DEMAND FOR HOSPITALITY EMPLOYEES IN THE CONTEXT OF TECHNOLOGICAL ADVANCEMENT AND GENERATIONAL CHANGE: THE CASE OF LITHUANIA

Danguolė Oželienė
Danutė Jakštienė
Danguolė Baltrūnaitė
Jadvyga Voišnis

Abstract

Purpose – the aim of this paper is to determine the demand for hospitality staff in Lithuanian hotels and provide recommendations to hospitality employers that will help to resolve the problem of employee shortage.

Methodology – the research was carried out using analysis of scientific literature, synthesis of various approaches, critical evaluation and generalization. Empirical study was conducted in 169 Lithuanian hotels. The results of the research were statistically processed using the Excel and SPSS programmes.

Findings – in 2019 unemployment rate in Lithuania was approximately 8.7 percent. Moreover, hospitality employees are trained by Lithuanian vocational and labor market training centers and universities of applied sciences, but employers still face a shortage of skilled labor. It is argued that the qualifications available to jobseekers do not meet employers' requirements. The findings of this study provide evidence that on the one hand, low wages, monotonous, limited by standards, non-creative work, unacceptable work-life balance, low social status, make career at the hospitality companies unattractive for young people. On the other hand, robots, artificial intelligence or other innovative technologies are coming into the hospitality industry and the hospitality employees will be the ones most affected by this trend. In order to attract employees of Generation Z hospitality companies need to change attitudes towards the employees and working conditions.

Originality of the research – the article analyzes results of the research, discusses ways of attracting and empowerment of employees, improving working conditions in the context of generational change and technological innovation. Practical implications are based on research findings and can be useful to employers in making managerial decisions in Lithuania and other countries.

Keywords demand for hospitality employees, labor shortage, employees of Generation Z, technological innovation, working conditions, management solutions

INTRODUCTION

The hospitality industry is one of the largest employers worldwide. Three hundred and fifty million people work here. This industry has been growing steadily over the last 25 years (Johanson *et al.* 2011) and it is expected to grow by 3–5% annually over the next 50 years, however the number of small businesses is expected to decrease. The decline in the number of small businesses is due to their limited ability to innovate and apply technological solutions, which reduces the accessibility and awareness of their services.

Particularly relevant issues in the hospitality industry are planning employee demand and application of technological innovations. The reason why it is important to introduce innovative technologies in this field and a new attitude to an employee, is that young people are increasingly unwilling to develop their careers in hospitality. The hospitality industry is an area of low wages. Work in hospitality is often monotonous and standardized, which weakens employee motivation and enthusiasm, negatively affects emotional satisfaction, and is therefore unattractive to the representatives of Generation Z. Employees job satisfaction is not only determined by salary levels, but also to a large extent by career opportunities, job diversity and good relationships with managers and coworkers, while long working hours and hard physical work make employees determined to look for another job (Davidson *et al.* 2011).

Asensio-Martínez *et al.* (2019) argued that hospitality industry workers are exposed to job stressors, which lead them to experience burnout at jobs. These negative factors make working in the hospitality sector unattractive for the younger generation, and as a consequence high staff turnover is observed. Employee turnover has been raised as the major issue for organisations in the hospitality sector worldwide (Blomme *et al.* 2010; Davidson *et al.* 2011; Karatepe and Olugbade, 2017). Considering that employees have their own particular characteristics Kusluvan *et al.* (2010) proposed a classification that reflects the specificities of both the workforce and the labor market that impede people management in various sectors. These factors include high labor turnover rate, strong relationship with customers, unskilled and semi-skilled nature of certain jobs, heterogeneous labor market and poor employment conditions. On the other hand, many studies show that the employees in hospitality business mention flexible working hours, the ability to balance work and private life, good working relationships and career opportunities as key values (Schneider and Treisch, 2019). As a result, hospitality business executives face constant challenges: how to anticipate employee needs and address staff shortages, how to become more attractive employers, how to recruit and retain the best employees in the industry?

Various aspects of work in the hospitality industry has been studied by researchers from many countries. Li and Cathy (2016) examined the behavior of workers in the field. Walmsley *et al.* (2018) studied payroll features in UK hotels. Schneider and Treisch (2019) studied the work priorities of hospitality workers in Austria and found that the working conditions created by employers influence the status and prestige of the profession. Baum (2015) urges employers to follow the principles of sustainable human resource management in their relations with employees. Ivanov (2019) analyzed the applicability of new technologies in the hospitality industry. However, there is no comprehensive research on the demand for hospitality staff in Lithuania. Therefore, at a time when the sector is booming, research into the employee demand is particularly relevant.

The aim of the study was to determine the demand for hospitality staff in Lithuanian hotels. A quantitative approach was used to conduct the study. One hundred and sixty nine Lithuanian hotels of different categories participated in the survey. The article analyzes the results of the research on hospitality employee demand in Lithuanian hotels, discusses ways of attracting and retaining employees, improving working conditions in the context of generational change and technological innovation. The results of this study

can be useful for employers looking for rational solutions to make this area of business more attractive to young people and to help prevent future hospitality shortages.

1. OVERVIEW OF LITHUANIAN HOSPITALITY MARKET

The hospitality industry occupies an important place in the Lithuanian economy. The contribution of the accommodation and catering services sector to Lithuania's GDP is about 2%. This sector is also important for solving people's employment problems and attracting more tourists. Recently, the Lithuanian hospitality sector has been growing rapidly – new accommodation establishments, restaurants, cafes and bars are being set up and the number of travelers is increasing. According to the Lithuanian Department of Statistics, during the period of 2014–2018 the number of accommodation establishments in the country increased from 2062 to 3616, i.e. by 43%. The number of catering businesses grew from 3459 to 3961, or by 13%, during the same period. The number of accommodation establishments also increased rapidly in the neighboring Baltic States: from 544 to 831 (by 35%) in Latvia and from 1419 to 1535 (by 8%) in Estonia (Baltic Accommodation Sector Study, 2019).

In 2018 41.252 employees were employed in hospitality businesses, accounting for 4% of all jobs in the country. The average annual increase in the number of employees in the sector was 12%, while in the country in general it increased only by 2% annually (Official Statistics Portal 2019). High professional standards are raised to the employees in this sector, but their salaries are among the lowest in the country and do not reach the average salary (EUR 924.1 in 2018). Comparing the salaries of the Lithuanian, Latvian and Estonian accommodation sector employees, the highest salaries of employees in this sector from 2015 to 2018 were in Estonia and the lowest in Lithuania (Table 1).

Table 1: **Salary Dynamics of Hospitality Employees in the Baltic States**

Salaries of hospitality sector employees (EUR) 2015 – 2018					Change, %
Country	2015	2016	2017	2018	
Lithuania	485	563	610	679	40,0
Latvia	637	663	726	784	23,0
Estonia	691	756	812	854	24,5

Source: Lithuania statistic, 2019, Latvia statistic, 2019; Estonia statistic, 2019.

Remuneration is one of the most important motivators in attracting and retaining the best employees and providing high quality services to the consumers. It can be assumed that salaries of Lithuanian hospitality industry employees are not attractive and this may be one of the reasons why this sector is facing shortage and high turnover of employees. On the other hand, staff shortages may also be caused by the lack of qualified staff, as the expanding catering and accommodation sector needs more and more employees.

Most hospitality education programmes in Lithuania are provided by vocational schools, labor market training centers and universities of applied sciences. Vocational training in Lithuania is regulated by the Law on Vocational Training No. VIII–450 (relevant edition 2018). A large proportion of hospitality business employees are trained in Lithuania at

the vocational training level: chefs, waiters, bartenders, hotel staff and others (LAMA BPO 2019, Higher Education Study Summary 2019). Professional labor market training centers are established not only in the major cities of Lithuania but also in district centers or smaller towns. Various courses and seminars are organized for staff seeking additional knowledge (LVRA 2019). Entrepreneurs are also involved in specialist training. A private Somelje school, the Academy of Chefs and the Vilnius Academy of Bartenders are established in Lithuania. Hospitality industry specialists in Lithuania are trained by nine universities of applied sciences which offer eleven study programmes in different study fields. Studies in universities of applied sciences are focused on practical activities. Upon graduation, students gain a Profesional Bachelor's degree and can work in the hospitality field or continue further university studies and pursue a Master's degree. Lithuanian universities do not have a wide selection of study programmes directly related to the field of hospitality. Graduates who want to continue their studies tend to opt for management studies, which are offered at many Lithuanian universities.

In conclusion, Lithuania has a wide range of vocational and labor market training and universities of applied sciences study programmes for hospitality professionals. However, there is a mismatch between labor supply and demand in the labor market: the qualifications of job seekers often fall short of the requirements of employers and the supply of skilled workers is almost one third lower than the demand (Labor Market Trends, 2019).

2. THE DEMAND FOR HOSPITALITY EMPLOYEES IN THE GENERATIONAL CONTEXT

The quality of the hospitality service depends mainly on the competencies of the service staff, their attitude to work, their communication skills with their clients, their willingness to assist them and fulfil their expectations. Baum (2019), Armstrong (2017) highlight the following factors that reflect the daily life of hospitality workers: low wages, monotonous, limited by standards, non-creative work, long working hours, work the weekends, lack of time for family, friends, low social status, sometimes manifesting exploitation of women, low-educated people, even emigrants. These factors often lead to a high turnover of employees in the sector, especially among the lower skilled workers. Baum (2019) argue that young people are reluctant to pursue their careers in hospitality, as many small and medium-sized hospitality companies do not provide sufficient opportunities for skills development, self-expression and career. On the other hand, Butnariua and Avasilcai (2015); Shaaban and Scheffran (2017) highlight the importance of the work environment. The authors argue that a work-friendly environment is primarily about a safe and healthy environment, ergonomic workplaces, flexible work schedules, a work-friendly microclimate, respect for human rights, and intolerance to discrimination. Edgeman *et al.* (2016); Chaudhary (2017) point out that employee satisfaction is important in creating employee well-being, maintaining high productivity in the company, and efficient customer service. The dissatisfied employee is the unproductive employee. Berings *et al.* (2004), Bakshi *et al.* (2019) find that employees are more motivated and satisfied when their personal values and those of the organization coinside. There is a strong correlation between job satisfaction and organizational commitment, employee turnover and loyalty. The more dissatisfied employees are, the

less committed they are to the organization and the more likely they are to look for opportunities to change jobs.

Today more and more people from *Homeland* or Generation *Z* are coming to the labour market and the hospitality industry. Employees from Generation *Z* are characterized in an ambiguous manner. Some researchers (White Paper, 2014) indicate that Generation Z wants to earn maximum wages at the lowest cost, despite the fact that they lack the knowledge, experience and skills. This attitude stems from their favorite online games that imitate work activity – and that playful attitude is transferred to the workplace. Targamadze *et al.* (2015) emphasize that Generation Z has a large gap between real life and work environment. Generation Z is reluctant to accumulate knowledge and believes that the information they need can be found on the Internet and can be accessed at any time. McCrindle and Wolfinger (2010) highlight the need for self–realization and the changes in values of the new generation. The authors point out that employees tend to prioritize jobs that allow them to use their skills and abilities, offer freedom for creativity and decision–making, and provide them feedback on how well they are doing. Lozano (2009) agrees that business owners or managers should create immediate feedback to the Generation Z in the company to ensure the loyalty of employees. Direct contact with the manager gives the employee self–confidence, creativity and the desire to improve and seek knowledge. Teng, Hsiu Yu (2019) discuss "job passion", "job crafting", "individual crafting", i.e. proactive involvement of employees in changing the content of work seeking for better job performance. These actions help employees to avoid the monotony of their work and allow them to pursue profound professionalism and professional advancement. Pattanasing *et al.* (2019) notice that the employees need to be trained to be flexible, encouraged to develop their skills independently in order to fulfil their functions perfectly. The organization should create the right environment, to develop human capital and to encourage employees to acquire the skills that could be applied at work. Job performance based on creative elements provides the employee the feeling of prestige and job satisfaction, whereas timely managerial praise or encouragement helps to keep the employee in the workplace and reduces workforce turnover.

To sum up the discussion, in order to attract young and promising employees, hospitality companies should change their attitudes towards employees and working conditions to make themselves more attractive and viable. According to Baum (2019), in addition to adequate wages for hospitality workers, greater social security at work, well–balanced hours of work and rest are also important. According to Hewagama *et al.* (2019), Baum (2019) a very important factor is a new type leadership which applies the principles of sustainable management and ethical leadership, giving employees, alongside the strict work instructions, more confidence and autonomy. Peer recognition, managerial attitudes, social respect are important to employees, therefore direct communication with the manager, personal incentives, incentive bonuses, a pleasant work environment should help not only with competition, but also with creativity and a greater willingness to collaborate and to perform the job functions as well as possible.

3. THE DEMAND FOR HOSPITALITY EMPLOYEES IN THE CONTEXT OF TECHNOLOGIES

It is predicted that by 2030 about 50 percent of jobs can be automatized. Robots, Artificial Intelligence, 3D Printing and other advanced technologies are rapidly entering the hospitality industry. Hospitality workers will be the ones most affected by this trend, as the first experiments have proved the efficiency of robots in the restaurant kitchen. US, Japan, and Singapore use robots in service delivery (Buhal and Leung 2018). Robots-waiters are the fast growing trend in China, Japan, India, Pakistan.They take orders, make offers, bring food and accept payments. Employers are pleased that, on the one hand, robots attract more customers while solving human misunderstandings, reducing the likelihood of human error. On the other hand, the cost of new technology is becoming affordable for many entrepreneurs (a waiter robot which cost $12,000 in 2014, cost only $6,000 in 2017) and this investment pays off in an increasingly shorter time (Restaurant Business 2018). A reasonable question arises whether the introduction of technologies affect the need for hospitality employees?

In developed countries, customer demand for technology is growing rapidly, prompting hotel managers to adapt and accelerate technology adoption in the hospitality business (Law *et al.* 2014). Studies in the US hotel market indicate that guests are happy to use technology if the service is readily available (Kim and Qu 2014). Van Doorn *et al.* (2017) consider that special attention should be paid to technologies that interact directly with customers, for instance, to robotics or artificial intelligence (DI) (Singh *et al.* 2017; Han and Yang 2018). Huang and Rust (2018) describe artificial intelligence as a major source of innovation that will change the way people work in the future. The rapid development of artificial intelligence allows connection to various smart devices such as voice-controlled digital assistants or robots and fundamentally changes the way services are delivered, involving two key players: customers and employees (Acemoglu and Restrepo 2017). In this way, technology becomes a kind of "game between people" (Bowen 2016).

Muller (2010) points out that robotics technology will primarily replace the work of unskilled personnel and facilitate the work of service personnel (den Hertog *et al.* 2010). Service robots should perform their tasks in an unrestricted and human-oriented environment (Haidegger *et al.* 2013). Kwak and Park (2012) notes that humanoid robots can reduce production costs and increase the utility of services. For example, humanoid robots can simply point the way or advice clients at a hotel reception (Mastrogivanni and Sgorbissa 2013). Consequently, the application of technology will be based on the transformation of the service process in hospitality companies. Hospitality services are based on person-to-person interaction. However, such a service delivery scenario is likely to be transformed into human-robot interaction (Bowen 2016). Zalama *et al.* (2014) argue that the needs of the consumer society are constantly increasing, and therefore more value-added services are required from robots. A robot in the broad sense is a machine capable of performing complex actions (Ivanov *et.al.* 2017).

According to Lee and Sabanovic (2014), when designing service robots, particular attention was focused on how to move service delivery from the digital dimension to the service level. Hospitality companies will provide low-cost, luxury services in the future with the help of standardized high-tech technologies. In today's globalized world, service

standardization is becoming the basis for hospitality providers, it has a direct impact on skill acquisition and requires specialist expertise (Bowen 2016). The growth of standardized service delivery is closely linked with the increasing adoption of technologies that support the delivery of products and services, including partial human involvement such as call centers (DiPietro *et.al.* 2010). Standardized hospitality service delivery is one of the consequences of globalization requiring standardized behavior even if the service is not automatized or robotized (Nguyen *et al.* 2014, Lee and Sabanovic 2014).

Application of technologies reduces the number of hospitality employees but also creates new jobs such as a technology concierge, a technology manager and others. (DiPietro and Wang 2010). Ivanov *et al.* (2017) examining the future prospects of advanced technology, observes that the inclusion of robotics in hospitality technology will have a far greater impact than people can currently imagine. The younger Generation *Z* is committed to the use of technology and technology is part of their lives (DiPietro and Wang 2010). Therefore, the use of technology in the hospitality industry is likely to make this area more attractive to young people.

One can conclude that the application of advanced technology in the hospitality business can be viewed in two ways. On the one hand, technology will replace the employees that do monotonous and routine work. On the other hand, the application of technology will create the need for new professions, which will be much more attractive to the members of Generation *Z*. As the nature of work changes, employees will be able to devote more time to high-value, creative thinking tasks.

4. THE RESULTS OF EMPLOYEE DEMAND EMPIRICAL SURVEY

A quantitative research method (a survey) was chosen to carry out the research into the need for hospitality staff. The authors compiled a structured questionnaire for the survey. Questions 1 to 7 are designed to provide empirical data on the demand for hospitality staff, questions 8 to 11 are used to determine hotel characteristics. The research was conducted in accordance with the ethical requirements for a researcher, whereby only those respondents who received links by email could complete the questionnaires. Descriptive statistics were used to analyze the research data, Excel and SSPS tools were used for data analysis.

The study aimed to find out which positions are in the biggest demand and what department of the hotel/restaurant are most in need of employees, how the hotel is looking for new employees and what kind of education is prioritized in recruitment, motivation, seniority and reasons for staff turnover. Each item in the questionnaire was measured using a five-point Likert scale, where 1 means absolutely no need and 5 means much needed. The survey was conducted in 2019 between March and June using the online survey tool. Questionnaires were sent to 289 members of the Lithuanian Hotel and Restaurant Association (LVRA). The response rate of the questionnaires was 59% (169 hotels), which means that the survey data reflect the opinion of the subjects with 95% probability and 5% error. The validity of the prepared instrument is ensured by the quality of the questionnaire design, which allows accurate measurement of the variables

under study. The consistency and logic of the measurements ensure the reliability of the results during the study period.

One hundred and sixty nine hotels participated in the survey, of which 74% operate in the major cities of Lithuania (Vilnius, Kaunas, Klaipėda) and 26% in other cities (Palanga, Anykščiai, Ignalina, Visaginas). The categories of hotels are as follows: 3–star hotels (38%), 4–star hotels (38%), 5–star hotels (21%), 2–star hotels (3%). By hotel management type: 55% are individually managed, 45% hotel are owned by international networks. In 55% of the hotels the number of staff is more than 50, 45% are small and medium sized, i.e. from 10 to 49 employees.

Quantitative data were analyzed using a descriptive method. Analyzing the data, the frequency of the variables, the relative frequency, the mean values (V) (Independent Samples test), the most common value of the variable in the study population (moda) were calculated.
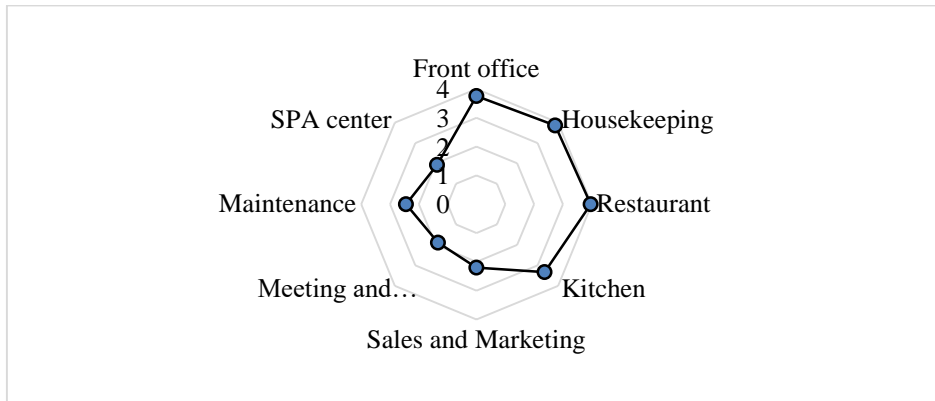
Analyzing the demand for employees by positions (Fig. 1), it was found that most hotels need waiters (V=4.27, max=5), (V=3.89, max=5), housekeepers (V=3.72, max=5), barmens (V= 3.62, max=5), the least demanded were department heads (V=1.93, max=5) and managers (V=2.1, max=5). The results show that the demand for skilled workers is significantly higher than for highly qualified workers.

Fig. 1: **The demand for hospitality employees by positions**
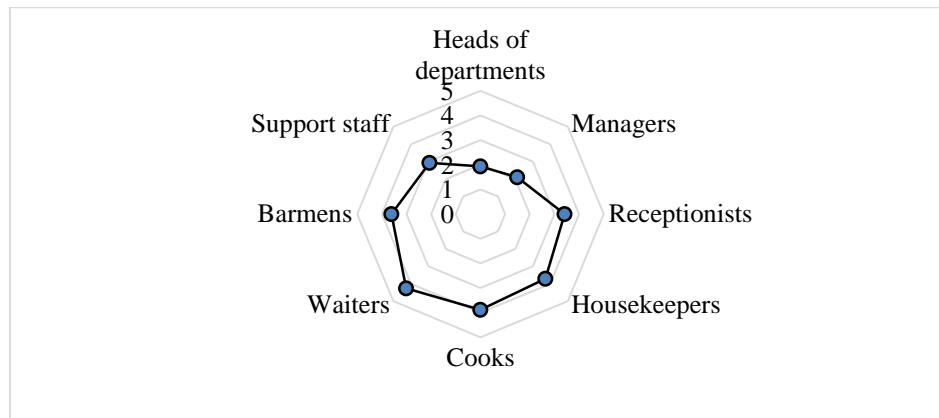
Source: compiled by authors

Fig 2: **The demand for hospitality employees by departments**

Source: compiled by authors

When examining the demand for employees by position according to data in Fig. 2. It can be stated that the biggest demand for staff is in the Food and Beverage (MGS) Service Unit (Restaurant, V=3.97, max=5), Housekeeping (V= 3.86, max = 5), Reception Unit (V=3.75, max=5), in the Food and Beverage Division (MGS) production unit (Kitchen, V=3.34, max=5). No demand for employees was for a Spa Center (V=1.93, max=5), a Conference Center (V=1.89, max=5), a Sales and Marketing Department (V=2.2, max=5).

The results of the survey (Fig. 3) show that hotels mostly use the recommendations of friends (V=4.03, max=5), social networks (V=4.0, max=5), and refer to the Labor Exchange (V=3.45, max=5). Search methods such as "head hunting" (V=1.76, max=5), participation in career days (V=2.0, max=5), trainee search (V=2.89, max=5) were not frequently used. Hotels do not take the initiative to look for employees abroad (V=1.41, max=5).

Fig 3: **The ways of recruiting hospitality staff used by the hotels**
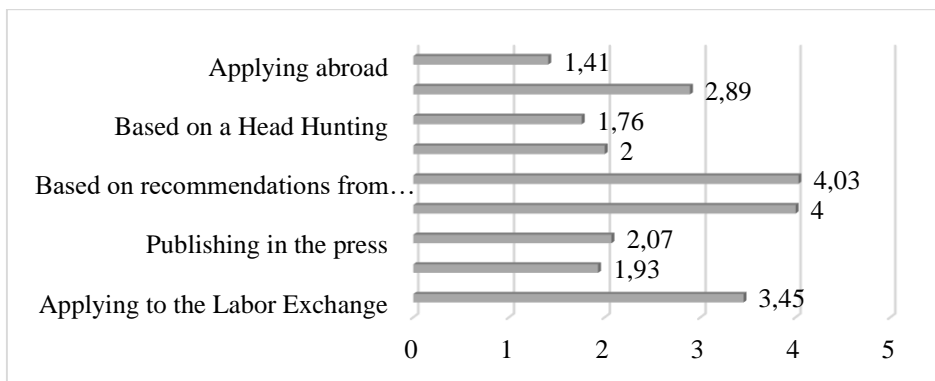
Source: compiled by authors

The cumulative relative values (Table 2) suggest that receptionists (0.586), cooks and waiters (0.827) have the shortest period of work (1–2 years), department heads (0.965), and managers (0.966) have work periods above average (3–10 years). The seniority of support staff (0.861) duration of work is also higher than average (3–10 years). One–two years of duration of work indicates a fairly high employee turnover.

Table 2: **Relative and cumulative frequencies by position and seniority**

Duration of work in years	Heads of departments		Managers		Receptionists		Housekeepers	
	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency
1	0	0	0.069	0.069	0.138	0.138	0.172	0.172
1–2	0.138	0.138	0.207	0.276	0.448	0.586	0.310	0.482
3–5	0.448	0.586	0.621	0.897	0.275	0.861	0.345	0.827
6–10	0.379	0.965	0.069	0.966	0.103	0.964	0.172	0.999
10	0.034	0.999	0.034	1	0.034	0.998	0	0.999

Duration of work in years	Cooks		Waiters		Barmens		Support staff	
	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency	Relative frequency	Cumulative frequency
1	0	0	0.448	0.448	0.344	0.344	0.207	0.207
1–2	0.448	0.448	0.379	0.827	0.241	0.585	0.207	0.414
3–5	0.207	0.655	0.034	0.861	0.241	0.826	0.413	0.827
6–10	0.172	0.827	0.069	0.930	0.103	0.929	0.034	0.861
10	0.172	0.999	0.069	0.999	0.069	0.998	0.138	0.999

Source: compiled by authors

Analysis of the reasons of employee turnover (Table 3) according to the calculated average revealed that employees change jobs due to personal reasons (leaving due to age or illness, change of occupation or residence, starting own business) (V=3.48, max=5).

Table 3: **Averages and ranks calculated by employee rotation**

Reasons for staff turnover	Wages do not match the volume of work	Lack of motivational tools	There is no possibility of flexible work schedule	Working on weekends and holidays	Unpaid overtime	Lack of practical work experience	No career opportunities	Lack of training	A lack of more diverse social guarantees	Departuring abroad	Disagreements with coworkers / managers	Personal reasons	Other (write down)
Average	3.24	3.34	2.59	3.2	2.52	2.82	2.83	3.01	2.72	2.79	2.93	3.48	3.1
Rank	3	2	12	4	13	9	8	6	11	10	7	1	5

Source: compiled by authors

However, employees who leave the company do not always name the real reasons for leaving. It can be assumed that "personal reasons" are pointed out most frequently because it is a safe and non-binding answer. A deeper analysis of the results revealed that work on weekends and holidays (moda=41), going abroad, disagreements with coworkers and managers (moda=35), lack of training opportunities (moda=29), unpaid overtime (moda=23), lack of motivation tools (moda=30) were the most frequently mentioned reasons for leaving. It should also be noted that employees often feel not

valued, lack of respect, and face harsh behavior. Employers are not creating the right work environment to encourage work, and young and talented workers are increasingly leaving, not only because of higher wages and better career prospects, but also because of a better work culture. Lithuanian employers underestimate the fact that skilled workers can feel more valued in another company, where they will be given more career opportunities, paid value-for-money and a work-friendly environment.

Active involvement of employees in the activities of the company and application of various motivation means encourage employees to achieve better results and feel valued. However, the survey results showed that Lithuanian hotels mostly use traditional means of motivation and give priority to material means (55%). 35% noted non-material motivation means and 10% were looking for other non-traditional means (organizing outings, inviting employees to concerts) or not applying any.

Analyzing the results of the study as to what education is preferred by the recruiters to the hospitality industry was found that vocational training is preferred to chefs (62%), waiters (37%), bartenders (48%), room service (37%), college education – to administrator (66%). In the recruitment of managers (55%) and department heads (72%), university graduates are given priority.

Summarizing the results of the research, it should be noted that only hotels and their restaurants participated in the survey. Independent catering institutions and countryside tourism farmsteads were not included in the list of interviewees. The situation in the labor market is dynamic, so it is appropriate to expand and repeat this kind of research, which would increase the reliability of the results. This should be considered as a limitation of this study.

CONCLUSION

Overview of Hospitality Market shows that the hospitality industry in Lithuania is growing rapidly with increasing demand for employees. The shortage of workers is holding back the sector's economic growth. Lithuania has a wide choice of vocational and labor market training and college study programs and a relatively large number of students, but there is a mismatch between labor supply and demand in the labor market.

Analysis of scientific literature has shown that the hospitality industry is globally characterized by low wages, monotonous, limited by standards, non-creative work, limited career opportunities, unbalanced work-rest hours, low social status. This kind of work is not attractive to the new Generation Z employees, who are currently key employees in the hospitality sector. The peculiarity of this generation is that they are attached to technology, seeking attention, recognition, career opportunities that are important to them. However, they find it difficult to perform the monotonous, standardized and non-creative tasks that are part of the hospitality industry. Technological advancement is making inroads into the hospitality industry and has a great impact on the employees of hospitality companies and customer service. It is changing the way of service provision. Technologies will primarily replace the work of unskilled personnel and facilitate the work of service personnel, thereby reducing the

cost of providing services and increasing its usefulness. On the other hand, the application of technology is already creating new jobs, such as a technology concierge, a technology manager, etc., however, personnel with required skills to fill in these positions is not yet provided by any educational institution in the country. Technology can make the hospitality sector more attractive to Generation Z workers, whose lives and activities cannot be imagined without the technological innovation.

Research of the demand for staff in Lithuanian hotels conducted by the authors showed that the greatest need for qualified staff in the field of hospitality is in the Food and Beverage, Room and Reception departments. Most hotels need waiters, chefs, housekeepers and bartenders. Analyzing the working period of employees in various divisions, it was found that the shortest period of work (1-2 years) is typical for the employees and administrators of the Food and Beverage Department, indicating a high employee turnover in analyzed companies. Generation Z employees declare to work or to be preparing to work in hospitality industry, therefore it can be stated that the shortage of employees in the Lithuanian hospitality industry is related not only to low salaries, low motivation, but also to unsatisfied new generation expectations: attention and evaluation, job creativity and diversity, use of technology, more flexible work schedules, etc.

Based on the results of the empirical research, it can be stated that in order to attract and retain young promising and talented workers, hospitality companies need to change their attitudes towards employees and working conditions to make them more attractive and viable. The wages of hospitality workers should match national average, greater social security at work is necessary, hours of work and rest should be more balanced. Leadership of a new model applying the principles of sustainable management and ethical leadership, giving employees, alongside with strict work instructions, more confidence and autonomy, social respect, and creating creativity in the work environment, is also a very important factor. It should be noted that employers will have to make choices when planning their future needs: investing in advanced robotics and artificial intelligence technologies, or fundamentally changing the attitudes towards the Generation Z workers and creating the working environment and working conditions they would want to work in and add value to the hospitality industry.

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Danguolė Oželienė, PhD, Lecturer
Vilniaus kolegija/University of Applied Sciences
Faculty of Business Management
Tourism Department
Didlaukio str. 49, 08303, Vilnius, Lithuania
Phone: +370 61150937
E-mail: d.ozeliene@vvf.viko.lt

Danutė Jakštienė, Master degree in Social Sciences, Lecturer
Vilniaus kolegija/University of Applied Sciences
Faculty of Business Management
Tourism Department
Didlaukio str. 49, 08303, Vilnius, Lithuania
Phone: +370 67300763
E-mail: d.jakstiene@vvf.viko.lt

Danguolė Baltrūnaitė, Master degree in Social Sciences, Lecturer
Vilniaus kolegija/University of Applied Sciences
Faculty of Business Management
Tourism Department
Didlaukio str. 49, 08303, Vilnius, Lithuania
Phone: +370 60796324
E-mail: d.baltrunaite@vvf.viko.lt

Jadvyga Voišnis, Master degree in Social Sciences, Lecturer
Vilniaus kolegija/University of Applied Sciences
Faculty of Business Management
Tourism Department
Didlaukio str. 49, 08303, Vilnius, Lithuania
Phone: +370 61529780
E-mail: j.voisnis@vvf.viko.lt