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Find your match

A structured approach to international recruitment for operational hotel staff in the Eurozone

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ABSTRACT

A case study conducted for Starwood Hotels & Resorts, The Netherlands, is aimed at investigating the feasibility of recruiting operational personnel across the European Union (EU). This article explores an applied research approach to the decision making process in this area of Human Resource Management. The study offers guidelines for an extensive analysis of situational variables and stakeholders' interest, introduces an approach for turning this information into actual Human Resource policies for international recruitment and provides suggestions for demonstrating the added value derived from international recruitment. International recruitment can have distinct advantages; in this study for Starwood a Return on Investment of 300% was estimated for the international recruitment approach and a range of additional "soft" benefits was found.

Key words: international recruitment, turnover, hospitality, diversity, labour migration

Introduction

Labour and skills shortage has been voted #1 issue in the hospitality industry for 2007 by the International Society of Hospitality Consultants (Raleigh, 2006). This problem is expected to become even more critical as the rising dependency ratio in most developed countries results in a smaller pool of talent (Eggers, 2007). At the same time, the hospitality sector faces one of the highest turnover rates of all industries, estimated at 50% for non-management employees (Kyriakidis et al, 2006). Considering the fact that the industry is hugely dependent on its human assets, addressing this issue has become a priority in many companies. Although solutions are specific to the context of the company, labour legislation in unified Europe presents yet another solution by breaking down labour barriers between countries within the EU.

Starwood Hotels and Resorts The Netherlands (from now on referred to as Starwood NL) is, like other hotel chains, as a result of the labour shortage facing a decreasing recruiting yield and increasing turnover rates. The chain is therefore keen to explore opportunities provided by international recruitment. While the active international recruitment approach is more commonly used in filling management positions in internationally operating hotel chains, a clear strategy for applying international recruitment for operational positions is yet to be developed. Since the numbers of operational staff are much greater and their turnover much higher than those in management, the need is indeed becoming greater over time.

This case study therefore sets out to map variables that should be considered by a HR professional when implementing international recruitment of operational staff. How can a hotel company make substantiated and cost-efficient decisions with regards to international recruitment of operational staff, and what does it need to know to do so? Although literature about labour mobility, migration, and recruitment is widely available, no attempt was found in the literature to apply this theory in the context of structured decision making with regards to international recruitment.

Starwood set out three specific goals for this case study:

-a concrete analysis of potential labour markets to discover if there are opportunities to recruit operational employees on these markets for their hotels in the Netherlands

-an advice on methods and tools to best recruit, select, integrate and retain prospective employees from these labour markets

-an overview of financial and other consequences, should the international recruitment pose a feasible solution

In this article, factors influencing the decision making process in international recruitment are explored. Following the Harvard Model of HRM (Beer, Walton & Spector, 1984) the article suggests how through this case study Starwood can filter from 25 EU-countries initially to a final 3-5 target countries to recruit from for their Dutch hotels. It also gives recommendations on recruitment and retention strategies to follow. Finally, the article, by demonstrating steps,

proposes a structured approach to international recruitment for other hospitality companies, should they consider this recruitment option for operational staff.

Literature review

Labour migration

Labour migration is generally defined as a cross-border movement for purposes of employment in a foreign country, although exact definitions vary between organizations and countries (International Office for Migration, 2007). Lee (1966) identifies a number of causes that influence labour migration through his Push-Pull theory. Those causes are divided in two categories; factors that push a migrant out of his/her country of origin or pull him/her towards a country they are migrating to. These include economic, political, cultural and environmental/geographical factors. For instance, a migrant may be pulled by the economic wealth of a receiving country, or pushed by limited access to education in the country of origin.

In general, companies tend to first recruit internally or from national labour markets, but when facing labour shortage, may turn to foreign labour markets. Although governments play a central role in enabling labour migration through legislation, the role of employers should not be underestimated (Blauw, 2002; Fellini et al 2007). In fact, in demand-driven migration, employers are considered the most important institutions in the migration process (Johnson and Salt, 1990). Generally speaking, companies opt for international recruitment for two reasons: difficulties finding the right staff or cost efficiency. Blauw (2002) argues that HRM strategies will be directly informed by business strategies, and that although most companies in the first instance seek to fill vacancies internally and through the local labour market for reasons of cost and economy, "when confronted with labour shortages and affected by high ambitions concerning cost reductions or maximum utilization of labour an orientation towards a foreign labour market comes in sight."

Models of HRM

In the field of Human Resource Management, two approaches are considered dominant in the field. These are the so-called Harvard model (Beer, Walton & Spector, 1984) and the Michigan Model (Fombrun et al, 1984), named after the universities of the principal authors. Their approaches to HR are fundamentally different and have an impact on how HR officials operate in companies.

According to Blauw (2002), in the Harvard approach the focus is on the effect of external factors (both situational and stakeholders' interests) on HR policy. Also, HRM is assigned to contribute to HR outcomes and to long-term consequences. In contrast, in the Michigan model, HRM seems to be more internally focused and is viewed as a tool to realize strategic objectives with a focus on productivity and organizational performance. The strategic objectives form a barrier of sorts; outside influences impact HR decision making if strategic objectives indicate such (Boselie, 2002).

Given the external orientation of the assignment, responding to labour market changes, the basis for this study was formed by the Harvard map of HRM. The Harvard Model of HRM represents the "determinants and consequences of HRM policies." Providing that international recruitment is generally speaking an HR policy, this model is useful as a systematic approach to the research. The Harvard model implies that any HRM policy choice is dependent on situational factors and stakeholders' interests, and results in immediate outcomes and long-term consequences. The Harvard model was adapted for use in international recruitment by specifying a number of the situational factors, as presented in figure 1.

Research model Starwood NL study
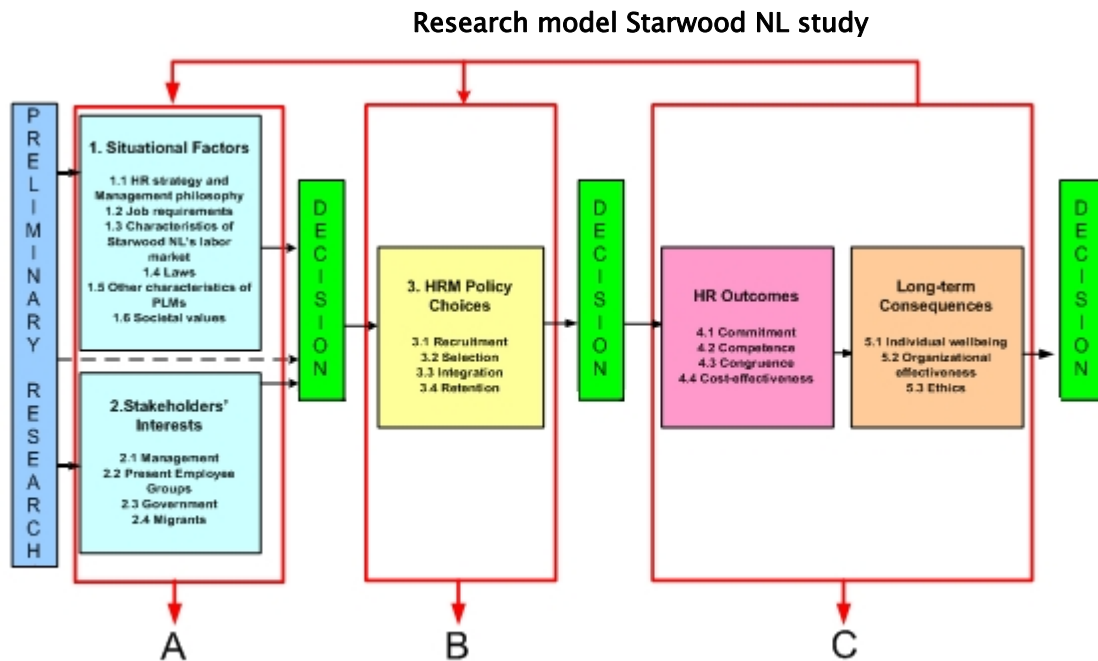
Figure 1: Research model adopted from Harvard model of HRM by Beer et al (1984)

Research approach

This study is an example of applied research. Applied research is defined as an original investigation, undertaken in order to acquire new knowledge (OECD, 2002). Although the researchers were primarily interested in developing a model for structured decision-making in international recruitment, the results served the practical aim of the principal too. Starwood NL wanted a GO/No GO decision based on the results.

Yin (2003) defines a case study as 'an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources are used.' This applies to this study; based on a wide range of sources the researchers tried to establish the phenomenon of international recruitment practices within the company context. For the data collection, a hybrid approach was chosen to gather information. Available statistical data was combined with semi-structured interviews to gather the necessary data.

Initially, previous studies and available statistics were used to analyze background factors. A preliminary literature review included looking into general background information, case studies, legal frameworks, ethical considerations and critical success factors. Specifically, literature and case studies from the UK & Ireland labour markets (further referred to as Open Border Countries, OBC's) were analyzed, given their implemented open-border policies and their experience with foreign workers (Moreno-Fontes Chammartin, Cantu-Bazaldua, 2004; Drinkwater, 2003; Bell, Jarman, Lefebvre, 2004, Dench et al, 2006). The literature from the OBC's was also instrumental in taking the decision to limit the research to the 25 EU countries. It was found that, although legislation is far from uniform in allowing free travel of workers between European Union states (specifically with regards to Accession Countries), current legislative circumstances favour within EU-recruitment in comparison to recruitment in non-EU countries. Therefore, the research was limited to EU countries. Secondly, the different phases in the Harvard model were applied to this case study for Starwood NL (A: Stakeholder and situation, B: Policies and C: Short and Long-term Outcomes) with key variables adapted to the context of international recruitment. Then, 'decision points' were incorporated after each phase to optimize the efficiency of the decision making process for employers.

Phase A: Stakeholders and situational variables

This phase is comprised of the *situational factors,* which help to consider all aspects possibly affecting the desired HRM policy, and the *stakeholders' interests,* which give rise to the requirements and expectations for the future HRM policies. Together, these constituted an in-depth analysis of the Potential Labour Markets as well as the stakeholder analysis for Starwood NL. Phase A yields an answer to the following question: Which 3-5 Labour Markets provide the highest potential for Starwood NL to tap into?

 In order to answer this question, data was collected in three steps:

1. Determining desired candidate profile: Seven interviews with management members of Starwood NL

The analysis of the conditional factors and stakeholder's interests established the foundation for the research. First of all, interviews with members of the management team of Starwood the Netherlands provided a deeper insight into the effects of the labor shortage problem on the organization. Secondly, they lead to a desired candidate profile in an international context. And finally, they resulted in a number of criteria that were later used to determine the potential of various EU labour markets to provide candidates matching Starwood's desired profile. The table below illustrates the approach of translating Starwood NL's interests into candidate profile characteristics, which are in turn broken down further into specific and measurable criteria.

Step 1: Determination desired candidate profile Starwood NL

Based on the management's interests, an ideal candidate would:	Possess sufficient hospitality-related work experience or educational background	Be able to communicate in English	Possess the correct work related attitude as required by the company	Be willing to migrate with a prospect of staying longer than 3 years
Translated into specific and measurable factors to consider within a labour market:	▪ Size of hospitality sector ▪ Amount of hotel schools or related education ▪ Percentage of migrants working in the UK hospitality sector* * UK was taken as a example considering its implemented open-border policy	English proficiency in the country as measured by: ▪ Eurobarometer survey ▪ Own research	▪ List of specific work-related attitudes (e.g. flexibility, team orientation) as perceived by HR industry professionals in each country	▪ Past work migration figures ▪ Willingness to migrate for job purposes as stated in the Eurobarometer survey

Table 1: translating management's interests into measurable entities

2. "Likeliness to migrate" scan: data was collected through secondary sources (Eurobarometer, International Monetary Fund, World Audit)

This scan was performed to quickly analyze those labour markets with the highest potential, the highest likeliness to migrate within the context of international recruitment, thereby reducing the initial 25 EU countries to a remaining 11 to choose from. The "likeliness to migrate" was measured by applying a push-pull migration theory (Ravenstein 1889; Lee, 1966). The theory suggests that people from countries with strong push factors (e.g. political instability, poor social system, etc.) are likely to migrate to countries with strong pull factors (higher salary levels, political and economic stability, etc.). The push and pull factors were quantified by using economic/political indicators such as GDP, unemployment rates, hourly labour costs and government expenditure on social protection and weighted to come to a ranking of potential labour markets (see table 2).

Step 2: "Likeliness to migrate" factors

Variables:	Measures used: (sources: Eurobarometer, International Monetary Fund, World Audit)
Demographic	Unemployment rate (2005), Willingness to move if unemployed (2004), Net migration rate into country per 1000 inhabitants (2003, 2006)
Economic	GDP per capita (2005), GDP per capita forecasted (2007), Hourly labour cost (2004)
Political	Government expenditure on social protection as percentage of GDP (2004), Government expenditure on social protection per capita (2005), Labour market expenditure in relation to GDP (2005), Democracy rank overall, press freedom rank overall, corruption rank overall (all 2006)

Table 2: Factors used to establish likeliness to migrate for 25 EU countries

3. "Find your match": 119 semi-structured telephone interviews for the remaining 11 Potential Labour Markets, combined with further desk research

Initially, 256 questionnaires were sent out to hotels (both Starwood and non-Starwood), recruitment agencies and educational institutes (both targeted at staff and students of relevant disciplines) in Open Border countries and the potential labour markets. In most cases, respondents were then approached for a telephone interview with follow-up questions. This resulted in 119 completed interviews. These results were combined with secondary data (see table 3), weighted (based on quality of available secondary data for that variable) and merged into a second ranking system of potential labour markets.

Having established the top 11 labour markets with the highest likeliness to migrate in the first selection, the second selection of labour market focused much more on finding the potential labour markets that would best match the company's profile. Taking a measurable approach in the analysis of situational factors and stakeholders' interests allowed for a better comparison among potential labour markets by making it possible to apply a suitable ranking system. In addition, the requirements perceived by the stakeholders as being more important were prioritized by giving these requirements more weight in the ranking.

Step 3: Find your match

Variables	Measures used:	Sources:
Cultural compatibility	Hofstede factors: Power distance index, Uncertainty Avoidance index, Individualism index, Masculinity	Interviews staff Starwood, data Hofstede country comparison
Willingness to migrate	Size of working population, unemployment rate, work permits issued in open border countries as % of total population of country of origin	Eurobarometer 2006; Interviews: HR data from hotels in origin countries and OBC's
Length of stay	Length of stay	Interviews: HR hotels in PLM and OBC
Language skills	Measures of level of English proficiency	Eurobarometer (2006)
Attitude	Flexibility, Service Orientation, Social involvement, communication, innovation, assertiveness, team orientation	Based on interview results; expert opinions
Hospitality experience	Size of hospitality sector in PLM, Number of hospitality related curricula, % of migrants working in UK hospitality sector	Statistics in Focus, 2005, AEHT, UK Accession Report data

Table 3: Situational factors used in second elimination of potential labour markets

Engaging in international recruitment results in a more diverse workforce, which inevitably brings up cultural matters. Hofstede (2004) comments "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster". Starwood as a company embraces the importance of a cultural fit between a company and its employees. Therefore, culture was introduced as one of the situational factors to consider while making international recruitment decisions. But how could such a broad notion be applied in this context? While many cultural theories establish a framework for cross-cultural analysis, the theory of

cultural dimensions put forward by Hofstede (2004) suggests a quantifiable approach, which was applied in the Starwood NL study. Hofstede identifies 4 major cultural dimensions, namely power distance, individualism, masculinity vs. femininity and uncertainty avoidance. Each country is awarded a score on these 4 dimensions, which is translated into specific characteristics and preferences of a particular cultural heritage.

A cultural fit of potential migrant employees was assessed on two levels: against the culture of the Netherlands, by using comparative data from Hofstede (2004) and against the culture of Starwood as a company. The underlying hypotheses for measuring against both country and corporate values was that the Starwood values would not be identical to Dutch values and would in fact probably represent a more US-based value set. To make comparison possible with potential labour markets, interviews based on Hofstede's questionnaire took place with Starwood staff and management teams. These data were collated, compared to country values for the potential labour markets, and entered into a second ranking step, together with factors such as willingness to migrate, likely length of stay, language skills, attitude, and hospitality performance. Altogether, this reduces the list of Potential Labour Markets from 11 to 5 countries.

Phase B: Policies

To reach the desired HR outcomes, Starwood NL needs to have a realistic view on the consequences of the policy choices they made. To succeed in international recruitment, a comprehensive policy has to be created to address the adjustments in the areas of recruitment, selection, integration and retention, which will accommodate the different characteristics of foreign workforces. (Blauw, 2002; Paauwe, 1994; Schneider & Barsoux, 1997). To collect information on these matters, 25 follow-up interviews with recruiters and hotel staff members in the shortlisted 5 labour markets and Open Border countries were performed to uncover potential differences and solutions.

Phase C: Short and Long-term Outcomes

Applying all these new HR policies certainly requires a large investment in time and money; it is therefore necessary to forecast if the impact of these policies was worth the effort. Although forecasting is always fickle business, an attempt was made to quantify some of the benefits and costs through existing literature (Dench et al, 2006, Tracey & Hinkin, 2006). Not all of the benefits could be quantified and were added as so-called "soft benefits".

"Hard benefits" were calculated by taking current turnover figures for Starwood NL, and making future projections based on historical data from companies that have previously turned to international recruitment. The UK data provided examples for this (Dench et al, 2006). Added to the turnover figures was the expected reduction in temp agency costs (given the assumption that hiring international staff reduces turnover).

Finding staff abroad obviously represents an *investment*. Investment costs include preparing recruitment, housing, communication, training, setup of e-recruitment and practical investments for welcoming international employees (information package, mentoring, "soft-

landing" package). These were based on interviews with hotel HR manager in Open Border countries.

Besides the initial investment, there are certain additional *costs* to having international employees that can be split into fixed cost (English course, interim evaluation meetings, training mentors, remuneration mentors) and variable costs (work permit, flight expense, residence documents, housing arrangements and customized information packages, extra recruitment and selection costs). Data derived from interviews with HR managers in hotels in Open Border countries also provided information on these costs.

Findings

The primary aim of this article was to demonstrate a rational and comprehensive approach to recruiting, selecting and retaining staff. The focus herein lies mainly in the approach of the problem, as each company will have different requirements resulting in different outcomes. Some overall results for Starwood are however reported here to give an indication of potential use of this approach.

Phase A: Stakeholder and situational variables

This phase presents the bulk of the research. As discussed in Research Approach, countries were selected following a two-step approach. First, based on available statistical indicators a list of 11 countries was selected from the initial 25. These countries were selected based on their likeliness to have people migrate from these countries to the Netherlands as shown in table 4. This was measured by taking the final rank for the Netherlands and using it as a benchmark. All countries with stronger push factors were selected for the second step.

Findings for first selection step; Likeliness to migrate

Potential Labour Markets	Unemployment rate 2005 in %	GDP per capita 2005	GDP per capita in PPS foreca	Hourly labour cost	Social System	Political Situation	Net migration	Final Rank
Austria	6,0	4,0	5,0	9	7,0	9,0	5,3	7,5
Belgium	17,5	5,0	6,0	3	7,0	6,0	6,4	13,0
Denmark	5,0	3,0	3,0	1	2,0	2,0	6,8	10,5
Finland	17,5	6,0	9,0	7	9,0	1,0	9,4	19,0
France	22,0	11,0	11,0	5	5,0	12,0	9,8	20,0
Germany	21,0	8,0	10,0	8	4,0	6,0	6,7	12,0
Greece	23,0	14,0	14,5	13	11,0	22,0	5,5	7,5
Italy	12,0	12,0	12,0	11	10,0	20,0	4,0	4,0
Ireland	1,0	2,0	2,0		17,5	8,0	3,9	1,0
Luxemburg	2,0	1,0	1,0	4	1,0		6,3	2,0
NL	3,5	7,0	4,0	6	7,0	4,0	7,4	15,0
Portugal	11,0	18,0	18,0	16	15,0	10,0	3,7	3,0
Spain	20,0	13,0	13,0	12	14,0	13,0	4,2	5,0
Sweden	13,0	10,0	8,0	2	3,0	3,0	6,7	14,0
United Kingdom	3,5	9,0	7,0	10	12,5	6,0	5,2	6,0
Cyprus	7,0	16,0	16,0	14	22,0		5,7	10,5
Czech republic	14,5	19,0	17,0	18	19,0	18,5	7,5	16,0
Estonia	14,5	21,0	19,0	22	23,5	11,0	10,2	23,0
Hungary	9,0	20,0	21,0	19	16,0	16,0	8,7	18,0
Latvia	19,0	25,0	24,0	24	23,5	17,0	10,7	24,0
Lithuania	16,0	23,0	23,0	23	25,0	14,5	11,6	25,0
Malta	10,0	17,0	20,0	17	20,0		5,5	9,0
Poland	25,0	24,0	25,0	20	17,5	21,0	11,1	22,0
Slovakia	24,0	22,0	22,0	21	21,0	18,5	10,7	21,0
Slovenia	8,0	15,0	14,5	15	12,5	14,5	7,9	17,0

Table 4; Combined ranking of push-pull factors for 25 EU Countries

Secondly, the 11 remaining potential labour markets were then analyzed on variables that would make them be a good match with the company. It would be too extensive to present all the results here, but the final combined ranking of countries is shown in table 5 on the next page.

Six countries were identified as a potential labour market for Starwood NL: Estonia, Latvia, Lithuania, Malta, Poland and Slovakia. Malta was then excluded from the list for two reasons: the labour market is relatively small and was expected to give a relatively small yield compared to the investment. Also, several Starwood properties are present on the island of Malta, presenting the opportunity of in-company staff exchange.

Ranking of final 11 potential labour markets: Find your match

Country	Willingness to migrate	Cultural Compatibility	Attitudes	English level	Length of stay	Hospitality experience	FINAL RANK	
	35%	25%	20%	10%	5%	5%	Weighed	Total
Cyprus	15	X	1	2	13,5	1	8,0	8
Czech Republic	7	6	11	13	5	10	8,2	9
Estonia	4	2	12	6	2,5	13	5,7	2
France	9	7	15	5	9,5	11	9,4	13
Greece	14	14	10	4	15	8	12,0	15
Hungary	5	4,5	9	12	7,5	6,5	6,6	7
Italy	11	4,5	7	14	13,5	4	8,7	10
Latvia	3	1	14	7	9,5	14,5	6,0	4
Lithuania	6	3	5	8	2,5	14,5	5,5	1
Malta	8	9	3	1	1	9	6,3	5,5
Poland	1	12	2	9	11	12	5,8	3
Portugal	10	13	5	10,5	5	5	9,3	12
Slovakia	2	10	8	10,5	7,5	2	6,3	5,5
Slovenia	13	11	13	3	12	6,5	11,1	14
Spain	12	8	5	15	5	3	9,1	11

Table 5: Full ranking of countries based on Starwood example

Phase B: Policies

HR policy choices in the present case study had to be made primarily for the purpose of estimating the investment costs and incremental HR costs in the context of international recruitment. In order to do that, a balance had to be found between what is expected to be effective in terms of attracting qualified and loyal international staff and what is efficient in terms of monetary and time investment on the side of the hotel chain. Since no two companies are identical, each HR policy mix for international recruitment is different. Results for this case study for Phase B indicated that:

- The choice of the recruitment channel might vary per labour market although in general the cost-effective e-recruitment is favoured over other options. Each respondent indicated using this method as a primary tool for international recruitment, either using an own website or an external CV-database. E-recruitment tool attracts younger, more internationally mobile candidates who are actively seeking employment abroad. This is the group that was also indicated by Dench et al (2006) to be active labour migrants in the UK Hotel sector and could prove to be a good group to target. Usage of this tool for recruitment purposes is also supported by strong internet usage growth in the targeted potential labour markets (Miniwatts, 2008). The second option considered in the present study was using a local recruitment agency for recruitment and screening process. However, this option was less favoured by HR managers in both Open Border countries and

potential labour markets because of its high costs and lack of control over the recruitment process.

- The selection procedure should be adjusted to minimize the problem of distance. The option of telephone interviews was considered by respondents to be the most cost-effective option. Additionally, one of the Starwood's management's requirements was face-to-face candidate contacts, and thus it was suggested that final candidates can be flown over in the later stages of the selection procedure. Problem areas in the selection process named by HR manager in Open Border countries and potential labour markets were the difficulty of determining skill level and getting reliable references.

- The benefit package must be shaped according to the requirements of migrant workers and may differ between labour markets. Migrant needs include issues such as help with paperwork, housing, language training, help to settle into society, guidance in the company, time off to go home and a notable salary. Most respondents provided their international employees with pre-arrival information and some help with settling into the new society. The benefit package should reflect the level of commitment the employer is willing to provide to ensure a certain level of job security for the migrant worker (Wellin, 2007). Decisions made on the level of the benefit package not only influence the financial feasibility of international recruitment but also determine the consequences both in the short and long term.

- Applying diversity management to prepare both new workers and current employees for a new workplace is both necessary for success, but will also boost effectiveness and innovation. Preparing a company for an international work force should include checking with current employees what their concerns are and taking those into account. (CSES, 2003)

Retention methods need to be adapted to include more focus on the notion of the psychological contract in general as well as with a focus on expatriates. Whilst this area deserves further research on its own account, variables such as job content, working atmosphere, recognition, information supply and development of opportunities are considered by current literature (Lewis, 1997; Guest & Conway, 1997; Rousseau, 1995).

Phase C: Short and Long-term Outcomes

The final step in the decision making process dealt with quantifying short and long term consequences and assuring that these are aligned with the interests of all parties involved. While establishing the costs associated with international recruitment was a relatively straightforward process, estimating the cost savings and potential increase in revenue posed more of a challenge. This was addressed by quantifying expected hard benefits based on figures from case studies and existing company figures. For example, estimated savings related to reduced turnover (7,3% less turnover estimated in year 3) totaled nearly €70,000 when taking into account the cost of recruitment, training and loss of productivity related to turnover (Tracey, Hinkin 2006). Moreover, decreased use of expensive temp agency personnel was estimated to result in €113,000 of savings over three years, should the company manage to retain the migrant workers for at least two years. The total potential cost savings resulting from direct benefits alone were estimated at

nearly €200,000 over 3 years, representing a ROI of up to 300%. Even more important, previous research (CSES 2003; Lee 2006) and the current study have shown that international recruitment and workplace diversity result in a number of soft benefits. In fact, respondents in the current study suggested that the most common soft benefit perceived (54.5% of the respondents) was the "increase of service quality". Human Resource Managers in hotels that have implemented international recruitment mentioned that diversity "spices up" the service and improves personalized attention. This is a very important benefit as it has a positive effect on various levels of the company. For example, a rise in the level of service quality will consequentially lead to a rise in the level of guest satisfaction, which is vital for the success of the company. Other soft benefits identified through the conducted questionnaires among HR managers in Open Border countries were the decrease in the sick leave and absenteeism rate, increased employee motivation and increased guest satisfaction. These were taken into account as part of the consequences, but were not included into the financial calculations due to their intangibility. The same can be said about the long-term consequences, which are too complex to be measured in quantifiable terms. Nonetheless, assessing long-term impact and opportunities was a vital factor in the decision making process. After all, it is on this level that the company is given the chance to strengthen its strategic position, stand out from the competition and create a strong competitive advantage.

Limitations

This research encompassed a wide geographical scope, namely the EU. This had consequences for the method of data collection, and most data was collected through email questionnaires and follow-up telephone interviews. Also, because of the dispersion of the respondents, the researchers failed to access actual potential employees. Also, access to students from different universities who would serve as potential employees proved to be difficult. Most sources were therefore only secondary to uncover migrant motivation, presenting a potential bias.

Weighing results and ranking them was an important step of the decision making process, with an inherent researcher bias. When combining different sources (i.e. statistical sources, interviews, questionnaires), results were weighed based on perceived reliability and validity of sources. Distribution of weight to different sources differed from variable to variable, as types of sources were different for each variable. Also, ranking weights were based on goals set by Starwood. These goals were however set by members of the management team, and may differ from goals as they would be set at a head office level. The impact of this bias is considered to be limited, as actual implementation of results would take place in hotels run by these managers.

Lastly, financial forecasts were based on historical figures from companies that turned to international recruitment and will by nature not be representative for Starwood. Since a demonstration of added value is usually required for management to adopt new practices, a cautious approach in numbers was combined with a range of soft benefits, creating a safety buffer.

Conclusion

The deteriorating labour shortage situation inevitably calls for companies to take a pro-active approach in creating their future HR strategies. All in all, the current study confirms that shaping the HR strategy in a way as to allow the company to capitalize on the increasing labour mobility within the EU will provide answers for those currently struggling to find and keep personnel. In this case study for Starwood, 5 EU Accession countries (Latvia, Slovakia, Lithuania, Poland, Estonia) proved to be interesting for recruitment initiatives. Also, recruitment and retaining staff should not be seen as an impassable hurdle. These results are in line with experiences reported by researchers in Open Border countries. Although the findings in this study are obviously specific to this company and this country, the working model suggested here could provide a balanced and complete overview of factors that need to be considered when venturing out across the border in search for quality staff whilst leaving space to adapt the analysis to meet corporate culture and requirements. Further research will however be required to give more foundation to the model.

First of all, the proof of the pudding is in the eating, and at this point actual implementation of recommendations to Starwood NL has not been measured. This could further validate the value of chosen variables and provide a factual measurement for chosen policies and forecasted outcomes. Factor analysis could point out the most important variables in the set. Secondly, it could prove to be useful to incorporate both actual and potential migrants as respondents in future research to check validity and relevance of chosen weights for variables.

Furthermore, if this case study could be repeated for other companies in other countries, this could provide more data to validate chosen variables. Also, at this point, part of the research gives qualitative results specific to the company (especially Phase B). Based on a number of case studies, future research could focus on quantifying the importance of variables, thereby improving ease of use for companies choosing to recruit abroad.

Finally, given that open border countries have been welcoming migrants for a number of years now, it could be very interesting to develop a method for calculating the return on investment for companies using international recruitment. Even though the calculation for the return on investment for Starwood NL was performed with cautious calculations and limited information, the results look very promising indeed!

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