

Analysis of the connection between talent management and sustainable development

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Abstract

Industries are actively enhancing their long-term “sustainability”, which demands a spotlight on economic, social ecological performance simultaneously. A sustainable firm has a good chance to be substantially more prosperous tomorrow than it is today, and of remaining affluent for decades or generations, rather than simply months or years. Employees, as the most precious asset of a firm, should realize the value of sustainable development in order to increase output without adversely impacting natural resources or societal issues. Connecting the company’s sustainability plan with its talent management framework assists the organization in effectively ensuring long - term sustainability. The article’s objective is to explore various talent management techniques and assess their impact on achieving the organization’s sustainable performance through monetary, ecological, and societal impact. The information was gathered from HR managers at various star hotels in Tamil Nadu. Every aspect of talent management technique has had a substantial impact on the economic, environmental, and social implications of sustainability.

Subject Classification: 90-00, 00-XX.

Keywords: Economic impact, Environmental impact, Social impact, Sustainable development, Talent engagement.

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Introduction

Since 1987, industry have prioritized sustainable development. Sustainable development in business is driven by social, fiscal and environmental ramifications of present and future activities, including the firm's capacity to satisfy requirements thereby ensuring its own and others' long-term existence. It is essential that after the United Nations report on the 2030 Agenda for Sustainable Development, which included 17 sustainable development goals in 2015. Providing service to visitors, the hospitality sector requires staff who are experienced, skilled, and competent. As a result, these staff can meet the wants of the guests, particularly those who are complicated. The hotel industry is heavily reliant on employees, and the job is guest-oriented. As a result of the work environment, the traits expected of employees differ from those necessary in other industries. In this industry, a high level of talent is required. In this approach, it is understood that staff performance is the most important aspect in meeting the needs of guests (Lee et. al., 2012). Finding the right competent employee is one of the most important cornerstones for successful business execution (Hartmann et. al., 2010). Employee performance is what drives the organization's genuine competitive advantage because they are the frontline brand advocates. To thrive, they must acquire, nurture, engage skilled, ambitious, and competent employees, and also keep them satisfied and inspired. Talent management describes the act of hiring, training, directing, and sustaining personnel. It encompasses a wide range of responsibilities including as recruiting, learning, and training, as well as remuneration, employee performance management, and succession planning. As per talent management, individuals are a business's most valuable resource. The preceding is especially true in the hospitality and tourism industries, where excellent customer service drives long-term profitability. Workers have a direct influence on customers' inclination to return to the hotel or promote it to others. A well-managed talent acquisition plan provides a tried-and-true method for leaders to foster a positive work environment, rapid improvement, and a significant contribution to efficient service. At the corporate level, sustainable development refers to a company's ability to accomplish its commercial objectives while improving long-term value creation by blending sustainability possibilities into its business strategy. (Symposium on Sustainability, 2001). It is critical to align all of the organization's systems towards sustainability goals in order to achieve sustainability in the hotel industry, so a standalone approach cannot

construct sustainability. To be implemented, the actual business system must be linked with the company's agenda. (Rocha et. al., 2007). As a result, an HRM system that is strategic enough to assist organizations in their road to being sustainable is required. There are numerous areas where the company's HR could make substantial contributions to the company's sustainability plan. Talent management is a method of strengthening organizational capabilities in preparation for future challenges (Campbell & Hirsh, 2013). It consists of critical responsibilities such as Employee Engagement, Recruitment and Selection, Training and Development, Assessment of work and Remuneration, Retention, and Career Management (Wirtenberg et. al., 2007). The awareness of talented employees is directly related to the synergies that enable and support the competitiveness (Wright et. al., 1994). Furthermore, the tasks related with managing the ability necessitate the use of a substantial number of business assets (Collings & Mellahi, 2009). As a result, it is critical for businesses to ensure that their people management operations are linked to the firm's strategy to reap the greatest profits. Thus to achieve sustainable development in the hotel industry, Talent management components such as Workforce planning, Attraction and Recruitment; Talent training and development; Talent retention; Performance appraisal; Talent engagement and Succession planning/ Career Management help the management of the hotel industry in attracting, training, retaining, engaging and managing the employees who have commitment towards the sustainability goals and values.

Need for the Study

Tourism is one of the largest contributors to country's GDP accounting for 6.9% of total economy and 8.8% of total employment (WTO,2018). Though the hotel industry is one among the prime source of job opportunities and income to the nation, it consumes maximum energy. Hence it is one of the important confrontation of the hotel industry to minimize its damaging effects to the society (Leyva & Parra, 2021). Hotels have been identified as key sources to changes in climate, releasing waste and depleting significant energy and water reserves. (Reid et. al., 2017). Rising expense put additional strain on employees in terms of satisfying the customers thru innovations and advancement of technologies. (Singh & Munjal, 2012). This ascends the prerequisite for sustainable development in hotel industry that minimizes the negative environmental, economic and social impact. In general, sustainability entails striking a balance

between the factors that cause these effects (Reid et. al., 2017). Executing sustainability by incorporating it in daily business operations is not easy. The human resources function takes steps to guarantee long-term business operations by encouraging employee competency growth.(Chandramohan et al 2019c). Talent Management is a human capital activity that contributes and acted as a support system for the sustainable development of an organization (Wirtenberg et. al., 2007). The Hospitality Insights Report enlisted the key drivers to sustainable development are operational synergies, building efficiencies and cost management. Regarding it, the hotel administration considers talent management as one of the primary imperatives for building efficiencies in their current operations resulting in sustainable development. The researcher identified that only few studies have been conducted linking talent management and sustainable development. Moreover, it was found that limited studies have been focusing talent management and sustainable development in hotel industry. Based on the above reasons, literature reviews and findings of various reports, the researcher set an effort to study about talent management and its impact on sustainable development of hotel industry.

Objectives

- i. To recognize the various effective talent management practices of hotel industry.
- ii. To examine the influence of dimensions of talent management on the impact of sustainable development practices.

Review of Literature

Measurement of Sustainable Development

The impact of Triple Bottom Line approach to sustainable development is measured through various factors such as social, economic and ecological ("Global Reporting Initiative, 2006"; Wang & Lin, 2007).

Talent Management

Talent management has become the primary managerial tool for the twenty-first century whilst the intellectual capital is more important for organizational fulfilment than other physical assets like as land, capital, and so on, as well as for the current technology revolution (Cappelli, 2008). It is the method for choosing, enticing, and enrolling skilled employees to

help the firm achieve its objectives. Only the resource stream is drawn to an organization that is in satisfactory quality and appealing. Successful talent attraction and recruitment typically focuses on attracting the right talent at the right time and in the right place with the required competence (Schuler et. al., 2011). Talent development, or the learning and enhancement of great performers, is a vital component of talent management (Frank et. al., 2004). Keeping talented staff is the most challenging task that all firms confront around the world. Workers' knowledge and skills are valuable weapons in a competitive economy. It is critical for both the individual and the business to determine the extent to which an individual's skill is being exploited to the benefit of both parties. This can be accomplished through the performance appraisal process (Grobler & Diedericks, 2009). Recruiting and selecting talent is simply the beginning, and it may appear to be the simplest aspect. Although wages and benefits may initially entice employees, top-tier firms have recognized the value of employee engagement. Succession planning is a critical human resource strategy that decreases the company's labour costs by properly filling key roles with acceptable personnel (Chandramohan, 2019b). In talent management language, succession planning ensures the identification and development of possible successors to fill knowledge positions once key holders are replaced in a company.

H1: "The dimensions of Talent Management influence the impact of sustainable development practices".

Research methodology

The study is focusing only on the star category such as three-star, four-star with alcohol, four-star without alcohol, five-star with alcohol, five-star without alcohol and five-star deluxe star hotels located in Tamilnadu that are registered in the Ministry of Tourism, India. Primary data was collected from the managerial level employees which includes the middle level managerial position, upper-middle level managerial position and top-level managerial position, since these employees are more aware about the talent management and sustainable development practices in their respective organization. Descriptive and analytical research design is applied for the study. The study group constitutes the entire three star and above star category hotel employees working in Tamilnadu. For this study the districts in Tamilnadu have been categorized into four zones viz., Central, Western, Northern and Southern regions. Thirty-nine hotels in Tamilnadu which are approved by the Ministry of

Tourism, India during 2022 were selected as sampling area of this study using Stratified Proportionate Random Sampling (Christensen, Johnson, & Turner, 2015, p. 175). The research instrument utilized for the study is questionnaire which is divided into three parts. The first part consists of respondents' and their organization details. The second part has talent management practices interspersed with sustainable development approaches. The third part consists of assessment factors of sustainable development. The target group of the research is managerial level employees such as managers, supervisors and executives of various departments of the hotels. As a result of interview with HR managers of the star-category hotels, the population was found to be 2614. The sample size using Rao soft Calculator is 336. In order to increase the accuracy of the study, the researcher has distributed the questionnaire to 500 respondents, from that 486 completed questionnaires have been collected.

Measurements

This section describes the constructs used in this research, such as workforce planning, attraction and recruitment, talent training and development, talent engagement, performance appraisal, talent retention, succession planning/career management and sustainable development. Each construct has three items and their factor loadings are within the acceptable limit.

Table 1
Survey items for final measurement model

Constructs	CR	AVE	Cronbach alpha(α)
WAR	0.837	0.52	0.819
TTD	0.62	0.51	0.799
TR	0.93	0.72	0.929
PA	0.87	0.58	0.861
TE	0.84	0.57	0.831
SPCM	0.84	0.59	0.754
EI	0.95	0.66	0.78
EVI	0.81	0.53	0.86
SI	0.82	0.51	0.72

Note: WAR – Workforce Planning, Attraction and Recruitment, TTD – Talent Training and Development, TR – Talent Retention, PA- Performance Appraisal, TE – Talent Engagement, SPCM – Succession Planning/Career Management, EI – Economic impact, EVI- Environmental Impact, SI – Social Impact.

Source: Primary data

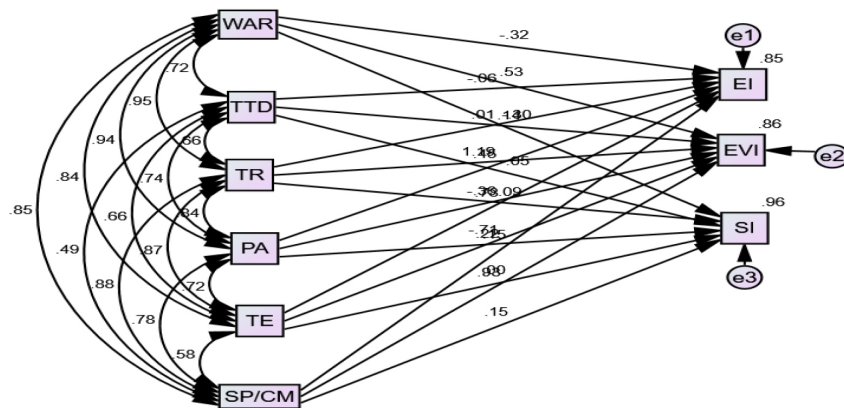


Figure 1

Structural equation model for Standard coefficient determinants of talent management on impact of sustainable development practices

The Table 1 displays the composite reliability; Cronbach's Alpha; AVE and Factor loadings. The final data's α is discovered to be higher than 0.7, proving the constructions' dependability. Because all of the constructs have higher internal consistency reliability, the composite reliability (CR) values are determined to be higher than 0.6. Additionally, it is discovered that the AVE values are higher than the 0.5 cutoff. Inferring that the constructs have a good level of convergence and that data is taken into account for CFA and SEM models.

Figure 1 represents the relationships between exogenous variables Workforce planning, Attraction and Recruitment; Talent Training and Development; Talent Retention; Performance Appraisal; Talent Engagement and Succession Planning/Career Management with Endogenous variables Economic impact; Environmental impact and Social impact.

The Table 2, depicts the result of the path relationship between the components of talent management and impact of sustainable development practices. This model deals with components of talent management as exogenous variables and impact of sustainable development practices as endogenous variables. In this model, the components of talent management have significant relationship with the impact of sustainable development practices. Among the components of talent management, Workforce planning, Attraction and Recruitment; Talent Training and Development; Talent Retention; and Succession Planning/Career Management have

Table 2
Path Co-efficients

Path	Standardized Beta Co-efficient	P value	Results
WAR --> EI	0.325	0.002	Hypothesis accepted
WAR --> EVI	0.534	<0.001**	Hypothesis accepted
WAR --> SI	0.302	<0.001**	Hypothesis accepted
TTD --> EI	0.061	0.030	Hypothesis accepted
TTD --> EVI	0.136	<0.001**	Hypothesis accepted
TTD --> SI	-0.052	<0.001**	Hypothesis accepted
TR --> EI	0.091	0.048	Hypothesis accepted
TR --> EVI	0.098	0.012	Hypothesis accepted
TR --> SI	1.195	<0.001**	Hypothesis accepted
PA --> EI	0.450	<0.001**	Hypothesis accepted
PA --> EVI	-0.363	<0.001**	Hypothesis accepted
PA --> SI	0.222	<0.001**	Hypothesis accepted
TE --> EI	0.784	<0.001**	Hypothesis accepted
TE --> EVI	-0.712	<0.001**	Hypothesis accepted
TE --> SI	0.934	<0.001**	Hypothesis accepted
SP/CM --> EI	0.154	0.022	Hypothesis accepted
SP/CM --> EVI	0.100	0.039	Hypothesis accepted
SP/CM --> SI	0.152	<0.001**	Hypothesis accepted

Note: WAR – Workforce Planning, Attraction and Recruitment, TTD – Talent Training and Development, TR – Talent Retention, PA- Performance Appraisal, TE – Talent Engagement, SPCM – Succession Planning/Career Management, EI – Economic impact, EVI- Environmental Impact, SI – Social Impact.

Source: Primary data

significant relationship with the economic impact with the p value within 0.05, hence the null hypothesis is rejected at 5% level of significance.

The components of talent management such as Workforce planning, Attraction and Recruitment; Talent Training and Development; Performance Appraisal and Talent Engagement have significant relationship with the environmental impact with the p value less than 0.001, hence the null hypothesis is rejected at 1% level of significance. The components of talent management: Workforce planning, Attraction and Recruitment; Talent Training and Development; Talent Retention; Performance Appraisal; Talent Engagement and Succession Planning/

Table 3
Model fit summary

Model	CMIN/DF	p-value	GFI	AGFI	CFI	RMSEA
SEM model	3.514	0.000	0.909	0.911	0.947	0.071
Suggested value	<5	>0.05	>0.9	>0.9	>0.9	<0.08

Source: Primary data

Career Management have significant relationship with the social impact having the p value less than 0.001, hence reject H0. Based on Standardized Beta value, Talent engagement is highly influencing the economic impact with the value of 0.784; Workforce planning, Attraction and Recruitment is highly influencing the environmental impact with value of 0.534 and Talent retention is highly influencing the social impact with the value of 1.195.

In Table 3 the CMIN/DF value is 3.514 which is less than 5 that indicates perfectly fit. Here Goodness of Fit Index (GFI) value is (0.909), Adjusted Goodness of Fit Index (AGFI) value (0.911) Comparative Fit Index (CFI) value (0.947) representing it is a perfectly fit. the Root Mean Square Error of Approximation (RMSEA) value is (0.071) which indicated it is perfectly fit. This shows that the model with the determinants of talent management influencing the impact of sustainable development practices has a good fit.

Discussion and Conclusion

The service industry must give priority to the talent that executives exercise and should not be achieved solely for the goal of ability management (Chandramohan, 2019a). Talent management is one among the business methods that administration feels it help them grasp highly skilled employees and improve organizational performance in order to thrive in today's dynamic corporate climate. (Chandramohan, et al 2019). From the findings, it is found that the Talent engagement is highly influencing the economic impact. Encouraging the talented workforce to participate in decision making related to the sustainability practices makes them more motivated which directly increases the talent engagement of the workforce. The study determined that Workforce planning, Attraction and Recruitment is highly influencing the environmental impact which emphasize that Star hotels need to develop job requirements that address the main sustainability competencies, and then identify suitable workers

whose work experience, abilities, knowledge, and values align with the organization's present and future sustainability goals. In order to achieve social sustainability, it is recommended that star hotels include tactics to retain and motivate top talent based on their environmental and social performance as well as that of the business. The HR managers of the various departments of star hotels need to design the human resource activities with sustainability values merged in it for achieving the sustainable development of their organization. The study is limited only to the three-star and above star category hotels in Chennai. Comprehending all category hotels may help the hotel industry in planning their human resource strategies effectively. The hotel industry needs to focus more on their employees for achieving the sustainable development in cost effective manner.

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