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To Link this Article: http://dx.doi.org/10.6007/IJARAFMS/v3-i2/10473 DOI:10.60

DOI:10.6007/IJARAFMS /v3-i2/10473

Received: 10 April 2013, Revised: 11 May 2013, Accepted: 29 May 2013

Published Online: 16 June 2013

In-Text Citation: (Nzonzo & Chipfuva, 2013)

**To Cite this Article:** Nzonzo, J. C., & Chipfuva, T. (2013). Managing Talent in the Tourism and Hospitality Sector: A Conceptual View Point. *International Journal of Academic Research in Accounting Finance and Management Sciences*, 3(2), 120–128.

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### Managing Talent in the Tourism and Hospitality Sector: A Conceptual View Point

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### Abstract

This paper provides a conceptual analysis of managing talent in the tourism and hospitality sector. The sector, which encompasses the leisure and business travel industry, is a vital sector to many African national economies. Furthermore, due to the highly service orientation nature of this industry lately, strategic importance has been placed on ensuring that employees with the appropriate skills and knowledge are effectively recruited and retained. Resultantly, actions such as the modernization of tourism training systems, more versatile working methods, flexible working hours and the leverage of existing employees' skills and competencies are key to this industry's success. It is against this construct that this paper attempts to evaluate the extent to which talent management strategies adopted in the industry contribute to organizational effectiveness. A critical analysis of avalailable print and online materials was undertaken. The findings indicate two main themes emerge from the research; firstly, a positive correlation exists between talent management strategies adopted and the creation of global competitiveness; secondly, institutional culture has an impact on the adoption of strategic planning which in turn, has an impact on talent management. The implication of this study is that it will enable policy makers and the relevant stakeholders to come up with various ideologies, perspectives and interventions that enhance talent management. Finally, this paper concludes by offering new insights to the discourse of talent management in the tourism and hospitality industry.

Keywords: Talent Management, Strategy, Competitiveness, Practices, Tourism & Hospitality.

### Introduction

Recent trends in the tourism and hospitality industry indicate that tourists are becoming more aware of the wide diversity of people and environments in Africa, from its fantastic wildlife and natural landscapes to its intriguing and cultural historical heritage. It is not surprising though that Africa has now become a destination of choice. The significance of the tourism industry is reflected in the World Toursim Council Report (2011) which indicates that there were 18 million jobs in the sector during the period under review. In addition, (Blanke and Chiesa 2008b) mentioned that the tourism industry accounts for 10.4% of Gross Domestic Product, 12.2% of world exports and 9.5% of world investments. Furthermore, the highest

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percentage growth rates in tourism investment have predicably been seen in Asia and some parts of Africa and the Middle East. However, despite the heavy investment in terms of cultural and historical values there has been a serious neglect of the ongoing importance of essential skill proficiencies in developing countries. Furthermore, structural changes that have occurred specifically in Southern African over the past decades have shown great strides towards greater capital and skills development intensity (Olorunfemi & Raheem, 2008). However, while we acknowledge that the economic fundamentals are in place at the macroeconomic level, the governments are now recognizing that further strengthening of economic fundamentals at the micro economic level is critical. This has provided the necessary stimulus for growth, particularly in the tourism and hospitality industry. In addition, education and skills development has been aligned within the wider social and economic objectives of national development plans. For instance, Botswana has adopted National Development plans which among other fundamentals aim at ensuring that appropriate skills are developed and harnessed in most industries and the tourism industry is not exempt. As such, research aligned within the context of talent management in the tourism sector has become an issue of strategic importance.

Worldwide, there are many university programmes for (predominantly managerial) careers in tourism, and many universities also have international departments, which attract students to full-time programmes or shorter exchange courses (Hjalager, 2003). However, despite such educational advancements in some african countries the tourism sector's educational needs have long been ignored as a sector that could stimulate economic development. This paper attempts to evaluate the extent to which talent management strategies adopted in the tourism and hospitality industry contribute to organizational effectiveness. It begins with the literature review and conceptual framework. Lastly, the paper recommends appropriate Talent Management Intervention Strategies and winds up with a conclusion.

#### Literature Review and Conceptual Framework Talent Management Definition

According to Burbach and Royle, (2010) Talent Management (TM) should be viewed from three perspectives firstly; TM should be seen as a combination of standard human resource management practices such as recruitment, selection and career development. The second perspective focuses on the creation of a large talent pool which has the requisite skills and knowledge necessary for an organization. The third perspective regards talent as a resource to be managed primarily according to performance levels or as an undifferentiated good, based on the organizational needs. As such, talent management is an umbrella phrase which includes employee recruitment, retention, performance management and human resource development. Effectively talent management enables organizations to successfully compete in an increasingly global economy by effectively identifying, harnessing and retaining the human power within.

Human resources are a critical element in achieving a competitive advantage. This is supported by Singh and Point (2004) who mention that human capital is a source of unrivaled advantage in a competitive and complicated world. Therefore, talent management should form an integral part of the central activities underlying human resource management. Without properly established and designed talent management procedures, there is a potential that unqualified and incompetent employees end up being employed. Talent Management has the capacity to form a key part of the process of managing and leading

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people in order to meet organisational objectives and improve efficiency and effectiveness. Demographic and structural changes within the labour market demand responses which take tourism recruitment beyond its traditional youth pool into consideration of mature worker alternatives (those returning to work; seeking a career change; retirees). This, in turn, has major implications for relative remuneration, working conditions, employment security and related issues (Baum, Amoah, & Spivack, 1997). The subsequent paragraphs highlights some critical aspects regarding managing talent in the tourism and hospitality sector.

#### **Conceptual Understanding of Talent Management**

Another constraint to talent management is a confusion regarding what constitutes talent management in the tourism and hospitality industry (Christensen and Rog, 2008; Collings and Mellahi, 2009). Uren (2007) identifies TM as comprising of five elements (attract, identify, develop, deploy and engage) to assist the building of sustainable capability, whilst the CIPD (2006c) recognizes it as a process where an organisation identifies, manages and develops its personal through a "talent pipeline" (CIPD, 2006c,). Talent Management describes the identification, development, retention, and deployment of 'talent' in an organisational context" (CIPD, 2006a). Resultantly, it becomes difficult to incorporate a fuzzy conept in the strategic direction of the companies in the sector. Furthermore, the concept becomes subject to varying misconceptions in terms of analysis and interpretations.

#### Nature of the Industry

As a service industry, tourism is highly labour intensive, and in this context, the management of employees working in the industry is a critical function (Grobler & Diedericks, 2009). The need for talent management is based on the fact that talent management improves performance which drives productivity (Cheese, 2008) and competitiveness (Baum 2012). Furthermore, a well trained workforce is key to satisfying tourist demand and within the fiercely competitive global tourism environment, prospective travelers are continuously faced with more information and options. This therefore calls for more emphasis to be placed on talent management. However, talent management in could be better understood by applying the cross-cultural perspective, and researching good management practices based on different management systems across the globe. However, the findings of studies in accross the globe exhibit inter-country differences each with its specificities. As such growth in hospitality and tourism programs in the past ten years should be able to address the growing labor and talent needs of hospitality firms (Hsu, 2012). Elements of discrimination may also be glimpsed in the way that people perceive the identification of personnel in recruitment and promotion situations. If candidates are selected beforehand, it results in a merely formal, procedural charade to bless the predetermined choice. But, in the absence of proper talent management procedures it therefore becomes a challenge to effectively utilise human talent (Baldacchino, 1997).

#### Nature of Jobs

The development of a tourism industry, may not always seem desirable, especially if the tourism and hospitality sector is associated with low-paying menial jobs. As such local people prefer to be involved through equitable collaborations which aim at maximizing the economic and social benefits to employees as well as the local community (Jurowski & Liburd, 2001). Poor image of the industry to qualified graduates and higher labour turnover is an indication that the tourism and hospitality industry will face greater challenges in talent management

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than other sectors (O'Leary and Deegan, 2005). This coupled with ambigous attitudes to investment in personnel development, inflexible employment and an unsustainable approach to its development (Jithendran and Baum, 2000) work to constrain the success of talent management in tourism and hospitality organizations. Consequentially, many entrants to work in the sector do so with expectations of temporariness (Baum, et al., 1997) as they wait for better paying employment opportunities. Additionally King, Mckercher and Waryszak (2003) suggests that graduates from the tourism and hospitality industry have no intention of entering the industry upon graduation. This is a drawback to Talent Management as this constitutes a leakage of key skills to other sectors in the economy. However, Baum (2006) points out the fact that the negative perception of the industry should be viewed with restraint as some industry professions are considered exciting.

#### **Recruitment of Talented Employees**

Hospitality businesses in peripheral locations face particular challenges, none so more than in terms of their access to quality human resources. Studies suggest that the workplace and personal needs of international workers, who have recently arrived in a country, are different from those of the native local staff. The basic level of educational attainment of international workers in hospitality is high, suggesting short-term over-qualification relative to the demands of the job (Baum et al., 2007). This results in a complexity in Talent managtement as the process must encompass both expartriate and local staff. In some cultures, a greater dependence on word of mouth and recommendations of those first employed may be more effective while in other cultures formal procedures may be required. Some of these have contributed to the formation of stereotyped perceptions about certain cultures. For individuals who would have grown up in communities where members are of a more or less homogeneous cultural background, a hospitality management experience can be a refreshing change. The experience can change one's perception of the world and broaden frames of reference in a way which is unique to the hospitality industry. Thus, even for people who do not want hospitality management as a long-term career, it can be a beneficial and enjoyable episode in life (Mkono, 2010). If, however, they are placed in positions for which they do not have the skills, it will be difficult to retain them as employees and the goal will be lost. A skills analysis measure will provide the tools for appropriate placement of individuals. In addition, the tools can be used to determine the type of training necessary to equalize income (Jurowski & Liburd, 2001).

Another critical component is the notion that TM practices depend on the size and strategic focus of the organization. Thus, in hotels belonging to large chains, vacancies are well-advertised both internally and externally, the managers have thorough knowledge of employment and discrimination regulations and they are trained in interview and selection techniques. However, in small hotels recruitment is often based on word of mouth and local advertising. Thus, occupational segregation is higher in smaller establishments (Campos-Soria, Marchante-Mera, & Ropero-García, 2011). This analysis highlights two main issues, one of the dependency in the make-up of the local workforce (or that which can be introduced into the local environment) which inturn has a direct influence on the standards and character of the tourist offerings which can be prepared and presented to visitors. For instance, if local art and craft skills are not developed within the education system or at community level, it will not be possible to offer this dimension to visitors. Therefore, in an enterprise seeking to instill values of workplace harmony and a where a strong common vision is nurtured amongst all employees, the manager generally facilitates a strong work ethic for the good of the

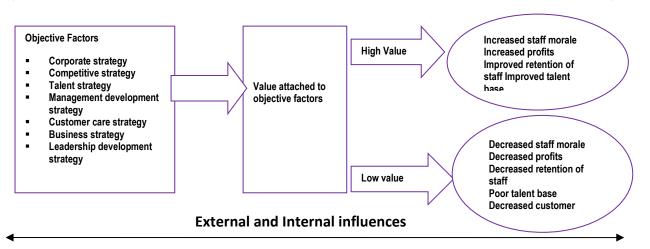
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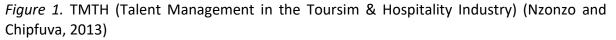
enterprise whilst simultaneously caring for the individual employee (Nicolaides, 2006). This inturn has links with the business strategy and in determining a business strategy, it is important to take cognisance of the existing talent within the company. The strategy will indicate where the company's vision, usually within the next five years. With the strategy in place, the HR department, in conjunction with line managers (normally within each discipline, namely, Marketing, Finance, Production, and Research and development), it will also identify the competencies needed to achieve the company's goals (talent demand) (Grobler & Diedericks, 2009). Talent Management in the tourism industry needs formal processes, stakeholder participation and strong links between leadership and talent so that specific industry oriented skills and attributes can cascade to all organisational levels.

#### An integrated framework for Talent Management in the tourism sector

From the critical analysis of literature we therefore propose the TMTH (Talent Management in the Toursim & Hospitality Industry) model. The model is based upon the notion that there are objective factors that are essential within the tourism and hospitality industry in order to achieve competitive advantage such as talent pool. The objective factors identified here are in the form of strategies that the organization intends to adopt. These objective factors will therefore have an impact on the value attached to making talent management initiatives a success. If the value attached is high then the outcomes will be very high and the opposite happens if the value attached is very low. One key aspect of this model is that it takes into account external and internal environmental factors which have an impact on the adoption and implementation of policies within the context of talent management. These factors affect at every level of the model, they include economic conditions, legal environment, and current skills levels in the organization. Therefore, the hospitality industry characteristics and structures provides some insights into factors influencing the selection of the industry as a career choice and the obstacles that managers face in attracting, retaining and developing talented managers (Watson, 2008).

#### External and Internal influences





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#### Recommendations

There is a need for a cogent policy framework for talent management within tourism and hospitality: first, that of quality service attainment as central to a successful tourism and hospitality sector, and, second, that there is a role which public education and training can play in achieving such quality (Baum, et al., 1997). Human resource managers in the hospitality and tourism industry should be in a unique position to recognize, respect, and facilitate understandings of the value of sustaining local diversity in the global commons (Jurowski & Liburd, 2001).

There is need for the hospitality and tourism industry to develop a common understanding of the concept of Talent Management. This will encapsulate into international talent management standards which encapsulate the general hospitality and tourism industry. In addition there is need to create human resources management infrastructure to support all hospitality businesses which should improve recruitment practices, employee development, performance management and managing talent.

There is need to change the negative perception of the industry and the development of a 'career culture' which drives the young workforce to enter the industry because currently graduates that do enter the industry are only working there in the interim until they get a job with a career path (Cairncross & Buultjens, 2010). This is so because employees want to venture into an industry that offers them with prospects for career development. This is further supported in a research by King et al. (2003) who said approximately half of Melbourne and Hong Kong tourism and hospitality graduate respondents never entered the industry or if they did, they left within a few years.

The smaller sized hotels must take into account the availability of a diversity of sources of employee recruitment. Reliance on simplistic methods such as word of mouth advertising will not enable them to attract a pool of talented tourism and hospitality employees and thus compromise on TM.

#### Conclusions

The analysis recognizes that the tourism and hospitality area, in human resource policy terms, faces fragmentation and is subject to the influence and, frequently, divergent priorities of a number of agencies with competing priorities and agendas (Baum, et al., 1997). The resolution of these issues determines service quality and competitiveness at the firm and industry levels. Part of the solution leads back to hospitality education. The hospitality industry benefits from improvements in the curriculum of hospitality management departments through well prepared and highly motivated graduates who are willing to work in hospitality firms. The hospitality industry can support these improvements by participating in research efforts, strengthening coordination with hospitality education institutions, and connecting with students by providing positive learning experiences (Hsu, 2012). This paper has also drawn attention to many of the potential avenues of research that remain open to critical enquiry. There are partial insights from studies that have been undertaken broadly in management research, including innovation and knowledge transfer as well as TM in other sectors, but much remains to be done in the tourism sector. Organisational effectiveness and efficiency is no longer measured by the profits an organisation makes. Rather, the talent it posseses in the form of its employees skills and competencies, leading to organisational capabability has become a key input in a highly competitieve business environment.

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#### Limitations and Future Research

Like other research methodologies there are bound to be limitations and one needs to be cognisant of these limitations and take appropriate steps to mitigate their influences (Alvesson and Deezt, 2001). The conceptual analysis was generic in nature and therefore a more contextualized empirical approach needs to be adopted at local or regional levels to cater for environmental dynamics. This then calls for more longitudinal research to be conducted in order to compare and contrast talent management in the tourism and hospitality from a cross cultural perspective.

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