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ANALYTICAL VIEW ON TALENT MANAGEMENT IN SLOVAK TOURISM ORGANISATIONS

Globally, tourism has undergone significant changes caused by a growth of tourism (especially) in developing countries and “discovery” of new destinations. It is increasingly seen as a dominant sector and key determinant of economic growth and development in many countries. The article deals with the talent management in tourism and hospitality organisations in the Slovak business environment. It also highlights the benefits of talent management implementation in the specific context of hospitality and tourism sector and specifies talent management processes implemented by tourism organizations. The study is based on the analysis of primary data obtained in a questionnaire survey of 87 respondents - representatives of organizations in tourism sector. Chi-square test was used to determine whether there is a significant association between organizational characteristics and implementation of talent management which revealed that the implementation/non-implementation of talent management is related to the size of the organization.

Key words: organisation, talent management, tourism.

1. INTRODUCTION

Tourism is of great importance and one of the fastest growing sectors which has seen an enormous increase of international trade in services as evidenced by statistics: according UNWTO Tourism Highlights 2015 tourism represents 9% of GDP (direct, indirect and induced impact), 6% of the world's exports and employs 9% of the workforce (1 in 11 jobs accounted for this sector). International tourism (travel and passenger transport) accounts for 30% of the world's exports of services and 6% of overall exports of goods and services. Moreover, for many countries inbound tourism is an important contributor to the economy by creating employment and further opportunities for development (UNWTO, 2015).

Because tourism is not an industry in the traditional sense and is not defined as an own sector, measuring tourism characteristic employment is particularly complex. The International Recommendations for Tourism Statistics 2008 (IRTS 2008) drafted by the World Tourism Organization (UNWTO) in close cooperation with the United Nations Statistics Division, the International Labour Organization (ILO) and other members of the Inter-Agency Coordination Group on Tourism Statistics defines the tourism industries as

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follows: “tourism industries, also referred to as tourism activities, are the activities that typically produce tourism characteristic products” (UNWTO, 2014; UN, 2011). In recognition of the special features of tourism, it should be described and analysed within its broader socio-economic context. When we talk about tourism, we mean the visitors - their consumption of transportation, accommodation, food services, and the activities of those serving them (United Nations, 2010).

The International Labour Organization – ILO (2001, in Nickson, 2007) in the report on the global tourism and hospitality industry provides evidence that suggests that the industry globally is largely reliant on “marginal workers”, such as women, young workers, casual employees, students, relatively high numbers of part-timers and migrant workers. Declining youth demographics, retirement of the baby boom generation, rising female labour market participation, a general shift towards a more highly skilled (in terms of education) labour supply as older, less skilled workers retire, and the potential for some reverse migration back to fast growing emerging economies are according the World Travel and Tourism Council (2015) most important trends that will influence the future supply of talent in tourism sector. “Organizations and managers in the tourism and hospitality industry face real challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high-quality ‘product’ to the increasingly demanding and discerning customer” (Nickson, 2007, p. 2-3). This requires the implementation of talent management i.e. the process of identifying, securing, developing, and managing relevant talent which is important to meet the organizational long-term strategic needs and to ensure short-term productivity (Nilsson & Ellström, 2012). The functionality and vitality of company’s talent management processes determine how well the company can groom its high-potential employees to fill strategic management roles (Ready & Conger, 2007).

2. TALENT MANAGEMENT AND THE LACK OF TALENTS

Volume of recent research highlights the growing interest in talent management within organizations. The local and global success of organisations is conditional on an implementation of talent management (encompassing the identifying, attracting, recruiting, retaining talents as well as their training and development, rewarding, appraisal etc.) and adequate attention paid to talented (best performing) individuals. Talents are those people who are able to ensure long-term competitiveness, sustainable prosperity and continuous development.

Talent management has developed as a response to many changes in the workplace such as industrial revolution, the rise of labour unions, globalization or outsourcing (Frank & Taylor, 2004). Mentioned authors already in 2004 correctly predicted that “the real battle to attract, develop, motivate, and retain talent is going to heat up considerably” and “demographic time bomb will make talent management a top priority for organisations” (Frank & Taylor, 2004, p. 33). Nilsson and Ellström (2012, p. 27) point to the „shift from job security and lifelong employment to lifelong learning, employability, and talent management“.

Talent management is by the Chartered Institute of Personnel and Development (CIPD) defined as the “systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their ‘high potential’ for the future or because they are

fulfilling business/operation-critical roles” (CIPD, 2013). This concept could also be defined as “the capability to create and continuously optimize the talent resources needed to execute a business strategy. This means attracting and developing them, guiding their performance toward optimal productivity in light of strategic goals and finding new sources of value in their performance through innovation and continuous improvement” (Sonnenberg, 2010, p. 2). According Iles (2007, in D’Annunzio-Green, 2008) the talent management it is defined as a holistic approach to human resource planning aimed at strengthening organisational capability and driving business priorities using a range of HR interventions. These include a focus on performance enhancement, career development and succession planning.

Lewis and Heckman (2006) point out that due to the confusion regarding definitions, terms and assumptions, it is difficult to identify the meaning of talent management. Authors attempted to address the question regarding talent management definition and determined three distinct strains of thought regarding talent management: (1) talent management as a collection of typical human resource department practices, functions, activities or areas such as recruiting, selection, development, and career and succession management; (2) talent management focused primarily on the concept of talent pools i.e. talent management as a set of processes designed to ensure an adequate flow of employees into jobs throughout the organization; (3) talent management perceived more broadly, without regard for organizational boundaries or specific positions (Lewis & Heckman, 2006)

Talent management as a part of strategic human resource management practices contributes to improvement of organizational performance (Frank & Taylor, 2004). Saar (2013, p. 9) calls for systematic implementation of this concept and argues that “talent management must be systematic with a clear, strategic intention, based on the idea that people are your most critical asset and must be carefully cultivated”. Author adds that the companies that approach talent management in this way can benefit of engaged and committed workforce.

One of the major problems of current talent management is mismatch between the demand for talents and their supply. Another problem is workforce planning failures leading to an incorrect forecasting of future talent needs which in turn causes an inability to find the candidates with the skills that are required/needed. In this regard, Biswas and Suar (2013) note that the demand for talents has increased more rapidly than the available supply of talents and that is why the talent attraction and retention has become a hard hitting issue for many organizations.

Since lack of talent are evident in many areas, it is essential that countries determine how these shortages can be met in the short term and thereby avoiding a more serious shortages in the long term. Talent shortages threaten growth in many countries, some regions are confronted with a significant lack of workforce with the necessary midlevel professional and vocational skills (Serban & Andanut, 2014).

3. TALENT MANAGEMENT IN THE CONTEXT OF TOURISM SECTOR

Human resource (HR) represent the real value for organizations and one of the most important assets, while their role is irreplaceable especially in the service sector. In this context, Bharwani and Butt (2012) point to crucial role of employees in hospitality sector (all services sectors) since they become a part of the service product and contribute to the

image of the organisation. That is why hospitality industry is considered to be a human resource-centric industry.

The importance of effective and coherent approach to managing human resource and developing of HR strategy (as well as talent management strategy as a one of the HR strategies) in tourism sector is indisputable. There is a relationship between talent management, employee engagement and organizational performance. Employee engagement does not merely increase employee motivation and productivity, but it also increase the quality of services provided by the hospitality organizations (Hsu, 2015).

In tourism, just like in other areas/sectors, there is evident a paradox - on the one hand there is a lack of jobs, on the other hand, there is a talent deficiency causing a problem to fill jobs (talent vacancies) by skilled and talented individuals. The World Travel and Tourism Council Final Report (2015) states that the market for talent in travel and tourism industry is already challenged with high staff turnover, competition with other industry sectors for the best people, and in some cases, adverse supply trends such as declining demographics. New regulations, new technology, shifts in customer service preferences, changing visitor markets and other industry drivers have the potential to transform the type of skills that employees working in travel and tourism industry will need to possess in future and employers will need to train staff in. A thriving travel and tourism sector will require companies and governments to implement and promote proactive and careful talent supply management policies as well as regular monitoring and projecting of talent demand, supply and imbalances to predict in advance any looming shortages (World Travel and Tourism Council, 2015).

D'Annunzio-Green (2008) notes that the concept of talent management is now recognised as a much broader concept (than original concept focused mainly on recruitment) aimed at attracting, retaining, developing and transitioning talented employees. When taking a look at the talent management processes, preliminary step in talent management strategy is the definition of the organizational talent - specification, designation of those who are considered to be talents i.e. people with potential and a great value for company/organization. It should be noted that there is considerable inconsistency in defining the "organizational talent", because the definition of "talent" is determined by specific organisational conditions and settings, environment in which the organisation operates, as well as by different requirements on employees necessary for performance of a particular job. Also commented by Baum (2008, p. 720) who states that "talent, in the context of hospitality and tourism, however, does not necessarily mean the same thing as it might in other sectors of the economy". Generally, talents are people with high potential, people with specific skills, competencies, abilities, attributes, experiences and behaviours who are able to achieve excellent results and thus ensuring good overall performance, viability and competitiveness of the organization (Ali Taha et al., 2014).

Regarding the recruitment of talent, World Travel and Tourism Council (2015) recommends to significantly increase the salaries and to attract staff from other sectors while underlines that some employee skills are transferable across travel and tourism sub-sectors or from other sectors in the economy, but some talent requirements are more specific and could be supplied from more narrow and well-defined sources. Moreover, a flexible recruitment and retention practices are required in the area of workforce planning.

Generally, very effective in managing talent are following strategies:

- adapting talent sourcing to recruit more untapped talent pools,
- recruiting candidates outside the local region and country,
- partnering with educational institutions to create curricula aligned to talent needs and considering new locations to operate from where a larger and higher quality pool of talent exists (World Travel and Tourism Council (2015, p. 20)).

4. RESEARCH ON TALENT MANAGEMENT IN SLOVAK TOURISM SECTOR

The aim of this study is to explore current practice in hospitality and tourism organisations, more specifically:

- to examine the reasons for implementation respectively non-implementation of talent management,
- to measure the level/extent and the length of talent management implementation,
- to examine the impact of selected characteristics - size of the organization and equity participation on implementation of the talent management.
- to determine jobs/positions (in tourism organizations) for which are most commonly recruited and hired talented people.

1.1 Material and methods

Primary data was collected via questionnaire survey among managers or representatives of 87 tourism and hospitality organizations in Slovakia. Most of the surveyed organizations (71%) were medium-sized organizations (up to 100 employees), followed by small organizations (22%) and large organizations (7%). This composition corresponds to the structure of the organizations in tourism, where there is a predominance of small and medium-sized organizations. In addition to the size another important criterion is the equity participation, while a sample involves 29% organizations with foreign capital/property participation. Regarding the age structure which is one of the important demographic characteristics of employees working in the surveyed organizations: the most employees in tourism is aged 26–35 years (43%); the second largest age groups of employees in tourism are people at age 36–45 years (34%). Other age groups are not significantly represented in the workforce of surveyed organizations, while employees over 56 years represent only 2% of the workforce. This fact is not surprising, because tourism industry is very dynamic and companies largely employ young people. Another reason is the high proportion of seasonal work in this sector, which is particularly attractive for young people (students).

1.2 Survey results

The survey showed that only 36% of surveyed companies implement (to a greater or lesser extent) talent management. Organizations that are not yet implementing this concept were asked about the reasons. The main reason for non-use of talent management is the “lack of human resources” (50% of organizations chose this option), followed by the lack of financial resources. Figure 1 shows all answers. It should be added that 72% of these organizations is aware of the need for talent management (disagreed with the statement “We do not need talent management”).

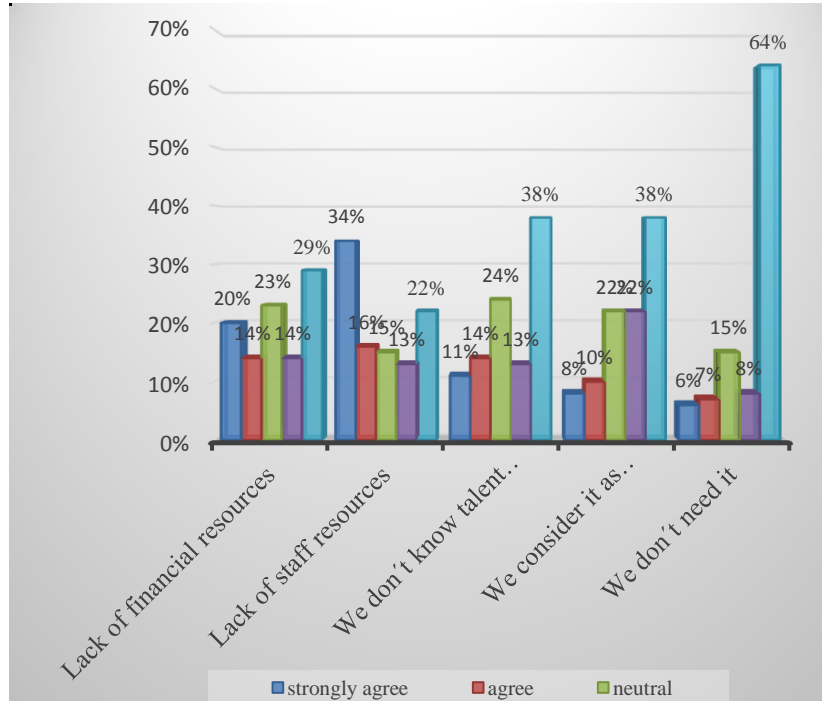


Fig. 1. The reason for non-use of talent management (Source: own processing)

In terms of the length of talent management implementation, the majority (48%) of organizations implementing talent management uses this concept within the range of 2–3 years. Only 6% of organizations use talent management for more than six years (Figure 2). Also this finding is not surprising, as talent management in Slovakia is relatively “new” concept and only in recent years is getting into the awareness of the business community.

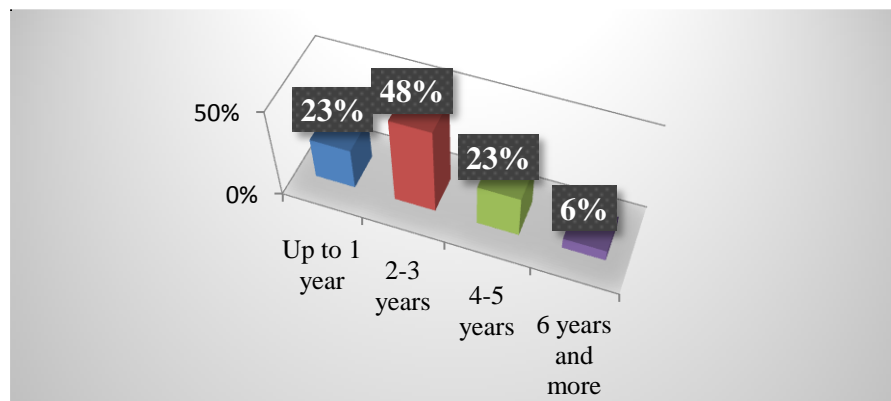


Fig. 2. Length of the talent management implementation (Source: own processing)

We have examined what are the main advantages of talent development. Most organizations indicated that the talent development increased the employees' willingness to educate and improve their skills and also increased employee motivation. Another important “benefit” is the wages increase (55% of the organizations). Surprisingly, at least organizations indicate “increased competitiveness and better competitive position of the organization” as an advantage of talent development (Figure 3).

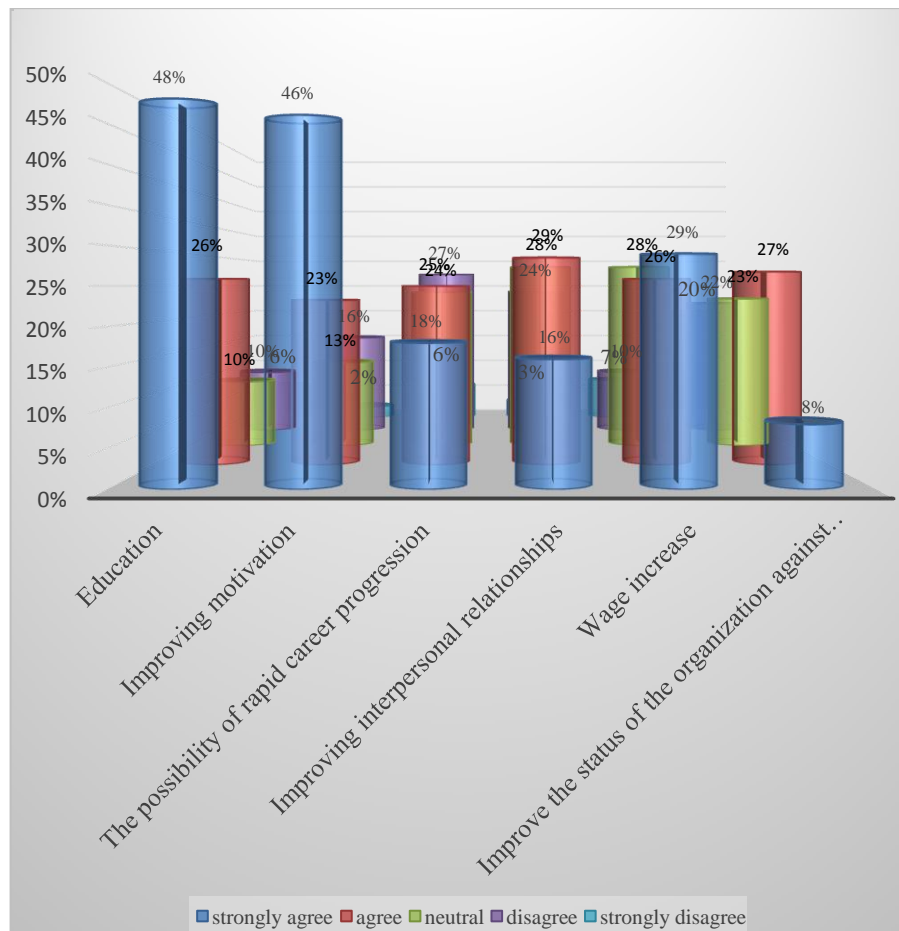


Fig. 3. The benefits of developing talent in organizations (Source: own processing)

The research results showed that organizations most frequently retain and hire talented people for the position of “top/senior manager” (51% of the surveyed organizations indicate this answer) and “accommodation manager” (48% of organizations). It can be assumed that both above-mentioned positions are crucial and therefore organizations devote considerable attention to filling these positions and employ talented candidates. On the other side, the position “restaurant manager” is not likely to be seen as significant because majority of organizations do not need to hire talents for this position (as

evidenced by the prevalence of discordant or neutral responses). In hotels or restaurants the position of “restaurant manager” can be carried out (and often is performed) by head waiter. This phenomenon is typical for small and medium-sized organizations (which dominated in the survey sample). The least significant positions in terms of talent searching and recruitment are “waiter/waitress” (67% of organizations), “chef/cook” and the “receptionist”. Figure 4 shows the distribution of responses.

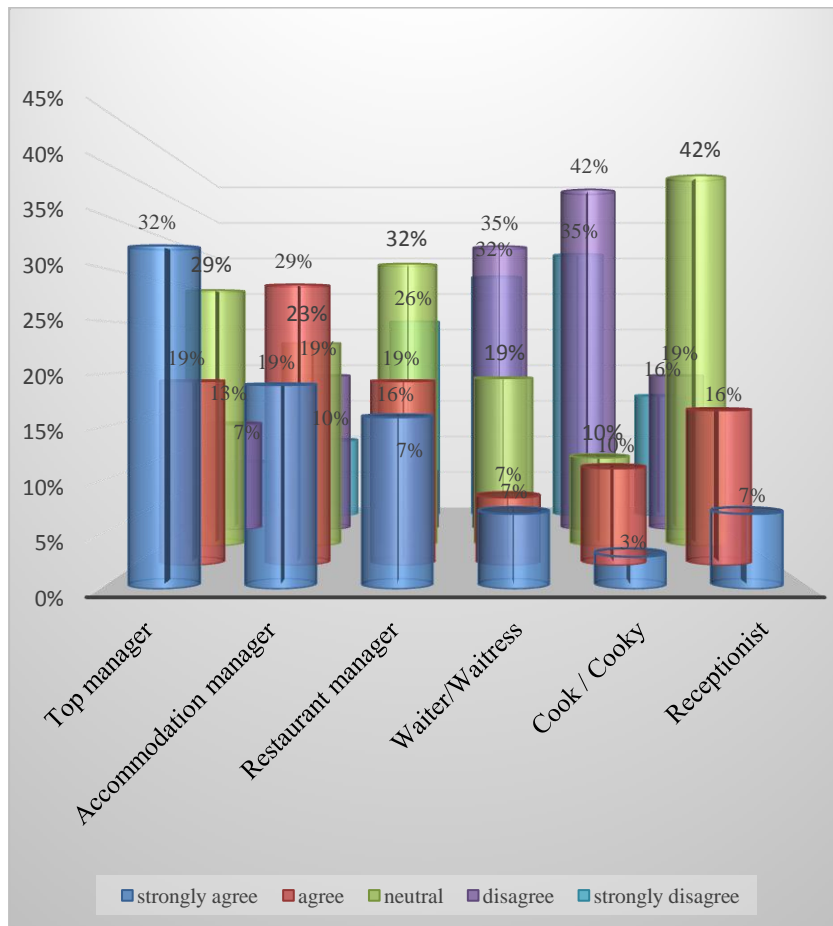


Fig. 4. Positions of hiring and recruiting talents (Source: own processing)

1.3 Hypotheses

The data have been analysed by inductive and descriptive statistics. Hypotheses were tested by Chi-square test using the STATISTICA software. The level of significance is 5%. Chi-square statistics was used for testing relationships between variables (chart 1).

Association between the size of organization and talent management implementation

H₀: There is no association between the size of the organization and implementation of talent management.

H₁: There is association between the size of the organization and implementation of talent management, while larger organizations are more likely to implement talent management.

Chart 1. Chi-square test of first hypothesis (Source: own processing)

			Talent management		Total
			Yes	No	
Terms of size	Small organizations (up to 50 employees)	n	3	16	19
		%	15,80%	84,20%	100,00%
	Medium-sized organizations (up to 100 employees)	n	28	34	62
		%	45,20%	54,80%	100,00%
	Large-sized organizations (more than 100 employees)	n	5	1	6
		%	83,30%	16,70%	100,00%
Total		n	36	51	87
		%	41,40%	58,60%	100,00%
Chi-square test			df		p
9,849			2		0,007

Since the p-value of the Chi-Square statistic) has a value of 0.007 which less than 0.05 (significance level) the null hypothesis is rejected. We conclude that there appears to be an *association between the size of the organization and implementation of talent management*.

5. CONCLUSION

Tourism belongs to the most attractive and rapidly growing industries. The business success lies primarily in the quality, accessibility and variety of services provided, as well as on building relationships with customers. This requires skilled, dedicated and engaged employees. Employers make every effort to attract, hire and recruit the right people. Despite the lack of jobs in tourism and masses of unemployed there is a talent insufficiency.

Our study provides analytical insight into talent management in the Slovak hospitality and tourism sector. Our analysis revealed some interesting facts: (1) there is the relatively small number (over a third of surveyed organizations) which implement talent management (or some of its processes and practices); (2) the position “top/senior manager” and “accommodation manager” are most often connected with talents as the most organizations retain and hire talents for these positions; (3) regarding the implementation of talent management the most organizations implement (at least some of processes and tools of) talent management within the range of 2–3 years; (4) talent development leads to employees' willingness to educate and increased motivation. The research findings support the hypothesis that the use of talent management tools and processes are affected by the size of organization and larger organizations are more likely to implement talent management.

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ANALIZA ZARZĄDZANIA TALENTEM W TURYSTYCE

Z perspektywy globalnej, turystyka przeszła znaczące zmiany spowodowane przez rozwój turystyki (zwłaszcza) w krajach rozwijających się i "odkrycie" nowych miejsc. Turystyka jest coraz częściej postrzegana jako sektor dominujący, jako kluczowy czynnik dla wzrostu i rozwoju gospodarczego w wielu krajach. Artykuł ten dotyczy zarządzania talentami w organizacjach w dziedzinie turystyki na Słowacji. Zwraca także uwagę na korzyści wynikające z wdrożenia systemu zarządzania talentami w szczególnym kontekście sektora turystycznego i specyficzne procesy zarządzania talentami prowadzonych przez organizacje w tym sektorze. Badanie opiera się na analizie danych pierwotnych uzyskanych w badaniu ankietowym wśród 87 respondentów, którzy byli przedstawiciele organizacji w dziedzinie turystyki. Aby wykryć statystycznie istotną zależność między wielkością organizacji i zarządzania talentami użyto testu "chi-kwadrat".

Słowa kluczowe: organizacja, turystyka, zarządzanie talentami.

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