
8

Talent Management and Youth Employment

Andreas Walmsley

Learning objectives

After reading this chapter you should:

- Be able to explain the potential of youth to the success of the hospitality organisation within the context of the resource-based view of the firm
- Be able to apply the concept of aesthetic labour to youth employment in hospitality
- Be familiar with the concept of generation theory and how managers may use it to manage young talent within their organisations

Introduction

This chapter focuses on young people as a source of talent and thereby a source of competitive advantage for the hospitality organisation. It is structured in three main sections. The first section provides a theoretical foundation for understanding talented individuals as a source of competitive advantage in alignment with the resource-based view of the firm. The following section explores characteristics of youth, or young people, that make them particularly suited to some forms of hospitality work, and thereby a talent to be recruited and managed. The final section seeks to better understand the work values, broadly defined, of today's youth, which may arguably assist in their recruitment and retention, as well as their management. It should be noted from the outset that this line of investigation, i.e. a focus on youth attributes and their relationship to the hospitality firm, is fairly novel and as such the discussion is necessarily theoretical in the main for want of empirical evidence. Nonetheless, in an increasingly competitive world, being able to recruit and manage talented young people may very usefully feature as part of a competitive strategy of the hospitality firm.

Human resources as a source of competitive advantage

Today, much literature extols the value of people to organisational success to the extent that it might appear churlish to suggest otherwise. This view is not natural or inevitable, however, as a historical review illustrates. Frederick Taylor's notion of scientific management, which emerged at the close of the 19th century, has clear leanings towards traditional economics' view of labour as a factor of production, and therefore to be regarded as a cost. Taylor's preoccupation with finding the most efficient way of organising labour was thereby particularly suited to standardised business processes. Ethical considerations aside, treating employees like cogs in a well-oiled machine was possible where there existed an abundant supply of labour, where costs associated with high rates of labour turnover were mitigated by low wages in the knowledge that replacing workers was unproblematic. Work effort was maintained by close monitoring and efficiency wages (MacDuffie, 1995: 201). This admittedly reductionist view of labour persisted, and some might argue still persists in some quarters today, although a change in attitudes is often promoted by drawing attention to a shift in terminology, i.e. from the use of the term Personnel Management to Human Resources (or Human Resource Management) (Ulrich and Dulebohn, 2015). HRM has been interpreted as elevating the position of employees in other words, indeed regarding HRM functions (e.g. recruitment, selection, human resource development, performance and reward management etc.) as fundamental to a firm's success. The debates around the need for the term 'strategic human resource management', given that HRM is arguably strategic in nature, are indicative of this shift also (see for example Price, 2007) and a recent preoccupation with talent management is equally indicative of this shift.

It is not just the academic literature that is preoccupied with human resources and their management. The practitioner literature in hospitality unfailingly promotes people as the source of business success and as such it is 'their people' who should be nurtured and cared for. The following claims serve to provide a flavour of these espoused beliefs. The International Hotel Group (IHG, 2015) states that:

We're a company which passionately believes that it's our people who have brought us to where we are today and our people that will help us grow.

Marriott International (2015) explains that its core values and culture are underpinned by the notion to 'Take care of your employees and they'll take care of the guests', which is in fact their founding philosophy. At Marriott, caring for people and the community is part of who we are.

Hilton Hotels (2015) claims:

Great guest experiences begin with Team Members who feel appreciated, valued and respected.

The elevation of the status of employees, in theory at least, in recognition of their role in determining organisational success, was further driven by a shift in perspec-

tive in the strategic management literature. Despite the long-held understanding in strategic management of the importance of the resource position (strengths and weaknesses) of the firm (e.g. Andrews, 1971), which itself extends back to Penrose's (1959) seminal work that regards the firm as a broader collection of resources, it was not until the 1980s and early 90s that the resource-based view of the firm began to attract notable scholarly interest (see for example Barney, 1991; Wernerfelt, 1984). Wernerfelt (1984: 172) suggests that '*by a resource is meant anything which could be thought of as a strength or weakness of a given firm. More formally, a firm's resources at a given time could be defined as those (tangible and intangible) assets which are tied semi-permanently to the firm.*' Within this statement lies one of the premises of talent management: to provide a sustained competitive advantage the resource needs to conform to certain characteristics, notably it must be tied to the firm. Wernerfelt (1984) alludes to a resource position barrier; within the context of this chapter and book we might refer to a talent position barrier.

Barney (1991) similarly picks up on Wernerfelt's position establishing that a focus on sustained competitive advantage must result in firm resource immobility as well as heterogeneity. The point around heterogeneity is in reality about scarcity, if all firms had access to the same resource, i.e. it wasn't rare, then no competitive advantage could be achieved. Barney (1991) concludes therefore that for a resource to provide sustained competitive advantage it must be valuable (to the organisation), rare, inimitable and non-substitutable (i.e. another bundle of firm resources cannot be exploited to achieve the same strategic results).

Although talent management is still a relatively recent concept in the spheres of the broader business management literature, the potential of human resources and their management to provide a sustained competitive advantage for the firm is not as new and draws heavily on ideas such as those initially expressed by Wernerfelt (1984) and Barney (1991). Indeed there is a clear link between (strategic) HRM and the resource based view of the firm. However, Wright *et al.*'s article reviews competing approaches as to whether the management of human resources can in fact provide a sustained competitive advantage. On the one hand Wright *et al.* (1994), who distinguish between a firm's human resources (i.e. its human capital pool) and HR practices (i.e. the tools used to manage that pool), argue that HR practices cannot offer a source of sustainable competitive advantage since individual HR practices can be copied by competitors. Lado and Wilson (1994) counter this by suggesting it is the overall HR system which is inimitable.

Part of the appeal of a focus on HR systems in achieving sustained competitive advantage is precisely the difficulty in establishing in detail what the system consists of and how it works, thus making it problematic, if not impossible, to imitate. As Spender and Grant (1996: 8), with reference to the resource-based view, have identified '*the variables which are most theoretically interesting are those which are least identifiable and measurable*'. This is just one of the paradoxes of the resource-based view and has led to some criticism of the 'theory' because not being able to measure the resource means empirical verification of its impact on firm performance

is hampered (Lado *et al.* 2006). To put it bluntly, we can say all we like about the virtues of HRM but we have limited actual evidence of its success, certainly if we discard anecdotal evidence. This is not to say that HRM does not have an impact, just that it has been difficult to verify its impact empirically, which is in large part down to measurement of what precisely is the cause (i.e. the HRM systems) and how to disentangle this from other factors that impact on firm performance (such as general economic climate, industry forces, a firm's resource endowments and so forth).

The difficulty in establishing causality has not prevented researchers from tackling the issue. Numerous studies exist both within and outside of the hospitality context that explore the HRM – business performance relationship. Examples within hospitality include Cho *et al.* (2006) who for 219 publicly traded hotel and restaurant companies in the U.S. only found a positive relationship between certain HRM practices (not overall systems) and non-managerial labour turnover rates, but were unable to establish statistically significant associations for managerial turnover rates, productivity and return on assets. A more recent study based in Croatia is that conducted by Ruzic (2015), who from the outset clarifies that the search for HRM's impact on firm performance has moved from *whether* to *how*. It is more about understanding the conditions where impact can occur rather than trying to establish a universally applicable 'law' determining the HRM-firm performance relationship. Nonetheless, Ruzic's (2015: 64) findings while multi-faceted point to a clear overall relationship between HRM and firm performance: *'The key conclusion is that, in a hotel environment, HRM directly contributes to the HRM result performance, both at individual and organisational levels, as well as to hotel company financial performance.'* Notwithstanding the theoretical strength of claims seeking to justify HRM's impact on performance (be that measured at the level of the individual, the department, or the firm) there is still much scope for research in this area.

In sum, talent management may be regarded as typifying the resource-based view of the firm, in that as a resource it can provide a competitive edge to it. Moreover, because the management of talent goes beyond the existence of a resource but exemplifies a core competence in the way HR systems and procedures are organised to manage talent, it may in fact provide a sustainable competitive advantage, or at least make it more difficult for competitors to imitate.

The discussion now turns to how young people can provide a ready source of talent for the hospitality organisation.

The promise of youth within hospitality

Having laid the foundations in terms of seeing people and their management as a source of competitive advantage we now focus our attention on youth within hospitality organisations, and specifically how youth attributes can offer the hospitality organisation a competitive edge. The discussion focuses on the delivery