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# Talent Management in the Hospitality and Tourism Context

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## Learning objectives

- Introduce the reader to the special nature of hospitality and tourism and the implications for the talent management process.
- Provide an analysis of contemporary hospitality business realities to explain the nuances of managing a workforce while operating a hospitality business.
- Discuss employment factors in order to make sense of theories concerning personnel and talent attributes.
- To identify a range of talent management issues that are relevant for managers in the industry

## Introduction

Hospitality and tourism businesses operate in ever changing socio-cultural and socio-political environments. The constancy of change establishes the conditions for entrepreneurial innovation (Olsen, 1999), which can lead to evolutionary business opportunities for this sector, but this never-ending cycle of business generation and regeneration creates the often volatile reality for managing the human resource (Solnet, Kralj, and Baum, 2015). The people who are employed in hospitality and tourism make critical differences in the levels of success that are achieved by their employers thus underlining why talent management requires careful attention (Zhang, Kandampully, and Choi, 2014). Without talent, hospitality and tourism have no dynamism (Law, Bai, Crick, and Spencer, 2011). Globally, talented people are at the heart of successful hospitality and tourism organisations and businesses (Hsu, 2015; Mathew, 2015; Nzonzo and Chipfuva, 2013).

This chapter considers the special nature of hospitality and tourism and reflects on the unique or important features of the sector and the implications for the talent management process. An analysis of contemporary hospitality business realities is provided in the first section in order to help to explain the nuances of managing a workforce while operating a hospitality business. Thereafter, a discussion of employment factors is considered in order to make sense of theories concerning personnel and talent attributes. This is developed further in the penultimate section which identifies talent issues as identified from within a research project and provides an interpretation of how businesses respond to challenges identified from within hospitality and tourism contexts. In the conclusion, a range of key issues is identified that are relevant for managers in the industry.

## **The special nature of hospitality and tourism**

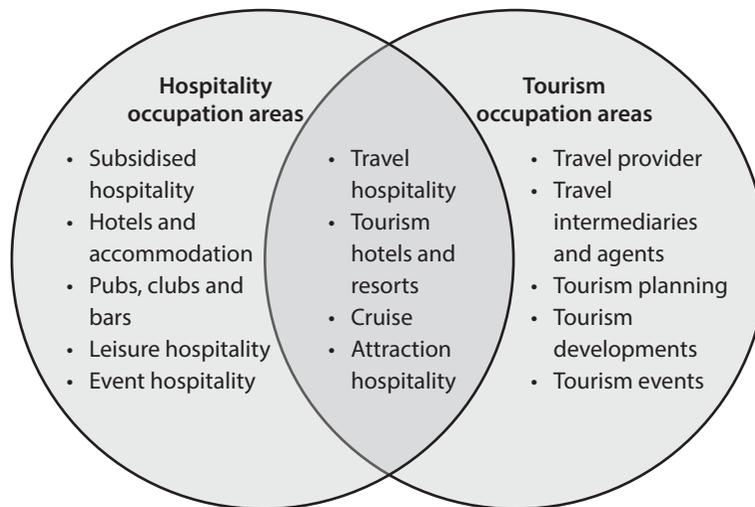
How are hospitality and tourism different to other industries? It is possible to argue that all businesses are alike and that they depend on their success by deriving a profit from the sale of goods and services (Drucker, 1995). Yet this rather simplistic and mechanistic response ignores fundamental qualities that exist which differentiate one business type from another. For example, according to Stutts (2013), hospitality is both large scale and diverse but ultimately unique in the centrality of human interaction and service. In addition, Guerrier (2013) identifies that hospitality and tourism businesses are frequently subject to fluctuations in demand, because of business patterns or seasonality, and they thrive when they are flexible. She also draws attention to the 'paradox' (p88) of those hospitality businesses that utilise the lowest paid labour to undertake the most important customer contact roles. Furthermore, Nickson (2013) highlights the reality for some businesses that have the largest numbers of staff, often described as having 'low skills', employed at the lowest pay levels and the smallest number of 'high skilled' employees at the highest pay levels, but with no real mid-level employees. From a people and employment perspective hospitality and tourism appear to possess particularly challenging characteristics.

Clearly the diversity of hospitality and tourism can undermine attempts for a tidy interpretation. Hospitality and tourism enterprises often attract those with an ambition to start their own business. Start-up costs can be proportionately less than for other business types thus ensuring that hospitality and tourism as sectors are predominantly constituted by small-scale independent operators. Small to medium sized businesses including: ambitious family concerns; entrepreneurial innovators; and regional operators, focus on a broad market base in urban and rural areas. Large organisations flourish in the lucrative mass markets of international cities refining their brands so they become targeted and process driven.

Hospitality and tourism employers have certain unique as well as certain shared features. Invariably, hospitality and tourism jobs are co-related because of the close connections between the business of tourism and the management of

hospitality; so tourism careers are frequently seen by many as overlapping with hospitality careers. Hotels and restaurants are, after all, located at the heart of tourism activities. Yet the nature of tourism is that its scope goes beyond that which is typically hospitality in focus. Tourism includes occupations connected with: planning and development (both public and private sector related); travel providers; travel agencies; tourist attractions, tourism related accommodation and hospitality services, as well as numerous closely related activities (Page and Connell, 2006).

While many casual observers would consider hotels to be synonymous with hospitality, the sector is as much about restaurants and catering than it is about any other type of activity. Yet the sector goes beyond restaurants and hotels. Hospitality includes: any form of subsidised catering and facility management (e.g. education, health care, military and workplace); travel related catering and facility management (e.g. cruise, ferry, airport, trains motorway); leisure venues (casinos, retail, sports stadia, theme parks, night clubs, theatres and cinemas) and stand-alone hospitality businesses (restaurants, hotels [including variants such as aparthotels, 'botels' etc.], bars, resorts, time share and holiday centres). The relationship between hospitality and tourism is close but not complete and, as a result, there are opportunities within each sector for individuals to craft careers that can see them claiming membership of one or both sectors depending on the focus of their employment (see Figure 2.1).



**Figure 2.1:** The relationship between hospitality and tourism occupations (Career Scope, 2016; Hospitality Guild, 2016; Institute of Hospitality, 2016 and Prospects, 2016).

In the UK, the government classifies employment into categories that are known as the Standard Occupational Classification (SOC). In April to June 2015, according to national data relating to the SOC, the number of individuals employed as managers and/or proprietors in various categories of hospitality and leisure services were as follows:

	Employees (000's)				Self employed (000's)		
	Total (000's)	Full time	Part time	Both	Full time	Part time	Both
Hotel and accommodation managers and proprietors	52	21	*	23	12	15	27
Restaurant and catering establishment managers and proprietors	129	77	6	82	38	8	46
Publicans and managers of licensed premises	49	29	*	31	16	*	18
Leisure and sports managers	62	45	7	52	7	*	10
Travel agency managers and proprietors	8	5	*	6	*	*	*
<b>Managers and proprietors in hospitality and leisure services</b>	<b>302</b>	<b>177</b>	<b>18</b>	<b>195</b>	<b>76</b>	<b>28</b>	<b>104</b>

(\* = sample size too small for estimate)

**Table 2.1:** Numbers of managers and proprietors in hospitality and leisure services in employment in the UK, April-June 2015. Adapted from information obtained from the Office for National Statistics (ONS, 2015).

The data identify that there were a total of 302,000 managers and proprietors in hospitality and leisure services. According to this government analysis there were 3,182,000 managers for all occupational areas, thus suggesting managers and proprietors in hospitality and leisure services represent 9.49% of the total.

Employment area	Total employees
Food preparation and hospitality trades	495,000
Housekeeping and related services	103,000
Cleaning & housekeeping managers/supervisors	69,000
Kitchen and catering assistants	454,000
Waiters and waitresses	287,000
Bar staff	204,000
Leisure and theme park attendants	30,000
Leisure and travel related services	173,000
Transport related (includes 122,000 coach drivers and 213,000 taxi drivers )	412,000
<b>Total</b>	<b>2,227,000</b>

**Table 2.2:** Numbers employed in hospitality, tourism and leisure services in the UK, April -June 2015. Adapted from information from ONS (2015). Note this figure does not include support services employees.

The same source identified that there were 2,227,000 employees in hospitality and tourism related occupations, which equates to 7.2% of all employees. The government figures state that there were 30,950,000 people in employment at this time (ONS, 2015). The figures are broadly in accord with international estimates, with the International Labour Organisation (ILO, 2011) claiming that tourism accounts for 9% of the world's GDP and 8% of its employment. On the basis of these data, it seems that the scale of hospitality and tourism is significant both nationally and internationally in contributing towards generating opportunities for employment.