



Talent management

A strategy for improving employee recruitment, retention and engagement within hospitality organizations

Talent
management
strategy

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Abstract

Purpose – The purpose of this article is to clarify what is meant by talent management and why it is important (particularly with respect to its affect on employee recruitment, retention and engagement), as well as to identify factors that are critical to its effective implementation.

Design/methodology/approach – This article is based on a review of the academic and popular talent management literatures.

Findings – Talent management is an espoused and enacted commitment to implementing an integrated, strategic and technology enabled approach to human resource management (HRM). This commitment stems in part from the widely shared belief that human resources are the organization's primary source of competitive advantage; an essential asset that is becoming in increasingly short supply. The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates, and enhanced employee engagement. These outcomes in turn have been associated with improved operational and financial performance. The external and internal drivers and restraints for talent management are many. Of particular importance is senior management understanding and commitment.

Practical implications – Hospitality organizations interested in implementing a talent management strategy would be well advised to: define what is meant by talent management; ensure CEO commitment; align talent management with the strategic goals of the organization; establish talent assessment, data management and analysis systems; ensure clear line management accountability; and conduct an audit of all HRM practices in relation to evidence-based best practices.

Originality/value – This article will be of value to anyone seeking to better understand talent management or to improve employee recruitment, retention and engagement.

Keywords Human resource strategies, Recruitment, Retention

Paper type Literature review

“Talent management” has emerged as the latest “it” word in the human resource management (HRM) lexicon. A 2007 search of the term talent management on Google™ revealed approximately 5,750,000 hits, with talent management solutions, talent management tools, talent management software and talent management guides dominating various HRM periodicals and websites. Despite this apparent popularity, and like so many other HRM trends, a precise definition of talent management remains somewhat elusive. Further, there appears to be a disconnect between the fervour with which talent management is being proselytized by practitioners and its treatment within the academic community. Indeed a recent on-line search of peer reviewed academic journals through ScholarsPortal™ revealed a scant 57 articles on “talent management”. Providing a critical review of the talent management literature, Lewis and Heckman (2006) raised significant concerns about both the lack of common definition and the lack of evidence underpinning its practice.



The aim of this article is to address these shortfalls by clarifying what is meant by talent management, why it is important, and what large multinational hospitality organizations might do in support of its effective implementation. Emphasis is placed on the relationship between talent management, recruitment and employee engagement. The article begins by briefly exploring what is meant by talent management, in both the popular and academic press. We then argue why talent management is a particularly important concept for all organizations and for hospitality and tourism in particular. Associated with this is a discussion of key characteristics of the industry that contribute to recruitment and retention challenges. Next is an overview of practitioner views on the driving and restraining forces influencing talent management policy and practice. As part of this discussion, several relatively novel HRM concepts – employer branding, employee value propositions and the pursuit of non-traditional labour sources – are reviewed. The article concludes with suggestions on what steps hospitality organizations might take in support of the implementation of a strategic talent management strategy including the call for the increased use of research evidence in informing HRM practice.

What is talent management?

Lewis and Heckman (2006, p. 139) conducted an extensive and critical review of the talent management literature both in the professional and academic press and found a “disturbing lack of clarity” concerning its definition. They did, however, identify three primary conceptions of the term. The first is that talent management is comprised of “a collection of typical human resource department practices...such as recruiting, selection, development and career and succession management” (p. 140). From this perspective, they argued that talent management may be little more than a trendy term or euphemism for HRM. However, they also suggested that talent management may additionally imply a systems approach to carrying out these functions; one that involves technology (e.g. the internet or software) and takes place at the level of the whole enterprise.

Lewis and Heckman’s (2006) second conception of talent management more specifically focuses on predicting or modeling (in support of managing) the flow of human resources throughout the organization, based on such factors as workforce skills, supply and demand, and growth and attrition. From this perspective, talent management is considered more or less synonymous with human resource or workforce planning, particularly if automated and connected with other organizational databases and systems.

The third and final perspective on talent management identified by Lewis and Heckman (2006) focuses on sourcing, developing and rewarding employee *talent*. Many HRM practitioner publications advocate the differential treatment of employees identified as having exceptional talent (i.e. high potential or high performing employees). This perspective was reflected in a recent Conference Board report in which talent was defined as “individuals who have the capability to make a significant difference to the current and future performance of the company” (Morton, 2004, p. 6). Proponents of this perspective typically refer to case study and other anecdotal forms of evidence, in which organizations pursuing this approach reportedly realize gains in sales and profitability. This was the case in the work of Handfield-Jones *et al.* (2001), the efficacy of which was later discounted (Lewis and Heckman, 2006), when the

improvements in bottom line results proved to be temporary, despite an ongoing commitment to talent in the organization.

Others endorse an undifferentiated approach, in which the objective of the HRM function is to maximize the talent of all employees or as suggested by Buckingham and Vosburgh (2001, p. 17), the “talent inherent in each person, one individual at a time”.

Providing support for this perspective Pfeffer (2001) argued that an exclusive focus on the external recruitment and retention of “high talent” senior executives could have unintended negative organizational consequences. These he identified as including increased internal competition thus undermining teamwork; the undervaluing of existing employees leading to increased turnover; the creation of a self-fulfilling prophecy of declining competence, whereby training and development resources are redirected from struggling employees to those most able; a focus on bringing in new talent instead of fixing cultural and other systemic issues that serve as barriers to employee performance; and the development of a culture of organizational arrogance or invincibility, potentially leading to poor decision making.

Lewis and Heckman (2006, p. 141) criticize each of the three perspectives they identified – talent management as automated and enterprise-wide HRM, talent management as automated and enterprise-wide workforce planning, and talent management as policies and practices geared towards maximizing employee talent (of few or many). The first perspective is criticized on the basis that it is “superfluous” or little more than the “rebranding” of HRM. The second is similarly criticized as “it provides no incremental understanding [to the HR planning function] and is therefore unnecessary” (p. 141). Finally, the third perspective is seen as the most problematic, given the contradictory positions that are presented (i.e. a focus on a select few versus all employees). Further, arguments in favour of one position or the other are largely based on “compelling anecdotes” (p. 141); little rigorous data is available to support either perspective.

Lewis and Heckman (2006, p. 143) conclude that talent management “is not well grounded in research, not distinct from traditional HR practices or disciplines, and is supported mainly by anecdote”. In response to this conclusion they advocate research that more rigorously and directly explores the link between various talent management or HRM practices and organizational outcomes as well the adoption of a strategic orientation.

While concurring with Lewis and Heckman’s (2006) categorizations, we suggest here that an important thread that runs through all three conceptions described above, plus the strategic orientation they ultimately suggest, is a sense of urgency that is associated with the “war for talent”, a phrase first coined in a 1998 research report by McKinsey Consultants (Chambers, 1998). In addition, within organizations that have declared their commitment to talent management, a sense of “passion”, and “pride” can be found amongst those responsible for its implementation (Morton, 2005, p. 25). According to case study evidence (Morton, 2004, 2005), these organizations “get it”; there is a predominant mindset that human resources are the organization’s most important asset and primary source of competitive advantage.

As suggested by Lewis and Heckman (2006), many of the policies and practices underlying talent management are synonymous with various components of HRM (e.g. recruitment, selection, compensation, performance management, development, succession planning). Talent management additionally implies a level of strategic

integration (i.e. a set of talent management activities that are integrated and aligned with internal organizational systems and external environmental factors), sophistication (i.e. the development of integrated data management and information systems) and broad-based accountability (for all managers and supervisors) that HRM has traditionally not engendered (in practice if not in theory). In this way, talent management presents the opportunity to elevate the practice of HRM to its theoretical potential, with evidence, shared responsibility and a supportive culture being key cornerstones of its practice.

Finally, given the essential role of human resource managers in developing, launching, facilitating and tracking talent management efforts and systems, an organizational commitment to talent management also has the potential to elevate the role of HR practitioners to strategic partner. "This kind of strategic business partnering further refines HR's role from being transactional to one that is more essential to the business" (Morton, 2005, p. 13). Talent management is therefore arguably being positioned by some as the latest weapon in the HRM arsenal, in the ongoing struggle to elevate the practice of HRM to one of strategic importance.

In summary, talent management is a multi-faceted concept that has been championed by HR practitioners, fueled by the war for talent and built on the foundations of strategic HRM. It may be viewed as an organizational mindset or culture in which employees are truly valued; a source of competitive advantage; an effectively integrated and enterprise-wide set of sophisticated, technology enabled, evidence-based HRM policies and practices; and an opportunity to elevate the role of HR practitioners to one of strategic partner. Talent management is therefore defined here as both a philosophy and a practice. It is both an espoused and enacted commitment – shared at the highest levels and throughout the organization by all those in managerial and supervisory positions – to implementing an integrated, strategic and technology enabled approach to HRM, with a particular focus on human resource planning, including employee recruitment, retention, development and succession practices, ideally for all employees but especially for those identified as having high potential or in key positions. This commitment stems in part from the widely shared belief and explicit recognition that human resources are an organization's primary source of competitive advantage; an essential asset that is becoming in increasingly short supply.

Why is talent management important?

Apart from the benefits that are implicit in the preceding discussion, talent management is important for at least two primary reasons. The first is that effective talent management ensures that organizations can successfully acquire and retain essential talent. The second has to do with the extent to which these employees are engaged. According to Morton (2005, p. 11) "Talent management is integral to engaging employees in the organization". The ability to effectively address both of these issues has become a primary determinant of organizational success and in some cases, even survival.

Recruiting and retaining talent

A recent survey by Deloitte (2005) of 1,396 human resource practitioners from over 60 different countries, found that the ability to attract and retain new talent were

perceived as being the two most critical people management issues facing their organizations today. A total of 74 percent of respondents reported a moderate or high shortage (or anticipated shortage) in salaried staff and 53 percent reported a moderate or high shortage (or anticipated shortage) in hourly staff. Similarly, a 2004 survey of 539 CEOs by the Conference Board (Rudis, 2004, as cited in Morton, 2005, p. 6) ranked the “availability of talented managers/executives” sixth amongst their top ten challenges “of greatest concern”.

Mirroring these results, a recent article in the *Globe & Mail* (Immen, 2008), one of Canada’s national newspapers, suggested record hiring levels, rising average wages and benefits and improved career opportunities (particularly for employees nearing retirement age) would be amongst the year’s employment trends (assuming the economy remains robust); “With the talent shortage ever looming, more employers are paying more heed to the needs of stressed-out and aging workers” (p. C1).

Given demographic trends, these results should not be surprising. Citing the UN’s Population Division data, the Deloitte (2005) report states that “the number of 15-29 year olds entering the job market is steadily contracting, while the population in both developed and developing countries is ageing” (p. 2). This they suggest will create a “chronic labour shortage across all geographic and vertical markets” (p. 2). Within the US, the Bureau of Labor Statistics has similarly forecast that “by 2008 there will be 6 million more jobs than people to fill them, and the gap will grow to peak levels between 2015 and 2025” (Dell and Hickey, 2002, p. 7). Further, even those employees who are available may not have the requisite skills. Thirty-five percent of those surveyed in the Deloitte study identified the inadequate skills of incoming workers as one of their most pressing issues. And, in almost half of the participating organizations (46 percent), recruitment and retention challenges were considered sufficiently important to have been discussed at the level of the Board of Directors.

Recruitment and retention have long been identified as one of the hospitality and tourism industry’s biggest challenges (Powell and Wood, 1999). This is due in part to the highly labour intensive nature of the industry, especially in contexts where customer service expectations are high. Exacerbating the situation is the industry’s turnover culture (Kusluvan, 2003; Iverson and Deery, 1997), in which high turnover rates are often accepted as “just the way things are”. In addition, the ease by which customer service skills can be transferred to other industries means that highly valued hospitality employees can easily seek jobs elsewhere (Baum, 1995; Guerrier, 1999; Riley, 1996).

Fueling the recruitment and retention challenge are factors that have traditionally been characteristic of the industry and that have contributed to the perception that it is a less than ideal place to work (Christensen Hughes, 2008; Kusluvan, 2003). Contributing factors include management’s traditional focus on minimizing labour costs (Christensen Hughes, 2008), the emotional labour requirements of many service industry jobs (Hoschschild, 1983; Lashley, 2002); the lack of job security associated with sales fluctuations and seasonality (Twinning-Ward and Baum, 1998); the lack of opportunity for promotion from within (Riley, 1996); the low-status nature of hospitality work (Guerrier, 1999; Pizam, 1999) and poor working conditions in general (e.g. unsocial working hours, health and safety concerns, harassment, poor work-life balance). In the future, the industry’s recruitment and retention challenges will likely

continue to intensify unless these core characteristics are effectively challenged and the employer brand for the industry overall improves.

Thankfully, some hospitality organizations are in the process of effectively challenging these traditions. Within Canada, Hewitt and Associates (2004), in conjunction with the Globe and Mail, annually assesses and identifies the “top 50” Canadian employers. This assessment is a rigorous process involving surveys and focus groups with employees at levels of the organization. The 2008 list included six hospitality organizations (Starwood Hotels & Resorts, Earls Restaurants, Marriott Lodging, Delta Hotels, Keg Restaurants, McDonald’s Restaurants). In other words, a growing number of hospitality organizations are very much committed to providing their employees with a positive experience and to strengthening their employer brand in the process.

Survey respondents in the Deloitte (2005) study identified the primary consequences of failing to adequately address an organization’s recruitment and retention issues. These included: constraints on organizational productivity and efficiency (54 percent), constraints on innovation (40 percent) and constraints on the organization’s ability to meet production requirements and customer demands (33 percent). These dire consequences are already being felt in Alberta, Canada, where a booming oil economy has made it extremely difficult for the hospitality industry to compete in the recruitment and retention of employees. As a result, fast food operations have had to take dramatic steps to remain in business including curtailing their hours of operation and sharing one team of employees between several units in the same chain.

In order to mitigate these consequences, respondents in the Deloitte (2005) study indicated they planned to increase investment (either somewhat or significantly) in a variety of strategies associated with talent management including learning and development (78 percent), internal communications (73 percent), cultural enhancements (66 percent) and mentoring and coaching (65 percent). These solutions are in keeping with what the majority of Canadian workers suggest is “very important” in a job. This includes: “being treated with respect, doing interesting work, a feeling of accomplishment and good communication among co-workers” (Government of Alberta, Human Resources and Employment, 2003, p. 8).

These ideas are also more or less consistent with those generated by Towers Perrin (2005, p. 17) in their international study of 86,000 full-time employees from 16 countries and four continents. Towers Perrin found that for Canadian workers, top recruitment drivers included: competitive base pay, work/life balance, career advancement opportunities, competitive benefits, challenging work, salary increases linked to individual performance, learning and development opportunities, competitive retirement benefits, caliber of coworkers and reputation of the organization as a good employer.

Interestingly, this same study also identified critical factors for employee retention. While there were some similarities, differences were identified between those factors that were important for attracting workers and those that were important for keeping them once they had been hired.

The top retention drivers for Canadian workers included: organization’s success at retaining others with needed skills, opportunities to learn and develop new skills, base salary, manager understands individual employee’s motivations, satisfaction with organization’s people decisions, retirement benefits, senior management acts to

ensure organization's long-term success, fairly compensated compared to others doing similar work in organization, appropriate amount of decision-making authority to do job well and reputation of organization as a good employer. Retention strategies found to be important in other countries included: inspiring enthusiasm (Brazil, France, Netherlands), treating people with respect and trust (Japan), conducting effective performance reviews (Italy) and holding people accountable for performance goals (South Korea).

Employee engagement

In addition to contributing to the effective recruitment and retention of employees, an organization's talent management strategy should also contribute to employee engagement. Like talent management, "employee engagement" is an oft cited term that lacks a precise definition. According to Gibbons (2006) "employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that in turn influences him/her to apply additional discretionary effort to his/her work" (p. 5). Perhaps a more accessible definition comes from Hewitt and Associates (2004). According to their research, engagement is:

A measure of the energy and passion that employees have for their organizations. Engaged employees are individuals who take action to improve business results for their organizations. They "stay, say, and strive-stay with and are committed to the organization, say positive things about their workplace, and strive to go above and beyond to deliver extraordinary work" (p. 12).

In other words, the more highly engaged the employee, the more likely he or she will be to say positive things about the organization, thereby contributing to the development of a positive employer brand; want to remain within the organization, thereby minimizing turnover; and regularly exert a superior level of effort, thereby potentially influencing such variables as service quality, customer satisfaction, productivity, sales, profitability, etc.

In reviewing the results of 12 major research studies Gibbons (2006, p. 6) identified the top drivers of employee engagement. These include:

- trust and integrity – the extent to which the organization's leadership is perceived to care about employees, listens and responds to their opinions, is trustworthy, and "walks the talk";
- nature of the job – the extent of employee participation and autonomy;
- the connection between individual and company performance – the extent to which employees understand the company's objectives, current levels of performance, and how to best contribute to them;
- career growth opportunities – the extent to which employees have opportunities for "career growth and promotion" or have a clearly defined career path;
- pride about the company – the extent to which employees derive self-esteem from their work;
- coworkers/team members – attitudes and perspectives of coworkers towards their jobs and the company;

- employee development – the extent to which efforts are made to develop the employee’s skills; and
- personal relationship with one’s manager – the extent to which the employee values this relationship.

Many of these drivers arguably reflect an overall management philosophy – one in which managers at all levels of the organization are expected to behave with integrity, treat employees with respect, communicate effectively, involve employees in decision making, foster personal relationships with direct reports, and engender pride in employee work. Providing further emphasis for the importance of some of these factors, Gibbons (2006) concluded that “emotional drivers such as one’s relationship with one’s manager and pride in one’s work had four times greater impact on discretionary work effort than did the rational drivers, such as pay and benefits” (p. 6). Ensuring these drivers are present in the organization has profound implications for HRM policies and practices with respect to anyone who is in a supervisory capacity, raising questions about the best way supervisors and managers should be recruited, selected, developed, rewarded, evaluated, etc.

Interestingly, while employee engagement has been found to vary by country and organizational size, it is a condition that is never-the-less reported by a minority of employees. Towers Perrin (2005) found an average global engagement rate of 14 percent with employees from countries reporting the highest levels including Mexico (40 percent), Brazil (31 percent), the United States (21 percent), Belgium (18 percent) and Canada (17 percent). With respect to size, Harris Interactive (as cited in Gibbons, 2006, p. 7-8) found that employees from small companies (those with fewer than 5,000 employees) were more likely to report feeling proud of their employers, feeling satisfied with their work, perceiving career growth opportunities, believing their senior managers have integrity, and agreeing that “this is the best company to work for”. Organizations that can more fully engage their employees through an effective talent management strategy will clearly have a competitive advantage.

Organizational outcomes

There is an increasing body of compelling research that has linked various talent management and employee engagement practices with bottom line results. For example, citing Day and Lord (1988) and Hunter *et al.* (1990), Morton (2005) stated that leadership quality has been found to account for as much as “45 percent of an organization’s performance” (p. 21). Further, in studies conducted throughout the 1990s Becker *et al.* (2001) found a strong correlation between high-performance HRM systems and practices and a number of organizational variables including turnover, sales per employee, and market value.

Similarly, employee engagement has been associated with a number of important organizational outcomes, many of which are directly related to talent management such as ease of recruitment, retention, and employee turnover. For example, Towers Perrin (2003) found that 66 percent of highly engaged employees plan to stay with their current employers, compared to only 12 percent of disengaged employees. Other important organizational outcomes associated with increased levels of employee engagement include higher employee productivity and customer engagement levels, as well as revenue growth and higher operating and profit margins. Demonstrating a

causal relationship between engagement and financial outcomes, in a five-year longitudinal study of multiple companies, Hewitt and Associates (2004) found that as levels of employee engagement increased, so too did indicators of financial performance.

Driving and restraining forces influencing the policy and practice of talent management

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Despite these benefits, and the extent to which talent management and employee engagement are being promoted in practitioner publications, it is questionable to what extent these ideas are actually being practiced. For example, in another *Globe & Mail* article (Moses, 2008) it was reported that “Many senior HR leaders and recruiters agreed that older workers are being treated like second-class citizens and rue the waste of what they have to contribute, including organizational knowledge and the ability to mentor younger workers” (p. C1). In addition, citing the views of an organizational consultant, Dr Moses argued that the lot of middle managers is not much better; “I see middle managers struggle with delivery expectations without the authority or information or budget to make that happen. Very competent people are becoming burned out and overwhelmed because they can’t do what they need to do to deliver. . . They aren’t being stretched, they’re being traumatized” (C1).

Morton (2004) identified several “external” factors that can serve as driving or restraining forces influencing the policy and practice of talent management. These include the economy, mergers and acquisitions, and global expansion plans. The implications of the economy for talent management are likely self-evident, given its obvious effect on the supply and demand for human resources. Mergers and acquisitions can also have a profound effect, resulting in “additional employees at all levels, more high potentials vying for a limited number of senior management positions, greater diversity, and new cultural implications” (Morton, 2004, p. 14). Global expansion plans have implications for cultural diversity, international job placements, and the need to understand and work effectively with local workforces.

Internal factors can also serve as drivers and restraints. Arguably one of the most significant internal factors influencing talent management policy and practice is its definition. Whether or not it is perceived as being synonymous with HRM practices or workforce planning, the extent to which it is associated with technology and enterprise level systems automation, and whether it is focused on all employees or just a few, will clearly have a profound effect on its implementation. Given the lack of direction in the literature, developing a clear definition of what talent management means within any one organization, along with what it is meant to achieve, is an important first step.

Beyond a clear definition, other internal factors have been identified in the literature. According to a survey by Morton (2004) two of the three most important internal success factors for talent management are CEO active participation and alignment with strategic business goals. CEOs have a particularly important role to play in providing the direction for talent management initiatives with some CEOs today making it a legacy issue (Handfield-Jones *et al.*, 2001). According to Morton (2005), a “talent mindset. . . must cascade from the top, with the CEO as the driver” (p. 9). At some companies, such as American Express, CEOs devote as much as 30 to 40 percent of their time on talent management related issues (Morton, 2005). Talent management

is likely to become nothing more than another momentary HR fad, without ongoing, tangible, and highly visible senior management commitment and support.

Aligning talent management with strategic business goals is consistent with what was suggested in the *War for Talent* within which Chambers (1998) wrote that organizations need to “elevate talent management to a burning corporate priority” (p. 46). Associated with this is the need for the development of a compelling business case; one that is aligned with the strategic goals of the organization. Talent management needs to be seen as essential for achieving the organization’s goals if it is going to get the attention and resources it requires.

The alignment of talent management with the strategic business goals of the organization can be helped immeasurably through the provision of robust data, potentially generated in part from workforce planning or an integrated feedback/measurement system. Interestingly, these types of systems are areas that Morton’s (2005) study identified as being in more need of improvement. Specifically, her research found that many HRM practitioners lack the skills associated with planning and analysis, and many organizations lack integrated systems for collecting and analyzing essential data. In reaction to this situation, Lewis and Heckman (2006) advocate developing analytics, which draw on “statistics and research design” as well as “enhancing the analytical competencies of HR throughout the organization” (p. 148). These types of data and skills could also be useful in demonstrating the impact of talent management on organizational outcomes (e.g. turnover, employee engagement, revenues, profits, share value), which may be important for justifying continuing investments and directing future talent management efforts.

Once the talent management definition, CEO commitment, talent mindset/culture, business case/alignment of talent management with the strategic goals of the organization, data management systems, and analytical skills are firmly in place, an implementation plan needs to be developed. This involves establishing clear accountability supported by an effective organizational structure. According to Morton (2004) establishing line/business unit accountability is the fourth most important internal factor affecting talent management. As previously suggested, talent management is most appropriately viewed as an enterprise wide, integrated activity, for which managers accept shared responsibility and for which the structure is clear; “the companies with the most rigorous TM approaches also have the clearest TM organizational structures. The particular kind of structure doesn’t seem to matter, but simply having one does” (Morton, 2005, p. 13). Responsibility for talent management leadership, its effective implementation, and the strength of its results, rather than being the exclusive responsibility of HR is increasingly being shared with other managers in the organization. Morton (2004) found that accountability for integration is now the responsibility of the entire leadership team in 30 percent of organizations, and over half of organizations (52 percent) hold the entire leadership team responsible for its results.

The remaining factor that was identified in Morton’s (2004) study as being particularly important for talent management was the company’s existing approach to HRM. As the core underpinning of talent management, it makes sense that efficient and effective processes in all traditional HRM areas would be important for its successful implementation. A comprehensive review of evidence-based best practices in recruitment, selection, retention, compensation, performance management,

succession planning, etc. is arguably beyond the scope of this article. However, the extent to which organizations engage in such a review and then adjust their own practices accordingly, has the potential to significantly affect the success of their talent management approach.

In addition, a few relatively novel HR concepts have received attention in the talent management literature. These are briefly summarized below. They include the development of an employer brand and employee value proposition, and the pursuit of non-traditional labour sources.

Companies have long understood the benefits of developing successful brands for their products and services. Particularly in highly competitive markets, a strong brand is often considered essential. Given increased competition for human resources, the development of an employer brand is now becoming recognized as being equally important. In fact, the development of a formal employer brand has been reported by approximately 40 percent of companies (Dell and Hickey, 2002). In addition to helping attract external job candidates and position an organization as an “employer of choice” positive employer brands have been found to help employees internalize the organization’s mission, vision and values. More specifically, an employer brand (Dell and Hickey, 2002, p. 24):

establishes the identity of a company as an employer. It encompasses the firm’s values, systems, policies and behaviors toward the objectives of attracting, motivating, and retaining employees. Effective employer branding keeps current and potential employees constantly and actively aware of the company’s employee value proposition and the benefits of committing to it.

As suggested by Dell and Hickey (2002) above, the development of an employee value proposition is an important component of an employer brand. The employee value proposition makes clear to the employee “what’s in it for them” or what extrinsic and intrinsic benefits will they receive in exchange of their labour, both now and in the future. According to Morton (2005) in order to effectively recruit and retain scarce labour, organizations “need to create and perpetually refine an employee value proposition” (p. 11); organizations that are able to successfully recruit and retain valued employees are committed to showing “potential employees they are valued and that opportunities exist for them” (p. 11). In developing such a proposition, employers would be well advised to pay attention to the key factors associated with employee recruitment and retention success discussed elsewhere in this article (e.g. competitive base pay and benefits; learning, skill development and career advancement opportunities; work/life balance; a long term strategic orientation; appropriate decision making authority).

Finally, as the competition for scarce labour continues to intensify, organizations will need to increasingly consider non-traditional labour sources. Non-traditional labour has long been a staple of entry-level positions in hospitality organizations but will likely need to extend up the hierarchy in the future. According to Dell and Hickey (2002), “most organizations will need to attract and retain employees quite different from the people they replace, and they will need to adjust their targeting, their channels, and their over-all strategies accordingly” (p. 7). One potential non-traditional source of employees is foreign workers. Within Canada, Federal and Provincial legislation and employment programs continue to evolve, making it somewhat easier to bring in workers from outside the country. Another potential source is older workers.

“As the baby boom ages, this pool of retirement-age individuals looking for alternative working arrangements will grow every year. This is a tremendous opportunity associated with this enormous pool of re-entrants for employers that can adopt policies and practices to accommodate their interests”.

Quite apart from these relatively new ideas, as previously suggested organizations will need to develop formalized and effective policies and practices across all of the primary HR areas, ideally informed by research (i.e. be evidence-based). A recent study has found, however, that those HR areas that receive the most attention vary on the basis of organization size and industry. For example, while 22 percent of small organizations (defined by Morton as those with fewer than 10,000 employees) reported an *ad hoc* approach to recruitment, only six percent of large organizations (those with greater than 25,000 employees) relied on this reactive approach.

Those areas which were most often reported as reflecting a comprehensive or integrated approach in large organizations were recruitment (67 percent), culture (64 percent), leadership/high potential development (61 percent) and feedback measurement (44 percent). The corresponding results for small organizations were considerably lower, with 48, 52, 34 and 36 percent, respectively. Areas in which an *ad hoc* approach was most prevalent in large organizations were workforce planning (53 percent), retention (42 percent) and professional development (28 percent); areas that are key components of an effective talent management strategy.

Results also varied by industry, with those in non-financial services (regardless of size) being more likely to develop comprehensive or integrated approaches to performance management (63 percent), culture (62 percent), and recruitment (52 percent). Areas most often reported as being treated in an *ad hoc* manner were retention (41 percent), workforce planning (41 percent), and leadership/high potential development (41 percent).

Based on these findings, it appears that many organizations, regardless of size or industry, could benefit from the increased formalization and integration of some HRM practices that fall clearly within the talent management domain, including retention, workforce planning, leadership/high potential development, and professional development. The hospitality industry is likely no exception. Further research is needed to help assess the extent of this potential benefit. Regardless, increased retention efforts are clearly needed. And, as previously suggested line managers have an important role to play in this regard, particularly with respect to understanding what motivates people, ensuring access to learning opportunities, and treating people with respect. Instead, reflecting a reactionary approach, in many organizations “raises or other sweetening of the compensation package are common responses when a valued employee shows signs of leaving” (Dell and Hickey, 2002, p. 10).

In summary, talent management is arguably a compelling approach for dealing with the impending labour crisis as well as an effective strategy for enhancing the competitive positioning of an organization as well as its employer brand. Talent management has been described within this article as a multi-faceted strategic concept championed by HR practitioners; an organizational mindset; a source of competitive advantage; an integrated set of enterprise-wide, technology enabled, evidence-based HRM policies and practices; and an opportunity to elevate the role of HR practitioner to one of strategic partner. The benefits of an effectively implemented talent management strategy include improved employee recruitment and retention rates (thus avoiding the

dire consequences of having insufficient or inappropriate employees), and enhanced employee engagement. These outcomes in turn have been associated with improved financial performance.

Within hospitality organizations, that have long-struggled with high turnover rates and the ability to attract and engage employees with the requisite skills and experience, talent management presents a particularly intriguing opportunity. Steps to implementing an integrated talent management strategy, as generated through this review, include: defining what is meant by talent management and its objectives, ensuring CEO commitment and leadership for its implementation (ideally positioning talent management as a legacy issue and developing a talent-management mindset/culture), making the business case/aligning talent management with the strategic goals of the organization, establishing talent assessment, data management and analysis systems and ensuring people have the necessary analytical skills to use them, developing a broad based implementation plan with clear line management accountability and structures, and conducting an audit of all HRM practices in relation to evidence-based best practices, making changes and formalizing processes as required. The latter should include establishing an effective employer brand and employee value proposition, and considering non-traditional labour sources. It will also require ensuring that managers at all levels of the organization have the requisite skills to retain and engage valued employee talent. Clearly, such an undertaking – given its comprehensive nature – should not be embarked upon lightly. Those organizations that are truly committed to such an approach, however, arguably have much to gain. And hopefully, academics will have the opportunity to study such initiatives, potentially lessening the gap between practitioner and academic fervour and providing evidence in support of future practice.

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