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Citation:

SIGALA, Marianna, REN, Lianping, LI, Zhuo and DIOKO, Leonardo Don AN (2023). Talent management in hospitality during the COVID-19 pandemic in Macao: a contingency approach. International Journal of Contemporary Hospitality Management. [Article]

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Talent management in hospitality during the COVID-19 pandemic in Macao: a contingency approach

Abstract

Purpose:

This study examines talent management (TM) in the hospitality industry in Macao during COVID-19. It deploys a contingency theory perspective (Luthans and Stewart, 1977) to illuminate the heightened uncertainties and challenges talent managers faced during the pandemic and the urgent adaptations to TM practices they embraced in response.

Methodology/approach:

Adopting a phenomenological approach, the study analysed data collected through semi-structured interviews conducted with a representative sample of 20 hotel managers in Macao.

Findings:

Managers reported four major categories of COVID-19 induced challenges and a corresponding set of contingent TM practices. The four contingent TM practices were found to contribute to the shaping of the next new normal in TM in hospitality and included the following: Contingent TM planning; contingent TM deployment and replacement; talent training and development under contingent arrangements; and changed 'talent' attitude and practices in recruitment and retention.

Originality:

The study demonstrates the applicability of contingency theory in managing hospitality talent during turbulent times, which extends TM knowledge and enriches the contingency theory. The findings also facilitate our understanding on how contingent TM practices create processes that lead in setting the new normal.

Research limitations/implications:

The findings are limited to the geographical and industry context of the study. The study should be refined with larger samples.

Practical implications:

The study provides a useful framework for guiding professionals on how to manage talent during turmoil periods. It also contributes toward understanding the shifting meaning of talent and TM in hospitality.

Keywords: talent management, hospitality, contingency approach, COVID-19, new normal, Macao

1. Introduction

The onset of COVID-19 ushered in new and serious implications for talent management (TM) in hospitality (Baum *et al*., 2020; Jooss *et al*., 2022) about which little is still known. In addition, rapid changes in the operational environment and management practices forced upon hospitality organizations by the pandemic have widened the gaps between the talent currently existing in the industry, the talent being sought and that being developed at hospitality educational institutions. Consequently, there is an urgent need to explore how the hospitality industry understands and responds to these TM challenges, evaluate the situation, and adjust their practices.

The hospitality industry counts among the most affected by the COVID-19 pandemic. Indeed, research and anecdotal evidence identify some of the most visible TM challenges in hospitality due to the pandemic. Travel suspensions and lockdown orders have paralyzed hospitality businesses forcing them to close, transforming their operations and services and/or lay off employees in large quantities. During the lockdowns, hospitality recorded the highest unemployment rates amongst all industries (Baum *et al*., 2020). With the resumption of travel, labor shortages in tourism and hospitality is a global phenomenon that is seriously impacting not only the reopening of the industry but also its future operations since laid off staff are very reluctant to return to the industry (e.g. Lenhart, 2022).

The pandemic and the consequent turmoil in hospitality have greatly amplified the negative image of the industry as an employer and the vulnerability of its jobs (Baum *et al*., 2020). COVID-19 has also exposed and exacerbated several ingrained problems in hospitality employment, such as poor working conditions and low remuneration (Baum *et al*., 2020; Bharwani and Butt, 2012), and increased risk of disease contraction and being laid off during the pandemic. Consequently, hospitality workers reported less favorable attitudes toward their jobs and increased turnover intention during COVID-19 due to perceived job insecurity and constant changes in hospitality organizations (Bajrami *et al*., 2020) and a great resignation wave (Riley, 2021). As COVID-19 made hospitality workers rethink, reflect and reset their values and priorities, TM has become not only more complex and difficult, but also a vital organizational task affecting both the competitiveness and the survival of hospitality organizations.

In addition, the lingering and long-term effects of COVID-19 have been transforming tourism and hospitality in many aspects (Sigala, 2020), including hospitality operations, working styles and formats (Kaushal and Srivastava, 2021; Sigala, 2022) such as remote and flexible working, as well as new consumer behaviors and patterns. Hospitality companies increasingly require talents that can reinvent and operate in a new service and market landscape (Sigala, 2022). Hence, it is not surprising that hospitality managers have started changing their TM attitude and practices, involving anything from talent identification and acquisition to talent deployment, development, engagement and retention (Hughes and Rog, 2008; Kravariti *et al*., 2022; Kusluvan et al., 2010; Marinakou and Giousmpasoglou, 2019). Although there are various definitions of hospitality talent, it is still widely associated with people possessing suitable characteristics (including soft and hard skills, knowledge, attitude, and even personality traits) that are highly sought and appropriate for hospitality firms (e.g. Kravariti *et al*., 2022; Marinakou and Giousmpasoglou, 2019).

The above raises critical and important questions. To what extent are COVID-19 triggered changes in TM practices temporal? How responsive are they in scope? And how permanently and fundamentally are they transforming the industry's conceptualizations of talent and TM practices? Extant theories and philosophies underlying TM are generally grounded on the assumption of a stable and constant operating environment. But as COVID-19 has upended such frameworks, there is an urgent need to adopt alternative theoretical perspectives to understand industry developments. This study therefore adopts the lens of contingency theory to explore and better understand the nature and the scope of TM changes in hospitality during the pandemic.

Contingency theory (Luthans and Steward, 1977) argues that companies need to consider and establish a functional relation between their environmental circumstances, management practices, and strategic intent. This is very important during turmoil and crisis situations. However, despite the use of contingency approach, its validity and usefulness in the TM field have been largely ignored. This study's use of contingency approach aims to explore how hospitality managers understand and respond to the pandemic circumstances in relation to their TM practices, and to understand not only the type or nature but also the scope of change among TM practices in terms of addressing environmental contingencies and setting new normal.

The study collected and analyzed information from hospitality managers in Macao, a

Special Administrative Region of China, which was selected as the study context because it represents a destination with a well-developed hospitality industry heavily affected by COVID-19. Because how managers perceive and understand issues influences their behavioral responses, the study also adopted a phenomenological perspective. The study interviewed hospitality managers regarding three focal questions: 1) How COVID-19 affected their hospitality operations and TM practices; 2) how they are adjusting and changing their TM in response to the influence of COVID-19; and 3) whether these changes are temporal or permanent, leading to a new normal.

The study contributes to the extant literature on TM in several ways. First, the study advances knowledge about TM by exploring the applicability of contingency theory in guiding hospitality talent management in turbulent times. Second, the study sheds light on the setting of a new normal in hospitality TM, as triggered by external shocks and crises. Third, the study adds to the literature of COVID-19 interrupted TM. The findings provide significant implications for hospitality professionals, policy makers, hospitality educational providers in their decision making on future TM nurturing and management.

2. Literature Review

2.1 Contingency approach for TM in hospitality during and after COVID-19

Contingency theory takes a situational approach and argues that effective management depends on the ability of a firm to adjust practices in accordance with the set of circumstances and conditions at certain time point (Luthans and Steward, 1977). The contingency approach in management is defined as "identifying and developing functional relationships between environmental, management and performance variables" (Luthans and Steward, 1977, p.183). The main idea of contingency theory is that there is no best managerial approach, only the most suitable in fitting the environment (Kelly and Fairley, 2018). Phillips (1999) identified the three most important environmental factors (namely market turbulence, competitive turbulence, and technology turbulence) affecting the performance of hotels. Empirical evidence suggests that managerial behavior and performance is contingent on external factors such as community, economic status, and external support (Doh *et al*., 2017). For example, Farndale *et al*. (2014) used contingency theory for explaining the practice of expatriation in multinational companies (MNCs) by showing how the strategic decision-making in global manpower arrangements depends on the external environment.

In tourism and hospitality, the contingency approach is more frequently adopted during times of turbulence or crisis (e.g., Chau *et al*., 2022; Permatasari and Mahyuni, 2022). For example, Giousmpasoglou *et al*. (2021) stressed the necessity of having contingency planning systems. Prior studies have rarely investigated the adoption of contingency approaches in TM in hospitality, with the exception of King and Vaiman (2019) who advocated that successful implementation of TM at the micro level (i.e., company level) is dependent on its alignment with the macro level external context of the firm, with a nested model of two circles of TM practices which firms should closely inter-align: a) the micro TM practices (e.g. recruitment, development, deployment, performance management, and engagement) lying in the inner circle; and b) the macro TM practices (e.g. macro talent functions & core processes, macro talent outcomes, and macro talent context & environmental factors) lying on the outer circle.

2.2 Talent management (TM) and talent management practices (TMP) in hospitality

Given the nascent stage of knowledge, the definitions of both talent and TM do not appear consistently in prior studies. Van Dijk (2008) defined talent as people with desirable attributes such as skills, aptitude, and achievement, which are important ingredients for desirable performance. Collings and Mellahi (2009, p.304) regarded talent as people with high potential and high performance, and accordingly defined TM as "activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions." Gallardo–Gallardo *et al*. (2013), on the other hand, proposed two dimensions in defining talent and TM. The first dimension is comprised of an inclusive (all employees) and exclusive approach (a smaller and selected group), and a second dimension is comprised of the subject approach (talent as people, especially talented people) and object approach (talent as characteristics that people possess, such as skills, knowledge, and competencies). Other scholars (e.g., King and Vaiman, 2019) have encountered a hybrid approach, incorporating both inclusive and exclusive approaches (e.g., Marinakou and Giousmpasoglou, 2019).

Both inclusive and exclusive as well as subject and object approaches have been applied to the discussions of hospitality talents (Jooss *et al*., 2019). However, the certain features of the hospitality businesses have made defining talent difficult, according to Jooss *et al*. (2019). Multiplicity is part of the reason for the definitional difficulties. Conventionally, the hospitality and tourism industries adopt a more

competency-based approach towards talent and TM, i.e. aiming to have people with suitable level of competency for different positions. After reviewing extensive literature about management issues in tourism and hospitality, Watson (2008) summarized the specialized skills and qualification required within the industry. Bagheri *et al*. (2020) generated a five-factor model defining the talent required by the hospitality industry in Iran: Knowledge, skill, personal characteristics (competency), cognitive identity, and discretionary energy. Golubovskaya *et al*. (2019) discussed the importance of developing and honing the existing workforce toward a competitive and sustainable workforce.

There are also studies advocating the importance of nature (in comparison to nurture) of talents. Marinakou and Giousmpasglou's (2019) study of luxury hotel segments across four countries found that job-person fit was important, something echoed by Ren and Wong (2021). In particular, Marinakou and Giousmpasglou (2019, p.3870) defined talent as "the employee who thinks outside the box and can make decisions, has knowledge and expertise in his/her area, is willing to learn and progress in his/her career, is adaptable to various circumstances with a customer-driven personality and may fit the organizational culture." Jooss *et al*.'s (2019) research concluded that there should be a close alignment between the employee's behavior and company values, if an employee is to be considered as talent. Hospitality talents should have a passion for the service industry, a customer orientation, as well as the ability to delight the customers (Jooss *et al*., 2019).

Talent Management Practices (TMP) implemented in hospitality are therefore not so different from other businesses. In reviewing the tourism and hospitality literature, Kravariti *et al*. (2022) identified the most widely discussed TMP including: talent acquisition (e.g. employee value propositions, recruitment and selection, and government support); talent learning and development (e.g. staff training, development programs, and succession plans); and talent retention. In many contexts (such as the UK), hospitality firms implement TM systematically (Marinakou and Giousmpasoglou, 2019), while there are also contexts whereby hospitality firms adopt TM in an ad hoc approach.

TMP in hospitality faces several challenges because of the industry structure, the diversity of the workforce, and the industry's unattractiveness (Shulga and Busser, 2019). In contexts such as Macao and Hong Kong, the hospitality workforce also heavily relies on expatriates and migrant workers (Li *et al*., 2022). For many hospitality MNCs, the practice of expatriate assignment is very common (e.g.

Farndale *et al*., 2014). Expatriates are either assigned or individually volunteer. Company assigned expatriates is the most widespread practice in hospitality, as organisations wish to maintain brand consistency and uphold standards (Shulga and Busser, 2019). Farndale *et al*. (2014) also found that hospitality organisations mainly use centralized and standardized expatriation policies to address the complexity of the issue and the different goals between the company and the individuals. Other practices, such as the use of intermediaries (Michopoulou, *et al*., 2020) also add to the challenge of TM.

Research in TM has also called for more attention on hospitality employees' wellbeing. Cheng and Yi (2018) stressed the importance of organizational support to improve hospitality employees' psychological wellbeing. Gupta's (2019) study among the Generation-Y showed the importance of more supportive TMP to retain the younger generation in the hospitality industry. Golubovskaya *et al*. (2019) highlighted the value of on-the-job development for existing staff to achieve greater loyalty, especially among the younger generation. This is also echoed by Goh and Okumus (2020), who suggested bringing out the fun elements of the job, providing a visual career pathway, flexible schedule, and other support programs. In studying the impact of the pandemic on the hospitality workforce, Yan *et al*. (2021) provided evidence of the increased stress level experienced by hospitality employees, and that a positive work environment can effectively alleviate stress. Several studies (Mooney *et al*., 2022) showed how sustainability debates and research in tourism have ignored the important role of HRM. These studies advocate the need to develop and diffuse TM strategies and practices. Overall, the COVID-19 pandemic has intensified the need to re-examine and re-set TM practices in hospitality to ensure not only the companies' and industry's competitiveness, but also their sustainability and smooth operations.

Although limited research still exists about hospitality TM during and after COVID-19, some studies are emerging. For example, Baum *et al*. (2020) provided insights about how the hospitality managers adjusted some of their TMP (apart from workforce downsizing) such as helping staff to find other temporary assignment, improving work procedures, and providing sick leave allowance extension. Thus far, however, no study examines whether and how hospitality managers are re-thinking and re-setting their TMP to address the challenges generated by COVID-19. Therefore, it becomes very important to examine the perceptions and actions of hospitality managers regarding TM.

3. Method

3.1 Study aims and approach

To explore approaches and practices of hospitality TM in times of turbulence, the study adopted the theoretical lens of contingency theory and a phenomenological paradigm of enquiry (Byrne, 2001). A phenomenological approach is ideally used in exploratory research when investigating lived experiences and capturing the understandings of specific people or groups (Daymon and Holloway, 2010). Because hospitality managers occupy a crucial relationship node in the perpetuation and maintenance of formal and informal organizational cultures, their lived experiences during the critical period of COVID-19 are vital in illuminating how essential tenets of TM principles weathered this drastic context. This qualitative study conducted in-depth interviews with hotel managers and interview data was analysed following an inductive approach.

3.2 Study context

The study used Macao as the study context because of its well-developed hospitality industry that was heavily affected by COVID-19. Macao is a tourist city of 32 square kilometers and a population of 680,000, with an economy heavily reliant on tourism and its gaming sector. Most of the internationally branded upscale and luxury hotels in the territory constitute most of the hospitality industry in Macao. The sector (including restaurants) employed an estimated 50,300 employees, among which 42,273 were non-local workers by the end of 2021 (DSEC, 2022). Before the pandemic, hotels in Macao had enjoyed an average of 90% occupancy rate.

3.3 Sample design and selection

The study sample was purposefully designed to provide a good representation of hospitality professionals and industry. Managers were identified by contacting hotels. The research sample included managers holding positions in different functional areas (ranging from front office to public area management) and organizational levels including top level executives and mid-level managers. A total of twenty professionals holding managerial positions in fourteen hotel properties were invited and participated in the study. Table 1 details the demographic and the professional profile of the informants. The number of interviews was not set a priori. Data saturation was noticeable after conducting 18 interviews and, to confirm further, an additional 19th and 20th interviews were conducted. As no more new information was collected from the 19th and 20th informants, data collection was concluded.

(Insert Table 1 here)

3.4 Design of the research instrument

The interview protocol followed a funnel-like approach (going from general to more specific questions). The study adopted a subject and object conceptualization of TM (Kravaritis *et al*., 2022) and in line with the research aims, the managers were asked questions that were centered around the following three major areas: 1) Their understanding about the challenges and implications created by the pandemic in their organisation; 2) their attitudes regarding the influence of COVID-19 on the type of talent (i.e. skills and competencies) that is more desirable but also realistic to attract; and 3) whether and how they have been adjusting their TM practices for attracting, recruiting, and managing/retaining their talent in light of the COVID-19 implications. The study also adopted a holistic and inclusive approach investigating TM approaches and practices for all types of hospitality staff, i.e. front and back stage and at all organizational levels.

3.5 Data collection and analysis

Interviews took place during a long period representing various stages of the COVID-19 crisis, from August 2021 (i.e. several months after the crisis started) to March 2022 (i.e. well after the slow re-start of the industry). This means that the managers had time to reflect as well as share and discuss not only their perceptions about what happened and how they reacted, but also about the role and importance of their TM practices to address both the immediate and long-term repercussions of the crisis in the next normal for TM. By comparing findings between the first and last interviews, the study confirms the managers' agreement on two major issues: 1) the vulnerability and influence of TM to the specific set of circumstances and conditions at every time point of the crisis; and 2) the need to adopt a contingency approach for monitoring and understanding the contextual environment and aligning TM practices thereto.

Interviews were conducted in person or in video formats. One interview was held via a phone call. Interviews were voice recorded after obtaining the informants' prior consent. Recordings were transcribed verbatim shortly after each interview. All interviews were conducted and transcribed in English. The textual data from the interviews went through a thematic analysis that includes two stages and applied open coding, causation coding, as well as categorization in the process (Belk, Fischer, and Kozinets, 2013). Table 2 provides two examples of this coding process. In the initial stage, four researchers individually and manually went through the textual data to gain an initial and holistic understanding of the interview transcripts. Changes in all aspects of TM practice and attitude were coded thematically, based on important

themes that were identified in the literature referring to both the subject and object views of TM. The categorization of the coding was done both horizontally and vertically; the horizontal analyses represent the environmental circumstances and their operation challenges and implications; the vertical dimension refers to findings about the contingency practices as well as their changed attitude. The findings included in the inter-sections of these two dimensions represent the contingency approach confirming the managers' perceptions in understanding and aligning the environmental factors with their TM. The initial data analyses were validated by cross-checking and comparing the data interpretation among the four researchers.

(Insert Table 2 here)

An analytical scheme was created and agreed upon by the four researchers after an initial round of data familiarization. The vertical and horizontal boxes in Table 3 represent the analytical framework, after a detailed coding process conducted using NVivo software (12th edition). This represents the second stage of data analysis, with results displayed in Table 3. The validity of the findings was re-checked to gain consensus among the researchers on the structure and interpretation of the findings.

(Insert Table 3 here)

4. Findings

Four major operational challenges caused by the pandemic were identified, all of which heavily influenced TM practices: dynamic (constantly changing and uncertain) environment, business downturn, disrupted flow of people and goods, and new operational routines. Due to the sudden occurrence, hotels adopted contingent TM practices such as, contingent manpower planning, contingent position deployment, and contingent replacement. These practices align with adopting a contingent approach in times of turbulence indicated in prior studies (e.g. Chau *et al*., 2022; Giousmpasoglou *et al*., 2021). These contingent TM practices necessitated various training and development programs. As the pandemic lingered, some of these practices gradually transformed into a new normal. Meanwhile, changes were also seen in hospitality managers' attitudes toward talent.

4.1. Operational challenges during COVID and the impact on TM

In addition to challenges reported in previous research (such as difficulties in retaining and re-attracting the talents, e.g. Baum *et al*., 2020), the context of Macao added complexity and intensified TM challenges for the study's respondents. The

biggest challenge came from the constant changes in the environment, including the development of the COVID-19 situation, border control policies, new prevention guidelines, and visa policies. The frequent, unpredictable, and uncontrollable constant changes created an environment that, as some informants reported, was like trying to manage in a 'moving sand' and making any long-term TM planning impossible.

The second challenge came from the business downturn. All informants claimed that their occupancy rates had dropped to historically low levels. Informant 8 (an HR manager) said their property only needed a fifth of their original manpower to support operations. In addition, customer segments radically changed, from mostly gaming customers to weekend individual travelers, and from mostly international customer markets to regional Chinese demand sources.

A third challenge for TM was caused by the closed-border policy. The pandemic largely disrupted the flow of people and goods globally. Because many employees in Macao's hotel industry reside in geographically adjacent Zhuhai, Mainland China, and commute daily, the sudden breakout of COVID-19 hindered employee cross-border mobility. Expatriates who happened to be outside of Macao during the breakout period were also unable to return. This was one of the biggest challenges reported, as many employees were expatriates. Furthermore, many non-local employees started to resign, as they had not seen their families for two years.

Hospitality operators adopted new working procedures and standards as anti-COVID measures, thus creating challenges such as the need for constant staff training and development. The above challenges brought about tremendous changes to TMP in Macao's hospitality industry, a city that hosts many multi-national hotels and attracts many expatriates. Some changes were imposed suddenly, while others were incremental and evolved because of induced changes in daily practices.

4.2 Contingent TM planning and deployment: an "always-on" TM style

All hotel managers reported continuously adjusting their TM practices to align with changes in the external environment (Doh *et al*., 2017). The most evident and frequently reported adjustments included having contingency manpower planning, making contingent deployment, and replacement. To support these contingent TM practices, various training and supporting activities were also implemented.

4.2.1 Contingent TM planning

As hotels in Macao gradually got used to the dynamic rhythm of the trends, they learned how to have contingency plans. Informant 7, an Assistant Director for events and promotions, shared that they were now more used to always having a Plan B in TM, so that they could still perform in case the situation changed. Informant 19, a General Manager, concurred by saying that a contingent plan had to be in place in case some of the expatriates could not come back in time. Sometimes, when there was no time to find a good solution, the hotel managers referenced the practice of other hotels, and checked "who has the solution and / or who has the best solution" (I12).

Talent acquisition planning was now more cautiously conducted according to Informants 8 and 11. A few informants (I01, 04, & 14) mentioned freezing of new hire for an extended period. In most informants' properties, talent acquisition was temporarily narrowed down to the local and Chinese speaking community, as international talents were stranded abroad. In other words, disruptions in people flow forced MNCs (most hotels in Macao are affiliated with international hotel companies) to change their expatriation practice from the widely adopted centralized and standardized practice (Farndale *et al*., 2014) toward a more localized practice. The latter was also contingent on more short-term factors such as mobility permits and safety concerns. As Informant 1 (Executive Director of Employment) also commented, local labor policies (e.g., the prioritization of local talent) further added to the complexity of TM acquisition. In addition, Informant 19 also shared that he and his team have now increased readiness to have succession plans ready to be implemented at any time.

4.2.2 Contingent deployment and replacement

Contingent deployment has become critical too and this was found to include the following main TM practices: temporary position transfer, location-transfer, multi-tasking arrangement, collaboration with small and medium enterprises (SMEs), and re-arranging roster and boosting productivity, with the main purpose of fostering a fluid and adaptive structure to fight against fluctuating demand. For example, Informant 8 (Senior Manager in Learning and Development) and 11 (Director of Service) mentioned position transfer from less needed functional areas (such as housekeeping) to more demanded areas (such as F&B) where local customers' patronage continued. There were other types of manpower transfers, such as across brands under the same corporation. Informant 16, who oversees F&B operation, shared their practice and stress in re-arranging rosters so that they can push up productivity and overcome the issues brought about by manpower cuts.

"*… for example, for an event, we usually have 14 staff, but now we only have*

half; for roster, we can have morning shift and evening shift. However, because of COVID and we are really short-staffed, we have to work from morning to evening…" (I16)

On the other hand, some hotels underscored the brighter side of implementing contingent deployment. For example, company of Informant 11 took the crisis as a great opportunity for their staff to experience other positions or similar positions in other properties, benefitting both the company and staff.

"*…they have opportunity to, let's say, for general room attendant they would have a chance to learn about (experience) ABC (a brand), although we are all XXX property (corporation), we have different standards. And they can bring back some good things from ABC to DEF (another brand under the same corporation) or vice versa. This is the benefit we sell, maybe later they can be promoted…*" (I11)

Many informants reported multi-tasking of talents as a very common arrangement during the COVID-19 period. Informant 19 said that multi-tasking was the solution to achieve "doing more with less." Informant 03, an HR manager, explained that, with many staff departing and some expatriates not returning, hotels had to figure out ways to maintain operation with existing staff, which means some of them had to undertake more tasks.

Contingent replacement was implemented due to the disruption of people flow. Positions held by expatriates who could not come back were temporarily substituted by locals or other remaining expatriates. The situation forced the re-designing of job tasks and work procedures. There were now more tech-related elements in job design and more automation, according to several informants (e.g., I04, 07 & 19). For mundane tasks, hotels started using robots to replace humans. Although they had previously explored the use of artificial intelligence s, this is the first time hotels seriously considered increasing usage of robots to cope and to have a more stable "workforce".

On the other hand, two informants (I02, in charge of public area management, and I09, a GM) found it very challenging to recruit locals to work in public areas. To address this, contingent collaboration with SMEs was reported as a solution. He said,

"*…many fresh graduates do not want to work in PA, as it is kind of area that you have to check the toilet and need to communicate with aunties and uncles, and work with expatriates from Vietnam and other places. It is challenging… so*

we cooperate with some SMEs in Macao as they have a batch of professionals…" (I02)

4.2.3 Talent training and development under the contingent arrangement

It is important to note that the above-mentioned contingent deployment and replacement practices also entailed various training and development efforts. Trainings were provided for staff to undertake multitasking (I11) and team building activities (I13). Trainings were also implemented for supporting position transferals. Training also focused on how to boost productivity, while simultaneously enhancing mental resilience. These practices were critical and important to address the stress felt among hospitality talents during the COVID period (Yan *et al*., 2021). In comparing past TM practices, Informant 04, who oversees Brand and Marketing, concluded that their company now dedicated more time in emotional training than hard skills development. Informant 05 (Vice President of HR) noted that his company offered a 24-hour hotline and encouraged staff to receive counseling whenever needed.

To cope with new Standard Operating Procedures (SOPs) (e.g. the heightened standards of hygiene and safety), informants reported that companies offered more training sessions for increasing staff awareness as well as operational capabilities. At corporate level, there were more online trainings about updated SOPs, as consistency of practice is important for the chain hotels. At individual property level, more training was provided about micromanagement, emergency handling, as well as individualized supervision.

4.3 Changing attitudes toward "talent" and evidence of evolving post-pandemic practices in talent acquisition and retention

Overall, the findings revealed a change of attitude towards the kind of "talent" that the managers desired. The general direction is toward developing and maintaining a talent force that is more agile, adaptive, resilient, willing to learn, and has a natural fit to hospitality jobs. These qualities are consistent with Marinakou and Giousmpasoglou's (2019) definition of hospitality talent which emphasized the importance of having an ability to adapt to various circumstances. Though less emphasized in good times, these qualities have become important to help staff manage and cope with a crisis characterized by continuous dynamism and uncertainty. Informant 01 and 13 shared that they have now formed a different attitude and practice in recruitment procedures. Instead of asking the candidates how much they knew about hotels, they now inquire more about candidates' ability to cope with adversity and their attitudes and behavior

toward it.

Hotels in Macao used to offer more competitive packages to staff compared to the nearby regions, and so, they were able to attract all types of talents to fulfill organizational needs. Qualification specifications used to include the desired competency level as well as educational background. However, informants reported that due to the difficult situation, talent managers now focus less on the hard skills and more on the soft skills (including having a better person - job fit, and a hospitality mentality), also because people with these qualities have lower labour turnover in relation to people attracted to hospitality jobs due to the renumeration packages. The importance of having the right personality for hospitality jobs is also highlighted in prior studies (e.g. Marinakou and Giousmpasoglou, 2019; Ren and Wong, 2021). In the words of Informant 01, it was the candidates' "natural being" that they were examining now during the recruitment stage, instead of how many technical skills they had. In other words, the pandemic has changed the emphasis of recruitment practices away from a competency-based approach toward a more natural and holistic approach. As for the technical (or operational) skills, most informants now had an open mind and believe that "as long as they are willing to learn, we will train them" (I01). This contrasts with Bagheri *et al*. (2020) who emphasized the importance of knowledge and skill levels together with other competencies.

4.4 From contingent to new normal

An important finding shows some contingent plans in TM were gradually turning into a standing practice. Some practices appear to have become modus operandi by the time the study was conducted. For example, Informant 05 reported that they have permanently replaced expatriates who were not able to return, because hotels were not able to renew their contracts under the current border control policy. Meanwhile, positions temporarily filled in by the local talents gradually became stable assignments. As Informant 19 commented, at the beginning of the crisis, they shifted their attention to and temporarily deployed the local talent pool, but now it seems that this shift is gradually turning into a stabilized and expected normal practice.

> "*We were more willing to take (calculated) risks in hiring the locals to fill in some of the senior positions, as the international ones could not come in. But these moves sometimes lead to nice findings that the locals could also perform well, which eventually leads to attitude change toward expatriate assignment…we now see some hope of tourism recovery, and in the new round of recruitment, we look at the local pool first."* (I19)

Several contingent deployment practices (such as position transferal and temporary deployment) were welcomed by hospitality talents, as this helped in their professional development and learning. This is also in line with the importance of developmental perspectives as proposed by Golubovskaya *et al*. (2019). Informants also reported that this practice can enable the development of multi-skilled talent force, and so, it is very likely that this practice will stay (e.g. Informant 01). Informants also commented on an increased acceptance and attitude towards technology usage as a TMP solution for addressing labour shortages. For example, informants showed the use of robots (along with other digital applications) being turned into a standing practice for replacing staff doing mundane tasks.

Informants also reported changes in recruitment procedures that "are here to stay." Changes showing a tendency of becoming a new normal included: Measures to understand the person-job fit, the applicants' adversity coping capability, and the expectation on multi-tasking. As both I01 and I08 shared, they have already integrated these new practices into their recruitment policy. In addition, they reported that the various supporting and developing TM programs that were implemented during the pandemic period were also likely to continue. This is because informants strongly felt there is a continuous need to build a supportive culture. Although prior students have advocated the importance of a supportive culture (Cheng and Yi, 2018; Gupta, 2019), the prolonged pandemic crisis has forced the hotel managers to take actions and fight through the crisis with this soft power.

Although not all contingent TM practices transform into new normal, the above findings do show a clear connection between the pandemic and its circumstances, the contingent TM practices and the formation of a new normal. These findings therefore not only confirm the applicability and usefulness of the contingency approach to understand the adaptation of TM in turbulent times, but they also expand the theory by unraveling its change agent role in contributing to the formation of a new normal. In other words, by adopting a contingency approach, the study and its findings provide useful insights about the nature/type and the scope of changes in TM prompted by the COVID-19 period.

5. Discussion and Conclusions

5.1 Conclusions

This study adopted a contingency approach for exploring TM in the Macao hospitality

industry during the pandemic. The result showed that unprecedented challenges to TM urged hotel managers to adopt contingent TM practices including contingent TM planning, contingent TM deployment, replacement, as well as training and development activities to support such contingent practices. The pandemic also resulted in changed attitude toward hospitality talent as well as practices in recruitment and retention. These contingent practices, in turn, paved the way for the setting of a new normal as some practices eventually became standing ones. These findings point to several theoretical and practical implications.

5.2 Theoretical Implications

From a theory point of view, the study advances knowledge about TM in turbulent times, as well as expanding our understanding about the usefulness of the contingency theory as an approach to manage talent during crisis and the formation of a new normal. The study's findings add to our knowledge about contingency theory in TM. Specifically, a contingent approach to management should not be interpreted as a 'one off' managerial task. Given a dynamic and turbulent environment, specifically during crisis periods, made hospitality informants to always develop a 'Plan B' for everything (e.g. continuous changing and shortening planning cycles). This continuous contingency approach highlights the volatile nature of TM in turbulent times, in which there is never a 'best recipe' or rule of success but only a solution that can best fit and align with the contingent environment. This corresponds to prior studies (e.g. Doh *et al*. 2017) suggesting that best management performance results from aligning strategies to the inevitable contingencies. This 'always on' contingency approach to TM was also reported to include the monitoring and copying of competitors' practices, so that one can keep up with the trends. This latter finding and conclusion have also contributed to the following additional theoretical implication.

The findings show that the four disrupting factors have not only been transforming TM, but their wider industry adoption and their settlement as the new standard and norm in the industry have gradually turned some of them into a new normal. The contingency approach not only helps our understanding of TM during turmoil periods, but it also helps us explain the formation processes of a new practice and new normal through the shaping forces, the shaping and the gradual institutionalization of TMP in the industry. As reported by informants, some contingent practices (e.g. contingent replacement of some expatriate managers, who were not able to return to Macao due to travel restriction and border closing) revealed and proved to hospitality operators that the local talent can perform equally well as others, while the absence of expatriate managers did not cause any significant performance impact. This experience triggered

a change in TM mindset and policy that having expatriates for certain positions is no longer compulsory.

Figure 1 visualizes this process of setting a new TM normal by summarizing the study findings about: The key factors disrupting and transforming the industry's approaches and practices to TM; the key dimensions of the 'new' TM normal being set through the COVID-19 induced transformations; and which are contrasted to the key dimensions of the "old" TM as they are reported based on research before COVID-19.

(Insert Figure 1 here)

The study has universal significance and useful implications that go beyond its insights about the contextual setting and the disciplinary field of the TM literature. Specifically, the findings are useful to the wider academic community, because they provide evidence and explain how extreme and lingering (crisis) events (such as the COVID pandemic) can quickly shake, undo, and re-formulate even long-entrenched organizational policies and practices that in turn contribute to the setting of new normal.

5.3 Practical implications

From a practical perspective, the study provides insight and evidence about the applicability of the contingency approach on TM in hospitality. The study confirmed the need to align TM with the set of environmental circumstances and their managerial implications, especially in times of crisis. Echoing King and Vaiman (2019), TM in Macao's hospitality industry has been heavily influenced by the external macro level context during the pandemic. Indeed, the informants demonstrated awareness of the dimensions of the pandemic and its implications on TM. These findings add solid evidence and specificity to workforce impacts brought by COVID-19, supplementing findings of preliminary studies (e.g. Baum *et al*. 2020). In summary, the informants identified four major environmental factors disrupting and changing their TMP during COVID-19 including: The dynamic and constantly changing environment, the drastic business downturn, the disrupted flow of people and goods, and the new operational routines. In addition, local factors of the situation in Macao SAR (e.g. the SAR political status, the location, the high local economy reliance on tourism and hospitality, the low local availability of hospitality employees, and the employees' need to cross border) have magnified the informants' TM challenges. These challenges paralyzed long-term strategic TM planning, and forced organisations to adopt contingent TMP including contingent planning (e.g. local talent

acquisition plans, shortened planning cycle, having Plan B always, and having succession plans), deployment (e.g. temporary position transfer, location transfer, and multi-tasking arrangement) and replacement (e.g. expatriate replacement practice, robot replacement).

Finally, the study also provides useful implications for policy makers. The study highlighted the need for policy makers to be vigilant about challenges and changes affecting local but also worldwide issues related to workforce and labour issues. Policy makers need to update or create relevant policies that can address the challenges but also the new normal set by crisis events. In updating policies, it is very likely that the policy makers would face pressures and directions from industry on how to update and create new policies. For example, due to the COVID-19 implications on labour shortages in Greece, large hotel operators and the chamber of hoteliers in Greece pressures the ministry of labour and foreign affairs to amend legislation related to working visas of people from specific countries such as India. Such examples and the study's findings highlight that when changing policies, policy makers need to: obtain a wider and international perspective of the issues and challenges; understand the industry constraints, operating realities and new normal; as well as involve industry participation in policy making processes (e.g. consultation, feedback).

5.4 Limitations and Future Research

The study's findings are limited to the sample's geographical scope, industry, and crisis context as well as its temporal dimension. Future studies should adopt a more international and industry perspective to confirm, refine and expand the study's findings by collecting data representing wider socio-cultural, political, and economic contexts. In addition, future studies should also aim to test and re-examine the findings by examining TM in hospitality during various types of crises and turmoil situations.

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