



Academic Viewpoint
Strategic talent management: A macro and micro analysis of current issues in hospitality and tourism

Journal:	<i>Worldwide Hospitality and Tourism Themes</i>
Manuscript ID	WHATT-10-2017-0062
Manuscript Type:	Article
Keywords:	Talent, Talent management, Hospitality, Tourism

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Introduction

This article commences by providing a macro-level overview of the economic importance of the sector and the necessity to improve its productivity for sustained competitiveness. Focusing on the micro-level, the second section highlights the opportunities and challenges of introducing talent management (TM) policies and practices in this sector. The importance of the influence of senior managers - with an emphasis on the small and medium enterprises (SMEs) given their dominance in the sector - is then examined. The article concludes by outlining examples of TM 'best practice' which provide a significant opportunity for the sector to improve both its employer branding and its competitiveness. Throughout the article the challenges and opportunities of implementing effective TM in the hospitality and tourism (H&T, hereafter) sector is highlighted.

Numerous drivers, including an aging clientele, changing lifestyles and consumer demands, the increasing use of information and communication technologies, and globalisation, all contribute to growing pressure to upgrade skills levels, even among workers who are considered well trained (OECD, 2012). By managing talent strategically, organisations can build a high performance workplace, encourage a learning organisation, add value to their branding agenda, and contribute to diversity management (Gallardo-Gallardo & Thunnissen, 2016). Given the people-focussed nature of the hospitality and tourism (H&T) sector, TM is of particular importance for at least three reasons. First, effective TM can ensure that organisations successfully acquire and retain talent, which is essential in a customer-faced

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3 industry. Second, according to Morton (2005, p. 11) “Talent management is integral to
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5 engaging employees in the organization”. Third, effective TM can mediate Budd's (2004)
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7 triad of *efficiency, equity and voice*. This triad (*ibid*) is described as employment with a human
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9 face; “a productive and efficient employment relationship that also fulfils the standards of
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11 human rights” (p. 2). The provision of voice for employees as ‘claimant’ stakeholders can be
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13 viewed as an ‘ethical duty’ owed to them by the employer (Buren & Greenwood, 2008). This
14
15 ‘ethical duty’ is particularly relevant in the H&T sector with its high emotional labour demands
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17 where employees may leave, face alienation, burnout and various health problems (*ibid*).
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22 It is argued throughout this article that TM – the implementation of effective
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24 recruitment, retention, training and development (T&D) practices, and fair reward – will
25
26 help to demonstrate employers’ ethical commitment to their employees, which will
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28 contribute to addressing the critical role of emotional labour and its associated
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30 implications for employee engagement and motivation – and performance outcomes, in
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32 turn, all of which are critical for the sustained competitiveness of organisations operating
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34 in the H&T sector.
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41 **A Brief Overview: Talent Management (TM) & the H&T sector**

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43 Talent management is a topic of enduring debate among academics and practitioners (Gallardo-
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45 Gallardo & Thunnissen, 2016; Sparrow & Makram, 2015). A critical challenge of TM is rooted
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47 in long-standing conceptual ambiguity when defining the contemporary nature and meaning of
48
49 the construct (Gallardo-Gallardo, Dries & González-Cruz, 2013), particularly within different
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51 industries and sectors (Baum, 2008). For clarity, we utilise the Chartered Institute of Personnel
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53 and Development’s (CIPD) definition of TM which is: “TM seeks to attract, identify, develop,
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55 retain and deploy individuals who are considered particularly valuable to an organisation”
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58 (CIPD, 2016: p. 1). According to Iles (2013, p. 302), TM is ‘often organisation-specific, and
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3 is highly influenced by the nature of the work'. The hospitality sector provides a unique and
4
5 challenging context in which to explore both the theory and practice of TM (D'Annunzio-
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7 Green, 2008). For academics, it provides a context in which to develop a sector-specific and
8
9 appropriate definition of the TM construct. Talent Management in the H&T sector provides
10
11 unique challenges and opportunities for practitioners to implement some of the 'best practice'
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13 recommendations that have emerged from the literature.
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19 Despite the critical role of talent, analysis of TM in the sector remains limited and is
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21 often focussed on only one level (e.g., organisational), often not differentiating between SMEs
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23 and large organisations and fails to adopt a multi-stakeholder approach (e.g., examining the
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25 role of governments, the role of sectoral affiliations, or the role of owner managers, especially
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27 in SMEs in implementing policies). The article continues by addressing these gaps and, in
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29 particular, it makes practical recommendations for key stakeholders.
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33 34 **The Macro-level Context**

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37 Travel & Tourism (T&T) – and in particular, hospitality (hotels and tourism) - is a key sector
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39 for economic development and job creation throughout the world. The sector directly
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41 contributed US\$2.3 trillion and 109 million jobs worldwide. Taking its 'multiplier' (indirect
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43 effects) into account, it contributed US\$7.6 trillion to the global economy and supported 292
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45 million jobs. This was equal to 10.2 percent of the world's GDP, and approximately 1 in 10 of
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47 all jobs. The sector's future is also bright: by 2027, T&T is expected to support more than 380
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49 million jobs globally and to contribute around 23 percent of total global net job creation (World
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51 Travel & Tourism Council, 2017).
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57 Uniquely for any sector, H&T provides economic growth for economies at all levels
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59 of economic development - from high income developed countries (e.g., US, Sweden), to
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developing economies (e.g., Costa Rica, India), to post-conflict economies (e.g., Rwanda,

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3 Cambodia, North of Ireland). Another unique characteristic of the sector is that it provides
4 employment opportunities across the entire range of skills, human capital and talent
5 spectrums. The job creation capability of the sector reflects its labour intensive nature and
6 the talent spread reflects its diverse service deliveries – from an individual working as a
7 dishwasher in the back of a restaurant to a multi-lingual maître d' in the same Michelin star
8 restaurant. In developing economies, the labour intensive nature of the sector provides tens
9 of thousands of jobs for individuals with low levels of formal education. These individuals'
10 wages create large 'multiplier' effects in often very poor urban and rural communities
11 thereby contributing to additional job creation and economic growth. Recognising the
12 importance of formal training, governments around the world sponsor apprenticeships in the
13 H&T sector and over the past decade there has been a rise in universities offering degrees in
14 H&T. At the industry level, the sector is unique in that employment opportunities exist both
15 within the private sector and throughout the public sector (e.g., in universities, hospitals,
16 transport and the armed forces) and across a diverse range of organisational sizes and types –
17 from SMEs (the dominant type of enterprise in most countries) to multi-national corporations
18 (MNCs) – and ownership structures, including the importance of small family-owned
19 enterprises.

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44 The sector has also traditionally provided global labour mobility opportunities and has
45 been a critical source of employment for recently arrived and first generation migrants
46 throughout the world. The seasonal and cyclical nature of the tourism industry makes the
47 option of migrant workers an attractive one for many employers, as they can expand and
48 contract their workforce as demand fluctuates. However, while migrants can be a partial
49 solution to a labour shortage, they often do not contribute to permanently addressing the
50 skills shortages. Migrants – especially from other developed economies (eg Polish migrants
51 working in the UK; Estonian migrants in Sweden; Chinese migrants in Singapore) - will often
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3 enter the host country labour market at a level well below their human capital (occupational
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5 “downgrading”) reflecting initial labour market asymmetries and a need to gain practical
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7 experience with a new language (Bachan & Sheehan, 2011). As migrants gain experience
8
9 and familiarity in the host labour market they often either exit the H & T sector or move onto
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11 management roles and shortages re-emerge. In addition, without strong government
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13 initiatives that help migrants integrate into the host community and improve their skills, the
14
15 precarity of their working and living conditions will likely increase. Without such initiatives,
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17 the temptation to utilise these lower skilled migrants to fill employment gaps – as a short-
18
19 term ‘fix’ - will be to the detriment of the quality of the experience delivered and contribute
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21 to the sector’s labour productivity problems and its longer-term sustainability (OECD, 2012)
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23 and of course, reduces employers’ ethical responsibilities (Buren & Greenwood, 2008).
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30 While the sector has many current and future positives, the significance of poor working
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32 conditions in T&T is recognised at the macro-level by the International Labor Organisation’s
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34 (ILO’s) C172 Working Conditions (Hotels and Restaurants) Convention which came into force
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36 in 1994. A key objective of the Convention is to ensure that workers in the sector are not
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38 excluded from the scope of any minimum standards adopted at the national level for workers
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40 in general, including those relating to social security entitlements. However, only 16 of the
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42 ILO’s 187 member countries thus far have ratified this Convention and key economies
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44 including China, India, the US and UK have not ratified these minimal standards.
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50 Many workers in the sector are also likely to be ‘working poor’ (Eurofund, 2017; The
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52 Guardian, 2015). Poor working conditions and a lack of attraction, development and retention
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54 of talent are also key factors that contribute to the sector’s relatively low labour productivity
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56 which ultimately threatens its sustained competitiveness (Anastassopoulos & Patsouratis,
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58 2004). Marchante and Ortega (2012) find that a mismatch between the employees’ education
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60 levels and the education required for a job is statistically significantly associated with

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3 differences in the hotels' and workers' productivity. This result became stronger when workers
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5 with less than five years of service were eliminated from the sample – demonstrating the
6
7 importance of minimising labour turnover and increasing tenure. The authors find that suitably
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9 educated employees are more efficient than those whose education is not matched to the job.
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11 Critically, it is found that under-education mismatch harms a hotel's performance more than
12
13 over-education. Moreover, SMEs in the hotel sector face significant talent labour shortages
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15 leading to many positions not being filled with important implications for future growth and
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17 expansion (Ahmad, 2015). There are also major talent skill gaps amongst existing
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19 employees. In many cases positions are filled by under qualified employees who do not
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21 possess the necessary skills, thus leading to major customer service problems (Kearney,
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23 Harrington & Kelliher, 2014), and thereby exacerbating the sector's productivity challenges,
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25 especially for SMEs. While emphasis is often given to the importance of government
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27 expenditure on education for sectors such as IT and engineering, the importance of education
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29 and training in the hospitality sector should not be ignored, especially given its size, large job
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31 creation effects and highly inclusive employment opportunities.
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40 The sector also faces another significant macro-level challenge: a potential reduction in
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42 global migration/labour mobility due to changes in legislation - in key countries including the
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44 US and the UK – which is likely to create significant shortages in the supply of labour. The
45
46 UK's Referendum in 2016 to leave the EU ('Brexit') means that the continued employment
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48 and residency of an estimated 700,000 EU workers (of the 4.5 million people) employed in the
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50 British hospitality sector is uncertain (British Hospitality Industry (BHA), 2016). Such
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52 uncertainty and the Brexit-linked weakening of the British pound has resulted in potential
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54 workers from countries such as Poland, Romania, and Bulgaria - which for the past two decades
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56 have been critical sources of labour in the UK hospitality industry - deciding to go to third
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58 countries – in particular, Austria, Estonia, Germany and Sweden. Given the segmentation of
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migrants in the hospitality and catering sector in the US, President Donald Trump's September 2017 decision to no longer accept applications for Deferred Action for Childhood Arrivals (DACA) is likely to contribute to significant shortages in the sector. This policy, combined with President Trump's travel ban from seven Muslim majority-countries – which will reduce demand in the sector – pose a significant potential supply and demand induced contraction of the sector in the US.

These macro-level trends show the considerable economic and employment contribution of the H & T sector. Governments should more pro-actively target this sector both in terms of encouraging business start-ups and expansion and, in partnership with employers, sector federations and ensure that all employees receive robust training and staff development opportunities. Initiatives such as the Indian-based Equitable Tourism Options (EQUATIONS), which emphasises both the importance of hiring locals from deprived areas into the H&T sector and critically, upgrading often a very limited skills base, could be expanded globally (Equations, 2013). Specifically, Equations' five key themes: children, women, economic impact, ecosystems and communities, governance and law, education can be adapted to both developing and developed economies with the engagement of key context appropriate stakeholders. In sum, while the quantity and high mobility of employees in the H&T sector is a rich resource it is only through effective TM policies and practices that the sector will reach its full potential.

The Micro-Level Context

Hospitality organisations operate in a relatively weak but competitive labour market characterised by high attrition and negative employer image (Maxwell & MacLean, 2008). Negative perceptions of the industry are often associated with labour intensive work, long and anti-social hours, low pay, and limited career opportunities (Horner, 2017). Such perceptions

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2
3 overlook the wide scope of jobs available, especially to individuals who have formal
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5 qualifications in H&T such as apprentices and graduates. These individuals have a wide range
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7 of jobs available to them – e.g., catering, conference and events management. They also work
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9 within the tourism and leisure sector, the entertainment sector and in facilities management and
10
11 food service management. Moreover, many of the large chain hotels and restaurants offer
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13 graduate-management programmes, providing a fast-track to management positions and
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15 experience in a range of operations. Such positions also often involve gaining international
16
17 work experience. Additionally, the sector is known for its multi-cultural employment patterns,
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19 thereby giving H&T employees critical competencies in cross-cultural knowledge. Against this
20
21 complex backdrop it is vital that organisations develop strategic and flexible approaches to talent
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23 management designed to attract, nurture and retain talented employees.
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30 The nature of work in hospitality and tourism is in many ways unique (Stutts, 2013).
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32 Organisations tend to be both intra and internationally diverse (Baum, 2008), typically relying
33
34 heavily on peripheral and temporary, often young and migrant (Janta & Ladkin, 2009),
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36 employees working alongside the core workforce. Employees are frequently recruited from
37
38 culturally diverse backgrounds and enter the workforce with highly divergent expectations of
39
40 employment and career development (Ladkin & Kichuk, 2017). For example, escalating the
41
42 retention challenges faced throughout the sector, a high number of graduates tend to enter the
43
44 hospitality workforce with expectations of temporariness, rather than a vision for long-term
45
46 employment (Baum, Dutton, Karimi, Kokkranikal, Devine & Hearn, 2007). Moreover, the
47
48 heavy reliance on migrant labour also creates challenges around the authenticity of the
49
50 hospitality brand in countries such as Australia and Ireland (Thomas, Shaw & Page, 2011).
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52 These contextual factors add additional layers of operational complexity to the already poorly
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54 defined concept of talent management and highlights the need for TM practices that reflect the
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56 uniqueness and complexity of H & T sector.
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4 There is also the perception that many jobs are lowskilled and therefore lack variety. In
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6 many SME hotels there is a shortage of development opportunities with minimal investment in
7
8 staff up-skilling. Furthermore, there are often poor training systems to develop middle
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10 managers and very few quality rotational experiences. In the case of younger employees there
11
12 is too much focus on functional-task related training and not enough investment in generic and
13
14 transferable competencies. This combination of characteristics exerts a negative influence on
15
16 employees and there is a high incidence of labour turnover (Tocher & Rutherford, 2009).
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21 Nevertheless, in a fast-paced, service-orientated industry that comprises a high number
22
23 of low wage, low skill jobs and attributes not always associated with contemporary
24
25 interpretations of talent management (Guerrier, 2013), it is vital that organisations can identify
26
27 and leverage the talent available to them at any given time. There is vast debate among
28
29 commentators as to whether the focus on talent management should be inclusive (whole
30
31 workforce) or exclusive (targeted at particular roles or people) (Sheehan & Anderson, 2015).
32
33 Within the context of hospitality organisations, according to Baum (2008, p. 727), ‘it is as much
34
35 about talent identification and acknowledgement as it is about talent management’. Arguably,
36
37 this implies that inclusive approaches that attempt to develop, engage and retain employees at
38
39 all levels are preferable. Yet, for TM to differ, conceptually, from straightforward provision of
40
41 and access to training and development, more targeted or exclusive approaches may also be
42
43 beneficial. In particular, middle and senior leadership and management skills within the sector
44
45 have been criticised (Watson, 2008), perhaps calling for more targeted forms of talent
46
47 management aimed at addressing particular needs and skills gaps. The contemporaneous need
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49 to address growing skills shortages, for instance, among younger workers (Maxwell &
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51 MacLean, 2008) and within specialist occupations such as chefs and skilled production
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53 employees, also potentially adds leverage to the business case for focusing more tightly on
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55 particular needs and roles.
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3 All of these factors have the potential to mitigate against the adoption of formal TM
4 approaches, especially given resource constraints faced by SMEs. However, the uniqueness of
5 the sector makes it ripe for a customised approach to TM which can be developed by academics
6 and practitioners working in partnership to design TM strategies and practices adapted for the
7 sector. In sum, TM in the H&T sector has many significant challenges and opportunities. Two
8 pivotal catalysts for change are senior leaders in SMEs in H&T organisations and strategic TM
9 which we now examine.
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20 21 **TM in the context of SMEs**

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24 Although international comparisons are challenged by definitional variances, the term
25 ‘SMEs’ generally refers to firms employing between 10 and 249 people (European
26 Commission, 2015). Until relatively recently, those engaged in H & T management research
27 had all but ignored small enterprises or, arguably, misunderstood their dynamics by treating
28 them as scaled down versions of larger firms. There is a growing consensus, however, that the
29 size of firm and its sectoral context are likely to be important influences on the phenomenon
30 being studied (Thomas, 1998). As a consequence, more rigorous research is emerging relating
31 to the management of such organisations and how they engage with the economy.
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44 While firms in the H&T industry are still predominantly characterised by SMEs, the
45 competitive landscape in the sector is changing (OECD, 2012). One very significant trend is
46 increasing consolidation through Mergers and Acquisitions (M&AS), especially among hotels
47 (Grant Thornton, 2016). Relatively cheap debt and a general belief that ‘the sum of the parts
48 may be greater than the whole’ – economies of scale - are among other factors spurring
49 consolidation (Grant Thornton, 2016). Trends to consolidation will put significant pressure on
50 SMEs that already have to do more with less in terms of HR practices (Sheehan, 2014).
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60 However, one potential and cost-effective source of competitive advantages with these limited

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3 resources, is investment in TM. International research evidence points to an inverse
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5 relationship between firm size and the sophistication of the Human Resource Management
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7 infrastructure as evidenced by formal systems and practices (Chand & Katou, 2007). Despite
8
9 its widely cited importance to SME survival and competitiveness, research findings
10
11 continuously indicate that TM is a serious problem for SMEs (Padachi & Bhiwajee, 2016;
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13 Susomrith & Coetzer, 2015). This is often couched in terms of the resource-poor context of
14
15 SMEs, whereby limited formal TM takes place due to financial and operational pressures
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17 (Castany, 2010; Panagiotakopoulos, et al. 2015). Other studies point to the lack of HR expertise
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19 amongst SME managerial personnel (Garavan, Watson, Carbery & O'Brien, 2016; Wu, Bacon
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21 & Hoque, 2014), which extends to the inability to accurately diagnose TM needs and evaluate
22
23 the impact of activities (Bishop, 2015; Curado & Teixeira, 2014). The aforementioned resource
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25 constraints point to 'pure' size effects (Tsai, Sengupta & Edwards, 2007) that negatively impact
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27 on TM.
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35 Responsibility for talent management leadership, its effective implementation, and
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37 the strength of its results, rather than being the exclusive responsibility of HR is
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39 increasingly being shared with other managers in the organisation. Given the lack of a
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41 designated formal HR role in SMEs, senior leaders – e.g. owners, managers, owner-
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43 managers – are likely to be pivotal for the development and implementation of TM policies
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45 and practices in such organisations (Higgins, Mirza & Drozynska, 2013; Davidson, McPhail
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47 & Barry, 2011). This can be both a strength and a weakness. In terms of strengths, the owner-
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49 manager can help to ensure a greater vertical-fit between TM and the strategy of the hotel.
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51 Additionally, where the owner-manager has a strong focus on people issues this will be
52
53 reflected in their commitment to TM. Klass, Klimchak & Semadem (2010), for example, found
54
55 that where owner-managers had previous exposure to Human Resource (HR) practices they are
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57 more likely to see the value of TM. However, a significant barrier in respect of the owner-
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3 manager concerns the amount of attention they can give to TM issues. Beaver and Prince
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5 (2004), for example, suggest that owner-managers will be more focused on survival and day-
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7 to-day realities and therefore adopt a short-term perspective. This scenario will mitigate against
8
9 the use of long-term perspectives that are required to implement TM policies and practices
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11 (Baum & Szivas, 2008). Owner-managers may also strongly lean on experience-based
12
13 heuristics and these may translate to poorly thought out and inconsistent approaches to talent
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15 management (Schlosser, 2015). In addition, many owner-managers will not address TM issues
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17 until they become critical or acute 'problems' (Poulston, 2008). Young-Thelin and Boluk
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19 (2012) for example found that many owner-managers in hotels lacked the HR skills to
20
21 implement planned HR practices such as TM initiatives. Therefore, they are more likely to
22
23 implement informal approaches. Nevertheless, scholars have highlighted that these informal
24
25 approaches may be valuable from a strategic resource perspective (Verreynne, Parker &
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27 Wilson, 2011). A unique feature of owner-managers' work in hotel SMEs is that they perform
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29 both strategic and operational roles simultaneously (Baum, Kralj, Robinson & Solnet, 2016).
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31 They will actively participate in the day to day work of the hotel and work alongside employees
32
33 to achieve goals (Li, Gray, John Lockwood & Buhalis, 2013). Therefore, many managers will
34
35 multitask and consequently they may lack the specialist skill to address talent management
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37 issues (Nolan, Conway Farrell & Monks, 2010). By raising the awareness of this likely
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39 constraint and addressing leaders' potential skills shortfall, TM practices in SME can be
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41 implemented more effectively.
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52 The business benefits of TM also need to be clearly conveyed to SME owners which
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54 can be facilitated by showcasing examples of 'best practice'. For example, sharing the TM
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56 practices of organisations identified as the 'Top 30 best places to work in hospitality', including
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58 the family run Café in the Park (14 full time employees)
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60 through to the multinational Firmdale hotels with 1,200 employees. The clear theme that runs

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3 across all of these employers is a recognition of the importance and emotional labour and
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5
6 utilising TM to ensure that employees are motivated and engaged (The Caterer, 2016).
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9 **A Strategic Focus: The Way Forward**

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12 One of the most significant drivers of TM will be the strategic priorities of any
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14 organisation. Such strategic priorities need to be coupled with strategic approaches to TM.
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16 Clarke and Higgs (2015) for example suggest that SMEs will employ talent management
17
18 strategies that are aligned with the strategic priorities of organisations within the T&M sector.
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20 Lockwood (2006) identifies several factors that will influence a hotel's strategic approach to
21
22 talent management. These are: the requirements of the hotel brand, the growth aspirations of
23
24 the hotel, and the core values and culture of the hotel. However, many hotel SMEs that engage
25
26 with talent management typically do not have a clear set of objectives: the star rating of the
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28 hotel may also be significant. For example Lloyd, Warhurst and Dutton (2013) found that
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30 higher star rated hotels are more likely to adopt more formal, structured and strategically
31
32 aligned approaches to TM. In addition, hotels in this quality category will focus on aligning
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34 their HR practices with customer service standards (Tracey, 2014) and to enhance the overall
35
36 image of the hotel. However, an alternative perspective on the influence of strategy is that it
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38 will take more tactical and informal approaches to help to address immediate requirements
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40 rather than to improve long term strategic performance (Prayag, Hosany, Muskat & Chiappa,
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42 2017). Hospitality organisations are often characterised as insular in their approach to HR
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44 issues (Wood, 2015). Baum (2002), for example, highlights the significance of long-term
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46 traditions in hospitality organisations and the adoption of HR approaches that reflect this rather
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48 than utilising strategic HR.. In other words, the H&T – and especially SMEs within the sector
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50 – may be slow to adopt TM policies and practices. This, of course, gives scope for government
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52 incentive and policy interventions for firms in the sector - especially SMEs in economies where
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3 hospitality and tourism - has been identified as a strategic sector for economic development
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5 (e.g., Bangladesh, Croatia, Vietnam).
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9 In pursuit of more effective approaches to TM, organisations operating in H&T need to
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11 respond to negative industry perceptions, for example, by strengthening their employer brand
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13 through promoting more flexible working practices and providing increased access to training
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15 and career development opportunities (Horner, 2017). Moreover, in a business sector renowned
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17 for low paid work, additional forms of intrinsic reward and engagement also need to be
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19 exploited (Clayton, 2006), for instance, through increased employee involvement, recognition
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21 and job re-design (Ladkin & Kichuk, 2017) to ensure that the high levels of emotional labour
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23 within the industry are managed sensitively and carefully. A clear need now exists for owners
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25 and senior managers to develop a common and sector-specific understanding of talent
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27 management needs, opportunities and value add to be derived through the proactive and
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29 strategic management of talent (Sparrow, Hird & Balain, 2011). In turn, closer alignment
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31 between the achievement of organisational goals and the career aspirations and development
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33 of employees may be more effectively supported, balanced and communicated.
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41 Strategic approaches to TM rely on cohesive end-to-end HRM systems and effective
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43 implementation of key HR practices. The provision of sophisticated approaches to HRM,
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45 however, is not synonymous with the hospitality and tourism sector, and criticism has been
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47 levelled at hospitality organisations for failing to invest sufficiently in HRM systems and
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49 practices (Watson, 2008). Effective talent management is achieved through strategic
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51 integration of the employment journey, comprising inter-related approaches to attract, identify,
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53 develop, engage, reward and retain talented people (CIPD, 2016). This is the way forward to
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55 ensure the sustained competitive advantage of this important sector.
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3 It is therefore critical that the importance of strategically aligned TM practices are Not
4 on ref listemphasised throughout the sector. This can be done by raising awareness in
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6 hospitality and tourism trade associations at national and regional levels and critically, for
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8 governments, the private sector in partnership with academics and practitioners who specialise
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10 in TM to develop and deliver TM training to key leaders in the H&T sector. Transfer of such
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12 training needs to be emphasised so that the TM mind-set is cascaded throughout the
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14 organisation (Aguinis & Kraiger, 2009).
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20 Fáilte Ireland's (the National Tourism Development Authority), Optimus programme
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22 in 2004, is an excellent example of a government-sector, sector affiliations, and employers'
23
24 partnership (OECD, 2012: p. 105). Its aim is to support tourism businesses to achieve improved
25
26 productivity, increased competitiveness, increased levels of customer loyalty and repeat
27
28 business, lower staff turnover, cost reductions, and increased profitability. Through the process
29
30 of continuous improvement, Optimus focuses businesses on achieving excellence in all areas
31
32 of their business. The Optimus programme comprises three levels, each assessed, accredited
33
34 and branded, so businesses can progress through the programme, building their capabilities:
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39 1. Level One: Service Excellence (focus on the customer)

40
41 Service Excellence forms the foundation of the Optimus approach and supports
42
43 management teams in setting, implementing, monitoring and measuring service
44
45 standards.
46
47

48
49 2. Level Two: Best Practice (focus on the operation)

50
51 This operational improvement programme enables organisations to compare their
52
53 processes against the best in industry, identify what makes the leading companies
54
55 successful and apply these formulas to their business. It focuses on key management
56
57 aspects of the business under the headings of management, operations and standards.
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3. Level Three: Business Excellence (focus on the business)

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3 To achieve this award, businesses need not only a deep commitment to continual
4
5 improvement and superior performance, but also a proactive attitude to the changing
6
7 social, economic and market conditions in which they operate.
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10 While the Optimus programme has not previously explicitly targetted TM *per se*, it is clear that
11
12 the three levels can be adapted to explicitly encourage holistic TM initiatives with vertical and
13
14 horizontal fit within organisations, including and critically, within SMEs.
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17 18 19 **Conclusion**

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22 In sum, some broad recommendations can be drawn from the literature in terms of ‘best
23
24 practice’ TM practices which will, however, need to be customised to reflect the uniqueness of
25
26 the H&T sector. These include the following: aligning TM with strategic business goals; the
27
28 provisions of robust data generated across HR functions (e.g., recruitment, selection, retention,
29
30 training and development and reward); and critically, demonstrating the impact of TM on
31
32 employees enhanced emotional labour of employees working in the industry through higher
33
34 levels of engagement and motivation and on organisational outcomes (e.g., sales turnover,
35
36 employee engagement, revenue, profits and share value). As emphasised by Hughes and Rog
37
38 (2008), effective implementation of TM first and foremost requires CEO/Owner-Manager
39
40 commitment and an associated cascading down of a talent mind-set/culture within
41
42 organisations. Such cascading is likely to be easier in SMEs compared to larger organisations
43
44 in the sector. By disseminating examples of ‘best practice’ TM in the industry (e.g the ‘Top
45
46 30 best places to work in hospitality’), and illustrating the positive organisational performance
47
48 associations with better TM, employers will be less likely to continue to rely on low wage
49
50 labour, but rather will be more likely to recognise the benefits of training and development,
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52 paying living wages to enhance employees’ emotional labour and associated motivation and
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54 commitment.
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3 By highlighting the significance of TM for the hospitality sector, this viewpoint article
4
5 gives important insight and practical recommendations on how the sector can improve its
6
7 productivity and future sustained competitiveness in the challenging times ahead. A clear
8
9 message that this article sends to both academics and practitioners working in the industry is
10
11 that organisations need to take each dimension of talent management – from recruitment, to
12
13 training and development and reward - more seriously than many organisations have done so
14
15 in the past. Coherent TM practices – in particular, competitive reward and training and
16
17 development opportunities - will improve employer branding, which will directly impact upon
18
19 the quality of applications received by organisations. It is, however, critical that such talent
20
21 management practices are sustained and introduced alongside a general shift in the sector to
22
23 better working conditions and a reduction of work intensification which will require some
24
25 increases to employment regulation in countries with highly deregulated labour markets (eg
26
27 the Barbados, Ireland, Nicaragua, US, UK (OECD, 2012)). All of these TM practices will help
28
29 to address the sector’s chronic problem of high labour turnover, thereby making investment in
30
31 TM practices more attractive, both of which will strengthen the future competitive advantage
32
33 of the sector.
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42 Given the importance of the H&T sector to economic growth in so many countries, it
43
44 is imperative that governments assume a greater leadership role in shaping the training and
45
46 education agenda. Several countries have recognised that a comprehensive national tourism
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48 strategy, that includes a workforce development strategy, is necessary to fully address labour
49
50 and skills shortages. Working closely with industry and education providers, governments
51
52 should pursue three tracks: i) a revision of curricula; ii) the development of more responsive
53
54 approaches to teaching; and iii) the provision of new delivery models with greater flexibility,
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56 especially for life-long learning and the up-skilling of workers. Critically, a multi-stakeholder
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58 approach involving governments, educational and training providers, employers, industry-
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3 specific federations (e.g., the British Hospitality Association (BHA); Federation
4
5 of Associations in Indian Tourism & Hospitality (FAITH); South African Leisure
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7 Tourism and Hospitality Association (SALHA)) – working together to enhance TM within the
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9 sector is critical for its sustained competitiveness and ever increasing demands of consumers
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11 in the industry.
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