**Theme Editors overview of the strategic question**

***Is talent management a strategic priority in the hospitality sector?***

It is ten years since this journal last presented a special edition of WHATT on the theme of talent management (TM) (D’Annunzio-Green, Maxwell and Watson, 2008). It seems timely therefore to reflect on the last decade and review developments in the field to examine how TM has evolved in the hospitality context, the challenges that currently exist and what the future holds.

In the 2008 edition we found that, despite many associated challenges, TM was viewed as a useful managerial tool in the search for and development of talented individuals who could have a positive impact on their organisations. The research showed, however, that there were a range of definitions of TM and a wide variation in interpretations of its meaning and how it was organised across the hospitality and tourism sector. This elasticity in understanding was not surprising given the wide range of human resource (HR) processes associated with the TM pipeline, and we found that re-branding the areas of retention, recruitment, development and transitioning of employees under the banner of TM had widespread appeal. The papers published in the 2008 edition, examined TM in practice and exposed interesting insights into a range of challenges facing hospitality and tourism operators at that time. It concluded that:

* In many cases, approaches to TM were organisation specific and driven by internal expertise and available resources rather than by a proactive strategic vision.
* Organisations were tailoring their TM approach to fit their own context, but with less regard to providing an appropriate supportive environment to enable a person-centred approach to TM.
* The nature and extent of the approach adopted varied depending on organisational priorities and resources. In many cases these were scarce and stakeholders were overwhelmed.
* Organisations were practising a range of TM policies, each with subsequent positive and negative implications. These policies included: self-reported best practice around inclusive and exclusive approaches; a focus on individuals and groups of employees; informal and highly structured programmes and HR and line management-led initiatives.
* The issue of ownership and responsibility for TM initiatives was still unclear. While stakeholders were very aware of the need to engender commitment to the principles and policies of TM at all levels, there was less evidence of these being implemented in practice.
* Hospitality and tourism labour market characteristics both positively and negatively influenced the development of talent in organisations – for example, high labour turnover offered some advantage in opening up promotion opportunities for employees, but in some cases forced employees into premature promotions with little transitional development support and therefore had a negative impact on the employer’s brand and reputation.

Over the last decade, there have been many excellent conceptual articles and practical examples of TM and much ongoing debate about the breadth and definition of the area. In line with recent discussion that “a more mature approach to talent management requires the development of talent management systems that are closely aligned with the strategy and context of the organisation for which they were developed” (Collings, 2015. pp255), this theme issue examines the question: “*Is talent management a strategic priority in the hospitality sector?*”.

So what is strategic talent management (STM) and why is it important in the hospitality sector? Competitive pressures, industry advancements and market conditions in both national and global arenas have compelled hospitality organisations to review their management of resources (Horner, 2017; Baum, 2008; DAnnunzio-Green, 2008). In response to these challenges, there has been a significant shift over the last three decades towards optimal management of the *human* resource, in which employees are regarded as a company's most valuable asset. This re-evaluation emphasises STM as an integrated and sustainable approach to enabling a flow of talented people in the hospitality business and one that stipulates the concept of “fit” between TM policies and the overall corporate direction of travel as being fundamental to success (Miller, 1989). Drawing on Gratton (1999), who discusses this in the context of human resource management (HRM), the integration of business objectives with TM activities has to take place at both the horizontal (integration between the various TM interventions) and vertical (integration between business strategy and TM policy) levels. This strategic approach places TM policies and practices “centre stage” within successful hospitality businesses. But this is only part of the picture. Being attentive to individual employees *and their wellbeing* is inextricably linked to business imperatives around TM. Internally, this necessitates a particular approach where line managers at all levels, HR managers and individual employees have a role to play in the STM process in identifying, nurturing, supporting and developing talent.

**The benefits of strategic talent management**

The benefits of STM are well documented (Harro and Miller, 2009; CIPD, 2016). These include high retention rates and employee satisfaction, positive organisational reputation and external employer brand, and a high level and volume of appropriate talent flow in the organisation, supporting and enabling future growth.

Driving the high level of academic and practitioner interest in the area of TM is a belief in the link between TM processes and business performance as illustrated by the “AMO” framework (Boselie, Dietz and Boon, 2005; Boxall and Purcell, 2016). This framework proposes that employee performance (P) is a function of the employee’s ability (A), motivation (M) and opportunity (O) to perform, as depicted by the following P = f (A,M,O) (Collings, 2015: 250).

The following practices and policies that make up TM are critical to each part of this equation:

* Recruitment and selection systems that identify those with the required abilities,
* Developing these skills further once in post and improving on skills that are weak or lacking,
* Managing employee performance on an ongoing basis,
* Providing employees with the appropriate support and development to give them the opportunity to perform well in their jobs,
* Providing an engaging and highly motivating work environment to allow employees to give their best effort,
* Equipping line managers at all levels with the necessary leadership and HR skills and knowledge to enable “AMO” aspects of employee performance.

Research also suggests that employers are “drawn to TM for reasons of legitimacy rather than performance per se. Managers feel they *should* have TM programs to be perceived as legitimate organisations with a strong people management focus” (Collings, 2015: 255)*.* Our previous research in the hospitality sector (D’Annunzio-Green, Maxwell and Watson, 2008) confirmed this through the number of respondents who *claimed* to have a TM strategy but found it hard to articulate what they defined as top talent in their organisations. Therefore, while TM makes good business sense from a performance and reputational perspective, it is fiendishly difficult to achieve, especially in fast-moving, ever-changing hospitality environments with issues of skills shortages and high labour turnover.

Strategic talent management has a number of “cornerstones”, which are fundamental for successful STM. These are described in greater detail in the following sections.

**Senior leadership commitment and strategy development**

Close collaboration is needed between *all* levels of leadership, with leaders either working closely with HRM colleagues or having a good knowledge of HRM policies (in SMEs for example). This calls for a partnership approach to STM. For TM to be strategic there needs to be a commitment at senior leadership levels to providing the resources, time and high levels of capability required to carry out the technical and procedural aspects of TM. A partnership approach is required where line managers at all levels are attentive to the link between TM and the organisation’s direction and scope. A distinction is drawn between the role of top leaders and that of middle managers or supervisors. The former are responsible for showing transformational leadership by creating and communicating the organisation’s mission strategy and values, and by motivating employees to buy into their vision for future success. Middle managers and supervisors demonstrate their ability to inspire, encourage and facilitate career transition by instilling commitment and cooperation in employees. In this way, every leader plays a crucial role in promoting the implementation and sustainability of STM.

There are challenges here, however. In the hospitality sector (as in many other areas of business) there is often a knowing–doing gap within the management population, in that they are *acutely aware* of, for example, the strategy they should be aiming for or the resourcing problems they are experiencing, but are unable to implement the required action to solve the problems due to lack of time, resource or expertise. These day-to-day work demands cause managers to act in ways that may contradict the company’s strategic objectives because there are pressures to act or react quickly at local level that require immediate actions rather than thought-through and strategically aligned solutions.

**Alignment with external and internal hospitality contextual trends**

It is important for organisations to have an understanding of external and internal trends that may influence TM so that they can make adaptations to the organisational culture or strategy. This could be in terms of process, employee behaviours, competencies, attitudes or values that influence success. Stakeholders require an understanding of the business’s unique selling point and how that translates into excellent employee performance, and this needs to be integrated with the TM process. This is necessary because of the dynamic and growing diversity and sophistication of the hospitality sector and changes in the skills and abilities that employees require. An interesting review by Solnet et al (2016) outlines a number of trends that will influence TM strategies within the next 15 years. These include, for example, demographic change resulting in older hotel consumers and a labour market with a greater supply of older employees. There will also be competition for recruiting younger employees due to ongoing debate about the attractiveness of the hospitality sector as an employer and increased competition from other sectors, forcing a widening of the recruitment net to a more diverse workforce (Solnet et al, 2016).

Another influential trend is the growing demand for the “experience economy” (Pine and Gilmore, 1998) where, in the context of the hospitality sector, customers seek to gain more power and control of their experience by interacting more closely with the organisation (Solnet et al, 2016). This has an impact on customer-facing staff, requiring them to up-skill in areas such as emotional and social labour and hospitableness, to help enable co-creation of experiences. Talent processes will need to address these skills as well as those of adaptability, creative problem solving and dealing with unpredictability. This is in addition to technical skills in knowledge-based positions relating, for example, to technology and specialist expert positions in niche markets (Solnet et al, 2016).

These examples highlight the importance of horizontal integration and alignment of TM policies with organisations’ strategic direction. The skills required of often scarce and transient customer contact staff to create memorable and satisfying customer experiences require superior social and communication skills, and place pressure on TM processes to provide the appropriate levels and types of recruitment and development interventions.

The growing trend for social media and peer review sites has changed the relationship between customers and employees as they share experiences, rate services and post reviews. This has elevated customer service and quality of product to be true value creators and business differentiators and has an impact on customers and staff. The balance of power has tilted towards the guest, and there is increasing pressure on service providers to exceed expectations and solve problems quickly, often in the public gaze. As technology reduces both the number of service encounters and opportunities for service recovery, every customer service interaction counts. The quest for great customer service has never been more important to company brand image. The industry has always focused on guest satisfaction but TM strategies now need to support these changing trends by developing aligned recruitment and training solutions. In this way, customer service will make a lasting impact by “getting it right first time”, offering exemplary service and a high degree of hospitableness, taking customer service a step further and offering the guest a genuine and authentic customer service experience.

This desire for an “experience” is important to consumers, but it has also permeated the employment relationship, as evidenced by the emergence of job titles such as “employee experience manager” within the HRM departments of some companies. The value of the employer brand (an accurate portrayal of employees’ experiences in the workplace), which up to now has been communicated and controlled through employer-owned websites, is now being controlled equally (or some may say more so) by employees, with the emergence of employee experience sites such as Glass Door, a website where employees and former employees anonymously review a company and its management. This communicates unfiltered employee views of what it is like to work in the company. The reputational impact of this will encourage companies to focus further on improving the employee experience through TM processes as a generator of value.

Strategic talent management also requires a strategic awareness of the changing nature of the labour market and how it is perceived, especially among and across generations. There has been a recognisable labour market shift over the last ten years from job security to the more elusive concept of employability as the basis of the employment relationship (CIPD, 2016) and individual career aspirations. This employability-based model, defined as being “focused on supporting workers’ employability over the course of their careers and with multiple employers, rather than providing continuous and long term employment in an organisation” (CIPD, 2016: 2), may change how companies and leaders view and strategically plan for talent development, as well as how employees engage with these processes. The need and desire to remain *employable* is overtaking the pursuit of a longer-term career path within one organisation. These changing trends raise questions for those responsible for designing, developing and enacting TM processes around, for example: the motivations for employees and managers to develop individuals and the sort of development that is offered; the types of career paths and transitions that companies offer (exclusive or inclusive); the locus of control in career transition decisions and how these decisions are made; the impact on employee and line manager responsibilities; the implications of a more equal power balance and agency between employee and employer; where the responsibility for TM lies; and the extent to which organisations are planning strategically for these changing trends and shifts in the employment relationship. The CIPD (2016) particularly highlighted the role of line managers as key influencers in the talent decision-making process on a day-to-day basis, making flexible, autonomous and discretion-based decisions about their employees’ talent and development opportunities. This will now be examined in more detail.

**The role of the line manager in strategic talent management**

Strategic talent management brings about greater responsibilities for line managers with regard to recruitment, team and individual leadership, performance management, skills development and succession planning. Line managers are defined here as any managers at any level that have one or more direct reports for whom they are responsible. Their diverse and complex roles have come under the spotlight as part of the HR transformation agenda relating to devolvement of HR responsibilities to line managers (Renwick, 2003; Bratton and Gold, 2017; Francis and Keegan, 2006; Francis, 2016). This has created a number of challenges as managers struggle with the time, expertise, attitudinal challenges and tensions associated with these new responsibilities.

Renwick (2003) reports that devolving HRM to line managers has brought about mixed responses. On the positive side, line managers are willing to accept responsibility and accountability for sharing HR duties with HR colleagues. They take a professional attitude to this and are able to see the career benefits from being involved. Negative aspects, however, include work overload, leading to feelings of being “dumped upon”. Many line managers tend to consider HR tasks as central HR responsibilities instead of their own (Buyens and De Vos, 2001). Other challenges include insufficient training or experience, lack of interest and conflicting priorities (Whittaker and Marchington, 2003).

While the development of appropriate policies and procedures is important, appropriate behaviour and leadership by line managers are equally critical to the sustainability of the STM process, with particular attention being required to each of the areas below.

**Concern for employee wellbeing.** While line managers have a role to play in carrying out HRM responsibilities, employee wellbeing and motivation must be fully considered for STM to be sustainable. In this context, line managers provide a link between hard aspects of TM (such as performance and strategic integration) and softer aspects (such as development, employee engagement and work–life balance). Line managers are best placed to understand and identify their direct reports’ abilities, motivations and aspirations. They work closely with employees and conduct performance assessments as well as attending to their support needs and general wellbeing. (Deery and Jago, 2015) emphasise the importance of attention to work–life balance issues, seen as especially important to talented employees and younger generations of hospitality workers. Gould-Williams and Davies (2005) suggest that supportive HR practices initiate positive exchange relationships which subsequently lead to enhanced worker attitudes and behaviours, especially when managers are able to show evidence that they are concerned with the individual needs of their staff. In contrast, negative exchanges result in elevated work-related stress, lower motivation and a greater intention to quit. The extent to which the line manager is able to develop a genuine interest in and concern for the employee over a period of time directly influences positive work attitudes and behaviours. These behaviours are the foundations of good TM.

**Developing positive relationships and positive work attitudes**. To a great extent, employees’ positive work attitudes rely upon their perceptions of how much concern their employers have for their welfare and whether or not their efforts are being appreciated (Allen, Shore and Griffeth, 2003). Informal voice is said to be able to “fill the gaps” when other formal channels like meetings are inadequate (Townsend, Wilkinson and Burgess, 2013). Therefore line managers are expected to develop and maintain successful social exchange relationships within the organisation. Managers’ consistency, fairness and skills in performing tasks, such as goal setting and performance appraisal, and providing feedback on performance are important for facilitating opportunities for staff promotion and development and for creating a high-performance climate. This in turn generates positive effects on their relationships with their subordinates, which is a key factor in ensuring the success of TM policies and processes.

**Being authentic and building trust and sincerity**. Trust is considered to be a critical factor of an organisation’s climate, and hence an essential prerequisite of positive exchanges (Gould-Williams and Davies, 2005). As trustworthiness is established through behavioural consistency (Ellis and Shockley-Zalabak, 2001; Whitener et al, 1998), if managers behave consistently over time and across situations, employees are able to anticipate managers’ actions more accurately. Predictable behaviour and reinforced trust increase employees’ readiness to take risks in their work or in their relationship with their supervisors. These behaviours are important in career development and talent conversations. Line managers can cultivate trust between themselves and their direct subordinates through open communication, information sharing, and managerial support (Settoon, Bennett and Liden, 1996). These encouraging actions have a positive impact on emotional states and engagement among employees (Avolio et al, 2004).

**Providing organisational support.** Studies of effective leadership and TM draw on social exchange theory to propose that employees are more likely to be engaged with their work when organisations signal to employees that they are supportive (Den Hartog, Boselie and Paauwe, 2004). It is suggested that managers’ use of people management practices, such as mentoring and development and socialisation opportunities, enables them to communicate organisational values so that employees are aware of what behaviours are appropriate and expected for their roles (Rich, LePine and Crawford, 2010). Robinson, Perryman and Hayday (2004) emphasise the two-way nature of engagement, arguing that good communication and openness within the organisation enable employees to be aware of the business context. Supportive and understanding interpersonal relationships between employees and management endorse psychological safety, allowing employees to be themselves without adverse consequences (Kahn, 1992). Being able to fulfil the expectations employees have of the organisation can stimulate greater job engagement. This perception of high organisational support is more likely to enrich the quality of the relationship between the organisation and its members. Positive attitudes and intentions strengthen employees’ efforts to boost productivity (Saks, 2006), highlighting the importance of managers creating time and space to have talent conversations with employees and being motivated to offer ongoing support.

**The focus of this theme issue**

This theme issue will examine a number of debates arising from the question, “*is talent management a strategic priority in hospitality?*”and will explore the cornerstones of talent management discussed above*.* Some of the papers are conceptual and explore how TM can help to embed a strong customer service culture and how the TM process can be adapted to support a strategy that aims to improve the hospitableness of its employees, which is so crucial to business success in the hospitality sector. There is an academic review that highlights the current context-specific macro and micro trends that those responsible for TM may need to consider. Other papers explore definitions, drivers for and organisational approaches to TM, and provide examples of the issues stakeholders face across a number of hospitality sub-sectors. Case study examples illustrate, for example, how STM can drive strategic change in hospitality, including changes to organisational culture, and how the challenges of adopting a strategic approach to TM impacts upon HR and line managers. Other papers examine how TM can support key strategies relating to, for example, environmental sustainability in hospitality and changing skills and service quality improvement. The papers represent the views of multi-level line managers across a number of functions, including senior leaders, middle managers, supervisors, HR managers and marketing managers. The papers all have a strong action orientation, and we hope these will provide a platform for learning, conversations and debate.

**References**

Allen, D.G., Shore, L.M and Griffeth, R.W. (2003). “The role of perceived organizational

support and supportive human resource practices in the turnover process”, *Journal of*

*Management,* Vol. 29, pp. 99-118.

Avolio, B.J., Gardner, W.L., Walumbwa, F.O., Luthans, F. and May, D.R. (2004),

“Unlocking the mask: A look at the process by which authentic leaders impact follower

attitudes and behaviors”, *Leadership Quarterly,* Vol. 15, pp. 801-823.

Baum, T. (2008), “Implications of hospitality and tourism labour markets for talent management”, *International Journal of Contemporary Hospitality Management*, Vol. 20 No.7, pp. 720-729.

Boselie, P., Dietz, G. and Boon, C. (2005), “Commonalities and contradictions in HRM and performance research”, *Human Resource Management Journal*, Vol.15, pp. 67–94, available at: <http://doi.org/10.1111/j.1748-8583.2005.tb00154.x>

Boxall, P. and Purcell, J. (2016), *Strategy and Human Resource Management*, Palgrave, London.

Bratton, J. and Gold, J. (2017), *Human Resource Management, Theory and Practice*, Palgrave, London.

Buyens, D. and De Vos, A. (2001), “Adding value through integration and involvement: A qualitative study about management’s perception of the added value of the HR function”, *Vlerick Working Paper Series,* Vol. 2. No*.* 46.

CIPD (2016). *Attitudes to Employability and Talent.* Research Report. CIPD, London.

Collings, D.G. (2015), “The contribution of talent management”, in Kraiger, K., Passmore, P., Rebelo dos Santos, N. and Malvezzi, N. (Eds.), *The Wiley Blackwell Handbook of the Psychology of Training, Development and Performance Management*, First Edition, John Wiley and Sons Ltd., New York, NY.

D’Annunzio-Green, N. (2008), “Managing the talent pipeline: Towards a greater understanding of senior managers’ perspectives in the hospitality and tourism sector”, *International Journal of Contemporary Hospitality Management*, Vol. 20 No. 7, pp. 807-819.

D'Annunzio-Green, N, Maxwell, G., and Watson, S. (2008), “Concluding commentary on the contemporary human resource issues for talent management in hospitality and tourism”, *International Journal of Contemporary Hospitality Management*, Vol. 20 Issue 7, available at: [http://doi.org/10.1108/ijchm.2008.04120gaa.003](https://doi.org/10.1108/ijchm.2008.04120gaa.003)

Deery, M. and Jago, L. (2015), “Revisiting talent management, work-life balance and

retention strategies ”, *International Journal of Contemporary Hospitality Management*, Vol. 27 No. 3, pp. 453-472.

Den Hartog, N., Boselie, P. and Paauwe, J. (2004),“Future directions in performance

management”, *Applied Psychology: An International Review,* Vol. 53. No. 4, pp*.* 556-569.

Ellis, K. and Shockley-Zalabak, P. (2001), “Trust in top management and immediate supervisor: The relationship to satisfaction, perceived organizational effectiveness, and information receiving”, *Communication Quarterly,* Vol. 49*,* pp. 383-398.

Francis, H. (2016), “The HR function and Business Partnering”, in Wilkinson A. and

Johnstone, S. (Eds.), *The Encyclopedia of Human Resource Management*, Edward

Elgar Publishing Ltd, Cheltenham.

Francis, H. and Keegan, A. (2006), “The changing face of HR: In search of balance”, *Human Resource Management Journal,* Vol. 16 No. 3, pp. 231-249, available at: <http://doi.org/10.1111/j.1748-8583.2006.00016.x>

Gould-Williams, J. and Davies, F. (2005), “Using social exchange theory to predict the effects of HRM practice on employee outcomes”, *Public Management Review,* Vol. 7 No 2., pp. 1-24.

Gratton, L. (1999), *Strategic Human Resource Management: Corporate Rhetoric and Human Reality*,Oxford University Press, Oxford.

Harro, T. and Miller, L.A. (2009), “Are you a net creator or destroyer of talent? Seven

indicators of organisational health for talent-intensive organization”, *Journal of Leadership*

*Studies*, Vol. 3 No. 1, pp. 62-64, available at: <http://doi:10.1002/jls.20096>

Horner, S. (2017) Talent Management in Hospitality and Tourism.Goodfellow:Oxford.

Kahn, W.A. (1992), “To be fully there: Psychological presence at work”, *Human Relations,*

Vol. 45, pp. 21-349.

Miller, P. (1989), “Strategic HRM: What it is and what it is not”, *Personnel Management,*

February,pp. 46-51*.*

Pine, J. and Gilmore, J. (1998), “Welcome to the experience economy”, *Harvard Business Review*, Vol. 76, pp. 97-106.

Renwick, D. (2003), “Line manager involvement in HRM: an inside view?”. *Employee*

*Relations,* Vol. 25 No 3, pp. 262-280.

Rich, B.L., Lepine, J.A. and Crawford, E.R. (2010), “Job engagement: Antecedents and

effects on job performance”, *Academy of Management Journal,* Vol 53, pp. 617-635.

Robinson, D., Perryman, S. and Hayday, S. (2004), “The Drivers of Employee Engagement”, Report 408, Institute for Employment Studies, Brighton.

Saks, A.M. (2006), “Antecedents and consequences of employee engagement”, *Journal of*

*Managerial Psychology*,Vol. 21 No. 6, pp. 600-619.

Settoon, R., Bennett, N. and Liden, R. (1996), “Social exchange in organizations: Perceived

organizational support, leader-member exchange, and employee reciprocity”, *Journal of*

*Applied Psychology,* Vol. 81 No.3, pp. 219-227.

Solnet, D., Baum, T., Robinson, R. and Lockstone-Binney, L.(2016), “What about the workers? Roles and skills for employees in hotels of the future”,*Journal of Vacation Marketing,* Vol. 22 No. 3, pp. 212-226, available at: [http://doi.org/10.1177/1356766715617403](https://doi.org/10.1177/1356766715617403)

Townsend, K., Wilkinson, A. and Burgess, J. (2013), “Filling the gaps: Patterns of formal and informal participation”, *Economic and Industrial Democracy,* Vol. 34 No. 2*,* pp. 337-354.

Watson, S. (2008), “Where are we now? A review of management development issues in the hospitality and tourism sector. Implications for talent management”, *International Journal of Contemporary Hospitality Management*, Vol. 20 No. 7, pp. 758-780.

Whitener, E., Brodt, S., Korsgaard, A. and Werner, J. (1998), “Managers as initiators of trust:

An exchange relationship framework for understanding managerial trustworthy behavior”,

*Academy of Management Review,* Vol. 23, pp. 513-530.

Whittaker, S. and Marchington, M. (2003), “Devolving HR responsibility to the line: Threat,

opportunity or partnership?”, *Employee Relations,* Vol. 36 No. 3, pp. 245-261.