

Rethinking Talent Management Strategies in Malaysia's Tourism Sector Post COVID-19

Maniam Kaliannan^{1*}, Darshana Darmalingam¹, Magiswary Dorasamy² and Tek-Yew Lew³

¹*University of Nottingham Malaysia, Selangor, Malaysia*

²*Multimedia University Cyberjaya, Selangor, Malaysia*

³*Faculty of Business, Curtin University Malaysia*

COVID-19 triggered the downfall of global economies and heavily impacted the Malaysian tourism sector as the country's borders were closed since March 2020. The decrease in number of tourists' arrival into the nation caused huge losses for the tourism sector and unemployment rates have surged with more than 800,000 employees being out of employment and about 30 percent were for the hospitality and tourism sector. Although the government has provided numerous incentives and assistance to employers and employees from all sectors of the economy, the progress is rather slow, and it may take time to recover fully. One of the main challenges is the misfit of the employees who were retrenched as different knowledge, skills and abilities requirements are sought. Given this background, the paper provides avenues to rethink tourism talent management strategies post COVID-19 for the relevant stakeholders since the tourism sector is still seeing a surge in unemployment rates. This paper provides an up-to-date viewpoint in relation to COVID-19 and its spill over onto the Malaysian tourism sector while addressing the shift from 'Person-Job-Fit' towards a new norm 'Talent-Job-Fit' in managing tourism talent in order to create sustainable talent management within the sector.

Keywords: COVID-19; tourism; talent management; Malaysia; unemployment

I. INTRODUCTION

The coronavirus pandemic (COVID-19) has triggered the downfall of global economies. The unprecedented crisis heavily impacted the tourism sector as all countries closed their borders in attempt to control the spread of COVID-19. The pandemic has made tourists lose their trust in tourism which led to the lack of willingness to interact with the host community (Kour *et al.*, 2020). In Spain cities, the state of tourism has shifted from "over-tourism" to "no-tourism" due to COVID-19 (Koh, 2020). According to OECD (2020a), international tourism is expected to hit a 60% to 80% decline should the recovery stages post COVID-19 prolong until December 2020. Efforts by government and industries are being aimed at lifting travel restrictions, restoring traveller's confidence to stimulate demand, and preparation of comprehensive tourism recovery measures. Places that

have rich natural and cultural tourism resources, beautiful sceneries, and unique ethnic customs were found to be the most wanted places for tourists to relax now (Ivy Alliance Tourism Consulting, China Comfort Travel Group & Pacific Asia Travel Association, 2020). Accordingly, sustainable destinations like Malaysia would be the new trend of tourism as it does not contribute to overcrowding, would be more resilient and safer for travels post-pandemic (OECD, 2020a).

The tourism sector is trending towards digitalisation with usage of automation and robotics. Several hotels have already commenced usage of robot 'staff' to run front desks and service of beverages. Hyper-personalisation and customisation are the new era for tourism products and services as informed by digitally driven data (OECD, 2020b). As COVID-19 phenomenon has driven most organisations to shift businesses towards the digital pathway, the tourism

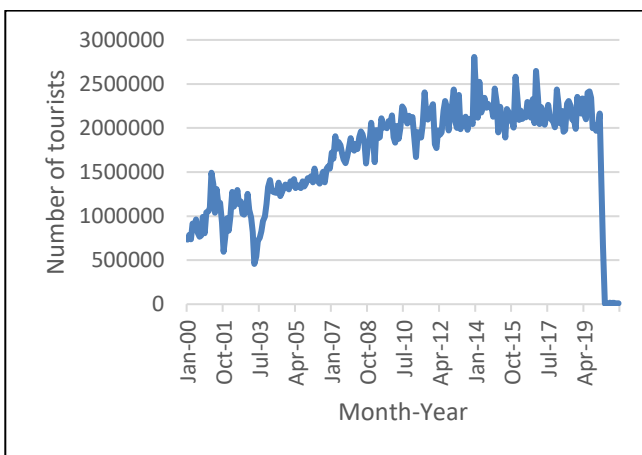
*Corresponding author's e-mail: maniam.kaliannan@nottingham.edu.my

sector which already sees digitalisation as an emerging trend should be readily able to swift directions towards the technology-driven era in no time.

Talent management in the Malaysian tourism sector post COVID-19 has limited research especially within the context of TJO fit (Khan & Hashim; Yeoh & Fu, 2020). Thus, this study presents a concise overview of the COVID-19 spillovers on Malaysia’s tourism sector, talent management practices post COVID-19, discusses Malaysia’s multi-stakeholder involvement in ensuring sustainable employment post COVID-19 and concludes with recommendations for managing tourism talent post COVID-19.

II. COVID-19 SPILL OVER ON MALAYSIA’S TOURISM SECTOR

The COVID-19 outbreak has hit the Malaysian tourism industry the harshest with an expected loss amounting to RM3.37 billion within the first two months of 2020 (Dzulkifly, 2020) due to a plummet in number of tourist arrivals into the country (Figure 1). In an effort to contain the spread of the virus, Malaysia introduced an initial partial and later a complete ban on inbound travels for foreigners. Consequently, ‘Visit Malaysia 2020’ campaign was cancelled.



Adapted from: MyTourismData (2021)

Figure 1. Number of tourist arrivals in Malaysia from January 2000 to December 2020

Tour packages were forced to be called off imposing spillovers on airlines and hotels in collaboration with these tour companies. Air Asia, Malindo Air and Malaysia Airlines,

Malaysia’s top three airlines have had to cut employees’ salaries ranging from 10% up to 100% and sanction unpaid leaves in accordance to employees’ current position (Foo *et al.*, 2020). Hotel employees have also faced the same wrath whereby 26% were given unpaid leaves, 20% were on a pay cut and 6% were laid off (MAH, 2020). Given so, the Malaysian government has provided certain incentives comprising economic stimulus packages aimed at boosting the tourism sector.

Nevertheless, the hotel industry requires new initiatives and extension of the already in place Wage Subsidy Program (WSP) of RM600 per month for every employee retained to curb the issue of rising unemployment in the tourism and hospitality industry. Those new initiatives are imperative to re-hire employees during the COVID-19 recovery phase being experienced by the nation. However, the recovery of demand in the industry would be very much dependent on the opening of country borders which seem to be bleak in upcoming months. More than 75% of overseas arrivals in Malaysia are contributed by ASEAN countries like Vietnam and Thailand (Rahim, 2020). The president of Malaysian Association of Tour and Travel Agents (MATTA) has highlighted the insufficiency of domestic tourism in boosting the tourism ecosystem while urging the government to re-open its borders initially to essential business travels, followed by medical tourism, education, and leisure.

III. TALENT MANAGEMENT POST COVID-19

An altered workforce is one of the four new forces that would be shaping the new normal post COVID-19. According to McKinsey & Company (2020), improving talent access is one lever to manage the altered workforce. This is defined in terms of increasing the size of addressable talent pool namely high potential individuals as their willingness to commute to office and move about for work related matters has declined. On an individual employee level, little can be done by businesses in attempt to improve the commuting willingness of their employee. Instead, businesses could address the issue to talent pool accessibility from an organisational level. The ability of an organisation to attract and retain its top talent is crucial immaterial of crises existence. However, the change now lies in the shift towards the ability to increase flexible dialling in

for talent supply instead of relying on virtual contractors and to be able to close the gaps present in critical skilled pools.

To that extent, even Malaysia has taken several efforts in closing the digital skills gap present amongst those in the talent pool post COVID-19. Malaysia has positioned itself at rank 26 in comparison to 88 countries in the Global Talent Competitiveness Index 2020 amidst COVID-19 for its digital talent development efforts led by the nation's digital forefront organisation, Malaysia Digital Economy Corporation (MDEC). Post COVID-19, digital skills have become the key skill an employee should possess as employees began working from home during the lockdown period. Thus, remaining in the talent pool without digital skills is more so challenging and businesses expect talents to be digitally industry-ready in boosting employability. Digitalisation is the trend in the global tourism sector as discussed as part of the United Nations World Tourism Organisation (UNWTO) and is already in practice in many developing countries like Singapore (UNWTO, 2021). However, in Malaysia, it is still at the thought process and we would like to propose this idea as a way forward.

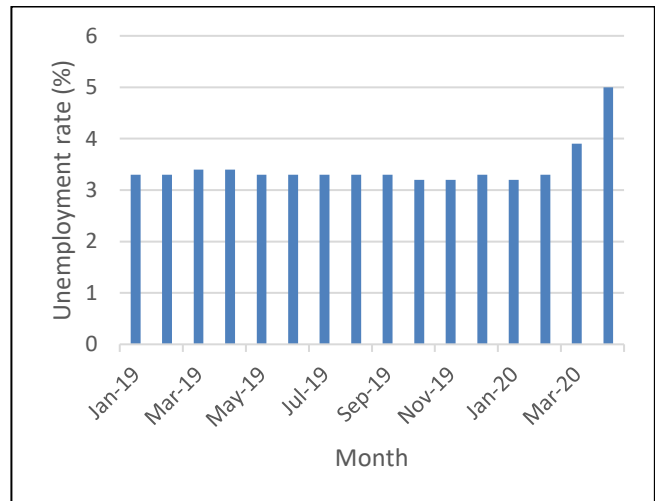
IV. MULTI-STAKEHOLDER'S INVOLVEMENT IN ENSURING SUSTAINABLE EMPLOYMENT POST COVID-19

Tourism sector as part of the hospitality industry is one of the prime contributors towards Malaysia's economic (15.2%) and employment (23.5%) growth (DOSM, 2020; MIDA, 2020). However, due to COVID-19 pandemic, the number of people employed in Malaysia declined since the first phase of movement control order (MCO) came into effect on March 18th. This has led to a surge in the unemployment rate of the nation as it hit 5% in April 2020 (Figure 2) mainly attributable to the tourism sector (Malay Mail, 2020).

Responsively, in early June the government unveiled a stimulus package entitled 'Pelan Jana Semula Ekonomi Negara' or 'Short-Term Economic Recovery Plan' (PENJANA) worth RM35 billion to guide the economic recovery process as the nation entered the recovery movement control order (RMCO) phase (DOSM, 2020). Several short-term initiatives included in the plan were WSP, reskilling and upskilling programmes, hiring and training assistance, and gig economy social protection and skilling.

The initiatives were mainly aimed at supporting the unemployed, gig workers, and new youth and graduate entrance into the labour market.

The Malaysian Ministry of Human Resources (MHR) issued a guideline to all employers in relation to employees' welfare post COVID-19. Accordingly, employers need to sanction paid sick leaves should their employee require quarantine, ensure employees' remuneration continues should they be imposed quarantine orders post returning from other countries, and grant annual or unpaid leave for employees in need (Yeoh and Fu, 2020). In fact, MHR has initiated a graduate marketability intervention programme in collaboration with TalentCorp to equip graduates with marketability and skills required post COVID-19 (Malay Mail, 2020).



Adapted from: DOSM (2020)

Figure 2. Unemployment rate in Malaysia from January 2019 to April 2020

A. Policy and Governance Perspective in the Tourism Sector Post COVID-19

Policy makers believe that Malaysia's tourism sector needs transformation as it's not moving out of its comfort zone. There is over-dependence on the government and a silo mentality embedded within the sector. Thus, to remain competitive, Malaysia needs to step up for a reinvented and transformed tourism industry (Ministry of Tourism, Arts, and Culture Malaysia, 2020). Accordingly, three Sustainable Development Goals pillars comprising competitiveness, sustainability and inclusiveness act as the foundation of six

transformation strategies. They include strengthening governance capacity, creating special tourism investment zones, embracing Smart tourism, enhancing demand sophistication, practising sustainable and responsible tourism, and upskilling human capital (Ministry of Tourism, Arts, and Culture Malaysia, 2020). Subsequently, the augmentation process involves value-adding activities such as scaling up tourism products, adding depth to tourist experience, strengthening enablers, and removing impediments. Ultimately, the nation seeks to attain a position in the global top ten tourism destination in terms of arrivals and receipts. In relation to human capital upskilling, four strategic actions and 5 tactics have been outlined (Figure 3).

<p>STRATEGIC ACTION 1: Improve the quality of tourism education and the credibility of the profession</p> <ul style="list-style-type: none"> •Tactic 1: Enhance collaboration between the public sector, private sector and academia in streamlining human capital development
<p>STRATEGIC ACTION 2: Value add Smart Tourism content in education and training</p> <ul style="list-style-type: none"> •Tactic 1: Expand the use of digital technology in tourism and hospitality programmes
<p>STRATEGIC ACTION 3: Entice youths with fresh ideas and new skill sets into the tourism profession</p> <ul style="list-style-type: none"> •Tactic 1: Support the progression and career path of tourism startups
<p>STRATEGIC ACTION 4: Enhance professionalism through specialised training</p> <ul style="list-style-type: none"> •Tactic 1: elevate the career path development of women and youths in tourism through upskilling •Tactic 2: Revisit the role of tour operators and tour guides in response to growing demand sophistication

Adapted from: Ministry of Tourism, Arts, and Culture Malaysia (2020)

Figure 3. Strategic actions and tactics to upskill human capital in the tourism industry

V. MANAGING TOURISM TALENT RISK POST COVID-19

In curbing post COVID-19 tourism talent issues of increased rate of employees being laid off, the tourism sector could implement the 5C's (Figure 4) of COVID-19 as a guide to manage talent risk. The 5C model is part of KPMG's consultancy model to manage talent and risk associated as

part of SHRM given COVID (KPMG, 2020). The proposed 5C model in managing talent within the tourism sector is comprehensive and covers the ecosystem of talent management. As all business move towards the technology-driven era post COVID-19, the tourism sector already in the digitalisation trendsetting direction should encourage swift movements in line with the 5C's in tackling the reduced number of employees within the sector. Although reduced human resources are present within the tourism organisations post COVID-19 lay-offs, those talents remaining in the workforce need to be managed impeccably in ensuring their retention.



Adapted from: KPMG (2020)

Figure 4. The 5C's to manage talent risk

There should be a drive to ensure collaboration as a culture within the organisation alongside a change in communication strategies, virtual employee compliance and reviews on reallocating talents to areas in high demand during RMCO with strategic incentive plans. The expected capacity of current talents in the organisation should be reviewed subsequently talents critical to the customers need to be retained and technology infrastructures to support talents is crucial. In terms of capability, remote mentoring, upskilling current talents digitally and talent strategies need to be revised. Finally, flexible work arrangements, establishing talent strategies in line with virtual connectivity, deploying virtual collaboration tools and ensuring training

and support for the non-technology savvy talents are adequately deep rooted within the tourism-based organisations.

This conceptual report mainly proposes future research in the area of tourism in the context of TJO fit i.e., managing talent in the sector who are more valuable, rare, inimitable and organised (VRIO) (Rothaermal, 2013). This will provide business sustainability in talent management both for individual talent growth and organisational performance.

literatures (Figure 5). TJO is a more inclusive approach as talent growth are both inclusive and exclusive especially post lesson learnt given COVID whereby many employees were laid off. Being person rather than talent couldn't ensure sustainability in the Malaysian tourism industry (Clarke & Scurry, 2020; Kabwe & Okorie, 2019). In essence, although the technologically driven era post COVID-19 is booming, high performing talents within the tourism sector should be retained to achieve a 'TJO' fit as a sustainable competitive advantage.

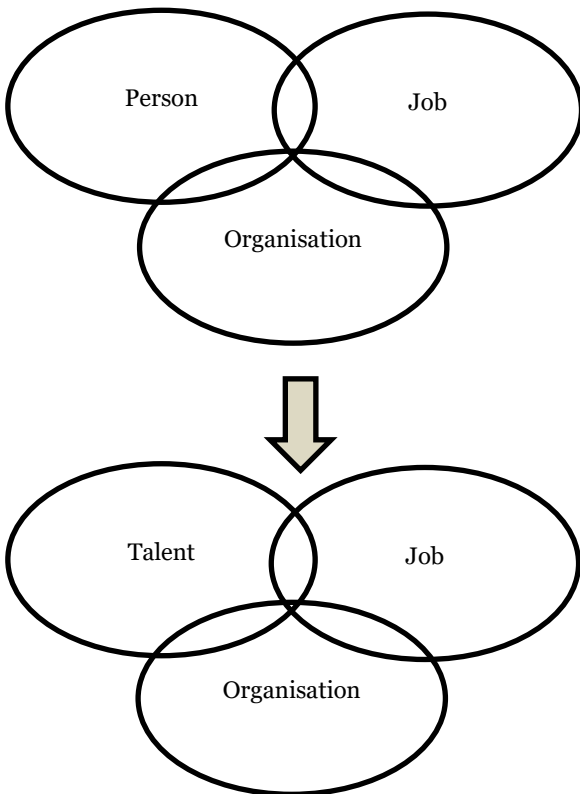


Figure 5. 'PJO' to 'TJO' fit

On the sectoral level, it is essential that talents are sufficiently dynamic for rotation within the sector for sustainable employment post COVID-19. The readiness of the tourism sector in capturing the market through strategically utilising these dynamic talents remaining in the sector is a critical aspect in ensuring business continuity in times of COVID-19. This strategic competitive advantage would enable the tourism sector to set itself out there in times of crisis. Thus, the way forward for the tourism sector in Malaysia is a 'TJO' (talent, job, organisation) fit rather than the commonly known 'PJO' (people, job, organisation) fit (Lam *et al.*, 2018) in human resource management

VI. CONCLUSION

This report provided a concise overview of COVID-19 spillover on the Malaysian tourism sector and investigated the impact of COVID-19 on talent management practices affecting the Malaysian tourism sector while providing recommendations for the future of tourism talent management. Literature suggests and supported by UNWTO white papers for both developed and developing countries have not adapted TM philosophy in their tourism sector (UNWTO, 2021). Given COVID experience and best practices from other industries around the globe, TM is the strategic way forward and supported by KPMG 5C model. Given this gap, it is proposed that the TJO fit model is used as the way forward in attracting, developing, engaging, rewarding, and retaining talent particularly in the tourism sector.

This research highlighted the major impact of post COVID-19 global economic downfall on the Malaysian tourism sector resulting from decreased tourists' arrival into the country (Dzulkifly, 2020; MyTourismData, 2021).. Accordingly, many employees have been laid off leading to a surge in unemployment rates mainly attributable to the tourism sector. Thus, Malaysia's multi-stakeholders' involvement in ensuring sustainable employment were addressed followed by the need to move away from the orthodox 'PJO' towards a new norm 'TJO' fit in managing tourism talent. The proposed 'TJO' model (Figure 5) and supported by KPMG's 5C model can be used for future researchers to explore and examine how inclusive talent management can become the strategic way forward in developing talent and sustaining business particularly in the

tourism sector given the lessons learnt from COVID-19 pandemic (Kour *et al.*, 2020).

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