



Emerging Trends and Persistent Challenges in Strategic Human Resource Management in the Tourism and Hospitality Industry

Dr Shilpi

Associate Professor, Institute of Hotel and Tourism Management
Maharshi Dayanand University, Rohtak

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ABSTRACT

In the tourism and hospitality sector, strategic human resource management (SHRM) has emerged as a critical component in fostering organizational resilience, delivering high levels of service and ensuring the sustainability of human resources. HRM must shift from administrative and reactive to proactive nature as the sector is awakening to the imperative of rapid technological change, increased sustainability pressure, lack of workforce and post-pandemic disruption. Thematic review design was used to rework the topic into a research oriented article. The paper explores the key trends in SHRM drawn from the literature and various institutions and sector-specific studies, such as digital HR transformation, employee wellness, green HRM, diversity and inclusion, continuous learning, and strategic talent management. It also examines long-term issues like turnover, seasonality, skill shortages, uneven technology use, intercultural management difficulties and regulatory complexity. The review concludes that successful SHRM in tourism and hospitality needs to be context-appropriate, evidence-based and must be related to the organizational strategy and not confined to operational human resource management (HRM). The paper suggests that future-ready tourism organisations need to have integrated HR systems that encompass technology as well as employee-centred, inclusive and sustainable HR management practices.



1. Introduction

Tourism and hospitality is one of the most labour intensive sectors of the global economy where the quality of services provided is greatly reliant on the performance of the employees and interaction between them (Baum, 2019; Kusluvan et al., 2018). In the tourism sector, unlike industrial sectors, value is added by interactions with people directly, and therefore human capital is an important strategic asset.

In this context, Strategic Human Resource Management (SHRM) has come to be viewed as a factor that contributes to the competitiveness, resilience, and quality of service of the organization (Jiang & Messersmith, 2018; Madera et al., 2017). SHRM is the systematic linkage between HR practices and organizational objectives to improve organization performance and adaptability over the long run.

Given the highly volatile environment in which the sector functions, with seasonal trends, labor mobility, technology-driven changes and susceptibility to crisis, this is an environment in which the sector needs to function. It is an environment in which the sector needs to operate in, due to the volatility of the sector, which is characterised by seasonality, mobility of labour, technological changes, and vulnerability in the face of crisis (UNWTO, 2022; ILO, 2021). These dynamics point towards a change in the nature of HRM from an administrative to a more strategic and evidence-based approach. While some emerging trends like digital HRM, sustainability, and employee well-being are becoming more prominent, the lack of skilled workers and employee turnover remain challenges that limit progress (Baum, 2019; Xu et al., 2022).

2. Objectives of the Study are as follows:

1. Identify key current developments in strategic human resource management in the tourism and hospitality sector.
2. To review ongoing structural and operational issues with SHRM in the sector.
3. To aggregate and compile existing research and scholarship regarding the links between HR strategies and employee outcomes and service performance and employee resilience.
4. To suggest one research-informed approach to improve SHRM in tourism and hospitality companies.

3. Literature Review

3.1 SHRM in tourism and hospitality



In the hospitality sector, SHRM research has moved from an operational focus to a greater focus on integrating with business outcomes (Madera et al., 2017). Yet, the field remains underdeveloped, is still under-informed theoretically, and does not have models specific to the context (Kusluvan et al., 2018).

3.2 Emerging themes in contemporary HRM research

There are indications in the recent literature of the change from traditional human resource management to a more strategic and multi-dimensional HR system (Bondarouk&Brewster, 2016; Ren et al., 2018). These include digital HR technologies, employee well-being and mental health initiatives, green HRM, workforce inclusion, and continuous learning models. The importance of Green HRM has been heightened in the context of the tourism companies' response to the expectations for sustainability and environmental regulatory requirements (Suleman et al., 2025). A recent integrative systematic review in the field of hospitality and tourism confirms that the field of green HRM is an important and evolving research area with implications for employees' behavior, organizational performance and environmental outcomes (Carnevale&Hatak, 2020).

3.3 Persistent HRM challenges

Despite all these developments, the sector's workforce is still plagued by its long-standing issues. The high staff turnover, irregular employment, lack of skills, difficulties in intercultural management, and lack of employee retention are still a problem in hospitality and tourism(Baum, 2019). The turnover is particularly challenging, as it adds recruitment expenses, hinders service continuity and leads to a decline in organization learning. A literature review of turnover intentions in the hospitality industry shows that employee-centred policies, quality of work life and supportive organisational practices are highly influential on turnover intentions (Xu et al., 2022).

4. Research Methodology

The study is a systematic thematic review study. The method used is appropriate, as the aim is not to test one causal hypothesis in primary data, but to critically synthesize and interpret the increasing number of research studies on SHRM in tourism and hospitality. For topics with a literature spread out across a number of subthemes, like digital HRM, employee well-being, sustainability, workforce inclusion and turnover management, a review-based design is also well suited.



4.1 Data sources and search strategy

Secondary sources of peer-reviewed journal literature and selected institutional publications were used in the review. The literature was retrieved by employing a combination of key terms which include “strategic human resource management” and “tourism” along with “hospitality,” “employee turnover,” “green HRM,” “employee well-being,” “hospitality workforce,” and “digital HRM” and using a database-oriented search. A focus has been placed on recent publications since 2015, which reflect the up-to-date developments, while a few basic publications have been included where conceptually relevant and not too voluminous.

4.2 Inclusion/exclusion criteria

Studies were selected if they: (1) focused directly on tourism, hospitality, or service industries closely related to tourism; (2) explicitly addressed strategic HRM practices, human resource issues, or employee outcomes; (3) had scholarly or institutional journals or publications with analytical value; and (4) were published in English. Sources that were purely promotional and/or did not have an academic relevance and/or did not contribute directly to the analytical themes of the paper were excluded. This also meant eliminating weak sources like anonymous websites or crowd edited sources from the original draft.

4.3 Analytical procedure

The literature that was reviewed and selected was thematically coded. Concepts that appeared more than once were clustered into either of two general analytical categories—emerging trends and persistent challenges. These clusters were subsequently further broken down into subthemes, compared and interpreted to develop a structured synthesis. The aim of the analysis was to summarise previous findings as well as to detect patterns, tensions and implications for future HR strategies in tourism and hospitality.

4.4 Methodological limitations

The study is a secondary review, meaning that it does not result in the creation of new primary empirical data. The conclusions are based on literature available and it is subjective. Thematic design, however, is systematic and enhances the transparency of the design and in a more rigorous and publishable synthesis of the design than a conventional narrative chapter approach.

5. Findings: Emerging Trends in SHRM

5.1 Digital transformation of R&D.5.3 Digital transformation of marketing.



A key development in the field of tourism and hospitality HRM is the increasing importance of digital technologies in employee recruitment, workforce analysis, training, and employee communication (Bondarouk & Brewster, 2016). The use of technology in HR functions is transforming how HR management is done, influencing decisions on staffing, performance management, and talent planning. Digital HRM is not only about the efficiency but also about the support it provides to a company's workforce during a time of uncertainty in the market. This is also part of the broader strategic shift of HR from an administrative function to one that is driven by data to make decisions.

5.2 Employee well-being and mental health

Employee well-being, burnout prevention and psychological support are essential areas of focus with post-pandemic research. In the tourism and hospitality industry, emotional labour, irregular working hours and working with customers's demands make the argument for well-being-focused HR strategies compelling (Carnevale & Hatak, 2020). Interventions for mental health, flexible working hours, and initiatives for quality of work-life are increasingly viewed as non-negotiable and essential components of a strategy, not simply an optional extras, particularly when a positive mental health impacts on retention, quality of service delivery and organizational resilience.

5.3 Integration of Green HRM and sustainability

Green HRM has emerged as one of the key strategic initiatives in the hospitality and tourism sector. Increasingly, recruitment, training, appraisal and reward systems are being connected with sustainability objectives. The literature indicates that green HRM helps to improve both environmental performance and employee engagement and employer reputation. Sustainability is now firmly linked to destination image, brand legitimacy and stakeholder expectations which is why it is important in tourism.

5.4 Diversity, equity and inclusion

One of the challenges of HR is diversity management as tourism is multicultural. As one can see, inclusive recruitment, access to development and intercultural competence are now important elements of strategic HRM (Sharma et al., 2021). The concept of diversity, equity, and inclusion (DEI) is particularly applicable to global hospitality brands, but as the workforce within local service organizations becomes more diverse so do the customers, the concept of diversity, equity, and inclusion becomes increasingly relevant.



5.5 Continuous learning and workforce adaptability.

Upskilling, reskilling and lifelong learning are becoming a key requirement for the competitiveness of tourism and hospitality organisations (World Economic Forum, 2023). More dynamic capability building is needed to meet a change of guest expectations, platform-based service systems and technological adaptation. The literature suggests that learning-oriented HR systems can be used to help employees build their skills and abilities, and can also help to prepare the organization for the challenges it may face. It has been found in the literature that the learning-oriented HR systems can be useful for employee skill-building and for the preparedness of the organization in volatile markets.

5.6 Strategic talent management and employer branding

Employer branding, retention strategies and talent pipelines are being increasingly adopted by tourism companies because of the difficulty of finding skilled employees. (Baum, 2019) Beyond filling vacancies, organizations are more concerned about attracting employees who will align with their future service and brand goals. Talent management is no longer a matter of filling positions, but a strategy that is related to the sustainability of the organization.

Persistent Challenges in SHRM findings.

6.1 High turnover and retention difficulty.

One of the hospitality and tourism HR challenges that has persisted is turnover. This is fueled by low pay, lack of promotions, heavy workload, precarious employment tenure and low organisational commitment. The high turnover rate harms the quality of service, the costs of replacement, and the building of capability. Retention is presented in the literature as a strategic concern and not a routine personnel concern.

6.2 The seasonality and workforce instability

Seasonality causes irregular employment and complicates HR planning in the long run. There are still many companies who are contracting or hiring temporary staff to cover expenses but it can affect the continuity of training, organizational commitment and service quality. This leads to a conflict between flexibility and stability of the workforce.



6.3 Skills gaps and mismatch

There is a huge gap between the demand for and supply of skilled labour in the industry. Employers frequently state a lack of communication skills, digital literacy, language skills, problem solving and customer service skills. This is a particularly important issue because of the increasing technologization of tourism organizations coupled with the continued reliance on interpersonal service quality.

6.4 Uneven technology adoption

Digital HRM is a new phenomenon but the adoption of it is uneven. While small and medium firms are not as well equipped as large hotel chains and multinational enterprises to put in the investment required for HR technologies. This makes the HR sector prone to technological modernization in disintegration. This separation impacts efficiency, workforce transparency, employee experience, and strategic planning ability.

6.5 Intercultural management and workplace relations

The diversity of cultures in the tourist sector can bring opportunity, but also complexity to the workplace. If intercultural competence is not developed, intercultural communication issues, interpersonal conflicts and variable service provision may arise within workplaces. This is particularly true in international hospitality settings and in countries where workers move.

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The shocks to tourism like recession, geopolitical instability and the pandemic, make the HR environment in tourism highly uncertain. Employers also have to deal with different jurisdictions for labor law requirements, workplace requirements, health and safety requirements, and compliance requirements. SHRM must, therefore, be resilient and adaptable as well as efficient.

7. Discussion

The review is an example of how SHRM in tourism and hospitality is not just a support function anymore but rather a core part of organizational plans. The shift however, is not complete or seamless. In addition to the structural issues like high turnover, lack of job stability, and skills mismatch, emerging HR trends like digitalisation, green HRM, and well-being programs show a more advanced approach to managing human capital.

The most important finding of the analysis is the need for context sensitivity in strategic HR performance in the tourism sector. The sector comprises of big international chains, medium-sized urban hotels, small restaurants, event businesses, destination enterprises and community-based tourism enterprises. They are



far from the same actors in terms of their ability to take up technology, establish structured HR systems and attract and keep talent. As a result, SHRM frameworks are not one-size-fits-all, but must be flexible. The evidence also indicates that employee-centered HR practices don't conflict with strategic goals. Conversely, well-being, inclusion, learning, and ethical treatment policies are becoming more associated with productivity, retention, resilience, and service performance (Jiang & Messersmith, 2018). This suggests that tourism firms must not consider workforce support a secondary issue. It is also a strategic investment in highly service dependent environments.

8. Implications for Practice

Based on the review, the following practice implications emerge:

- Tourism and hospitality organizations need to make HRM more integrated into long-term business-planning processes than relying on administrative coordination.
- Retention efforts must include more than just hiring replacements; they must address career pathways, work quality, support from supervisors, and employee well-being.
- Green HRM should be integrated with the training, appraisal and reward system for embedding sustainability in work practices.
- Small and medium enterprises need technology reducing support mechanisms, shared digital tools, and training pathways to ease the technology gap in HRM.
- Intercultural competence and inclusive workplace policies need to be viewed as operational necessities in culturally diverse service environments.

9. Conclusion

SHRM is now a key determinant of the future of organizations in the tourism and hospitality industry. Workforce strategy is a key element of competitiveness and resilience in the sector, due to its labour intensive, volatile and service-led nature. Although industry is slowly making strides towards more strategic and innovative HR practices, certain issues still hamper the growth, as revealed in this review.

The best SHRM strategies are the ones that align with the strategy and focus on employees. What is most effective for digital systems, sustainable efforts, talent cultivation, well-being, and related practices is to integrate them into the overall organization strategy and contextualize them. The principle to be learned from peer-reviewed scholarship and professional practice is that tourism HRM is not a support function, but a strategic enabler of organizational capability, which is necessary for long-term success.

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