



**'HR Transformation within the hotel industry: building capacity for change'**

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**Abstract**

*Purpose* – This research aims to identify recent trends in the strategic repositioning of the HR function within the hotel industry, and to explore challenges facing HR professionals as they engage in strategies to develop talent and organisational capability, while also adjusting to the shifting boundaries of the HR function.

*Design/methodology/approach* – A case study investigation based on a qualitative research design. It draws on a series of informal discussions with key informants, in-depth round table discussions with members of the HR function, and a rich source of secondary (company specific) data about a recent strategic change initiative.

*Findings* – The study presents a rich picture of the contradictory nature of the strategic repositioning of the HR function, and the role of electronic HR systems in shaping this. It points to the significance of 'higher'-order HR capabilities associated with the functions' capacity to engage in strategies to develop talent and organisational capability.

*Practical implications* – This study points to contradictions and tensions in shifting the focus of the HR function from 'operational' to 'strategic' management of talent. It offers four practice implications in the areas of CPD and building HR and line manager skills in dialogue, project management, and the use of new technology, talent data and analytics.

*Originality/value* – This study illustrates the deployment of talent management practices within a broader OD remit to restructure the business and HR function in pursuit of more efficient and effective People management.

*Keywords* – e-HRM, OD, coaching, strategic HR, talent management, paradox

*Paper type* - Research paper

## **Introduction**

In common with many industries, the roles of human resource (HR) managers within the hotel sector are changing, as organisations strive to make their HR functions more cost effective and 'strategic' (Herington et al., 2013). Reviews of the evolving, strategic positioning of the function point to a range of talent management issues (recruiting, development, retention) that continue to challenge hotel management, such as seasonality, high labour turnover and low wages (Baum, 2015). Nevertheless, there remains a significant lack of research into the changing roles of HR professionals and widespread moves to devolve HR duties to line managers - although the trend towards delayering of managerial levels in the industry has long been recognised (Baum et al, 1997; Solnet et al., 2015).

In this paper, we seek to advance current debates about the strategic repositioning of the HR function within the hotel industry, and what this means in terms of talent management (TM), and the type of HR capabilities required for the future. We show how more focus is

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3 being given to HR professional roles as change agents, talent managers and strategic  
4 partners amidst rapid advancement of information and communication technologies, and  
5 that concomitantly more needs to be understood about the complexities which underlie  
6 these changes. These complexities include recognition of the changing role of line managers  
7 in executing a range of operational HR functions that were, previously, the responsibility of  
8 the HR team.  
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11 These complexities are indicative of inherent contradictions and tensions underpinning HRM  
12 service provision, revealed in the co-existence of 'hard' and 'soft' TM practices, arising from  
13 competing philosophies about people management. The "soft" version of HRM  
14 conceptualises the employee as creative and resourceful while the "hard" version perceives  
15 employees as a resource to be used in a dispassionate and utilitarian fashion (Storey, 2001).  
16 In the hotel industry, the juxtaposition of hard and soft practices are typically realised in the  
17 form of customer-oriented TM policies that demand both quality *and* efficiency in the  
18 rendering of service provision to customers; such as policies designed to reinforce  
19 compliance and predictable employee behaviour while, at the same time, eliciting  
20 commitment and employee flexibility and engaging in both emotional and aesthetic labour  
21 (D'Annunzio-Green and Francis, 2005; Warhurst and Nickson, 2007).  
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26 In addressing these emergent themes, our paper is structured as follows: First we review  
27 the changing context of hotel management from an HR perspective, and the changing role  
28 of HR within the hotel industry. We then review extant literature on the HR transformation  
29 agenda, and the implications of this for TM strategies concerned with building HR  
30 capabilities in support of ongoing strategic change. Our methodological choices are then  
31 presented, followed by a case study that seeks to provide a snapshot of every-day activities  
32 and challenges faced by (HR) change agents as they initiate and implement change. Finally,  
33 we present our data analysis and findings, and offer practical implications from our study.  
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### 36 **The evolving strategic context of Hotel Management: an HR perspective**

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38 The hotel (and wider tourism) industry has, arguably, been ill-served with respect to  
39 research that addresses HR themes in a critical and strategic manner (Baum et. al, 2016).  
40 While there is growing recognition that TM issues are of critical importance to the industry's  
41 future success (Enz, 2009). Solnet et al. (2014) point to the repeated failure to effect change  
42 in an industry where the strategic importance of HRM is typically downplayed in relation to  
43 other functional disciplines like finance and marketing (Foley et al., 1999). Nevertheless,  
44 there is a diffusion of new approaches to HRM emerging within the sector, with growing  
45 attention being given to technology in supporting professionalisation of the HR function and  
46 strategies for TM (eg. Dickson and Nusair, 2010).  
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51 Against this backdrop, employer branding is emerging as a core approach to HRM within the  
52 hospitality sector, as it faces growing shortages of skilled workforce and increased  
53 competition for higher service quality and customer satisfaction (Crick and Spencer, 2011).  
54 Employer branding is closely related to managing a company's TM strategy, corporate  
55 reputation and image, to both current and prospective employees (Sehgal, and Malati,  
56 2013) and evidence suggests that hospitality employees are increasingly being expected to  
57 embody the company brand as new employment 'value propositions' emerge (Nickson et al,  
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2005). To support these developments, HR functions are repositioning themselves around the pursuit of more strategic, business-focused 'HR Transformation' agendas (CIPD Report, 2017).

### **Modelling HR Transformation: challenges and issues**

Modelling of HR transformation has been heavily influenced by Ulrich's (1997) HR Business Partner Model and his later works, Ulrich argues that the function has concentrated too much on traditional 'activities' such as recruitment and reward, and needs to focus more on outcomes, described in terms of strategy execution, administrative efficiency, employee contribution, and capacity for change). These outcomes were initially mapped onto four distinct but interdependent HR business partner roles, defined along two axes: *strategy versus operations*, and *process versus people*. The strategic partner role involves partnering with line managers to enable effective strategy formulation and execution. The change agent is a second strategic role, concerned with leading and supporting change initiatives. The administrative expert is described as a 'transactional' role, responsible for the delivery of HR processes through application of e-HR programmes. The employee champion (later defined as the employee advocate) is defined as an operationally focused and people-oriented role concerned with listening to and responding to employee needs (Ulrich and Brockbank, 2005). More recently, increasing attention is being given to 'talent' and to the evolving role of the 'human resource innovator and integrator', concerned with talent sourcing and talent development, alongside performance accountability, communication, and organization design/development (Ulrich, 2013).

At a practical level, the focus on evidence-based outcomes is undoubtedly an area where human resources at a strategic level has struggled (Reilly, 2011). Notwithstanding corporate rhetoric to the contrary, there remains a substantial HR credibility gap in the eyes of many corporate leaders for the very reason that outcomes of investment in TM cannot readily be demonstrated in monetary terms. Alongside these concerns, analysts have pointed to the potentially negative consequences of the strategic framing of people management, including its failure to take account of the distinctive interests of employees, or negative outcomes that may result from this, such as redundancy, a lack of real involvement in decision making or work intensification (Hannon, 2010).

### **Building HR capabilities for the future: closer integration of OD and HR disciplines**

Growing emphasis is being placed on building competencies, or capabilities, that are necessary for HR to be successful in supporting HR transformation (Caldwell, 2008). There are a range of definitions of the term 'competencies', and for the purpose of this study, we use the definition provided by Brockbank (1997) - a collection of technical and cultural capabilities – that has been applied to a world-wide study of HR (Brewster et al, 2000). In a similar vein to that study, in this research we use the terms 'competencies', 'capabilities', 'skills, knowledge and attributes' interchangeably (ibid, p. 2).

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3 The requirement for HR competencies from administrative to strategic, will vary according  
4 to organisational requirements, although the general shift in emphasis towards a more  
5 strategic orientation in HR work is reflected in a significant growth of business partner  
6 competency models. Nevertheless, Caldwell (2008) observes a lack of research into the  
7 effectiveness of these competency models, noting their failure to take sufficient account of  
8 the emergent and *context specific* nature of business partnering, such as the scale and scope  
9 of change to the HR function. He explains that HR business partners may possess the same  
10 set of HR competencies related to their functional expertise, but may have to deploy them  
11 *differently* depending upon the emergent context in which they are working, such as the  
12 degree of shared learning between line managers, employees and HR professionals.  
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16 In no area is the short versus long term orientation tension so acute as in that of  
17 talent development (Evans, 1999), and is particularly pertinent to the repositioning of HR  
18 functions seeking to shift their focus to longer-term strategic issues. The emerging discipline  
19 of organisation and development (OD) provides a useful range of techniques that can be  
20 applied to raising awareness, understanding and management of tensions arising from  
21 'dualities' of this kind (Jules and Good, 2014). Underpinned by humanistic values related to  
22 openness, trust and harmony, *and* to a commitment to improving individual, group and  
23 organisational performance, OD and change practitioners have long applied a 'paradox lens'  
24 in making sense of competing values and perspectives.  
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28 Paradoxes have been defined as contradictory yet interrelated elements that persist over  
29 time, the management of which requires eschewing an either/or perspective in favor of a  
30 both/and stance (Aust et al. 2015; Lewis and Smith, 2014). Increasingly, OD and HR  
31 practitioners are working in partnership, helping business leaders develop their  
32 organisations and their TM strategies- a trend that fits into the Ulrich and Brockbank's  
33 (2009) vision of 21st Century HR - strategic agility and customer engagement - giving more  
34 focus to the 'human' side of work and organisation that has arguably been eclipsed in  
35 mainstream modelling of HRM. Our research draws on these debates to add to the sparse  
36 research base into HR practitioners' experiences of shaping TM and broader strategic  
37 change agendas, and how these processes may be brought about by an integration of HR  
38 and OD mindsets (eg. Arrowsmith and Parker, 2013).  
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## 42 **Methodology**

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44 Our study adopts a qualitative research design used to explore an OD-led strategy for HRM-  
45 based change emerging in a family-owned hospitality business. The business has grown  
46 from managing two hotels, to a ten-strong group in just over three years, and our research  
47 focuses on the role of the HR function in supporting change arising from this expansion, and  
48 its capacity to adjust to a new operating model of HR business partnering. Fieldwork was  
49 based on a rich collection of documentary evidence about the context and nature of change  
50 within the organisation and conversations with change leaders and 'adopters' (Buchanan  
51 and Boddy, 1992). Documentation included reports outlining the strategic direction for  
52 change; new role profiles for the HR function and line managers; project plans and  
53 associated metrics used to measure progress along the way.  
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Rich data about the context of change was gathered during informal discussions with HR 'gatekeepers' who facilitated our research access; two in-depth round-table discussions with members of the People function (one included two participants, and another included four), and an interview with the managing director. These more formal discussions lasted around ninety minutes, were digitally recorded, and transcribed with the permission of participants. They were structured to capture participants' personal experiences and understandings of changes taking place within the company. Our analysis of this qualitative data went through a number of stages informed by an 'interpretive' stance (King, 2004). First, we undertook a familiarisation of particular phrases, incidents, or types of behaviour evident in the interview texts, which we used to generate broad themes that were blended with a range of categories identified from our literature review. Transcripts were then coded with the aid of NVivo software, using a structured thematic template, allowing us to generate distilled data summaries and illustrative extracts and to search for and interpret patterns of evidence.

### **Case Study**

LeisureCo (a pseudonym), is a family-owned independent hospitality business, that has grown from its core business of managing two hotels, to a ten-strong group in just over three years - underpinned by a vision to be 'one of the leading independent hospitality businesses' by 2020 (Company Report). Our study focuses on the beginnings of a two-year corporate-led change initiative that includes the 'delaying' of operational and management structures, and the move to HR 'business partnering'.

The hiring of the first non-family MD in 2010 and an OD consultant in 2012 accelerated a significant shift in personnel changes at senior levels, and the use of a new language of 'strategic' people management in support of talent and organisational development.

This is reflected in the re-labelling of 'Human Resources' to 'People' and the emergence of an OD-led TM strategy geared to build organisational capabilities for the future. Following an OD review, operational structures are to move from eight to five management layers across each of the hotels, enabling a more streamlined organisation model, and execution of plans to establish a 'coaching culture' that is geared to enhance both people and business performance.

### ***Strategic people context***

The MD explains that the appointment of an OD consultant in the leadership role of head of 'People, Capability and Change' (PCC). This marked the beginnings of a strategic re-positioning of the HR function and strategy of TM at LeisureCo in ways that are 'not the norm' in the UK hospitality sector.

This industry is very labour intensive, with high turnover of front line staff, and significant cost drivers, that need to be balanced against a growing need for investment in more progressive HR initiatives. There are now big imperatives for UK hotels to modernise their HR agendas – for instance rising labour costs connected to

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3 the 'living wage', political uncertainty and challenges posed by millennials entering  
4 the workplace. We recognise the need for LeisureCo to move beyond the status quo  
5 in ways that supports business expansion, and our resilience in a changing  
6 marketplace. Building a strategic people agenda is central to all of this, enabling us  
7 to become an 'early adopter' of innovations taking place in the world-wide hotel  
8 industry. This involves a major shift in the makeup of our HR function, geared to  
9 support an ambitious management development programme, improved HR  
10 processes – and ultimately, heightened engagement, productivity, customer service,  
11 and lower staff turnover.  
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16 The integration of HR and OD practice is an important feature of the new People agenda and  
17 the head of PCC explains that, at the time of her appointment, the function was structured  
18 along the lines of a 'very traditional hospitality HR', as 'highly transactional', 'not strategic,  
19 not sitting at the top table'. Coming from an OD background she talks about her  
20 commitment to align the People function to the achievement of the business's top current  
21 and future priorities - geared to make LeisureCo 'a great place to stay, a great place to work  
22 and a great business to invest in' (Strategy document).  
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25 Strands of change associated with HR's alignment with organisational priorities are twofold.  
26 The first focuses on creating a more efficient HR operating model, regarded as critical now  
27 that the function's reach is stretched across ten hotels. Restructuring is characterised by the  
28 advent of new technology, used to facilitate a move towards centralisation and  
29 standardisation of HRM. HR activities previously performed at each of the hotels are being  
30 're-engineered', leading to the creation of a common provision of specialised HR services  
31 located at the centre hotel, segmented into specialist sub-divisions of employee relations,  
32 internal communications, and talent management. At the time of our research, focus was  
33 being given to the implementation of TM strategies that sought to build line manager and  
34 HR capabilities in support of this restructuring. As Head of PCC explains:  
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38 So, it's about efficiency in terms of a model that will work across 10 (hotels) at a time  
39 when we are being challenged on cost. If I had left an HR person on each Site, we  
40 would have had challenges around how much that would have cost, and also the fact  
41 that you don't get consistency.  
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44 An on-line recruitment system, and launch of a web-based learning, development, and  
45 communications platform across the hotels ('Flow'), are recent examples of e-HR  
46 applications that support standardisation in HR service provision.  
47

48 Linked with this, a second overlapping strand of the HR transformation process is the move  
49 towards HR 'business partnering', an expansion of line managers' responsibilities in HRM  
50 activities, and the development of organisational capability and 'talent' in pursuit of 'service  
51 excellence'. 'Talent' in this context is described as an inclusive approach to skills  
52 development, and the ongoing learning and development of all staff, with particular  
53 emphasis being placed at this stage of organisational change, upon building 'great  
54 managers' - able to 'lead and inspire' their teams while carrying out their people  
55 management responsibilities.  
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3 While some people management and development activities may not be new to certain  
4 managers, the bringing together of HR practices across dispersed operations, allows the  
5 corporate people team to set out a best-practice approach and apply it across the company.  
6 'People' professionals have become pivotal change agents in this context, responsible for  
7 providing managers with guides, tools and coaching in the application of new systems and  
8 technology, and working to embed a coaching style of leadership - so that managers can  
9 'coach their teams to be all they can be, promote talent and win great feedback.' (Strategy  
10 document). With the help of external consultants, over 200 managers have been trained in  
11 personal and team development techniques including the use of a personality and  
12 behaviour profiling tool ('Discovery Insights'). People managers provide follow-up briefing  
13 sessions for managers, and describe their new support roles in terms of engaging in a 'shift  
14 in conversations' - signifying a move away from a 'hand holding' relationship, to one where  
15 managers are expected to become more self-directed 'people managers'.  
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20 (... ) back in the day, you would be more inclined to say: 'well the best thing to do is  
21 this ...call this an area of concern, and sit down and explain it'. Whereas now what  
22 we try to do consciously is to say..' right I am not going to give you the answer, or tell  
23 you what I think you should do, I am going to help you get to that point'; and then  
24 people will buy in a lot more if they make the decision themselves. We just  
25 question and say, 'you know ..why do you think that is, what would you like to do  
26 about that, what do you want the outcome to be. So it's changing that conversation  
27 (rp/5).  
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30 Line managers are also now being appraised on the means by which they reach their  
31 performance targets, including the extent to which they are perceived by their team to  
32 provide 'honest feedback performance conversations focusing on both strengths and areas  
33 for development' (Strategy document).  
34

35 In what follows, we explore contradictions and tensions that the People team are facing  
36 individually and collectively during the execution of the new 'People strategy', clustered into  
37 three themes:  
38

- 39 • Building 'great managers'
- 40 • Building a new employer brand
- 41 • Capacity to support strategic change and adjust to the shifting boundaries of HR  
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#### 43 *Building 'great managers'*

44

45 The re-focusing of the People function from 'operational' to the 'strategic' development of  
46 organisational capability and talent is inherently paradoxical. On the one hand, People  
47 professionals are expected to become 'more strategic' as operational activities are devolved  
48 to line managers, while at the same time, evidence points to the need for them to maintain  
49 an internal coaching role for managers - continuing to support them on short-term people  
50 management issues, in order to uphold standards, and to protect the business from  
51 unnecessary risk or threat of litigation.  
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55 Tensions arising from this 'two-pronged approach' are illustrated in remarks about 'hand  
56 holding'.  
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3 The work we are doing on MDP (management development) is going to be around all  
4 the skills you need to have to be a 'great manager'. Around having all these  
5 conversations, whether that's about feedback skills, listening skills, coaching skills,  
6 mediation skills all that sort of stuff. So, there is a two-pronged approach to this.  
7  
8 The way we are setting this up, because we are saying that we are moving away  
9 from being so 'hand's on, but we *do* want them to be coming in to us, even if it's so  
10 that we have an awareness of what's going on. So we won't 'hand hold' them like  
11 we used to, but we will have an awareness (...) whereas in the past some of the  
12 managers will have looked at my team and say 'tell me what to do', we are now  
13 saying 'no we are not telling you what to do , we are going to give you the training,  
14 we are going to make sure that the technology is right, we will coach you and if it's a  
15 really difficult case we will come out and help you. But actually, you can probably do  
16 this' (rp/1).

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18 (...) But it was really hard to start with, to really 'zip it' and keep quiet, rather than  
19 saying 'This is what I think you should do actually!' (rp/3).

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21 While such 'guardianship' of rules and standards is de-emphasised in the language of  
22 strategic HRM, in practice, a key question remains about when HR should intervene and  
23 how (Reilly and Williams, 2003). At the same time, coaching conversations with managers  
24 are time consuming, and the People team acknowledge that the sustainability of this kind of  
25 support for TM is threatened in a heavily cost-controlled operational environment.

26 Participants went on to explain the importance of new technology and communications  
27 systems in the delivery of HR processes, as they work across strategic and operational  
28 boundaries. There was talk of a pressing need to reduce face-to-face contact with line  
29 managers since business expansion had increased the management population from about  
30 135 to nearly 250 - facilitated by planned introduction of a 'help desk' and on-line 'self-  
31 service 'system:  
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35 If somebody in one of the hotels has an issue and they think they need to do an  
36 investigation for a disciplinary, they phone in and log it. The People team will then  
37 'phone back and the first thing they will ask is if they have read the Management  
38 Guide showing on-line (rp/1)  
39

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41 In this context, the ease of use and usability of the new e-enabled TM system is critical in  
42 optimising HR processes - alongside good quality TM analytics that can help the organisation  
43 make more informed choices about deploying and developing talent - such as talent data  
44 that track the line manager performance against agreed success criteria in the areas of  
45 recruitment, development and performance reviews (CIPD Report, 2007):  
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48 (..) the helpdesk will help us track the whole business: what's happening , trends,  
49 why is it that down in x they are having a load of grievances, why is it over here, that  
50 we disciplinaries and absence but not here. So it means we are getting meaningful  
51 analytics to show GMs and sit down and say, 'here's what's happening in your area.  
52 What's this telling you? Why is this happening?'. So again, to help that whole  
53 coaching process, that's the other thing. (rp/1)  
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56 As these on-line systems come on stream, there will nevertheless be inherent 'boundary'  
57 issues between line managers and people professionals as they grapple with short and long-  
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3 term management development goals and activities. We see evidence in briefing notes to  
4 stakeholders, of an acknowledgement by change leaders of a need to strike a balance  
5 between these contradictory forces, and to related tensions (standardisation *and* flexibility;  
6 devolution *and* centralisation of HR duties). This is exemplified in excerpts taken from a TM  
7 strategy document about what line managers 'can expect' from specialist People divisions in  
8 terms of 'talent management'.  
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11 Recruitment: managers are asked to 'take ownership for local recruitment', while  
12 the specialist People team 'will design the overall recruitment and selection  
13 approach, training managers on it and advise and support them on recruitment and  
14 selection activities'.  
15

16 Training and development: The People team are also described as 'owner of the  
17 design of Flow training modules and reporting on the metrics', while managers are  
18 expected to 'manage attendance and deliver all activities (although we will of course  
19 deliver some of them)'.  
20

### 21 *Building a new employer brand*

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24 The establishment of a 'family brand' – one that portrays 'a unique and independent  
25 company culture', is a central feature of LeisureCo's strategy for service excellence and TM  
26 (Strategy document). Maintaining local brand identity is also regarded as important, and  
27 participants talked about 'story building' as a means to balance these central-local  
28 imperatives, enabled by increasing use of social technologies. Aligned with this, efforts are  
29 being made to build an attractive employer brand that promotes LeisureCo as a 'Great  
30 Place to Work' – placing managers as key change agents in 'stimulating and motivating' their  
31 team members to commit to brand values and behaviours.  
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35 Research tells us that one of the most important relationships that make people feel  
36 engaged in their work is their manager and feeling that they are trusted,  
37 communicated to, listened to and regularly have feedback and coaching  
38 conversations. The views and opinions of how people want to be managed is  
39 evolving all the time as we have both an ageing workforce at one end of the  
40 spectrum and young people born in the early 2000's now working for us. (Guide to  
41 managers)  
42  
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44 It is hoped that the planned use of on-line learning logs for managers, supported by  
45 coaching from People specialists, will encourage deeper awareness and reflection amongst  
46 managers of contextual issues shaping employee engagement with the employer brand. (ie.  
47 managing the unique values and demands of new generations entering the workplace vis a  
48 vis older generations). In this sense, employer branding has the potential to place employee  
49 advocacy at a more strategic level than is conventional practice within the hotel industry.  
50  
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52 (...)  
53 alongside feedback and coaching skills for managers, it's going to be much more  
54 of a 'here is your learning log, here's some stuff for self-reflection', you know.. 'can  
55 you set up a support and challenge group to help you with this particular issue'.  
56 If you are an older manager have you got a 17 year old mentor, because we want you  
57 to understand how young people think (rp/1)  
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4 Paradoxically, this is the first time in the hotels history that a TM agenda has been  
5 integrated with business strategy, yet the move towards a more managerially focused HR  
6 function is placing people professionals in a much more remote position from employees.  
7 This is distinguished by reduced face-to-face contact as line managers take-on more  
8 responsibilities for people management and development, and employees are now required  
9 to go directly to their line managers with IT/HR related problems, rather than getting in  
10 touch with the People team. It is only during on-site training events across each of the  
11 hotels, that employees are likely to have opportunities to speak with a People specialist  
12 face-to-face. The following narrative suggests that, where line managers fail to advocate  
13 their needs early enough, this is likely to affect perceptions of the level of People support on  
14 offer to employees:  
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18 And we were doing 'rising stars' training at one of the hotels, and one boy had said  
19 to me, 'Oh I haven't got my welcome e-mail from Flow' and it was the wrong e-mail  
20 address that he had given, so that was put right. But again, he had been weeks  
21 without that – he had let his manager know, but the manager had not let us know  
22 and therefore it had not been changed. So silly wee things like that, but they can  
23 become big things to people, and its 'Oh this system doesn't work, and I haven't got  
24 that!'(rp/4)  
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27  
28 Participants noted that in this context, 'busy' operational managers may not have the time,  
29 or motivation to respond to operational queries of this kind, a tension that is particularly  
30 salient in an industry characterised by high labour turnover.  
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32  
33 And in an ideal world, you would put this (restructuring) in place and from a business  
34 perspective, you then shrink the team, because you have then got managers who are  
35 much more empowered, and will do all of this, and need less hand holding. In  
36 hospitality, you have got a challenge in that you have invested in a lot of people *and*  
37 you have got turnover, so you are back again (rp/4)  
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40 In this context there is a risk of a growing 'credibility gap' between employees and the  
41 People team, as it becomes more remote from employees (Francis and Keegan, 2006;  
42 Francis et al, 2014). Nevertheless, the MD emphasises the importance of a more  
43 'progressive' People agenda that focuses on 'developing individuals and teams' alongside  
44 the need for more effective cost management . In this case, consistent with earlier research  
45 by Arrowsmith and Parker (2014), the business partner concept appears to be providing an  
46 opportunity for the head of PCC to give more strategic focus to the 'human' side of work  
47 that includes 'creating an environment of continuous support, two-way dialogue, feedback  
48 and collaboration' (People strategy document).  
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#### 51 52 53 54 *Capacity to support strategic change and adjust to the shifting boundaries of HR*

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56 Consistent with earlier research, our study points to the significance of 'higher-order' HR  
57 capabilities associated with the capacity to adjust to ongoing change internal and external  
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3 to the function (Caldwell, 2008). People specialists are confronted with tensions arising from  
4 profound structural (and role) change to their function on the one hand, and demands to  
5 support new TM practices on the other: described by the Head of PCC, in terms of her trying  
6 to find sufficient 'head space' (resources) to support her HR community as they pick up the  
7 knowledge and skills to train and coach managers in their new leadership roles.  
8

9  
10 There is tension in terms of HR having the 'head space' to sort itself (People  
11 function) out, at the same time as the business wants more and more. The business  
12 has gone from using HR in a very transactional way to needing HR to help  
13 strategically change - and the way that the MD has written the 2020 strategy, a key  
14 part of that, is about the people agenda. So it's as much about the people as it is  
15 about the customer, and requires us to deliver on management development  
16 programme, but in a very non-traditional way.  
17  
18

19  
20 These twin pressures are rarely investigated in the TM, and wider HR literatures (Reilly,  
21 2012). Change in HR operating models have been depicted as a 'journey', in terms of various  
22 phases of development, such as the four-phase model provided by Bersin (2015). Emphasis  
23 is placed on leaving HR operational activities behind as the function embraces more  
24 strategic change agency roles. There is a lack of attention given to ongoing tensions and  
25 associated change agency skills required of HR professionals across *all* levels of activity and  
26 the 'ambiguity tolerance' required of them in coping with such tensions (Caldwell, 2008).  
27

28 We have provided rich accounts of the HR transformation process, highlighting the  
29 importance of managing complexity and ambiguity in HR roles, structured to support TM  
30 practices within a broader OD agenda. Respondents talked about applying new skills  
31 and abilities during their 'coaching conversations' with managers, in order to cope with the  
32 ambiguity and tensions with which they are faced ie. helping managers become less reliant  
33 on HR, whilst simultaneously maintaining guardianship' over HR standards and processes.  
34  
35

36 (Insights training) helps you deal with managers and how to communicate with  
37 them, to get the best out of the situation. For instance managers who are direct to  
38 the point .. basically it allows you to handle those situations better (rp/4)  
39  
40

41 This kind of questioning is indicative of the kind of 'reflective practice' that is critical to  
42 strategic TM agendas (Buckley and Monks, 2004), and is evident in talk at LeisureCo about  
43 the importance of continuously updating professional knowledge and skills. Two  
44 participants felt that CPD has an important bearing upon the teams' capacity for coping with  
45 ongoing change – including a capability to 'look outwards'. Attention was drawn to various  
46 CPD activities such as reading management texts, networking externally with other  
47 professionals, and building on their functional expertise through attending management  
48 development workshops.  
49  
50

51 Any of the training that we are putting the managers through, we put the people team  
52 through as well. That way, we know what we are asking managers to do, so if anyone is  
53 coming for any help, we can see the training they have had. (rp/3)  
54  
55

56 Also, how do we keep looking outwards at what the rest of the world is doing around  
57 leadership and management development. For me, that is about making sure that I  
58  
59  
60

1  
2  
3 keep in touch with my network , keeping in touch with people that are still working in  
4 corporates, and hearing about what's sexy, what are they looking at . Are we missing  
5 anything. And we read a lot, and follow people on LinkedIn, 'LinkedIn learning'. (rp/1)  
6  
7

8 The kind of learning capabilities described above are emergent, and associated with  
9 capabilities necessary for the ability to adjust to a context of ongoing change (Caldwell,  
10 2008). They resonate with continuous models of change and a new ensemble of OD  
11 practices geared to enable more fluid forms of communication and collaboration compared  
12 with traditional modelling of HRM/OD (Francis et al., 2012) – exemplified in the coaching  
13 process and style of management development workshops at LeisureCo. This is reflected in  
14 the following description of HR support given to line managers, predicated on creating a  
15 safe space for people to challenge and reflect on contradictions and tensions arising from  
16 new working practices and relationships.  
17  
18

19  
20 The number of times we sit down with someone and they say 'my goodness, this has  
21 happened' and you sit down with a wheel and say 'right, where is your colour  
22 energy, and where is theirs? and they end up leaving, laughing, so you can have  
23 easier conversations with people about things. (rp/3)  
24  
25

## 26 **Discussion and practical implications**

27

28 Earlier we noted a growing recognition amongst policy makers of the strategic importance  
29 of talent management in the hospitality industry. Our paper has sought to address an  
30 important gap in the TM literature about how HR functions might 'transform' themselves to  
31 support the strategic prioritisation of TM in a sector where people management is typically  
32 downplayed in relation to other functional disciplines (Baum et. al, 2016).  
33  
34

35 Our case analysis presents rich descriptions of the contradictory nature of HR  
36 transformation, including paradoxical tensions around which the People team have to work  
37 as they assume new roles and responsibilities in supporting the business. An important  
38 feature of this dynamic, is the blending of HR and OD practices to support change agency –  
39 including the learning capabilities of the People Team and line managers as they are faced  
40 with role ambiguity and tensions.  
41  
42

43 Our study shows how much HR activity is focusing on building manager TM capabilities  
44 through better resourcing and learning systems, including their capacity to cope with  
45 inherent tensions arising from this. Following from this, we argue that talent strategies take  
46 better account of the tensions that line/HR managers inevitably face in bringing TM policies  
47 to life.  
48  
49

50 While this is not an easy task, we are seeing the emergence of new frameworks providing  
51 practical advice and support to managers, such as guides and development workshops that  
52 enable them to better manage competing goals and objectives (eg. Johnson 2014) and in  
53 developing values-based arguments (Gentile 2010). These require participants to  
54 understand and embrace contradictory demands simultaneously. As Smith (2014: 42)  
55 argues, 'warnings and advice about managing paradoxes now infuse leadership blogs across  
56 the internet' The data from our study extends this observation to HR professionals and line  
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3 managers within the context of HR transformation, and identifies four practice implications  
4 to effectively do so.  
5

### 6 ***Relevant ongoing CPD***

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8  
9 First, echoing recent academic research, we recommend development of CPD activities (and  
10 use of learning logs) that encourages HR/Line personnel to embrace inconsistencies in  
11 decisions, and effectively managing paradoxes, rather than strive for consistency (Smith,  
12 2014). While learning logs and the promotion of self-directed learning has been around for a  
13 while (2015-16 Towards Maturity Benchmark Report), systems for CPD rarely evaluate  
14 professional capabilities in coping with unpredictable circumstances, and in 'learning to  
15 learn' - including an evaluation of individual and organisational performance outcomes  
16 (Cowan 2017).  
17  
18

### 19 ***Dialogue***

20  
21  
22 Second, consistent with scholarship in the area of leadership as 'conversation' (Groysberg  
23 and Slind, 2012), our study points to the significance of TM specialists engaging in the  
24 application of emerging OD interventions aimed at improving dialogue skills amongst  
25 managers, and decision-making processes that allow different stakeholder groups to  
26 challenge and reflect on existing organisational practices and more innovative thinking.  
27 Examples include the use of 'open space' 'future search' and 'appreciative inquiry'  
28 techniques (Busche and Marshak, 2009). These give credence to the *active* role of language  
29 and conversation in shaping mindsets and practices.  
30  
31

### 32 ***Project management***

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34  
35 There are growing calls for project management (PM) techniques to take better account  
36 of the messy and contradictory aspects of TM strategies and plans, as illustrated at  
37 LeisureCo. Traditional PM is marked by a heavy emphasis on planning and management  
38 control, thus strives to reduce ambivalence and ambiguity to an absolute minimum (Svejvig  
39 and Andersen, 2015). This leaves HR and line managers with little or no practical support in  
40 coping with tensions inherent in TM, such as short-term operating results and long-term  
41 growth and development needs. We thus support the view expressed by Paul Evans (2009),  
42 the (then) Shell Chair of HR and OD, that 'working through the dualities of talent  
43 management' should be built into the planning of leadership and TM practices.  
44  
45

### 46 ***Technology and analytics***

47  
48  
49 Consistent with recent evidence our case study illustrates the enabling role of technology in  
50 HR service delivery, such as the technology-enabled learning platform (Flow), structured to  
51 improve talent data and associated analytics (Parry and Tyson, 2011). Building skills in the  
52 use of technology and IT is now a key priority for HR professionals, yet only 5% of those  
53 recently surveyed by the CIPD are optimising their use of analytics in areas such as TM, to  
54 inform HR and business strategies (CIPD Report, 2017)  
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