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Modern Talent Management Models in the Hotel Industry: Challenges and Prospects in the Georgian Context

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Abstract. In the current global hospitality industry environment, human capital is considered one of the most important factors in ensuring high service quality, sustainable competitive advantage, and long-term organizational development. Therefore, effective talent management is becoming an integral element of strategic human resource management aimed at attracting, developing, motivating, and retaining highly qualified employees. The purpose of this study is to analyze modern talent management approaches and assess their application in the Georgian hotel industry. A qualitative approach was used as the methodological basis for the study. Empirical data was obtained through twelve semi-structured in-depth interviews with executives and HR managers of hotel companies operating in Tbilisi and various regions of the country. The study's findings indicate that the main factors hindering effective talent management include high staff turnover, a shortage of qualified specialists, seasonal employment, poor integration of the education system with labor market needs, and the limited use of modern HR tools. Based on these findings, practical recommendations have been developed to improve talent management systems, increase employee engagement, and strengthen the competitiveness of the Georgian hotel sector.

Keywords: talent management; hotel industry; human resources; staff retention; hotel business; Georgia.

Introduction

The tourism and hospitality industry is one of the most dynamically developing sectors of the global economy and plays a vital role in the socioeconomic development of many countries, including Georgia. Growing international tourist flows, intensifying competition among hoteliers, and rising consumer expectations for service quality necessitate the search for new sources of sustainable competitive advantage.

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While previously, a hotelier's competitiveness was determined primarily by material resources, location, and infrastructure, today human capital has become a key strategic resource. The professionalism and competence of employees, their ability to effectively interact with clients, adapt to change, and provide a high level of service largely determine the success of hotel organizations.

In recent years, the concept of talent management has gained particular importance as a priority area of strategic human resource management. Modern organizations view talent management as a continuous process of identifying, attracting, developing, motivating, and retaining high-potential employees who can ensure the long-term development of the organization. This problem is particularly pressing in the hotel industry, where the quality of services provided directly depends on the level of professional training of staff. High staff turnover, seasonal employment, labor migration of skilled professionals, and the mismatch of educational qualifications with employer requirements pose serious obstacles to the sustainable development of the hotel industry in Georgia.

Despite growing research interest in talent management, the implementation of modern talent management models in the Georgian hotel sector remains understudied. Most existing studies focus on general human resource management issues and do not consider the specifics of the national labor market, the institutional environment, and the operational characteristics of hotel companies.

The scientific novelty of this study lies in its comprehensive analysis of modern talent management approaches, taking into account the specifics of the Georgian hotel industry, and in identifying the factors influencing the processes of attracting, developing, and retaining qualified employees.

The aim of the study is to evaluate existing talent management practices in the Georgian hotel industry, identify key challenges, and develop practical recommendations aimed at improving the effectiveness of human resource management and strengthening the competitiveness of hotel companies. To achieve this goal, the following research objectives were defined:

- analysis of modern theoretical approaches to talent management;
- study of international experience in applying talent

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management systems in the hospitality industry;

- assessment of existing talent management practices in the Georgian hotel sector;

- identification of key challenges in attracting, developing, and retaining personnel;

- development of practical recommendations for improving the talent management system.

Literature Review

Over the past two decades, talent management has become one of the most dynamically developing areas of research in strategic human resource management. Modern organizations view talent not only as a source of professional knowledge and competencies, but also as a strategic resource that ensures a sustainable competitive advantage in the face of increasing global competition.

One of the first comprehensive studies in this area was the work of Lewis and Heckman (2006), who defined talent management as a system of interrelated processes that includes identifying, attracting, developing, assessing, and retaining high-potential employees. The authors emphasize that the effectiveness of a talent management system is determined by the degree of its integration with the organization's strategic goals.

Further development of this concept is presented in research by Armstrong (2023), who argues that talent management should be viewed as a continuous process encompassing the entire employee lifecycle within an organization. The author notes that only the comprehensive integration of recruitment, training, performance appraisal, career development, and incentive systems can ensure the sustainable development of human capital and the long-term competitiveness of an organization. Research by Davidson, McPhail, and Barry (2011) shows that high employee turnover remains one of the most serious problems in the hotel industry. Constant staff turnover leads to increased recruitment and training costs, reduced service quality, a deteriorating organizational climate, and decreased customer satisfaction.

In recent years, the digital transformation of business has significantly influenced the development of talent management. The use of HR analytics, artificial intelligence technologies, big data, and digital platforms allows organizations to significantly improve the objectivity of recruitment, assessment, and development processes, as well

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as predict turnover risks and the effectiveness of personnel decisions. Contemporary research considers digital HR technologies as one of the most promising areas for the further development of human resource management.

A systematic literature review by Kravariti, Voutsina, Tasoulis, Dibia, and Johnston (2022) is of particular importance for the development of modern theory. After analyzing dozens of international studies, the authors concluded that talent management in the hotel industry is in a period of intensive development. Despite a significant increase in publications, many issues remain understudied, particularly in emerging economies. Researchers emphasize the need for empirical research that takes into account national characteristics of the labor market, education system, and institutional environment.

Despite the growing number of international publications, studies on talent management practices in the Georgian hotel industry remain limited. Most existing studies focus on general human resource management issues and offer little analysis of modern mechanisms for attracting, developing, and retaining talented employees in the Georgian labor market. It is this research gap that necessitates this study.

In modern academic literature, the term "talent" is used to describe an employee who, through professional knowledge, high competence, innovative thinking, and development potential, has a significant impact on the success of an organization and the achievement of long-term goals. Accordingly, talent management is a strategic and continuous process that includes identifying, developing, motivating, and retaining such employees.

When identifying talent, organizations rely on several key criteria. One of the most important is the employee's performance and the results they achieve. Equally important is their development potential, which includes the ability to quickly absorb new knowledge, adapt to change, and assume leadership responsibilities in the future.

Modern organizations also place special emphasis on emotional intelligence. The success of a hospitality employee depends on more than just professional knowledge. Effective communication, teamwork skills, empathy, and conflict management are often just as important as technical competence. Today, organizations consider not only an employee's professional skills but also their fit with the organizational culture. Sharing common values and goals

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connects employees with the organization and fosters effective collaboration.

Talent management goes beyond recruitment. It's far more important for organizations to create an environment that provides employees with opportunities for professional development and strengthens their motivation to stay with the company. This is why international practices place special emphasis on career development planning, succession planning, continuous learning, and skills development. Mentoring and coaching programs promote employee professional growth, while a fair evaluation and incentive system enhances employee engagement and a sense of responsibility.

In modern organizations, the quality of the work environment is also considered a key factor in employee retention. Compensation that matches labor market conditions, health insurance, recognition and rewards for employee achievements, flexible work schedules, and work-life balance create conditions that significantly increase employee satisfaction and loyalty.

In the service industry, where the risk of burnout is relatively high, measures aimed at supporting and improving employee well-being are considered an important aspect of human resources management. Several different models are used in talent management practices. One of the most common is the inclusive model, which states that every employee in the organization should be provided equal opportunities for development. This approach increases employee engagement and helps reduce turnover.

In contrast to the inclusive model, the exclusive model focuses on the development of high-potential employees. In this case, the organization directs its resources to the professional development of employees considered the most likely candidates for future leadership positions. Modern organizations widely utilize competency-based models, which base employee assessment on a comprehensive analysis of professional (hard skills) and behavioral (soft skills) qualities. This approach is particularly important for the hospitality sector, as service quality is determined by more than just professional knowledge. Effective communication, empathy, and customer focus are equally crucial.

In recent years, digital talent management models based on HR analytics, artificial intelligence, and data-driven solutions have gained particular importance. Such systems allow organizations to more objectively assess employee

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potential, improve the hiring process, and elevate human resources management to a strategic level.

A comparison of models shows that none is universal or equally effective for all organizations. The choice of a specific approach depends on the organization's size, the specific nature of its operations, organizational culture, and labor market conditions. Therefore, it is crucial for the Georgian hotel industry to implement a talent management system that adapts international practices to local realities.

Research Methodology

Our study is based on a qualitative research approach, which allows for a deeper understanding of talent management in the hotel industry, identifying existing challenges, and determining factors influencing the processes of attracting, developing, and retaining personnel. The study is descriptive and analytical in nature and aims to examine current talent management practices in the Georgian hotel industry. The theoretical basis for the study is based on modern concepts of strategic human resource management and talent management, presented in the works of leading international researchers, as well as international analytical reports on the development of the global hospitality industry.

The empirical portion of the study was conducted through semi-structured in-depth interviews, allowing for detailed information on the respondents' practical experiences and identifying key challenges in the hotel sector. The study involved twelve HR managers and executives representing hotel companies of various categories and ownership types.

To ensure comparative analysis, the sample was divided into two groups. The first group included representatives of international hotel chains operating primarily in Tbilisi and Batumi.

The second group included executives and HR managers of small and medium-sized hotels located in the Kakheti and Shida Kartli regions.

This approach allowed us to identify differences in talent management practices between international hotel brands and independent regional hotels operating in diverse socio-economic conditions.

All interviews were conducted with the voluntary consent of study participants and were conducted in accordance with the principles of confidentiality and anonymity.

This method allowed us to identify the most frequently

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recurring themes, identify key talent management challenges, identify similarities and differences between international and local hotel companies, and identify key trends in the development of human resources management systems in the Georgian hotel industry. The aim of the study was to identify key trends, existing challenges, and current talent management practices in the Georgian hotel industry. Research Results

Georgia's hotel industry has demonstrated steady positive growth in recent years, driven by the growth of international tourism, increased investment in the hospitality sector, and the expansion of hotel infrastructure. However, this accelerated growth is accompanied by growing demand for skilled labor, significantly increasing competition among employers.

According to GeoStat, UN Tourism, and the World Travel & Tourism Council (WTTC), the tourism sector remains one of the most important drivers of the country's economic development. However, the industry's sustainable development depends significantly not only on the quantitative growth of tourist flows but also on the ability of hotel companies to develop professional human capital and provide high-quality service.

▪ **Skilled Personnel Shortage**

The interview results showed that almost all study participants view the shortage of skilled professionals as the most serious problem facing the modern hotel industry.

Representatives of international hotel chains note that, despite the use of modern digital recruitment platforms, finding employees who meet professional requirements is becoming increasingly difficult. A similar situation is observed in regional hotels, where the problem is exacerbated by a limited supply of skilled labor.

These results are consistent with research by Baum (2020), who emphasizes that the shortage of professionally trained personnel is one of the most serious global challenges facing the hospitality industry.

▪ **High Employee Turnover**

Almost all respondents noted that employee turnover has a negative impact on the performance of hotel companies. The most common reason for dismissal is more attractive working conditions offered by competitors or foreign employers.

As one study participant noted:

"Even after extensive training, employees often leave the organization for a minor salary increase."

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A particularly noticeable and problematic trend is the migration of experienced employees abroad. Respondents believe that higher salaries, better social benefits, and greater opportunities for professional development in European countries and the United States create a challenging competitive environment for the local Georgian hotel industry. Consequently, talent retention can no longer be achieved through monetary compensation alone and requires the immediate implementation of holistic, employee-focused management systems. These results confirm the findings of Davidson, McPhail, and Barry (2011) that high turnover leads to increased recruitment and training costs, reduced service quality, and decreased organizational effectiveness.

▪The Impact of Seasonality

The study shows that seasonality is particularly problematic for hotels operating in Georgia's regions. Respondents emphasize that seasonal employment significantly reduces employee motivation, as temporary staff have fewer prospects for long-term career advancement.

At the same time, employers often refrain from investing additionally in staff development because they are unsure whether these employees will stay with the organization after the peak season ends. This creates a vicious cycle: organizations invest less in their staff, and as a result, employees feel less motivated to stay with the organization long-term.

At the same time, employers are also unwilling to invest significant financial resources in training employees who work only a few months a year.

Misalignment of the Education System with Labor Market Requirements

Almost all study participants noted a gap between the vocational education system and the actual needs of the hotel industry.

Despite graduates having sufficient theoretical training, employers note a lack of practical skills necessary for effective work in the modern hotel industry. Particularly frequently cited were insufficient proficiency in modern digital technologies, hotel management software, foreign languages, and professional communication skills.

▪Employer Branding and Talent Retention

Most respondents noted that young professionals consider career advancement opportunities, corporate culture, professional development programs, work-life balance, and the

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quality of internal communication when choosing a job.

Interviews revealed that while salary remains an important structural factor, it is no longer the sole criterion influencing career decisions. In particular, younger workers increasingly value the quality of the work environment, professional development opportunities, fair treatment, and clear career prospects. Consequently, developing a strong employer brand and institutional policies focused on employee well-being are becoming vital sources of competitive advantage for modern hotels.

This finding is fully consistent with current research by the CIPD (2024) and Armstrong (2023), which consider employer branding to be one of the most effective tools for strategic human resource management.

Discussion of Results

The findings demonstrate that the key talent management challenges in the Georgian hotel industry largely coincide with trends observed in the global hospitality industry.

However, the study found that the impact of these factors in Georgia is exacerbated by the characteristics of the national labor market, the scale of labor migration, the limited capacity of regional hotels, and the insufficient integration of the educational system with employer needs.

Unlike most international studies, which focus on the digitalization of HR management and the implementation of HR analytics, the results of this study indicate that the creation of an effective system for training and retaining qualified employees remains a priority for the Georgian hotel sector.

The findings confirm the need for a comprehensive talent management model that integrates human capital development, modern motivation methods, digital HR technologies, and active collaboration between businesses and educational institutions.

Recommendations and Future Prospects

The results of the study demonstrate that current talent management challenges in the Georgian hotel sector are closely interconnected and cannot be effectively addressed by a single organization. Creating a sustainable human capital development system requires coordinated, strategic collaboration between businesses, educational institutions, and government agencies.

Based on empirical data, the following priority areas and recommendations were developed:

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Integrating Education and Practice: To bridge the gap between theoretical knowledge and practical skills, it is advisable to widely implement an integrated model of education and practice (e.g., dual education). This structure will allow students to gain practical professional experience in a real hotel environment in parallel with their studies, significantly accelerating their adaptation after graduation.

- **Strengthening Internal Training and Joint Programs:** For small and medium-sized regional hotels, creating internal internship systems or establishing a joint training center shared by several local properties can be highly cost-effective. This approach promotes the development of professional skills tailored to the specific operational needs of local markets, while simultaneously enhancing employee loyalty.

- **Employer Branding:** Research findings confirm that employee retention cannot be achieved solely through competitive salaries. Today's workers increasingly prioritize professional development opportunities, fair performance appraisals, flexible working conditions, work-life balance, and visible organizational support. Consequently, hotels need to invest in employer branding and cultivate a positive organizational culture to attract and retain top talent.

- **Implementation of digital HR management tools:** In the context of rapid technological advancement, the implementation of HR analytics, data-driven solutions, and modern digital assessment systems is becoming increasingly important. These tools allow organizations to objectively assess employee potential, improve career tracking, and elevate HR management to a strategic level.

- **Leadership development programs:** Organizations should prioritize the timely identification of high-potential employees (HPEs) and their preparation for future internal leadership positions. Building a robust internal talent pool significantly reduces the financial costs associated with external recruitment and contributes to long-term organizational stability.

Systematic implementation of these recommendations will not only improve the quality of internal HR management but also enhance the overall competitiveness of the Georgian hotel industry in both domestic and international markets.

Conclusion

Today, talent management is no longer simply an operational function of HR management in the hotel industry;

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it is a critical factor in the long-term strategic development of an organization. This study revealed that talent management in the Georgian hotel industry faces numerous structural challenges, ranging from high turnover and regional seasonality to educational mismatches and fierce international competition. At the same time, the research findings indicate that employee expectations have shifted significantly: alongside financial compensation, opportunities for continuous professional development, fair treatment by employers, organizational support, and a supportive work environment are increasingly important.

A review of international experience, combined with the findings of this study, confirms that there is no single, universal talent management model. Each hotel must choose and implement an approach that is tailored to its specific size, operational goals, corporate culture, and the socioeconomic environment in which it operates. For the Georgian hotel industry, success lies in the use of a flexible framework that successfully adapts global best practices to local market realities.

Ultimately, investing in human capital development is not the sole determining factor in the success of an individual hotel. In the long term, this creates the necessary basic infrastructure to enhance the competitiveness of the entire sector and further strengthen Georgia's macroeconomic tourism potential. For these reasons, a strategic focus on talent management will remain highly relevant, and future research in this area will contribute both to practical management decisions and to the development of scientific literature in this area.

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