

**Kyiv National University of Trade and Economics**  
**Department of hotel and restaurant business**

**FINAL QUALIFYING PAPER**  
**on the topic:**  
**HR MANAGEMENT IN THE RESTAURANT «GEGUTI»,**  
**KYIV**

Student of the 2<sup>d</sup> year, group 2a,  
specialty 073 «Management»  
Specialization “Hotel and Restaurant  
Management ”

\_\_\_\_\_ **Andrii V.**  
**Ponomarenko**

Scientific adviser  
Candidate of Sciences (Economics),  
Associate Professor of hotel and  
restaurant business department

\_\_\_\_\_ **Mariia V. Kulyk**

Manager of the educational program  
Doctor of Sciences (Economics),  
Professor of hotel and restaurant  
business department

\_\_\_\_\_ **Svitlana V.**  
**Melnichenko**

Kyiv 2020

# Kyiv National University of Trade and Economics

Faculty of Restaurant, hotel and  
tourism business Department of Hotel and  
restaurant  
business  
Specialty 073« Management »  
Specialization Hotel and Restaurant Management

**Approved by**

Head of the Department \_\_\_\_\_  
(Margarita H. Boyko)  
on \_\_\_\_\_, \_\_\_\_\_, 2019

## **Task for a final qualifying paper** Andrii V. Ponomarenko

*(last name, initials)*

1. Topic of a final qualifying paper: HR management in the restaurant «Geguti», Kyiv. Approved by the Rector's order from 04.11.2019 № 3770.

2. Term of submitting by a student his/her terminated paper: 16.11.2020

3. Target setting and output data to the final qualifying work:

**Purpose of the paper** is to develop theoretical and methodological regulations, methods of effectiveness estimation, guidelines and suggestions for the organization of HR management in the restaurant «Gegutti», and implementation of new principals in overall operation of the restaurant industry based on the study of new conceptual framework and methodological approaches to improve the assessment of the development of theoretical bases and creation of practical recommendations for HR management in the restaurant.

**The object of research** is HR management at restaurant.

**The subject of research** exploration of the theoretical positions, methodical basis and practical recommendations of HR management in the restaurant «Gegutti», Kyiv.

4. Contents of a final qualifying paper (list of all the sections and subsections)

## **INTRODUCTION**

### **PART 1. THEORETICAL ASPECTS OF HR MANAGEMENT IN THE RESTAURANT**

1.1 Literature review

1.2 Modern systems of HR management in the restaurants

### **PART 2 ANALYSIS OF HR MANAGEMENT IN THE RESTAURANT**

#### **«GEGUTTI»**

2.1. Organizational and economic assessment of restaurant

2.2 Main features of HR management in the restaurant

2.3 The estimation of HR management in the restaurant

### **PART 3. THE DIRECTIONS OF HR MANAGEMENT IMPROVEMENT IN THE RESTAURANT «GEGUTTI»**

3.1. Propositions for HR management improvement in the restaurant

3.2. Improvement of HR management in the restaurant «Gegutti»

## **CONCLUSIONS**

## **REFERENCES**

## **APPENDECIES**

6. Time schedule of the paper:

№	Stages of the final qualifying paper	Terms of the final qualifying paper	
		de jure	de facto
1	Choosing and approval of the final qualifying paper topic	01.09.2019.- 31.10. 2019.	01.09.2019.- 31.10. 2019.
2	Preparation and approval of task for the final qualifying paper	01.11.2019.- 31.12.2019.	01.11.2019.- 31.12.2019.
3	Writing of the 1 <sup>st</sup> part of the final qualifying paper	02.01.2020.- 11.05.2020.	02.01.2020.- 11.05.2020.
4	Defense of the 1 <sup>st</sup> part of the final qualifying paper in scientific adviser	14.05.2020.- 18.05.2020.	14.05.2020.- 18.05.2020.
5	Writing and preparation for publication of a scientific article	till 18.05.2020.	till 18.05.2020.
6	Writing and defense of the 2 <sup>nd</sup> part of the final qualifying paper in scientific adviser	18.05.2019.- 07. 09. 2020.	18.05.2019.- 07. 09. 2020.
7	Defense of the 2 <sup>nd</sup> part of the final qualifying paper in scientific adviser	07.09.2019.- 10. 09. 2020.	07.09.2019.- 10. 09. 2020.
8	Writing and defense of the 3 <sup>rd</sup> part of the final qualifying paper in scientific adviser	11.09.2020. - 28.10.2020.	11.09.2020. - 28.10.2020.
9	Registration of the final qualifying work and abstract for preliminary protection in commissions	29.10.2020.- 31.10.2020.	29.10.2020.- 31.10.2020.
10	Presentation of final qualifying paper and abstract on the department	20.11.2020	20.11.2020 p
11	Presentation of the final qualification work to the Dean's Office for receiving a referral for an external review	16.11.2020. 18.11.2020	16.11.2020. 18.11.2020
12	Preparation of final qualifying paper to defense in the Examination Board	18.11.2020.- 01.12.2020.	18.11.2020.- 01.12.2020.
13	Defending of the final qualifying paper in the Examination Board	According to the schedule	According to the schedule

7. Date of receiving the task: \_\_\_\_\_

8. Scientific adviser of the final qualifying paper \_\_\_\_\_

Kulyk M.V.

(last name, initials, signature)

9. Manager of the educational program \_\_\_\_\_

Melnichenko S. V.

(last name, initials, signature)

10. The task received by the student \_\_\_\_\_

Ponomarenko A.V.

(last name, initials, signature)



## CONTENT

INTRODUCTION.....	7
<b>PART 1. THEORETICAL ASPECTS OF HR MANAGEMENT IN THE RESTAURANT.....</b>	<b>10</b>
1.1 Literature review.....	10
1.2 Modern systems of HR management in the restaurants.....	13
<b>PART 2 ANALYSIS OF HR MANAGEMENT IN THE RESTAURANT «GEGUTTI».....</b>	<b>21</b>
2.1.Organizational and economic assessment of restaurant.....	21
2.2 Main features of HR management in the restaurant.....	28
2.3 The estimation of HR management in the restaurant.....	33
<b>PART 3. THE DIRECTIONS OF HR MANAGEMENT IMPROVEMENT IN THE RESTAURANT «GEGUTTI».....</b>	<b>38</b>
3.1. Propositions for HR management improvement in the restaurant.....	38
3.2. Improvement of HR management in the restaurant «Gegutti»....	47
CONCLUSIONS .....	59
REFERENCES.....	61
APPENDECIES.....	64

## INTRODUCTION

The state of Ukrainian business is fundamentally different from global trends - business is developing, but its growth is taking place according to its own laws. This fully applies to the restaurant sector. How does the restaurant business in Ukraine feel in reality today?

The main feature that even the average person will notice is the growth in the number of fast food outlets. This rapid development is explained not only by the rapid pace of life, but also by the small costs of opening such establishments.

Such restaurants are now a hit among various catering establishments. Famous restaurateurs create entire networks of such establishments, widely advertising the quality and availability of their products.

And most of the democratic restaurants in Ukraine belong, nevertheless, not to famous chains, but to local restaurateurs who know the tastes of their city residents well.

Along with fast food, the number of luxury restaurants is growing. These restaurants have banquet halls and bars. The interior should be decorated in an architectural and artistic style. The name of the restaurant, the general style of the exterior design and the interior are designed in the same direction.

Also, as practice shows, original, creative cafes and restaurants are popular.

For a restaurant to be profitable, a well-coordinated team must work inside the restaurant, which is created by the correct personnel management technique. For the selection of employees, there are schemes and principles with a clear algorithm of actions, both for newly opened restaurant business companies and for already existing restaurant business companies.

«The theater begins with a coat rack, and a restaurant begins with the expression on the face of the first waiter you meet».

The atmosphere of the establishment depends on the professionalism and hospitality of the staff, which affects the number of guests and, ultimately, the profit.

The service staff is an integral part of the restaurant, the quality of which determines the overall impression of the guest. The staff performs the bulk of the service and operational work - both work with the premises, front and back office, and directly with clients.

The general climate of the institution depends on the quality of personnel selection.

Also, reliable restaurant staff is one of the most important features of a successful restaurant. The staff works tirelessly to provide customers with first class service. Customers visiting a restaurant do it not only for the food, but also for the experience. However, in a highly competitive restaurant industry, high rents and rising costs, one of the biggest challenges for restaurant owners is hiring the right team and building the right human resource structure for restaurants.

The restaurant industry is notorious for high attrition rates and "personnel shortage", therefore requires an effective management system.

As such, you need to know the restaurant's personnel management plan, the different levels of personnel requirements and their job descriptions, the qualifications and experience required for each profile.

The relevance of this topic lies in the importance of a qualitative approach to HR management, not only in the restaurant business, but also in any business, because the process of working with personnel involves the use of a whole arsenal of techniques and methods that allow HR manager to make certain decisions based on a huge volume information. And in combination with analytical and strategic skills, HR manager not only fixes an existing problem in a restaurant enterprise, but also prevents new problems from arising in the future. And this, in turn, benefits both the enterprise and potential customers, that is, it creates benefits for all parties involved in the activity of the restaurant enterprise.

The purpose of this topic is to analyze the organizational and personnel activities of the restaurant enterprise "Geguti", analyze the personnel management system, search for its optimization processes, and also prove the need to optimize the activities of the enterprise as a whole. The immediate task of the work is to



study, consider, describe and search for methods for solving the problems found in the structure of personnel management of this restaurant enterprise. The theoretical and methodological tools of this thesis are the analysis and research of the personnel policy of a restaurant enterprise, the effectiveness of this apparatus, the forecast of the success of the decision.

The object of the research is the restaurant enterprise "Geguti", because this restaurant is a promising institution that can develop. The subject of the research was HR management in this restaurant.

This thesis has three sections.

The first section describes the theoretical and methodological aspect of HR activities in the enterprise in general terms, describes modern and relevant HR management systems in restaurants, and also provides a review of the reviewed literature.

The purpose of the second section is to analyze the HR management of the Geguti restaurant, review its organizational and economic system, and provide a qualitative assessment of the HR system of this restaurant.

In the third section, an HR management system will be developed that can be implemented in this restaurant in order to improve the efficiency of personnel management and to correct the problems raised in the second section, as well as to assess the potential effectiveness of the new solution based on the analysis of the initial data.

The results of research and proposals for the Geguti restaurant can be used in the practice of restaurants. The results of research were published in (Appendix A)

## PART 1

### THEORETICAL ASPECTS OF HR MANAGEMENT IN THE RESTAURANT

#### 1.1 Literature review

Before proceeding to the assessment of the HR management system of the «Geguti» restaurant, before starting the search for weaknesses and developing recommendations for overcoming them, it is necessary to collect the material base on the basis of which these studies can be carried out. This chapter will analyze the theoretical as well as practical literature, having studied which you can obtain data that can be relied on in the study of the main issue of this work. It is necessary to understand the key concepts, terminology, theories and ideas of practices in the field of HR management in order to understand from which side you need to approach the study of the main issue of this scientific work.

During the writing of this research work with the proposal of subsequent methodological recommendations for eliminating the identified weaknesses in personnel management at the «Geguti» restaurant enterprise, a considerable number of thematic sources were used, including scientific research; Familiarization with these materials allowed us to compare the information already existing in scientific circles with the current state of the enterprise and determine whether these approaches are suitable for solving the problem or not.

This work uses many research papers. A research-based quality methodology is used to offer outstanding high-performance human resource management practices in the day-to-day restaurant industry. The differences between industries are discussed, as well as the reasons why some of the working methods used in industrial research are not relevant to the catering industry; then applicable working methods are established. The contingency paradigm is used to discuss the importance of industry context when designing a high-performance management system for restaurant managers.

The authors of these papers provide unique insights and ideas about the future of human resource management, and many of their ideas open up opportunities for future research. The main goal is to focus on identifying and briefly discussing the main needs and directions suggested by these articles. The discussion is organized around four broad themes: the HR function and its impact, the roles of HR professionals, the value of HR competencies, and the implications of globalization for HR.

For example, the work "Employee training pays for itself", which says that The reality is that training costs are almost always recouped through monies saved in employee turnover, productivity per employee, workers compensation costs, sick time costs, and customer satisfaction costs.

Also, during the COVID-19 pandemic, firms wrestle with challenging economic realities, HR leaders are focused on what they can do and need to do to enhance their organization's talent value proposition. Among the key perspectives offered: a compelling talent value proposition is about much more than compensation and strategy; it is about purpose, trust, authenticity, transparency and creativity. It is about creating a culture and an environment where each person feels valued and is connected with the strategy and purpose. In rethinking and reshaping an organization's talent value proposition, HR professionals must act as agents of change in the formula of an enterprise's work. This is an important factor that comes up more than once in Rebuilding the Talent Value Proposition for What's Next.

Similarly, this paper uses a lot of references to articles of the format "Some useful tips for human resource management in the enterprise", and they are valid, since the information in these articles was compared with information from more authoritative publications; however, it was presented in a more accessible and concentrated manner.

The author of the work "Training ... why does it matter?" Reveals the problem of the urgency of the need to improve the qualifications of employees in order to thereby reduce the potential increase in staff turnover; Thus, the team

works more efficiently, the employee has a sufficient level of motivation to continue effective work, and the profit of the restaurant enterprise grows.

The author of the work "Training ... why does it matter?" Reveals the problem of the urgency of the need to improve the qualifications of employees in order to thereby reduce the potential increase in staff turnover; Thus, the team works more efficiently, the employee has a sufficient level of motivation to continue effective work, and the profit of the restaurant enterprise grows.

The work "HR Management by Values as an Innovative Way to Improve Personnel Work" focuses on generalizing the theoretical and practical foundations of personnel management by values, highlighting the difficulties of such management. Analyzed are theoretical studies of Western and domestic scientists on the management of values, which, according to the authors of the article, is one of the most effective ways to improve personnel work. The involvement of personnel in the decision-making process is possible with any management model. Values change staff behavior. Every company has its own values, and employee behavior is based on core values. As a result of a study conducted on the basis of one of the largest banks in Ukraine - JSC CB "PrivatBank", five main directions of increasing labor motivation were proposed, which are also the main problems of a financial organization that must be solved. The analysis of the bank's motivation system showed that personnel management is carried out through a combination of administrative, economic and socio-psychological methods of management. Based on the authors' own research, core values are proposed from the employee's point of view. It also offers recommendations for improving the company's HR policy in the context of personnel values management. Thus, this work contains a lot of useful material that can be applied to improve the efficiency of the Geguti restaurant. In this research work, a lot of thematic sources were investigated in order to most effectively analyze the human resource management system at the «Geguti» restaurant enterprise, identify weaknesses, and develop recommendations for correcting the situation at the enterprise.

## 1.2 Modern systems of HR management in the restaurants

The peculiarity of the restaurant business is that everything depends on the mood of the guest. If a guest visited a restaurant for the first time, and at the same time felt cozy, comfortable and happy, it is most likely that he will come again, bring his friends with him and tell everyone about this place. Such advertising of the establishment will be the most effective.

The first secret of successful human resource management in the restaurant business is recruiting: the staff must be a team and provide customers with a joyful and festive mood. And it doesn't matter what position the employer should have: either he is a waiter, or a hostess, or a cleaning lady.

The second secret of successful human resource management in restaurant business is that the role of each employee is unique. Each guest comes to a restaurant to get his own emotions, and each employee should be ready to present these positive emotions to a guest. One wants to enjoy fine cuisine prepared by a chef, and a chef should create a real show for a guest. The other wants to sit at a bar with a cocktail and to find someone to talk to. A bartender should feel such a desire of a guest and be ready for a conversation. Still others want to follow the work of waiters and to feel that they take care of them. An administrator should create a relaxed atmosphere where every member of a team works accurately, consistently and smoothly, because clients feel it at once. There should be a harmony in work of personnel. That will bring a success [1,23].

This is why there is an HR management system in restaurant enterprises. People are the key to people, and the quality of the selection and work with the staff determines how satisfied the guest will be. However, do not forget that HR management is not primarily work with waiters (who are always "on the front line"), but with the entire work team as a whole.

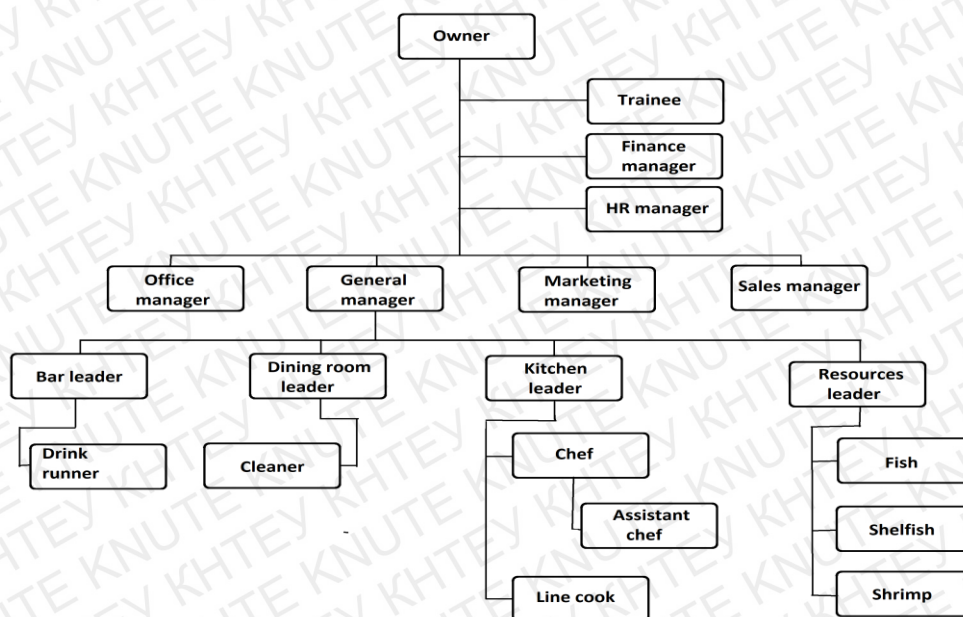
Administrators, managers, sommeliers, cooks, waiters, bartenders, delivery service, cleaners, and so on - every employee is important if the restaurant team wants to achieve maximum coherence and efficiency.

There is always competitiveness in the market of restaurant business. Very often it happens that "labor pirating" becomes the main tool in human resource management of a restaurant. Therefore, the restaurant should carefully treat each of its employees. A large restaurant is a complex structure of different departments, and each department has its own subtlety and specificity of work.

There are generally five departments in any restaurant business – Kitchen Staff, Managerial Staff, Floor Staff, Bar Tenders, and Delivery Staff. However, depending upon the restaurant format, the number of departments can vary. Thus the human resource for the

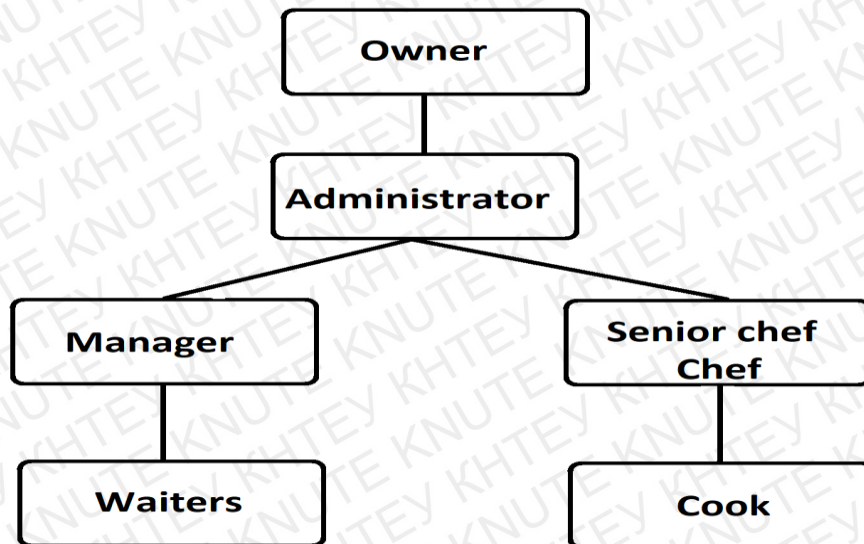
tments. The employee count will depend upon the size of your establishment. Also, the role and responsibilities of HR in your restaurant will vary according to the number of employees.

For example, in QSR format, there would be only three departments- Kitchen Staff, Managerial Staff and Delivery Staff. However, for a fine dining restaurant, all five would be required. Further, each department has different requirements for employees, which are briefly explained below.



**Fig.1.1 Organizational structure of an average large restaurant**

If we are talking about smaller restaurants, then their structure will accordingly be simpler. However, this does not mean that the small restaurant team will perform better [16,2]. This type of restaurant lacks some of the departments that are inherent in larger businesses, but working with people remains an equally important element in the workforce of all sizes.



**Figure 1.2 The average structure of a typical small restaurant**

Taking the total number of restaurants and reduce them to the average denominator, then they will have the following departments:

#### 1. Kitchen Staff

The kitchen is the heart of a restaurant. For smooth operations, a proper human resource is required, especially in the food industry. In this particular department, there are various levels, such as Gourmet Chef(Head Chef), Sous Chef, Chef De Partie, Commis, and helpers. However, in formats like QSRs, takeaways, and casual dining, the post of Head Chef and Sous Chef may not be required. Below is a chart that discusses and explains the different levels of the department, job profiles of different levels, qualifications, and experience required for each profile, and the average salary of each post.

#### 2. Managerial Staff

The second most important part of the human resource structure for restaurants is the Managerial Staff. Human resources for your restaurants ensure

that the restaurant is in one piece and thriving towards a single goal. These people are the intuitive soul of the restaurant, as the decisions of the Managerial Staff can make or break the customer experience and expectations. Managing and allocating the right resources at the right time can help the restaurant to achieve efficiency, which can further help create a better experience for customers and better profit for owners. Managerial staff is broadly divided into three levels – Restaurant Manager, Cashier, and Storekeeper. Below is a chart explaining different job profiles, salary, qualifications, and minimum experience required according to the HR Plan of a restaurant.

3. Floor Staff. Employees working in this department of your restaurant are the brand ambassadors of your restaurant, as they are the ones who are in direct contact with the customers. Customers' best and worst experience is often due to the floor staff. Therefore, it is essential to have them well trained and on their toes.

The Floor Staff has a different set of employees, such as Captains, Stewards, House Keeper, and Guard. This department is primarily required in Fine Dining, Restaurant cum Bar, and Casual dining formats.

#### 4. Bar Staff

The Bar Staff handles the most precious and vital part of your menu: the drinks! People in this department should be fully aware of the type of drinks they serve, be it a cocktail or mocktail. Your bartenders can create a different kind of experience for your customers and add a fun element to the whole environment of your restaurant. It is thus essential to have a separate department set for the Bar staff in your human resource plan.

#### 5. Delivery Staff

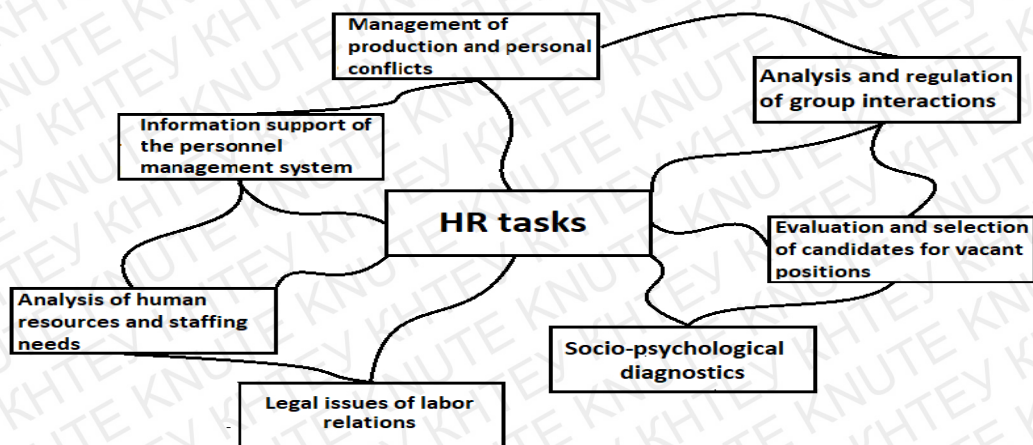
Your Delivery Staff is as vital as floor staff, as these employees take your restaurant brand out on the roads and to the homes of the customers. They are the representatives of your brand and must be adequately trained. Also, for delivery staff, restaurant owners should be extra cautious about their driving licenses and background verification[26,27].



However, in order to support the work of all departments and each employee in particular, the HR department is forced to analyze a huge amount of data in order to develop the right motivation system for employees of a particular restaurant. For every employee must see the goal, and understand not "for what" he is working, but "what he can get from this." The employee must have an understanding that the more successful the company is, the more successful he is.

If the institution is not interested in regular customers, then it is unlikely that in the motivation system it will be possible to see motivation aimed at the quality of service, service, and compliance with standards. The payment will include only the salary with various options for formation: hourly, shift, fixed [15,10].

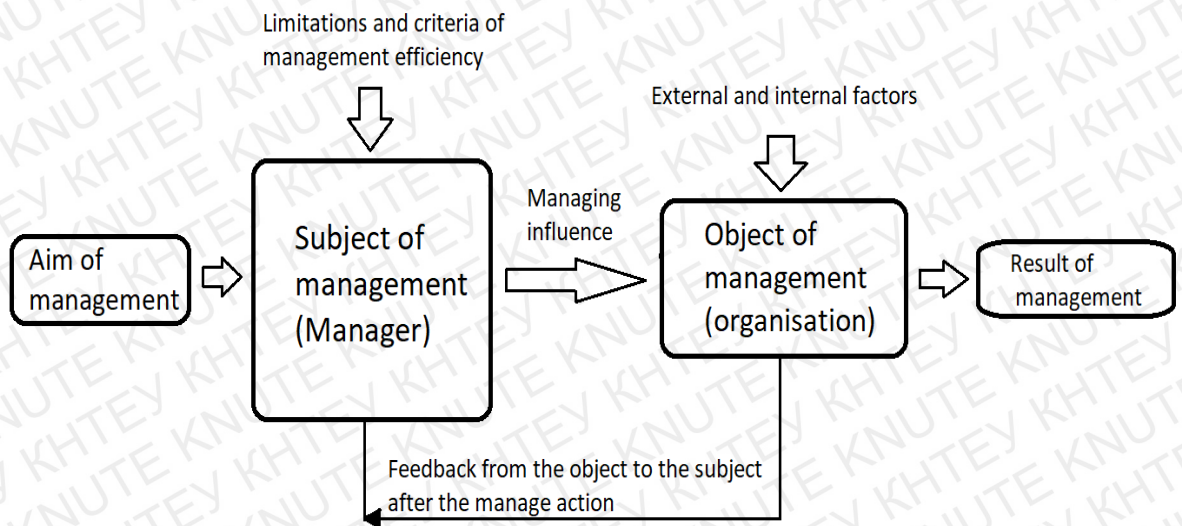
Another thing is if a restaurant is interested in its individuality, competitiveness, cuisine, quality of service and customer-oriented, then in the motivation system the restaurateur is more than interested in the personnel and the personnel management system, and in particular the staff motivation itself. Such establishments use salary and bonuses to pay for labor. Salary for an employee is stability and start. Bonuses are opportunities for obtaining the desired level of income.



**Figure 1.3 Tasks of the HR manager in the enterprise**

The enthusiasm of each of the employees must be periodically nourished, and it is possible to increase the efficiency of the work of staff, most of whom are ordinary people with their own merits, weaknesses and problems, by creating an understandable and clear system of motivation and incentives. And the most

important thing that should not be forgotten is that the employee constantly wants something. And when the desired is achieved, then the needs move to a higher level. To properly motivate staff, you need to understand the context of the institution's work. Each type of establishment has its own set of management tools. That is, when planning a restaurant, it is very important to develop or use the right HR Software for Restaurants.



**Figure 1.4 Structure of HR manager interaction**

In the past, restaurants that wanted to keep employee records used traditional HR systems that were accessible to only a few HR administrators. Today, cloud-based HR software is available and can easily and securely be accessed by both employers and employees via internet-enabled devices such as smartphones, laptops, and tablets.

These cloud-based systems have successfully gotten rid of many troubles that become "administrative nightmares" for any manager, on example:

1. Efficiency of Management

One of the "administrative nightmares" that can easily be solved with human resource software is the nightmare of accurately tracking basic employee data. If you are yet to adopt a cloud-based HR system, you know just how tiring, time consuming and ineffective paper-based systems can be.

2. Reduced Costs

HR software of good quality will save you real money in addition to the less tangible costs like productivity and efficiency.

### 3. Easy Access to Information

HR software makes it easy for the right people to access the data you hold and this enables them to make good use of it

### 4. Data Analysis

Collecting employee data via cloud based human resource software brings in analytical opportunities and this enables management to make informed decisions.

### 5. Improved Communication

Most HR software comes with an employee directory. This makes it easy for employers to get in touch with their employees. In the very same way; it makes it easy for employees to reach out to fellow employees. When contact information is stored in filing cabinets, it slows down communication a great deal. Cloud based human resource software are particularly useful for restaurants that offer outside catering services and businesses whose employees are always on the road.

### 6. Risk Mitigation

In the unfortunate case of a legal dispute, HR software can effectively prove that employees were already aware of a particular policy or that they had already received adequate training on how to use equipment. Today's human resource software will provide evidence that shows employees were sent particular messages and that they accepted the contents of the messages.

7. Security Keeping employee information in filing cabinets is not secure at all. Anybody can try to access it and it can also get easily lost or destroyed in a fire and other disasters. With modern HR software , data is stored on mirrored servers and is therefore extremely secure.

### 8. Disaster Recovery

Data security is one thing and data recovery is another. Cloud-based HR software usually incorporates disaster recovery features that enable data to be restored quickly in case of a catastrophic disaster [ 21,4].

Thus, when the main elements of personnel management undergo high-quality optimization, this allows you to focus on the main thing, at work of the "person-to-person" type, work with personnel in order to ensure quality management. The man-to-man approach on the part of the manager to the employee is especially important in restaurant activities, if only because the employee himself also works with people. In such a sphere, a person cannot be treated as a "screw of a mechanism".

And in order to ensure the high quality of personnel management in a restaurant establishment, you first need to analyze the HR management department in the restaurant.

## PART 2

### ANALYSIS OF HR MANAGEMENT IN THE RESTAURANT «GEGUTI»

#### 2.1. Organizational and economic assessment of restaurant

«Geguti» is a restaurant of Georgian cuisine and a banquet type. This is a kind of restaurant, the main function of which is to organize and conduct lunches or dinners in the solemn framework, arranged in honor of a certain person or event (for example, an anniversary or a wedding). For banquets, a special banquet hall is often used. And the peculiarity of "Geguti" is that the restaurant itself is a large banquet hall.

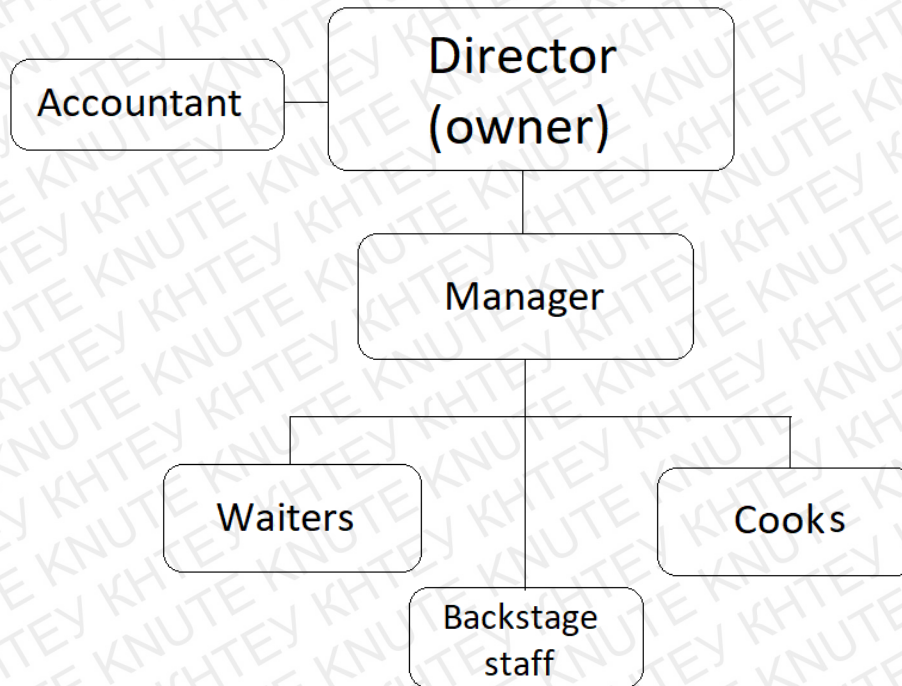
Among other things, this restaurant offers delicious Georgian cuisine, which is not typical for Ukraine, which is why it arouses additional interest.

It is located at Kyiv, Zakrevskogo street 20. This location is interesting because it is located on the main transport artery of the Troeshchinsky district, which makes the restaurant quite attractive in terms of logistics and traffic flow. The advantage of the location is that it is easy to get to both by personal and public transport [14,17].

The Geguti restaurant is a small room in the form of a banquet hall, inside which there are several banquet sections. As befits a restaurant with a banquet hall - the establishment has a lot of seating places (just over a hundred), which allows accommodating a fairly large number of guests. The restaurant itself is divided into a banquet hall and a backstage. The backstage contains the staff room, kitchen, ovens, and more.

If we talk about the management functions of the «Geguti» restaurant, then this is a restaurant with a simple management structure. There is a restaurant director, a manager (who is also an assistant), waiters and several kitchen staff (two cooks and two cleaners). In this restaurant, the manager can quickly collect information about all potential problems and threats, respond to them, and, if necessary, consult with the director. However, the result of personal observation of the restaurant showed that management functions are violated in their hierarchy,

and the restaurant management often neglects a qualitative approach to assessing and eliminating threats.



**Figure 2.1 The organizational structure of the restaurant enterprise "Geguti"**

To better understand how we can interact with such an organizational restaurant structure, we must, in principle, have an idea of the various management functions, not only economic, but also human resources. After all, despite the fact that management is a whole arsenal of different methods and techniques, they are all very situational, and the fact that one management approach works in one enterprise does not mean that it will work in another.

Taking the organizational model of a restaurant, then it should be created to solve general problems of managing a restaurant enterprise and be typical for the entire management process. Based on the content of the work performed, the general management functions are classified as follows:

- forecasting and planning
- work organization
- coordination and regulation
- activation and stimulation

- control, accounting and analysis of results

The implementation of each of the management functions of a restaurant enterprise includes the above typical elements of the management cycle.

*Table 2.1*

**Functions of the restaurant enterprise, which should be emphasized by the manager**

Planning	The planning function includes the development of work plans for the organization, the catering company and each of its structural units and communicating these plans to all members of the team.
Work organisation	The work organization function ensures the interconnection and efficiency of all management functions.
Coordination	Coordination involves the establishment of a priority for the implementation of individual tasks, ensuring the continuity of the processes of fulfilling the plan, agreeing on the timing of the manufacture and delivery of products; elimination of duplication of ongoing work.
Regulation	The regulation function ensures the stability, stability of the catering system. Through the performance of the regulation function, uniformity, consistency is achieved, in production, service, supply, the given rhythm of the production and trading process.
Activation and stimulation	Activation and stimulation are management functions that regulate the distribution of material and spiritual values, depending on the quantity and quality of labor expended.
Control and analysis	Control, accounting and analysis are important management functions. Effective operational control of execution and reliable accounting in the work of all links of production and management is a necessary condition for the successful work of the production team, the correct education of personnel in the spirit of high responsibility for the task entrusted and the strictest observance of state discipline.

Thus, all the order of execution of the enterprise's functionality must be observed. If you evaluate every point of the Geguti restaurant, you can see violations in many points.

For instance:

- Forecasting and planning

There is no analyst on the staff of the restaurant; an individual person is not involved in this work. The only aspect of planning is the staff work schedule, the delivery schedule and the booking schedule, which is what the manager does. Analyzing the average check, the number of guests, making forecasts and carrying out actions to improve performance - there is no separate employee for this work, which is why these points remain weak [6,24].

- Work organization

It happens according to the classic scenario. There is a restaurant director who is responsible for the highest administrative activities. There is a manager who acts as a link between the director and the staff. More focused on working inside the restaurant, working with staff. When an order for a banquet arrives, the menu is selected, the dates are set and preparations for the event begin, according to the standard scenario.

- Coordination and regulation

In this restaurant, staff coordination is the responsibility of the manager. He is in charge of all processes inside the hall. However, the restaurant does not use a video surveillance system in order to be able to view video cases, analyze staff activities and draw conclusions.

- Activation and stimulation

The restaurant does not have an effective staff motivation system, which leads to high staff turnover

- Control, accounting and analysis of results

As mentioned earlier, the restaurant does not have an analyst who would take over all the functions regarding the actual performance of the restaurant, their



relationship to the plan, development and forecasting of the restaurant's financial development strategy.

Therefore, below will be given the analysis of the financial indicators of the enterprise in order to demonstrate a clearer financial picture of the Geguti restaurant.

The waiters have a flat rate per hour, which is ~ 30 UAH per hour. 30 multiplied by 160 (monthly official output) equals 4800 UAH. This is the official salary of a waiter per month, according to tax returns.

Multiplying by 6, we get 28 800 UAH per month spent on the official salary of waiters. There are also 6 more employees on the staff.

Accountant's salary - 6,000 UAH.

Manager's salary - 8000 UAH.

Chefs' salary - 8,000 UAH.

The cleaner's salary is 5,000 UAH.

Director's salary - 10,000 UAH.

As a result, 73,800 hryvnias are allocated to the salary fund (according to tax declarations), which, according to the results of the budget report, is almost 33% of the monthly proceeds.

*Table 2.2*

**Financial indicators of the restaurant «Geguti»**

Kind	2017	2018	2019
1. Assets	<b>2 692 460 UAH</b>	<b>1 845 870 UAH</b>	<b>2 184 270 UAH</b>
2. Revenue	<b>296 170 UAH</b>	<b>203 045 UAH</b>	<b>240 269 UAH</b>
3. Code EDRPOU	39992252		
4. Information on government legal entity		general meeting	
5. Form of ownership			non-state property
6. Individual tax number	21680000		

This means that the monthly revenue is ~221,400 UAH, and the restaurant's profit for the year should be ~2,656,800 UAH.

However, things are a little different. Therefore, it is difficult to compare statements of various types, conduct their analytics and make forecasts.

Having collected information directly in the restaurant, the following economic result can be concluded:

Like any restaurant of a similar segment, banquet type, the average daily revenue here is between UAH 6 000 and 7 000, and the average check is ~ 3 000 UAH.

If we compare the dynamics over the years, then the restaurant's economy is in an unstable state, because the annual turnover in 2017 amounted to 2,692,460 UAH, 1,845,870 UAH in 2018 and 2,184,270 UAH in 2019.

As we can see, in 2018 there was a recession, which obviously had its own reasons. And this problem requires analysis and subsequent solution.

*Table 2.3*

**Percentage of items of spending of the restaurant "Geguti"**

<b>Sales</b>	<b>100%</b>
<b>Operating costs</b>	
Total cost	25%
Cost of products	11%
Cost of drinks	14%
<b>Controlled costs</b>	
Salary	33%
Tax	9%
Utilities	1,6%
Electricity	2%
Communication services	0,1%
Stationery	0,2%

*The end of the table 2.3*

Security	0,4%
Household expenses	2%
Total controlled costs	48,3%
<b>Uncontrolled costs</b>	
Rent	15,6%
Licenses/permits	0,1%
<b>Total uncontrolled costs</b>	<b>15,7%</b>
<b>Total operation costs</b>	<b>64%</b>
Net profit	11%

Frequent personnel changes mean lost profits and reduced productivity. Such a situation may arise due to the slow entry of newcomers into the course of business - more qualified employees are distracted by training new employees, as a result of which time is spent on "education", and not on work. Also, staff turnover worsens the morale in the team, which prevents team building [5,18].

When turnover reaches a high level, it badly affects all business metrics, including product quality. A product in the Geguti restaurant means all those benefits that the client receives in the process of serving: pleasant atmosphere, cleanliness, speed of order fulfillment, and so on.

## **2.2 Main features of HR management in the restaurant**

The availability of qualified and well-trained employees is one of the most important components of a successful restaurant business.

There are several categories of restaurant employees.

The first category is the restaurant administration. In the Geguti restaurant, this is the direct director of the restaurant. And in general, this category includes a restaurant manager, accounting, personnel, marketing, advertising services, personnel services, logistics services, and so on. That is, these are specialists who

provide financial and administrative management of the restaurant. But since "Geguti" is a small restaurant in a single copy, there is not a large number of diverse specialists in its structure. In this case, the director is engaged in financial, personnel, logistics, analytical and marketing areas.

The second category is made up of kitchen specialists. In "Geguti" there are two chefs who prepare all the dishes of the restaurant. Typically, this category includes all employees who ensure the range and quality of food in a restaurant.

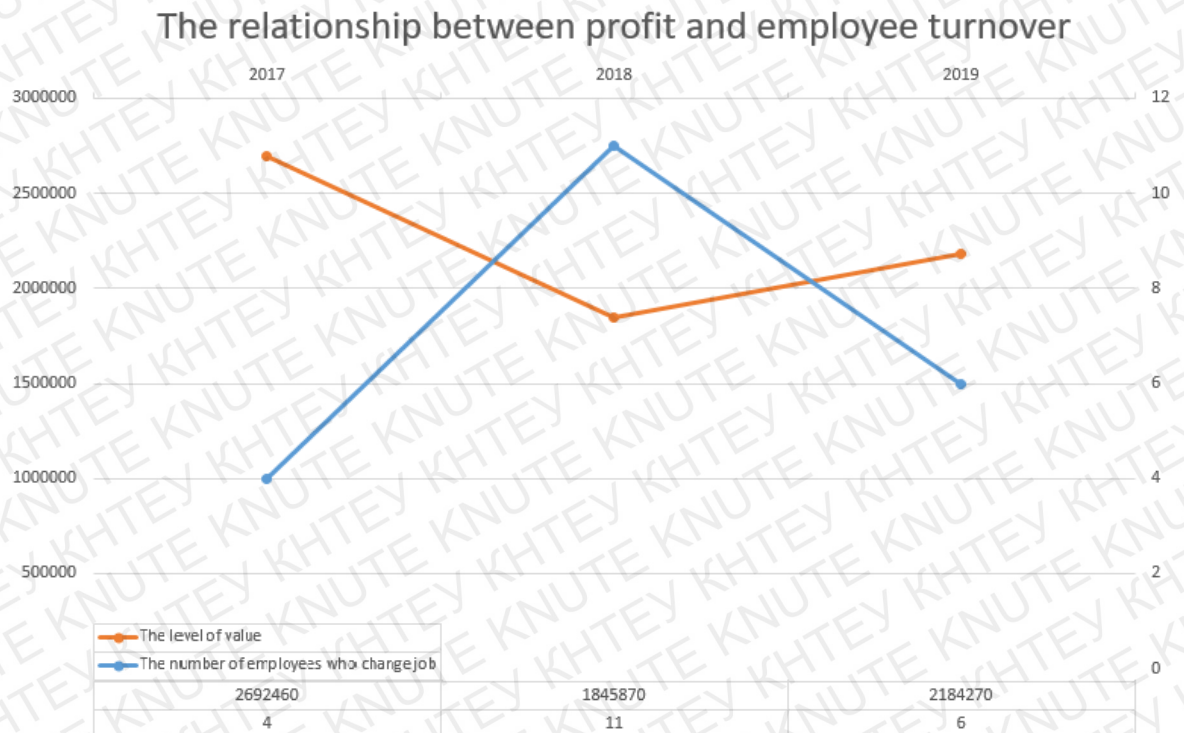
The third category is staff serving the hall - managers and waiters who provide direct contact between the restaurant and visitors.

The fourth category is made up of service personnel - cleaners, couriers, dishwashers, and the like. This restaurant has one cleaner and one dishwasher.

Personal observations, conversations with restaurant management and fluent analytics of staff showed that over the past three years (from 2017 to 2019), the restaurant has changed 22 employees. If we correlate the number of employees who changed during the year and the restaurant's income, then we can see that the higher the staff turnover for the current year, the lower the restaurant's profitability for the year [7,9].

In the graph below, we took the total annual profit for the period 2017-2019 and compared it with the employee turnover in the accompanying years. Even if we take into account the natural rate of employee turnover at a restaurant enterprise, in the graph below you can see a kind of "anomaly", where in one selected period the "healthy" staff turnover almost doubled, which led to negative economic consequences. The causes of this problem will be discussed in the last section of this work.

It so happened that over the past three years, the staff of the institution changed regularly, which caused instability in the work of the team, which affected its effectiveness. In this regard, the level of profit of the enterprise fell. As soon as the institution began to treat its employees more carefully (in 2019), the indicators almost returned to their previous norm.



**Figure 2.2 Relationship between profit and staff turnover in the Geguti restaurant**

The institution definitely has something to work on, including on personnel policy. By keeping turnover to a minimum and team coherence to a maximum, the 2017 profit margins can be surpassed.

There are various reasons for the shortage of staff, as well as its high turnover. To highlight the entire list of possible reasons, it is worth starting from the very beginning of the employment process - selection [8,20].

Often, the reason for dismissal is laid already at the first stage, during poor-quality selection. Such an unprofessional selection has many reasons: a banal rush to fill an empty vacancy on the part of the employer, the desire to get a quarterly bonus from HR management faster (not relevant for the Geguti restaurant, but relevant for larger enterprises), or simply insufficient information to the parties. In most cases, this approach will sooner or later lead to dismissal.

After the selection of the employee, the adaptation process is awaiting. Poor adaptation, or lack thereof, causes premature termination on probation. Even when new employees stay and work in the restaurant for a long time, their decision to dismiss can be made in the first weeks of employment.

A successful onboarding process is not the key to success in tackling employee turnover. An employee spends most of the day at work and his decision to stay in the company depends on how comfortable working conditions are created for him.

Dissatisfaction with management - in any form, whether it be personal dislike, dissatisfaction with professional qualities or management methods, can also cause an employee to be fired. The last two points are not limited to time frames, since in this case everything depends on the character of the person.

After working for some time, an employee with ambitions and professional qualities will begin to think about the possibility of growth and development.

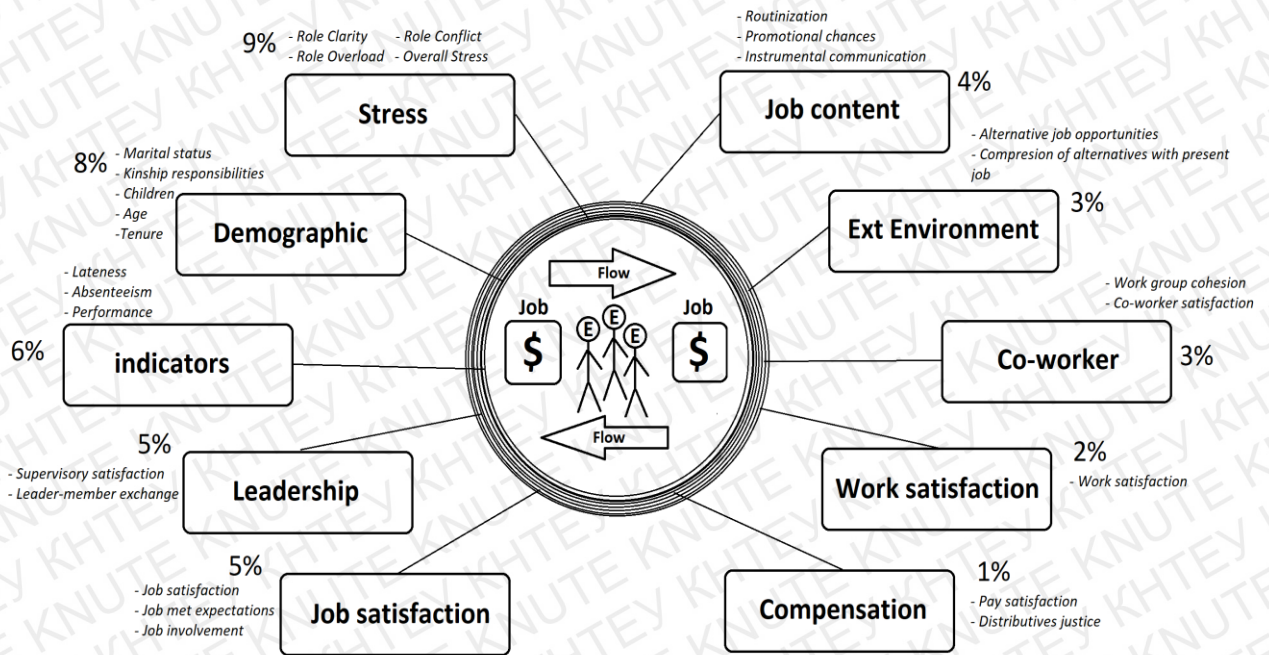
Lack of career growth, professional development and training can lead to employee leaving. The next reason for the employee's dismissal is immediately traced - the prospect of getting a higher position in another place, the opportunity to more widely apply one's abilities there and, accordingly, a higher salary. This practice is usually observed at all levels of staff. Money is often not the root cause, though. Salary is not a direct determinant of job satisfaction. Many employees are not satisfied with the psychological climate prevailing in the team, they are not loyal or motivated, and money in this case is a convenient excuse to leave the company.

Leaving an employee after a colleague is also common.

Also, the reason may be dissatisfaction with the employee on the part of the manager. The incompetence of the employee or his inability to work in a team is the reason for the manager's dissatisfaction and, accordingly, the reason for dismissal.

It is impossible to unequivocally determine the reason for the dismissal of all employees, so it would be useful to introduce in a restaurant, for example, an interview upon dismissal, during which the manager must find out the motive for dismissal.

### Drivers of employee turnover *Preparing the predictive model*



**Figure 2.3 Factors that are the most common causes of staff turnover in the enterprise**

The restaurant business in general, more than any other type of enterprise, is characterized by frequent personnel changes. A lot of people get a job as a waiter (for example) only at the start of their careers, or to get a small income, or combine their work as a waiter and study. As a rule, the staff in a restaurant changes very often, and you should not think that this is exclusively the restaurant's fault. Although, if you observe the tendency and dynamics of personnel change in the Geguti restaurant, where from year to year the staff turnover becomes higher and lower, we can conclude that the issue is in management.

It is quite another matter if employees who have worked in the restaurant for a sufficient amount of time and have proven themselves to be the best are thinking about changing their place of work. In this case, it is worth considering whether everything is in order in the team. Poor management can be a problem.

Everyone who works with people must have patience. Many waiters work 12 hours a day, seven days a week, receiving a very small salary. By creating such

tough working conditions, the restaurant management will definitely not be able to win respect. Every person has a turning point when they leave. If the restaurant management is chasing profit and does not support its team, this leads to undermining the credibility, destabilizing the personnel situation at the enterprise, and, consequently, increasing the turnover of personnel.

Based on the observations, we can conclude that this problem does not have a strong relevance in the Geguti restaurant.

Also, the success of the restaurant business depends on how well the whole team works as a whole. The manager should monitor the quality of the work of the staff, as well as their involvement. So that there are no situations when among the waiters there is a lazy employee whose work has to be done by someone else. This leads to the fact that other employees have more work, but the pay remains the same, this is a stress factor that can push the employee to leave.

If we consider the example of the restaurant "Geguti", then based on observations - about 15% of employees who have changed over the past three years - did not want to do their job properly, not even hiding that they had come "to do a minimum of work and earn money." This is one of the factors that has increased the overall staff turnover.

The main contingent of waiters are young people under the age of 25. More free time in the work schedule is only a small part of their wishes when applying for a job. A flexible schedule is a very useful thing, because it is very convenient to combine work and study, and at the same time have the opportunity to relax several days a week.

For younger employees, trainings, motivation seminars and any development work well. Courses, webinars, online lectures, etc. are very important for staff development. In order for the restaurant employees to constantly learn, you no longer need to spend a lot of money and pay for business trips. It is enough to register on the website and take an online training. It will not only benefit them, but you as well. If people understand that you care about their development and



help them acquire new knowledge and specializations, it will inspire trust and respect[11,28].

There is no vertical and horizontal personnel development system in the "Geguti" restaurant.

### 2.3 The estimation of HR management in the restaurant

In modern conditions of aggravated competition in the market of restaurant services, restaurant business enterprises are forced to intensify their work on personnel management, on whose professionalism the success of the production activity of any enterprise depends.

To taking the «Geguti restaurant, then it does not have an HR department, like any other small restaurant that is presented on the market in a single copy and is not a chain. The director independently makes decisions regarding the recruitment of personnel.

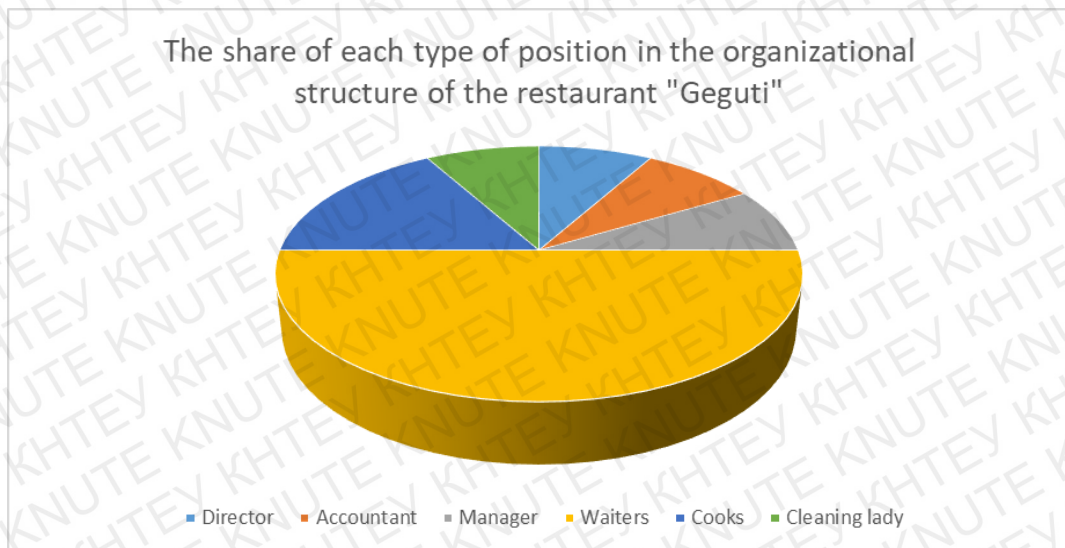
Organisation structure of the staff in this restaurant, then it represents the following:

*Table 2.4*

#### **The share of each type of position in the organizational structure of the restaurant "Geguti"**

Personnel	Number of members	%
Director	1	~8
Accountant	1	~8
Manager	1	~8
Waiters	6	~50
Cooks	2	~16
Cleaning lady	1	~8

To demonstrate the data in a visual way, below is a graphical diagram of the shares of each type of position in the organizational structure of the restaurant "Geguti"



**Figure 2.4 The share of each type of position in the organizational structure of the restaurant "Geguti"**

The study of the organizational structure of the «Geguti» showed that in the structure of the staff, a large share is made up of service personnel: these are waiters.

*Table 2.5*

**The level and correspondence of the education of the personnel in the Geguti restaurant**

Personnel	Education
Director	Higher non-core education
Accountant	Higher specialized education
Manager	Higher non-core education
Waiters	Incomplete higher education
Cooks	Higher specialized education
Cleaning lady	Without education

Thus, the majority of employees (76%), waiters, cleaning lady, manager and even the director of the establishment do not have a specialized higher education in their field of activity.

Also, taking into account these data, it is possible to conduct an analysis based on the characteristics of the movement of labor, based on a number of indicators:

1. Coefficients of turnover for the reception of workers (ctrw):

$C_{trw} = \text{Number of employees hired} / \text{Average payroll number of staff};$

2. Coefficients of turnovers on disposal (ctd):

$C_{td} = \text{Number of resigned employees} / \text{Average headcount};$

3. Coefficients of staff turnover (cst):

$C_{st} = \text{The number of employees who quit their jobs at their own request and for violation of labor discipline} / \text{Average headcount};$

4. Coefficient of constancy of the staff of the enterprise (ccse):

$C_{cse} = \text{Number of employees who have worked all year} / \text{Average headcount of the enterprise}.$

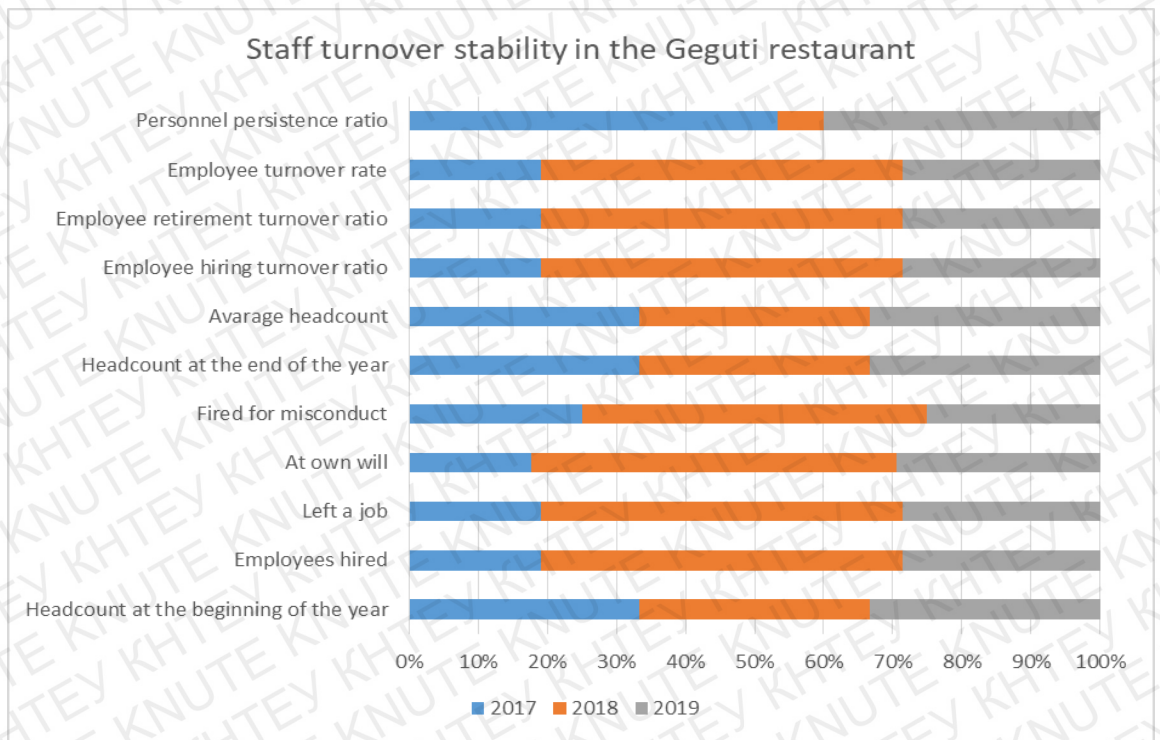
*Table 2.6*

### **Infographic of staff turnover in the Geguti restaurant**

Index	2017	2018	2019
Headcount at the beginning of the year	12	12	12
Employees hired	4	11	6
Left a job	4	11	6
At own will	3	9	5
Fired for misconduct	1	2	1
Headcount at the end of the year	12	12	12
Average headcount	12	12	12
Employee hiring turnover ratio	0,33	0,92	0,50
Employee retirement turnover ratio	0,33	0,92	0,50
Employee turnover rate	0,33	0,92	0,50
Personnel persistence ratio	0,67	0,08	0,50

Also, a more visual visualization is presented in the following image, which also demonstrates the infographic of staff turnover in the Geguti restaurant, but in a visual format.

As we can see, the «Geguti» restaurant has a very unstable staffing situation. On the site of the administration, it would be worthwhile to carefully study the reasons for the dismissal of personnel.



**Fig 2.5 visual infographic of staff turnover in the Geguti restaurant**

Within three years (in 2017, 2018 and 2019), due to various circumstances, 22 employees were replaced in «Geguti». On the part of the HR policy, this is unacceptable for an institution that deals with banquet services. This is a significant event that makes up the bulk of the establishment. Bad team work (due to staff turnover) is a loss of profit [13].

By comparing the two indicators, one can see a direct correlation between the number of employees being replaced and changes in the level of income of a restaurant enterprise.

It so happened that over the past three years, the staff of the institution changed regularly, which caused instability in the work of the team, which affected its effectiveness. In this regard, the level of profit of the enterprise fell. As soon as the institution began to treat its employees more carefully (in 2019), the indicators almost returned to their previous norm.

The institution definitely has something to work on, including on personnel policy. By keeping turnover to a minimum and team coherence to a maximum, the 2017 profit margins can be surpassed.

## PART 3

### THE DIRECTIONS OF HR MANAGEMENT IMPROVEMENT IN THE RESTAURANT «GEGUTTI»

#### 3.1. Propositions for HR management improvement in the restaurant

From the analysis of the second section, we could conclude that the Geguti restaurant has a pronounced problem in the quality treatment of the staff. The high staff turnover is due to the lack of an integrated approach to the implementation, training and maintenance of waiters, the lack of a high-quality motivation system, which is why the restaurant changes a large number of employees throughout the year. And the frequent change of personnel testifies to the instability of the enterprise, which we can observe in the graphs comparing the restaurant's profit and the number of employees who left the restaurant during the year.

To recruit quality staff for a restaurant, you need to understand the specifics of its work, as well as develop at least a rough idea of the criteria for a potential employee [22].

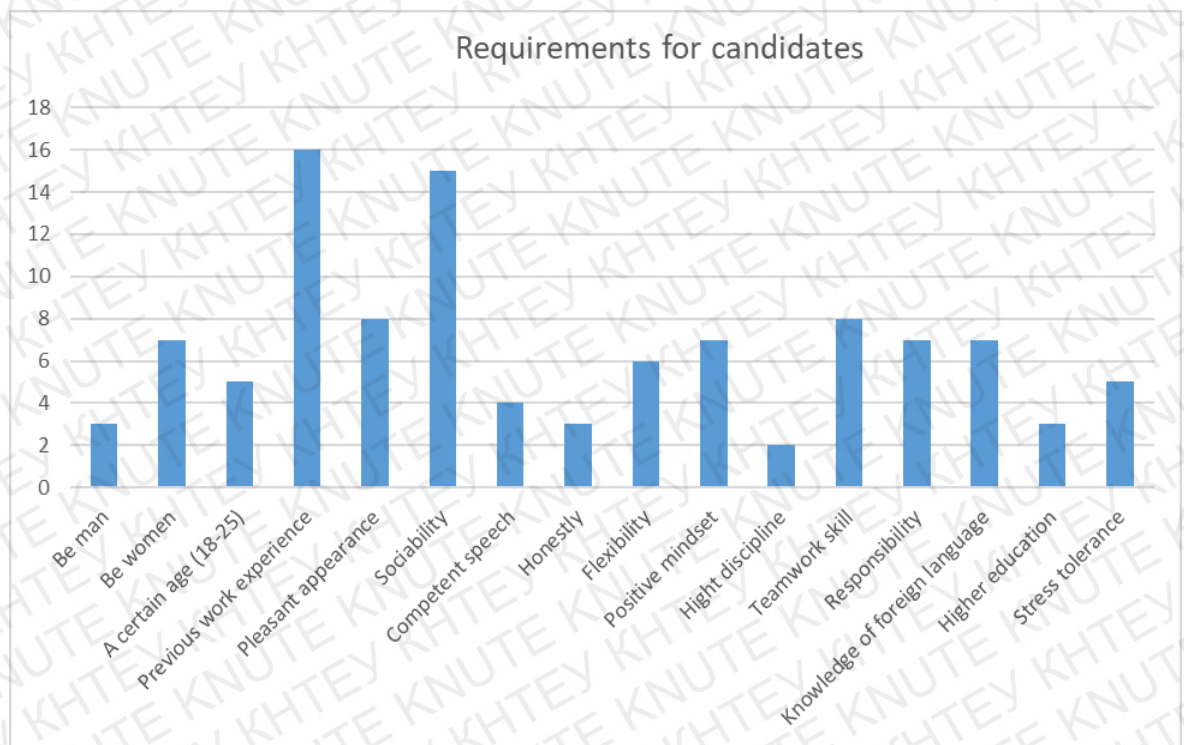
The criteria for candidates may be different, depending on the tasks. But how the boat-restaurant will float depends on who is to be “put” in it.

It was decided to analyze the vacancies for the position of a waiter on the websites work.ua and rabota.ua.

30 vacancies were manually analyzed (as of 12/10/2020) in order to determine which requirements for candidates were most often put forward. Thus, an approximate idea of what potential candidate the employer expects to see at his interview was obtained, based on the specifics of the work of different restaurant business establishments.

As you can see, the "collective image" of a waiter is a girl between 18 and 25 years old, obligatory previous work experience and high communication skills,

teamwork skills, knowledge of a foreign language and a positive outlook on the world.



**Figure 3.1 The ratio of the frequency of meeting certain requirements for candidates in vacancies for the position of a waiter**

However, it should be noted that not all vacancies clearly defined the criteria for requirements for candidates, which is why potential HR managers could interview candidates who were not at all suitable for their restaurant.

In order for the choice to be correct, it is important to clearly formulate the requirements for the vacancy. For this purpose, a "portrait" of each position is created. First, we formulate personal criteria, then professional ones. For example, for a dishwasher, it is not so much appearance and sociability that are important as diligence, accuracy, etc. Among the main requirements for managers are communication skills, leadership qualities, stress resistance.

To find the right candidates for various companies, there are HR companies that are engaged in posting urgent ads, bright banners, posters in universities, modules in the press and on sites on the Internet for job seekers, as well as directly

searching and selecting employees with the specified characteristics described in the application.

HR companies also conduct seminars for personnel services and recruitment managers on the topic: What actions need to be taken in order to select the right personnel?

When an employee enters a restaurant, it is important for a manager to determine the level of his potential loyalty. There are four of them:

- Adherent
- Loyal
- Dissatisfied
- Oppositionis

Adherent (follower) is a candidate for promotion and promotion. You need to use it as an assistant, without a formal declaration. Encourage with words and observe carefully his ability to develop.

Loyal is a reliable employee who is satisfied with everything. "Workhorse". This is the foundation of the organization. You can rely on it, but you should not expect development from it. You can moderately motivate him for stable work. Moderate - means within the existing economic model. Losing such employees is not profitable. "Adherent" and "loyal" tend to maintain order in the organization. They are comfortable in this order [25,12].

The dissatisfied is the most difficult employee. Over time, he can move to both the "loyal" and "opposition" categories. The sooner the leader understands the trend of his movement, the better. Usually the "disaffected" tend to join - either the "loyal" or the "opposition." It depends on how the leader behaves. "You need to punish for the word, then it will be too late." One must punish a word with a word. Through grumbling, employees "check the boundaries" of acceptable behavior. The leader needs to demonstrate these boundaries all the time. Create a clear picture of what is permitted in the organization in the employee's mind. The "dissatisfied" creates disorder in the organization. The size of the mess should not be allowed to become large. Then it is difficult to deal with it.

The "opponent" is the enemy of the organization. This is the extreme evolution of the discontented. You need to get rid of it as quickly as possible. It is important to do this in such a way that other employees clearly understand what the "opponent" is punished / fired for. "Not because, but in order to." This needs to be openly explained, otherwise he will have the halo of a fighter for justice. This, in turn, will lead to a resurgence of such behavior. The "opponent" creates disorganization when order is destroyed and it is impossible to find the culprit in what is happening. It can be difficult to immediately return to order from disorganization

*Table 3.1*

**Types of characters of employee loyalty and their implementation in work activities**

Control functions	Adherent	Loyal	Dissatisfied	Oppositionist
<b>Planning</b>	He is ready to help the leader in developing a plan. Offers his help. He is ready to give all the necessary materials. Answer all questions	Quietly awaiting the end planning process. If a ask, then answer the question. They won't ask, they won't offer help	Nervous, waiting end of the process planning. Afraid that plans will difficult to do	Initially dissatisfied with everyone plans. "Things are getting worse and harder." "They are not there themselves understand what they want, that's all nonsense "
<b>Organization</b>	Asks questions in order to better understand the essence of tasks and to accomplish them in the best way. Helps the leader with this	Calmly accepts tasks. Clarifies details often during execution, according to	Upon receiving the assignment, he grumbles that it will take a lot of effort. That you can get by with the old methods. But it does	Perceives tasks negatively. By all actions he tries to show the stupidity of the leaders. Saboteur
<b>Motivation</b>	He is ready to discuss the details of motivation that will make it more effective and beneficial for the organization and employees	Calmly studies the motivation system, ponders how to do everything so that it is beneficial for him and the organization	Discusses motivation problems with employees, is afraid that it will not be very beneficial for him. Grumbles	Openly resent the approach to motivation. "They want to make us work for almost nothing."
<b>Control and feedback</b>	Ready for control. He gratefully accepts feedback, so it helps him become better	Calmly ready for control. Although it does not run up. Listens to feedback, but does not express much enthusiasm	Dislikes control. Afraid that not everything is in order. He perceives feedback with resentment "I'm trying "	Avoids control. Tries to evade. Lies in response to feedback, blames everything on external factors and on other colleagues
<b>Coordination</b>	Helps the leader, if he asks, to establish coordination in actions. Perceives himself as a manager's assistant	Takes part in coordination discussions. He does not try to refute the leader, but he does not go with advice	When discussing coordination, he tries to bargain for "special conditions" to make it more convenient - "local optimization"	When discussing sarcastically inserts remarks

The most problematic employee (opponent) is the one who does not consider his position as a real profession. It is this approach that we are now trying to reverse and inspire the staff that it is possible to climb the career ladder in a restaurant. "Temporary workers" believe that they may not comply with certain



requirements, not pay attention to the nuances. Therefore, it is important already at the interview to understand how important this work is and how much a person needs. If the applicant answers, for example, that “you need to feed your family,” then we can conclude that the person will work, and well, because he has a certain motivation to hold on to the job, earning money. In the case when the applicant is inclined to "see the world" and for this, including trying himself in different fields, then, most likely, he will leave after the first advance payment.

It should be noted that in the Geguti restaurant, in principle, there is no filter in the form of a deep interview, therefore the "entry threshold" for this job was quite low.

It is in the interests of the restaurant to focus on the first two types of employees, because they are the basis and foundation of any productive work team. In addition to thoroughly conducting interviews and selecting suitable candidates for the position, it is also worth training them, and doing this starting from the first working days of a new employee

The duration of the main internship should be about one month. During this time, the new employee will undergo adaptation and training

The main goals of adaptation are:

- reduction of start-up costs, as while the new employee does not know his job well, he works less efficiently and requires additional costs;
- reduction of anxiety and uncertainty among new employees;
- reduction of labor turnover, as if newcomers feel uncomfortable in a new job and unnecessary, they can respond to this by dismissal;
- saving time of the head and employees as the work carried out under the program helps to save time of each of them;
- development of a positive attitude to work, job satisfaction.

In addition, ways to include new employees in the life of the organization can significantly enhance the creative potential of existing employees and strengthen their involvement in the corporate culture of the organization. For the manager, information about how the process of adaptation of new employees is

organized in his unit can say a lot about the degree of development of the team, the level of its cohesion and internal integration [29].

The main task in this project will be training and adaptation of new future employees of the restaurant.

Training and adaptation of a beginner

1. Assessment of knowledge and level of preparation of the beginner.

This stage includes understanding what situations and options for solving problems are familiar or unfamiliar to the beginner.

2. Orientation.

This stage includes acquaintance of the beginner with his official duties and requirements.

3. Adaptation.

This stage includes getting to know colleagues, introducing yourself to a new position.

4. Functioning.

This stage includes overcoming the newcomer's production and interpersonal problems, fully fulfilling their job responsibilities.

Due to staff changes, there are two types of adaptation: primary and secondary. Primary - is designed for employees who have no experience, such as: graduates, trainees, interns. Its essence is a system of mentoring.

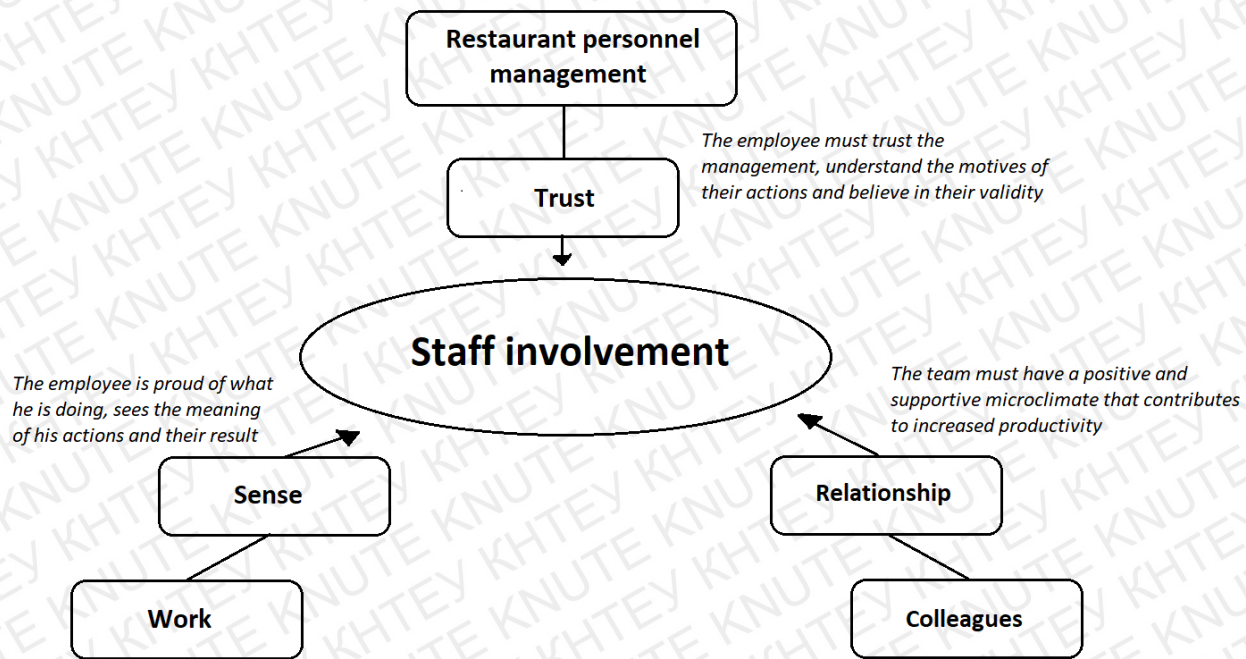
Mentoring system:

1) Personal contact, common topics, trust with the newcomer.

2) Analysis by the mentor of knowledge, skills, attitudes of the beginner.

3) Familiarity with all staff, features and structure of the restaurant, explanation of all principles of interaction between staff

4) The mentor clearly shows the newcomer how his duties should be performed, and then in the process of observing him, the mentor notices the newcomer's mistakes and discusses them with him.



**Figure 3.2 Reasons leading to staff turnover**

In addition, the mentor helps the newcomer to understand and navigate the internal mechanism of the restaurant: for example, what issues and to whom to address, what can and can not be done at work, provides moral support by helping to adapt to a new team and new workplace.

Secondary - is designed for employees who are already professionals and develop their skills and go to refresher courses, exchange of professional skills. In fast food restaurants, where the staff is low-skilled, the main emphasis is on primary adaptation. And in serious restaurants, where people come already quite prepared, the staff service is mainly engaged in the adaptation of the secondary, because a high level of service can be maintained only by highly qualified specialists. To improve the skills of employees, managers are recommended to conduct additional training of restaurant staff at trainings of restaurant staff.

There are also training centers where experienced and successful waiters, managers and managers share their experiences. Training takes place in the form of dialogue and master classes. Training is possible both individually and in groups.

Factors influencing the adaptation of young professionals:

- conformity of work of the specialty received in high school;

- the opportunity to diversify the work of the specialist, to make it more attractive;
- creation of conditions for intra-organizational mobility, creative creation and professional advancement;
- introduction of scientific organization of labor in the workplace;
- microclimate in the team;
- socially
- household supplies;
- organization of free time.

A comprehensive approach to the organization of work with young professionals, as well as its planning for the future are the basis for their successful adaptation, contribute to the growth of labor activity, training and professional skills. For a young specialist in the period of adaptation, a great danger is posed by an incompetent first manager, indifferent to his needs and requirements and creating various obstacles instead of help.

Also, when the internal policy for the selection, assessment and development of personnel is implemented, you can turn to external sources. For example, external trainings [19].

One of the options is to find coaches and outsourced specialists who will help give staff a better understanding of their profession, why it is important to follow the rules, and most importantly, what benefits the work will bring them, in addition to money. Communication, discipline, ability to work, the ability to solve diverse problems and conflict situations, as well as develop stress resistance. But for this, it is important to give employees a diverse experience.

One of the options for such an experience could be collaboration and rotation of employees between the restaurants of the partner network, the organization of local events (tastings), competitions, etc. The employee must understand that his work is not a daily routine, but an opportunity to gain new experience.

In this set of key elements lies the system of high-quality selection and retention of employees in the restaurant. Because a stable employee is a stable enterprise.

### **3.2. Improvement of HR management in the restaurant «Geguti»**

In the previous sections, the main modern systems of HR management in restaurant enterprises were considered, the organizational and economic structure of the Geguti restaurant was studied and analyzed, the main features of the functioning of HR management in this restaurant were noted, and a system for improving and optimizing work with personnel was developed based on the analysis data obtained from observation of a restaurant, as well as data obtained from an individual study of the restaurant's performance. This work was done with an emphasis on a large body of specialized literature, which was described at the beginning of this work. In this section, a system for optimizing and improving the mechanisms of working with personnel in the Geguti restaurant will be proposed, using the current knowledge and data obtained during the analysis of related material, as well as using various methods of personnel management.

The analysis of the enterprise revealed a number of problems that required appropriate attention. For example, with counteroffer:

#### 1) High staff turnover;

Personnel policy is an extremely important and difficult event for the restaurant business due to changes in the taste of visitors.

The activities of the personnel management department include solving various issues such as:

- Search and selection of employees
- Adaptation
- Assessment of personnel knowledge
- Motivation

There are many reasons for high staff turnover, and the job of an HR manager is to keep staff turnover within the normal range, because an increase (too much turnover) or even a decrease (lack of a fresh look) leads to destabilization of the enterprise.



**Figure 3.3 How high turnover can result**

This is an important remark, because there is no separate HR specialist in the Geguti restaurant, as a rule, either the manager (who monitors the work of the staff in the hall) or the director (who is engaged in organizational activities) deals with this issue.

2) Low threshold for entering the position of a restaurant employee

The organization of personnel selection consists of various stages. First, an analysis of the proposed job is carried out, which describes the general requirements for the proposed position, its main tasks and professional duties, the place and job limitation in the structure of the enterprise, professional contacts with various departments of the catering enterprise, etc.

There are various ways of recruiting staff:

Within the company (increasing the volume of work, extending working hours, corporate training, etc.)

Outside the company (resume processing, employment contract, temporary employment, advertisements in the "Vacancy" newspapers, recruiting sites work.ua, rabota.ua, etc.)

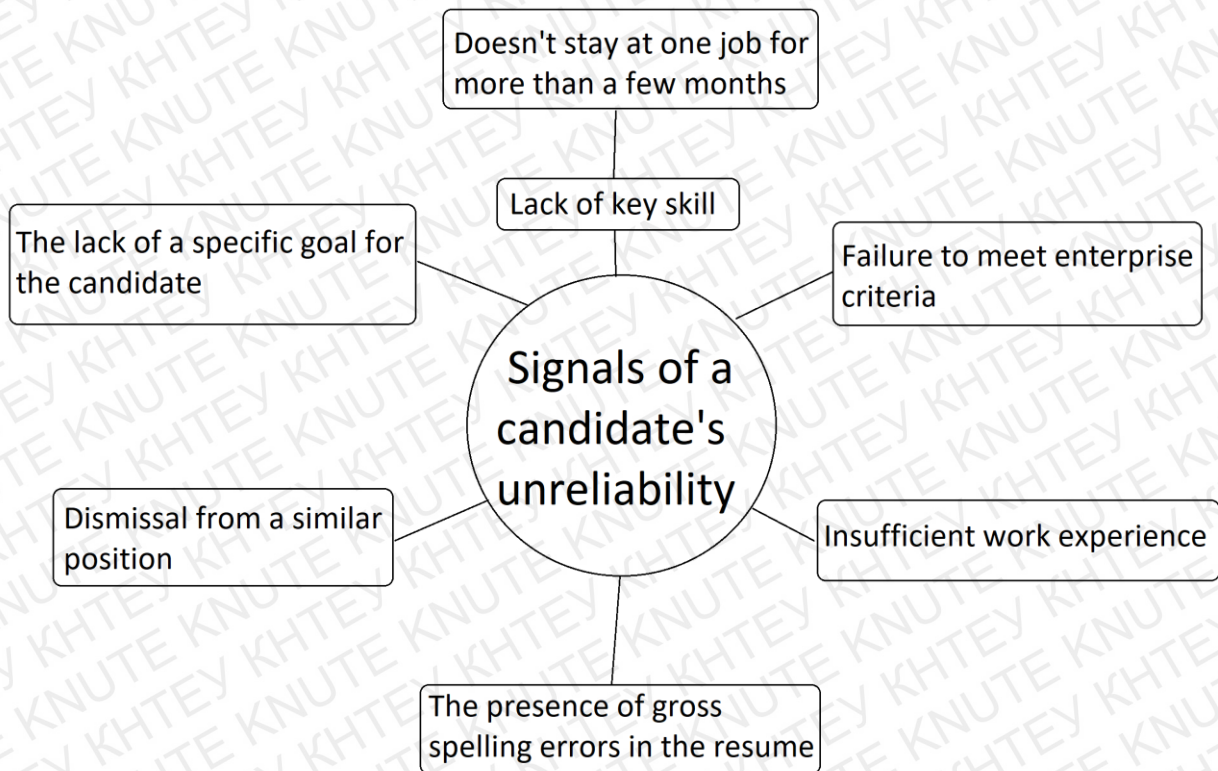
The next process is the selection of personnel. There are various methods, which include oral interviews, tests and surveys, various exercises, interviews, etc. Different organizations use different methods that depend on individual tasks, on the nature of the proposed position and on the number of applicants for it.

An important and most frequently used selection method is interview. On it, applicants are given the opportunity to feel more free to talk about their knowledge and work experience, as well as make their ideas and suggestions. Interviewers how to ask questions, how to build the whole process of the conversation and have a clear plan for it.

3) Low level of interview, which does not fulfill the function of "screening out" inappropriate candidates.

The previous point is in addition to this. the interview must perform the function of "weeding out"

All applicants who have sent a resume for a vacancy do not need to be invited for an interview. Otherwise, a lot of unsuitable people will come to the HR manager, and it will be a mutual waste of time. There are a different set of criteria that will help determine which person might be an unreliable candidate.



**Figure 3.4 Signals to read during the interview of a new candidate**

These are the main criteria by which you can determine the potential danger of hiring this particular employee. Additional parameters can be a high interval between new jobs, an excess of certificates of passing all kinds of curriculum, template resumes for different companies, or too template resume, non-professional email address, etc.

#### 4) Lack of an active training system for new employees

An active training system for employees in a restaurant is needed so that after the expiration of the internship, the newcomer becomes a full-fledged employee and member of the team. This is an important component of the restaurant's success, because it is the staff that presents the restaurant to the guests every day.

The most common types of training are:

- Primary
- Adaptive
- Additional (training for professional development)



Primary training is training in the base, as well as training in the most basic things.

Despite the fact that more than half of the employees in the restaurant business usually drop out after 6 months of work, it is necessary to responsibly conduct the selection, meeting the following requirements:

- determine what type and "temperament" the team needs a restaurant;
- determine the required number of personnel to form a working group;
- describe the professional and personal qualities of each employee.

Thus, having established the minimum entrance requirements, it is possible to form the primary team of the Geguti restaurant.

Primary training is aimed at building a restaurant operation system, therefore, it must necessarily include:

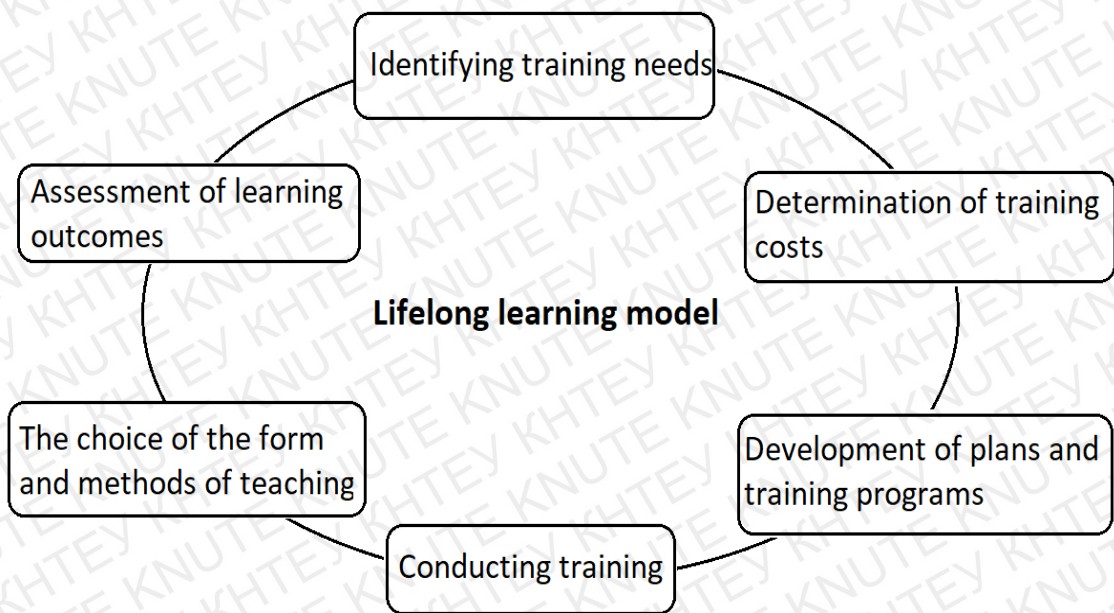
- introductory presentation of the restaurant: familiarization with the concept of the restaurant, its values, mission, menu, work schedule, announcement of the official opening date, etc.;
- safety rules: rules for working with various equipment and compliance with environmental standards, if the restaurant adheres to them (energy saving, waste sorting, etc.);
- standards of service for restaurant guests: training in the rules for dealing with restaurant visitors (greeting, accepting an order, settlement - general rules of conduct, methods of making payments in a restaurant (cash, non-cash, contactless payments, settlement of corporate clients with special cards, etc.), handling complaints;
- familiarization with the restaurant software;
- sanitary and hygienic standards: staff appearance, health requirements (passing medical control of all restaurant employees), uniforms, requirements for food storage, sterilization of dishes, use of gloves when preparing dishes, cleaning schedule, etc. ;

- training in personnel sales techniques (for example, training in consulting (recommendation) sales, familiarization with the most profitable items in the menu, which it is desirable to sell more often);
- familiarization with the restaurant's motivational system: material (salary payment schedule, advances, tip distribution policy) and non-material motivation (career growth, privileges, contests for the best employee, etc.)

Naturally, it is impossible to consider all the nuances in the learning process. They will be learned and corrected in the course of practical work.

Adaptation training is conducted for each new employee who arrives at the restaurant after completing the initial training.

For adaptation training, you need a mentor or mentor who will be engaged in the adaptation of new employees to working conditions in the previously worked out system. The mentor will be responsible for training the new employee.



**Figure 3.5 Employee training model**

Additional training is training, the essence of which is to improve the qualifications of an employee, with the aim of working for promising career growth. This kind of training is provided:

- in the restaurant itself;

- coaches and consultants who specially come to your institution for the period of study;

After the introduction of new reforms in the Geguti restaurant regarding HR management and personnel policy, we will have a formed team that is still experienced enough to work harmoniously and autonomously, but warm enough not to lose interest and motivation for learning something new .

Since the restaurant "Geguti" does not have an authorized full-time employee who could act as a coach or trainer, it is worth asking for help from a freelance specialist and conducting trainings at regular intervals.

According to various estimates, the cost of one day of training for one employee will cost the company the cost of one working day for an employee.

Depending on the intensity of the chosen course or training, the company invests a different amount of money.

The salary of one waiter for a 12-hour shift, including tips, is about UAH 950 (officially - UAH 360).

There are options for intensive seminars that take place 3 times a week for 1.5 hours, for 1 month. A total of 12 classes, costing UAH 3,000 / employee. Since the situation at the enterprise is far from stable, it is necessary to quickly train new personnel.

We have to send 3 employees to such seminars at a time, for two months (to train the team gradually). Thus, the team of waiters will be trained within two months.

Also, you can take advantage of other courses that will be conducted by specialists from the external environment.

Thus, in 4 months the restaurant team will take 2 intensive courses, after which it will be able to work more efficiently and bring more profit to the restaurant. The money for these courses can be allocated by cutting one or more of the restaurant's expense metrics charts. Either spend them from the reserve, and expect the costs to pay off.

The National Center on the Educational Quality of the Workforce (EQW) found in a study of more than 3,100 U.S. workplaces that on average, a 10 percent increase in workforce education levels led to an 8,6% gain in total productivity. Meanwhile, a 10 percent increase in the value of equipment increased productivity just 3.4 percent.

That is, one educational course can, on average, increase personnel efficiency by 8.6%, which means an increase in average monthly revenue.

For example, training 3 employees in 1 month will cost the company 9000 uah. Duration of training is 4 months. This means that the company will spend 36,000 hryvnia, but it will receive two increments of ~ 8.6% to the monthly profit.

For example, if the monthly income of a restaurant is 221,400 uah, then after 2 months it will be equal to 240,850 (221,400 + 19,450), and after 4 months - 262,007 uah (240,440 + 21,157). That, in turn, is equal to an increase in monthly profit by uah 40,607. This means that the annual profit will grow to theoretical uah 3 144 084, which is on average more than any indicator for the previous 3 years.

*Table 3.2*

**Financial model of the effectiveness of potential training of the team of the restaurant "Geguti"**

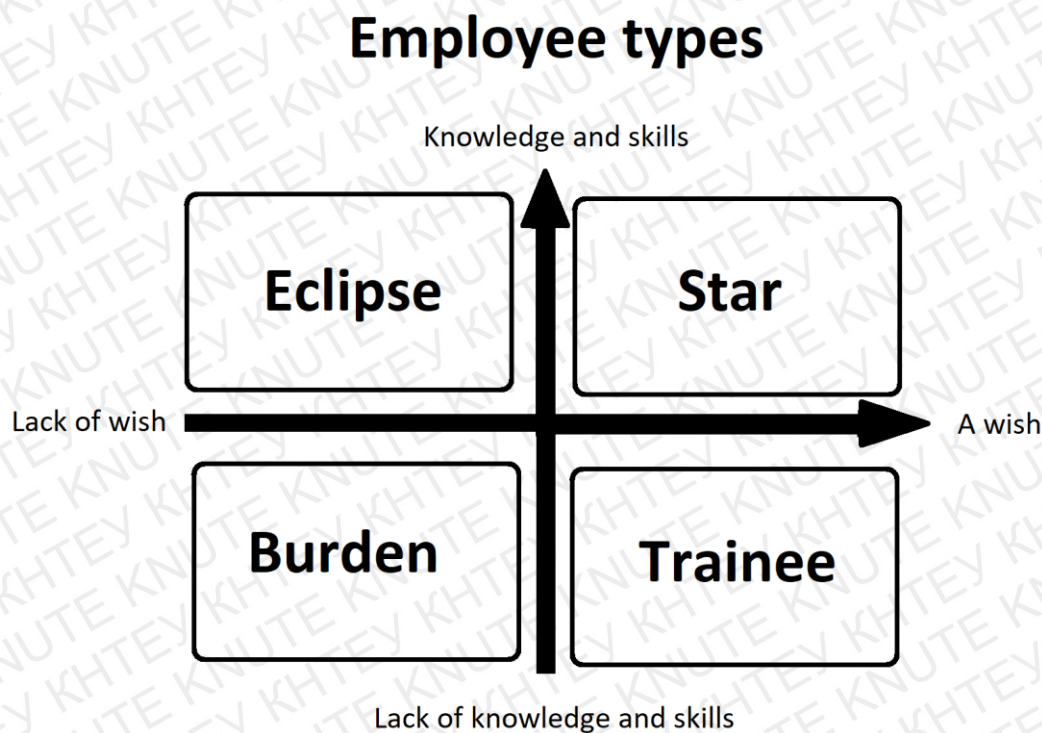
	Training course 1		Training course 1	
	Month 1	Month 2	Month 3	Month 4
The first active group of three workers	↑		↑	
Second active group of three workers		↑		↑
Spending on training (uah)	9 000	9 000	9 000	9 000
Growth of monthly profit on (in %)	4,3	4,3	4,3	4,3
Restaurant income per month (in UAH)	230 920	240 850	251 206	262 007
Growth in monthly profit (UAH)	9 520	9 930	10 356	10 801

Thus, in 4 months, the restaurant team will take 2 intensive courses, after which they will be able to work more efficiently and bring more profit to the restaurant. The money for these courses can be allocated by reducing one or several graphs of restaurant spending indicators.

#### 5) Weak staff motivation system

The Geguti restaurant has a rather weak motivation system for its employees. It is based, for the most part, not on rewards for good work, but on punishment for bad ones. This approach lowers staff morale, which in turn can increase the risk of employee leaving. Especially if you consider that the main part of the staff in the restaurant are the waiters, their welfare should be taken care of first of all [3].

Also, it will be useful to determine the mood of the new (and not only) employee, his attitude to work and the level of learning. Does the employee have a desire to work and develop, and how well he masters / uses the knowledge gained to increase his work productivity. Defining the "type" of an employee will help the HR manager determine who to rely on in the future.

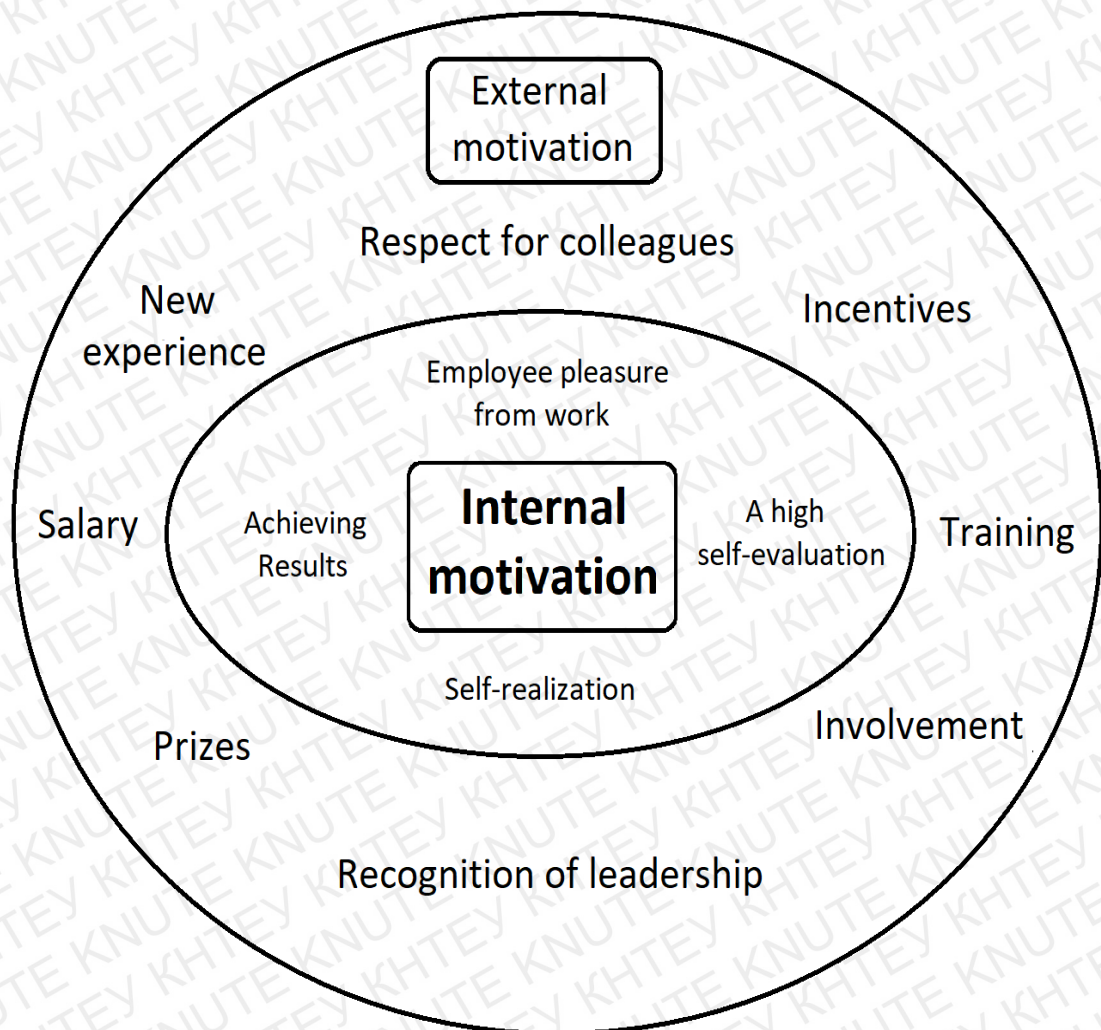


**Figure 3.6 Types of workers**

There are two main types of motivation:

"Internal" - associated with the pleasure that the employee receives from the very process of work, achievement of the planned result, as well as high self-esteem;

"External" - is related to the fact that the company provides the employee: salary, bonuses and awards, additional leave, career advancement, recognition and respect of management and colleagues, etc.



**Figure 3.7 Types of motivation**

These types of motivation are complementary, due to which the employee's desire to continue working at a particular enterprise increases.

#### 6) Lack of prospects

Prospects and career growth are a zone of "gray prospects" for a waiter. Climbing the career ladder in the restaurant business is difficult, but possible. It so

happened that the overwhelming majority of waiters in restaurant establishments are students who combine study with work. Studying makes it harder for them to devote more time to work, which in turn would stimulate career growth.

If a waiter is aiming for the position of a department foreman, manager, manager, or anyone else, he needs to learn a large amount of information. However, this is more a plus than a minus, because most of the restaurant owners were previously waiters themselves. The base in the form of service personnel allows you to better understand how a restaurant works "from the inside" and what kind of problems an ordinary employee may face[30].

Regarding the "Geguti" restaurant, the opportunity to become a restaurant manager is not available for a waiter, even in theory, but more than a manager. However, so that there is no conflict within the team, one of the effective solutions could be either the creation of an additional position in the restaurant (which would become part of the potential horizontal career growth for the employee), or rotation and collaboration of several restaurants from a neighboring chain, in order to provide employees with fresh experience. as well as creating a healthy competitive environment. As employees gain more experience, they will be able to recharge with enthusiasm, which will allow them to look at potential careers in the restaurant business from a new perspective.

In this thesis, an integrated approach to HR management in the restaurant business was considered, an analysis of the «Geguti» restaurant was carried out, weaknesses were identified, and then a system of methods was developed that can be implemented to improve the efficiency of staff and increase the net profit of the institution. The main problem of the institution was high staff turnover (the restaurant changed a large number of employees in a short period of time), which is why a weak team permanently worked in the restaurant, and in the years with the highest staff turnover the lowest profit was recorded. In the third section, methods for working with personnel were developed and proposed, which will increase their efficiency, especially considering that these methods are used in other, more successful restaurants, and these methods also increase the quality of work of

employees and their job satisfaction. The approximate cost of introducing these improvements was calculated, as well as the potential increase in the efficiency of the restaurant, adjusted for new methods of working with personnel.



## CONCLUSIONS

This work was a study of the object and subject of research;

The object of the study was the restaurant company "Geguti", and the subject of the study was personnel management in this restaurant, or "Eichar management at a restaurant company".

This work consists of three sections:

In the first section, the theoretical and methodological aspects of personnel activities at a restaurant enterprise were described in general terms, a comparative methodology for managing restaurants was described, and foreign relevant literature was also considered.

In the second section, an analysis of personnel management in the restaurant "Geguti" was carried out, an analyst was carried out regarding the personnel situation at the enterprise, and the organization of the enterprise as a whole.

During the assessment of personnel management in this restaurant, a number of factors were found that reduce the efficiency of the restaurant, reducing its potential productivity. Based on the indicators and the use of scientific literature on a given topic, the analysis was analyzed with the receipt of subsequent indicators, on the basis of which it is possible to develop ways to solve problems that are relevant for a given enterprise.

In the third section of this work, on the basis of the data obtained in the second section, the main problems of the enterprise were highlighted, and ways of their solution were proposed.

The main problem in the Geguti restaurant was the high staff turnover (the restaurant changed a large number of employees in a short period of time), so the restaurant had a weak team, and in the years with the highest staff turnover the lowest profit was recorded. The third section developed and proposed methods for working with personnel that will increase the efficiency of the entire team, especially since these methods are used in other, more successful restaurants, and these methods also increase the quality of work of employees and their job satisfaction. The approximate cost of implementing these improvements was

calculated, as well as the possible increase in the efficiency of the restaurant, taking into account the new methods of working with personnel.

However, it is important to understand that these recommendations will be most effective in a stable economic, social and medical situation in the country. As of 20/10/2020, the Ukrainian healthcare system diagnoses more than 6,000 new cases of COVID-19 infection per day, the country is on the verge of an economic crisis, and tourism segments such as restaurants, hotels and airports are suffering the most.

These recommendations will be most relevant during the period when some of the restrictive measures will be lifted and Kyiv will be in the "green zone" of quarantine.

## REFERENCES

1. Ally Weeks, Workforce planning practice – Sussex, May 2018
2. Andrew Moreo, Lisa cain, wen Chang, Antecedents and consequences of anger among restaurant employee
3. Awesome benefits of restaurant performance management and a human resources management system [Electronic resource]  
<https://blog.leanrestaurant.com/en/human-resources-management-system/>
4. Alaa Abukhalifeh, Human Resource Management Practices on Food and Beverage Performance a Conceptual Framework for the Jordan Hotel Industry – Malaysia, 2018
5. Carrie Louise Foster, HR for Non-HR Managers – expert insights, March 2018
6. Carrie Luxem, 5 HR Systems every restaurant should focus on improving – 2020
7. Caroline Opolski Medeiros, Suzi Barletto Cavalli, Rossana Pacheco da Costa Proenca, Human resources administration processes in commercial restaurants and food safety: actions of admisitrators – Brazil, 2016
8. David K. Hayes, Jack D. Ninemeier, Human Resources Management in the Hospitality Industry – 2015
9. Erin Roberts-Hall, Employee training pays for itself – May 2015
10. Elena Persiyanova, Viktor Kosenko, Information and software support of the HR manager of an it-company – March 2018
11. Elena Lylova, Transformation of the HR Management in Modern Organisatio – January 2020
12. Frederick J Zimmerman, Restaurant Advertising and Population Health – October 2020
13. Ghalamkari, N. Mahmoodzadeh, N. Barati, A. ChikajiM The Role of HR Managers: A Conceptual Framework – Kuala Lumpur, April 2015
14. Hitesh Rohra, Human Resource Management of KFC – Mumbai, September 2015

15. How to Create a Human Resource Structure for Restaurants [Electronic resource] <https://www.posist.com/restaurant-times/resources/human-resource-structure-for-your-restaurant.html>
16. Jayaraman S, Restaurant Business – October 2020
17. Kim Hoque, Human resource management in the hotel industry [Electronic resource] - <https://carri luxem.com/5-hr-systems-every-restaurant-should-focus-on-improving/>
18. Kevin S. Murphy & John A. Williams, Human Resource Management High-Performance Work Practices and Contextual Setting: Does Industry Matter? A Comparison of the U.S. Restaurant Sector to the Manufacturing Industry – November 2020
19. Liakh I.O., Lytvyn O.i., HR Management by Values as an Innovative Way to Improve Personnel Work- June 2020
20. Matthew Brew, Training... why does it matter? – 2019
21. O. E. Pudovkina , CONCEPT OF HUMAN CAPITAL IN THE HR-MANAGEMENT STRATEGY AND TRANSITIVE ECONOMY – Syzran, April 2020
22. Patrick M. Wright, Human Resource Strategy adapting to the age of globalization – 2017
23. Sivachandry Sundarrajh, A Case Study on Improving Value Proposition of Fast Food Restaurants - December 2019
24. Sandeep K. Krishnan, Creating a compelling employee value proposition, August 2018
25. Teresa Thompson, 8 HR Tips to Make Restaurants More Successful –March 2019
26. The restaurant times [Electronic resource] <https://www.posist.com/restauranttimes/resources/human-resource-structure-for-your-restaurant.html>
27. Uday Vasant Dokras, Project HR Management –Stockholm, June 2020

28. Udo Thelen, Miriam Hagerbaumer, HR-Management und Corporate Learning  
– September 2019
29. Victoria B.C., Human resources in the food service and hospitality industry
30. Restaurant management tips to approve the way you work, getsling - 2020