work experience

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

It is comfortable for me, because I work in the mornings and study in the evenings. It will be difficult in long term perspective, but now I can do it.

Do you think you have solid work life balance?

I just work and study. This is it. Hope my life will become better soon when I graduate and get normal job. Now I don't have any other choice.

Do you think your work shifts designed in the favor of employee and employer?

Appendix 9. Interview With Current Line Employee 2 (3)

Usually I have to work one week in the mornings and one week in the evenings. But I have agreed with my management to work only in the mornings, so they adapted schedule for me.

Does your employer request extra work hours?

Sometimes yes, especially when I have to train new employee.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

This is my first work place, but it is way better than school

Do you receive your payment in time?

Yes, no problems with this at all

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

I have never heard about bonuses, but sometimes I get tips from guests. It is nice, but happens seldom

Do you think your salary is proportional to your responsibilities?

I am not sure. I think there is no other job that will provide better payment for my age. So let's say yes. LOTTE also teaches me a lot here about hospitality and business in general.

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

I used medical insurance, it was good, had no problems with additional bills and so on. I also stayed in hotel with my friends and family. It was challenging to organize with all paper work, but at the end it was super nice. Food is not that great, but okay. Transportation always is on time and they are flexible to get me home as fast as possible.

Do you think your job is stressful? In what way?

Sometimes people with strange attitude become our guests. Sometimes I don't know what to do in conflict situations or in complaint situations.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Appendix 9. Interview With Current Line Employee 3 (3)

I feel working with Koreans comfortable, do not have any remarks regarding differences in culture. I do not see it.

Do you have good relationship with your colleagues?

Yes

Do you have good relationships with your managers?

Yes

Do you think you are engaged in decision making process?

No, not really. I have nothing to offer now

Can you provide your ideas and be creative at work?

I think yes, management always like it especially for preparing holidays

Do you think there is enough staff for every shift?

Yes, everyone has something to do

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

I was promised to have promotion ever 2 years, so I am waiting for it.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

I think yes

Do you think your contribution and engagement in work process is appreciated by managers?

Yes

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Everyone is equal for sure

Appendix 10. Interview With Current Line Employee 1 (4)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

27

What is your gender?

Female

What is your position?

FO Agent

What is your educational background?

Master of Science (Psychology)

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Yes, I worked in Portugal and in Switzerland for small hotels

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

In comparison to other workplaces in Europe it is quite stressful, but it because hotel is on its initial stages. It has opened recently, so it is normal practice to feel stressed.

Do you think you have solid work life balance?

For now not, but I believe situation will improve soon because hotel will gain first loyal customers, will find its style and its specific features, so it will be more comfortable to work.

Appendix 10. Interview With Current Line Employee 2 (4)

Do you think your work shifts designed in the favor of employee and employer?

I think it works good in both directions.

Does your employer request extra work hours?

Unfortunately, now yes

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

It is low in comparison to Switzerland and Portugal. But it is higher than in other hotels in Saint Petersburg. I wish it was higher of course

Do you receive your payment in time?

Yes

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

It will be well developed further, for now it does not work.

Do you think your salary is proportional to your responsibilities?

No, sometimes I have to do functions of guest relations or bellboy or security. It is not comfortable at all.

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc.)

Food is terrible, but the rest functions well. I like especially uniform, because we have laundry and it can be fixed easily.

Do you think you job is stressful? In what way?

Every position in every hotel is stressful. There are always issues with guests and timings. You never know if the flight of the guest was delayed or luggage lost. We don't know if the person stuck in the traffic jam on the way to hotel and we might be not able to explain guest without English how to get to the Winter Palace.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Appendix 10. Interview With Current Line Employee 3 (4)

I enjoy Korean structure and ability to plan job carefully. What I do not like is that Korean top managers did not try properly to understand our culture, guests and our business specifics.

Do you have good relationship with your colleagues?
Yes

Do you have good relationships with your managers?

I hope so

Do you think you are engaged in decision making process?

No, but sometimes I share my expertise

Can you provide your ideas and be creative at work?

Yes, if management finds it suitable I see no point in not implementing my approach. I think it is even encouraged

Do you think there is enough staff for every shift?

Yes, according to LHW and LOTTE standards every person has its function.

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

Work experience in hospitality is the most solid advantage you can get. Doesn't matter how fast you are moving in this ladder, it is just about gaining enough competencies

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

Could be better

Do you think your contribution and engagement in work process is appreciated by managers?

Yes I think so

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

I want to believe that every person is equal, but it is not like this unfortunately

Extra questions

Appendix 10. Interview With Current Line Employee 4 (4)

Why do you like your job in LOTTE? (did not like)

I like it for interesting guests, for its location and for its values

What were the main reasons you chose LOTTE Hotel as a workplace?

I wanted to participate in grand opening of a hotel

Was the actual work the same as you had expected?

More or less yes

Appendix 11. Interview With Current Line Employee 1 (3)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

24

What is your gender?

Male

What is your position?

Front Office Agent

What is your educational background?

Bachelor in Tourism and Hospitality

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

No, its my first work experience

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

Stressful in a way that it may change fast. Sometimes I can not plan my after work life because task handover takes more than 30 min. You are never prepared to work extra hours, but it is expected from you .

Do you think you have solid work life balance?

No

Appendix 11. Interview With Current Line Employee 2 (3)

Do you think your work shifts designed in the favor of employee and employer?

I think it can be changed a lot better for line employees. Currently the work is just exhausting

Does your employer request extra work hours?

Yes

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

It's my first one, but I believe I work way too much in comparison to my payments

Do you receive your payment in time?

Yes

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

I did not get any bonuses, I do not think its exists. But I have 13th salary and also sometimes I get tips from guests.

Do you think your salary is proportional to your responsibilities?

No, I work way more

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

I have not used my insurance yet, hope its good. But the uniform is nice, food is okay, I like LOTTE parties and transport. Its nice, feel like its my family.

Do you think you job is stressful? In what way?

Of course, management is always stressed about everything and our guests can be complicated. Especially where there are official staying of ministers or presidents.

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

I do not see any

Do you have good relationship with your colleagues?

Yes

Do you have good relationships with your managers?

Yes

Do you think you are engaged in decision making process?

Appendix 11. Interview With Current Line Employee 3 (3)

No, but I just never done it. Maybe if I have worth idea I would introduce it

Can you provide your ideas and be creative at work?

I think so, yes

Do you think there is enough staff for every shift?

Sometimes even too much and I am getting lost with tasks. If there are way too many people I do not understand area of my responsibilities.

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

I was promised with promotion every 2 years. I am still waiting for it, but I got salary increase recently. It is not sufficient, I felt it was a joke or something like this.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?
I think so, yes. But they should be more relaxed. Sometimes I am afraid of their attitude

Do you think your contribution and engagement in work process is appreciated by managers?

Yes

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Well, honestly, I do not know. I think yes

Extra questions

Why do you like your job in LOTTE? (did not like)

I like my colleagues, they teach me a lot and I like international environment. It makes me feel curious and inspired about my future trips and vacations.

What were the main reasons you chose LOTTE Hotel as a workplace?

I was interested in opening 5 star hotel. Doesn't happen every day in Saint Petersburg

Was the actual work the same as you had expected?

Appendix 11. Interview Questions with Current Line Employee 4 (4)

It could be better in terms of tips. I was explained the majority of my income would be based on the tips. But in practice it doesn't work like this.

Appendix 12. Interview With Current Line Employee 1 (3)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

What is your age?

25

What is your gender?

Male

What is your position?

Shift Leader

What is your educational background?

Bachelor in Tourism and Hospitality (ongoing)

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

No, only internships. This is my first work place.

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

No, it is way too stressful. I feel so tired after the end of the shift. Cannot imagine how people have been working in here for 18 years in this industry. When I joined I thought I would travel more often.

Do you think you have solid work life balance?

Currently only studies at work. But I really hope this situation would change soon

Appendix 12. Interview With Current Line Employee 2 (3)

Do you think your work shifts designed in the favor of employee and employer?
In the favor of employer of course.

Does your employer request extra work hours?

When we had to prepare for grand opening yes, then not really

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

At least I have something. When you are an intern do not expect any salary

Do you receive your payment in time?

Yes

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

I get tips from guests sometimes for help or for preparing specific room.

Do you think your salary is proportional to your responsibilities?

No, there are a lot of standards and rules. Sometimes it is even too much to remember

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

I enjoy LOTTE parties. It feels like I am with my family. I have nice colleagues. Medical insurance good and I do not have any problems with transport. However, food and uniform are not that great at all.

Do you think your job is stressful? In what way?

People . Our guests can be different

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Koreans are so similar to Russians, can not think of any differences.

Do you have good relationship with your colleagues?

Yes

Do you have good relationships with your managers?

Appendix 12. Interview With Current Line Employee 3 (3)

Yes

Do you think you are engaged in decision making process?

Sometimes. Well If I have an idea I will tell it during the meeting.

Can you provide your ideas and be creative at work?

Yes, I can be

Do you think there is enough staff for every shift? \

Yes, according to LHW yes

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

I like trainings. It is basic, but useful to repeat often. LOTTE is known for its long-term orientation towards employees, so I think there is a solid chance to build a career here

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?
Some of them do not at all.

Do you think your contribution and engagement in work process is appreciated by managers?

Yes

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

I disagree. There a people liked by management for sure

Extra questions

Why do you like your job in LOTTE? (did not like)

I like international work environment, the idea that I use three languages on a daily basis. I feel that I provide good service for the guest.

What were the main reasons you chose LOTTE Hotel as a workplace?

I wanted to start my career in hospitality and then saw ad of LOTTE Saint Petersburg.

Was the actual work the same as you had expected?

For now it is difficult, but maybe I should just get used to it.

Appendix 13. Interview With Current Line Employee 1 (4)



Dear respondent, this is interview will help to analyze the main reasons of leaving workplace in LOTTE Hotel Saint Petersburg and will potentially assist HR department in correcting policies to provide better work conditions. Your answers would be analyzed under bachelor research with Tampere University of Applied Science. Thank you for your participation.

General Information

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What is your gender?

Male

What is your position?

Front Office Agent

What is your educational background?

Bachelor of Arts

Did you work in hotel before LOTTE? (If yes, then where how long, why did you change the position)

Yes, I worked with our FO manager in another five star hotel in Saint Petersburg, she invited me for the position over the phone

LOTTE policies on working hours

- What do you think regarding working hours within hotel? (Was it set up in line with responsibilities or was too stressful)

I believe it is set up alongside with responsibilities, but of course can be improved

Do you think you have solid work life balance?

No, I hope I will have it in the future, but not now

Do you think your work shifts designed in the favor of employee and employer?

In the favor of guests. Sometimes my work shift is over, but I stay because I started solving a situation for my guest and will finish it

Appendix 13. Interview With Current Line Employee 2 (4)

Does your employer request extra work hours?

My managers are against it, seriously. They will not like burn outs at work and I appreciate this approach. However yes, I have to work extra, just because it is logically needed.

LOTTE policies for rewards and motivation

- How would you compare your current payments with the previous work place?

Slightly better, but this compensation goes with expanded responsibilities and strict policies

Do you receive your payment in time?

Yes, never had any problems with it

Do you have rewards and bonus system? Tell us about it (how do you get bonuses, is it adequate to the responsibilities etc)

Yes, bonuses are supposed to come soon. Now because of grand opening and other issues there were simply not time for it, so this may change in the near future

Do you think your salary is proportional to your responsibilities?

No, never. I do way too much. But you will hear it in any hotel unfortunately

Tell us about indirect bonuses in LOTTE Hotel (medical insurance, discount programs, food allowance, transport, uniform, parties etc)

Medical insurance is the same as it was at my previous place, so there is nothing luxury. I once booked a room with the special rate, it was good, but took a lot of time to prepare all paper work.

Do you think your job is stressful? In what way?

Because of people, because it is not an office job, because the situation and conditions can vary

LOTTE working environment

- What are the difference in working for South Korean hotel in comparison to other international company? (What are the benefits and disadvantages?)

Koreans think we should live at work, so they want you to become work family. I want to believe that we (Russians) are more individualistic and do not need additional families. I do not mind working late, but I don't want to live at work also.

Appendix 13. Interview With Current Line Employee 3 (4)

Do you have good relationship with your colleagues?

Yes

Do you have good relationships with your managers?

Yes

Do you think you are engaged in decision making process?

Sometimes I am asked how would be comfortable for me to do certain things as a Front Office Agent

Can you provide your ideas and be creative at work?

Yes, especially with guests. It is called "Lotte touch", I am trying to exceed expectations

Do you think there is enough staff for every shift?

Yes, sure

What is the scope of career advancement? (Tell us about trainings, promotions and possibilities to build a career ladder with LOTTE?)

Trainings sometimes I have to organize myself, because I have previous work experience. But it is also helpful for me to remember small details. Like offering a newspaper to a new coming guest. Promotions are should be every two years, I am waiting for mine.

LOTTE Management

Do you think your managers have sufficient experience and competencies in their jobs?

I think yes

Do you think your contribution and engagement in work process is appreciated by managers?

Yes

Do you agree or disagree with equal treatment of employees by Front Office management? LOTTE Management?

Everyone is equal of course. Otherwise how we run the hotel ?

Appendix 13. Interview With Current Line Employee 4 (4)

Extra questions

Why do you like your job in LOTTE? (did not like)

I like my colleagues, I like international guests and experience that they share. I enjoy working with people and for people. I do like organizing b day parties and weddings.

What were the main reasons you chose LOTTE Hotel as a workplace?

I trust our FO manager. She told me she would be more than happy if I could join new team. I agreed.

Was the actual work the same as you had expected?

No, it is way more difficult. But hard work pays off, so LOTTE will be the best luxury place in Saint Petersburg.