

**Research article**

## Talent reward and gender wage gap in the hospitality industry

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**Abstract:** In this paper, we estimate the returns from human capital and the gender wage gap by applying Oaxaca and Ransom's decomposition method to a database of 2240 workers in the Spanish hospitality. The aim of this paper is to investigate the relative impact of talent and gender on wages and value generation among highly qualified white-collar workers in the Spanish tourism sector. Our results show relevant information on the attitude of firms toward talent management and reward and highlight the relevance of sectoral agreements in the hospitality sector. The results suggest a growing commitment among Spanish hospitality companies to the better management of talent and the commitment of workers with education as the best way to keep their job and improve their career. Our findings highlight union negotiations to reduce the gender wage gap, as well as with to improve significantly some variables related to human capital and suggests a commitment on the part of companies to retain talent. However, this increase differed by gender: more managerial positions were gained by men than by women.

**Keywords:** talent reward; gender wage gap; Oaxaca-Ransom; hospitality

**JEL Codes:** J16, J24, J3, L83

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### 1. Introduction

In 2008, Hughes and Rog reported that the term “Talent Management” (TM) yielded 5.75 million hits on Google search and pointed out that it had become the “it word” of the beginning of the 21st century. By May 2020, the number of hits had risen to 942 million, indicating an exponential increase in interest. Searches restricted to the academic domain using Google Scholar yielded 1.87 million references to TM in May 2020. These figures show the popularity of the term among the general public and specialists. However, they also betray the fuzziness of the concept, which is used to refer to radically

different realities. Nevertheless, this issue is not new. Lewis and Heckman (2006) already warned of the lack of a common definition for TM and the consequences of such a lack in terms of understanding and developing this area of knowledge. Collings et al. (2015) analyzed scientific advances in this field and drew attention to the large number of special issues dedicated to TM in different journals which showed interest in the issue. However, they also noted the lack of a single definition or methodology that could be considered common to all the works. Tansley (2011) argues in the same way. In fact, most authors who have addressed the issue of TM have begun their articles by providing their own definition of the term. This situation gives an idea of the difficulty in finding a common theoretical framework. According to Collings and Mellahi (2009) and Al Ariss et al. (2014), this problem has led to a marked lack of theoretical development in the area.

However, this apparent conceptual weakness may be nothing more than a reflection of the popularity of TM as well because of the need of companies and institutions from very different economic sectors to analyse the implications of TM in their specific cases. In this sense, theoretical analysis could be viewed as secondary to market practices (Dries, 2013). Tansley et al. (2006) suggest that this may be the case. According to their report, 51% of the company executives surveyed took TM strategies into consideration, but only 21% of them formally defined the term.

An example is provided by the hotel and tourism sector. This sector is very labor-intensive and even in sub-sectors in which capital is quantitatively more important than labor (e.g. accommodation or transport), company profits are strongly determined by investing in human capital training. In a setting of economic activity marked by seasonality, the availability of adequately trained personnel is crucial to productive efficiency. Thus, talent acquisition, training, and retention form part of the strategic planning that all modern tourism companies need to implement to achieve their long-term goals.

As Baum (2013) shows, the average share of women in the tourism labor force is 55.5% worldwide. However, they usually have jobs with lower wages and less specialization, such as customer service, in-hotel managerial positions, and above all, low status jobs in cleaning or room services. According to the study "Women in Business" by Grant Thornton (2017), only 25% of women have a leadership position. Regarding wages, a gender wage gap in the hospitality sector has been demonstrated by Campos-Soria et al. (2009), García-Pozo et al. (2012), and Ons-Cappa et al. (2017), among others.

The objective of this study is to investigate the relative impact of talent and gender on wages and value generation among highly qualified white-collar workers in the Spanish tourism sector. We provide evidence of heterogeneity regarding the rewarding of talent in this population. To this end, we estimate the returns from human capital and from a set of personal characteristics, while quantifying their contribution to the gender wage gap. The data we use in this study were obtained using the last three waves of the Spanish Wages Structure Surveys.

This study is structured as follows: section 2 provides a review of the literature; section 3 describes the methodology used; section 4 provides a brief description of the database used and a descriptive analysis of the main variables; section 5 analyses the empirical results obtained; and section 6 offers the main conclusions.

## 2. Materials and method

### 2.1. Literature review

Lewis and Heckman (2006) expressed regret regarding the lack of academic publications on which to base the theoretical development of TM. Despite striking developments since the time of their review, many authors have continued to express reservations regarding the lack or otherwise of both a common theoretical framework and a univocal definition for the term “Talent Management”. Recent studies have continued to point out the theoretical fragmentation in the field (Sparrow et al., 2014; Cappelli & Keller, 2014; Gallardo-Gallardo et al., 2015). Collings et al. (2015) took the issue even further in that they suggested that the scepticism within academia surrounding the TM concept was due to a lack of conceptual and theoretical boundaries. This aspect, in combination with the relatively low-quality empirical studies on the topic, has prevented research on TM from gaining credibility within high-level academic settings. Collings et al. (2015) also suggested that the relevance of this field may be underestimated given that many studies could be taking a TM perspective but without explicitly referring to TM. This situation would hinder researchers interested in TM from accessing such information.

It may be the case that the lack of clarity on the TM concept had its origins at the very beginning of this research field. Chambers et al. (1998) published an article entitle “The War for Talent” in The McKinsey Quarterly. In 2001, Ed Michaels, Helen Handfield-Jones, and Beth Axelrod published a book also entitled “War for Talent”. This book laid the foundations for subsequent debate and addressed the relevance of talent to the success of organizations. However, none of these authors were able to provide a specific definition of the term talent, which is crucial to rigorous and comparative analysis. Nevertheless, some of these authors attempted to describe how companies and their human resource executives should manage talent, and also provided a first approach to the TM concept: an acute strategic mentality, a capacity for leadership, emotional maturity, communication skills, the ability to attract and inspire other talented people, functional abilities, and the ability to gain results (Michaels et al., 2001). Chambers et al. (1998) suggested that in order to win the war for talent, the first thing companies should do is raise TM to the highest strategic target category.

In an extensive literature review, Lewis and Heckman (2006) identified three elements that were usually present in TM research: 1) attention to key human resources, such as personnel recruitment and selection, career development, and managerial success; 2) forecasting the long-term labor needs of the company, taking into account workforce skills and changes (i.e. in numbers and qualifications) over time according to the needs of supply and demand; and 3) the need to identify, develop, and reward talent in the workforce. These approaches bring the TM concept closer to the core aspects of the Theory of Human Capital. Based on these findings, Lewis and Heckman (2006) suggested that the reviewed literature did not really address TM because the elements associated with the TM concept did not differ from traditional human resource management and that there were no empirical studies that clearly identified the objectives and tools of TM.

Since the time of the aforementioned study, some aspects of TM have undergone development, and a more open view of the concept—much closer to the interests of the worker—has gained weight, although many other aspects remain unclear (Thunnissen et al., 2013). For example, Al Ariss et al. (2014) suggested that there was no uniform understanding of the term “Talent Management” or its goals, and its scope. They pointed out that it remained a matter of controversy if TM should address

the management of talent among all workers or only among high-potential or high-performance workers. Little progress has been made in this regard.

Apart from these issues, others have also been discussed in the TM literature. These include: identification of the type of talent required for international business operations (Tarique & Schuler, 2010); the perspective of talent globalization (Khilji et al., 2015; Collins et al., 2015); strategic management (Collings & Mellahi, 2009); the management of diversity (Al Ariss & Crowley-Henry, 2013; Frost & Kalman, 2016); intergenerational evolution (Meister & Willyerd, 2010); the relationship between talent and environmental sustainability (Bratton, 2018); and the management of talent in executives (Bratton & Watton, 2018; Joyce & Slocum, 2012). A major challenge highlighted in the literature is the failure of organizations to effectively manage employee talent despite the effort made to recruit such talent (Deery & Jago, 2015). The same issue applies to countries in terms of managing their internationally qualified workforce (Turchick-Hakak & Al Ariss, 2013).

Although initial studies exclusively addressed company needs (Collings, 2014), several authors have recognized the lack of research on individual talent and the way this lack limits our understanding of TM. Consequently, perspectives addressing the worker have received more attention in recent years (Collings et al., 2015). For example, Farndale et al. (2014) suggested that TM approaches should balance the needs of the organization and the individual's objectives and expectations in order to retain high-potential talent. Other authors, such as Reilly (2018) and Gibson (2017), have even drawn attention to the role of consumers within tourism services. We should also acknowledge the contributions of D'Annunzio-Green and Teare (2018), Hughes & Rog (2008), and Sheehan et al. (2018) to the field of the tourism.

In summary, under the umbrella of the TM concept, there is a large range of theoretical and empirical approaches with different perspectives, which makes it very difficult to reach any kind of synthesis. Despite this situation, D'Annunzio-Green and Teare (2018) have identified five recurring themes in the hospitality industry that are of particular relevance to such organizations when considering a strategic approach to TM: the role of managers in employee development and welfare; TM viewed as a lever for change; the relevance of contextualizing approaches to TM; the need to find new and innovative ways to work in order to achieve a strategic approach to TM; and the existence of barriers to the development of a strategic approach due to routine economic and operational pressures.

The present study follows the definition of TM established by Tansley et al. (2006), according to which "talent consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer term, by demonstrating the highest levels of potential", whereas these authors define the concept of "Talent Management" as "the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organization, either in view of their high potential for the future or because they are fulfilling business/operation-critical roles".

## 2.2. Methodology

As indicated in the Introduction, one of the approaches identified in the scientific literature refers to the need to identify, develop, and reward talent in the workforce. This strategy brings the concept of TM closer to core aspects of the theory of human capital, based on the neoclassical model of the functioning of the labor market. This theory was developed based on the seminal studies of Mincer (1958), Schultz (1960, 1963), and Becker (1964). As Becker (1964) pointed out, human capital

includes a broad set of knowledge and skills that make up productive capital. Therefore, any activities that improve productivity or work quality must be considered as an investment in human capital that brings to workers returns in the form of wages.

The model proposed in the present study is based on the theory of human capital and the Mincer's Earnings Model (1974), which includes factors directly related to human capital (i.e., education, experience, and tenure) as well as other factors that can affect the wages of worker. The model can be expressed as follows:

$$\text{Log}(wrd) = \beta_0 + \beta_1 \text{Education} + \beta_2 \text{Experience} + \beta_3 \text{Tenure} + \beta_i O_i + \varepsilon \quad (1)$$

where the dependent variable  $wrd$  represents the hourly gross deflated wage in 2010 Euros. Together with the variables of human capital,  $O_i$  is a set of variables that represents other characteristics of the employees and their position, and  $\varepsilon$  is the random disturbance term. This model was estimated for every sample of men and of women that were available for each year of the study period (the temporary sub-indices have been omitted to save space). The model assessed the evolution of returns to human capital, to other personal factors, and to the characteristics of positions among white-collar workers (executives, professionals, and engineers) in the Spanish hotel industry.

We also estimated the relative impact of personal and labor characteristics on the gender wage gap for men and women working in a defined professional category by year. The model is divided into one part representing different productivity and another representing different return, which are normally interpreted as discrimination in the literature. For this second task, taking as a starting point the assumption that observable characteristics of each gender produce different returns, Oaxaca and Ransom (1994) broke down total gender wage gap as follows:

$$\ln(\bar{w}_m) - \ln(\bar{w}_f) = (\bar{x}'_m - \bar{x}'_f)\beta^* + [\bar{x}'_m(\hat{\beta}_m - \beta^*) - \bar{x}'_f(\hat{\beta}_f - \beta^*)] \quad (2)$$

where  $\ln(\bar{w}_m)$  and  $\ln(\bar{w}_f)$  are the geometric means of the actual gross hourly wage logarithm for men and women, respectively,  $\bar{x}'_m$  and  $\bar{x}'_f$  are vectors that contain the geometric means of the observed characteristics for each gender,  $\hat{\beta}_m$  and  $\hat{\beta}_f$  are the vectors of the estimated coefficients for men and women obtained from Equation (1), and  $\beta^*$  is the coefficient vector of the wage structure in the absence of discrimination. The empirical literature provides several ways to calculate discrimination. The empirical literature provides several ways to calculate discrimination (Cotton, 1988; Neumark, 1988; Oaxaca, 1973; Reimers, 1983). We used the proposal by Neumark (1988), who defines a non-discriminatory remuneration scheme as one derived from the estimation of the combined sample of men and women. The decomposition suggested in Equation (2) allows for the disaggregation of the gender wage gap into two differentiated parts. The first part represents the proportion of the gender wage gap that is due to differences in observable characteristics (i.e. differences in productivity). The second part represents the contribution of gender discrimination to the wage gap due to the wage advantages of men and the wage disadvantages of women.

### 2.3. Data and descriptive analysis

The data used in this study were obtained using the last three waves of the Spanish Wages Structure Survey (WSS-2006, WSS-2010, and WSS-2014). The WSS is an employer survey of wage earners conducted by the Spanish Institute of Statistics within the framework of the European Union (EU) using similar methodological criteria and contents. This survey provides information on the

economic activity sector of the company, its size, the personal characteristics of the workers (sex, age, level of education, and nationality) and the labor characteristics of individual workers (e.g. salary, occupation, experience, and seniority). In this case, the data used only represent establishments that have one or more employees and that engage in economic activity included in the NACE Rev. 2 nomenclature section I, under divisions 55 (accommodation service activities) and 56 (food service activities) of the statistical classification of economic activities in the EU.

We selected workers from the accommodation and food service sectors belonging to the Major Groups 1, 2, and 3 (i.e., management and high-ranking professionals) of the International Standard Classification of Occupations (ISCO-08; International Labor Organization, 2012) to analyses the evolution of returns to education and other personal and labor characteristics from a gender perspective during the economic crisis in Spain. In the economic literature, these workers are known as Qualified White-collar workers (e.g. García-Pozo et al., 2011; García-Pozo et al., 2014; Nikolaou & Theodossiou, 2006;). The microdata of this study includes information on 2240 workers (1086 women and 1154 men).

Table 1 presents the descriptive statistics of the variables used for the three study periods differentiated by gender. The first item of note regarding the mean values shown in this table is that the real gross hourly wage of skilled women in the hospitality sector was lower than that of men over the entire period analyzed. This difference was quantitatively higher prior to the economic crisis (37.62% lower for women in 2006) than during the economic crisis (23.62% lower for women in 2014). On the other hand, the actual wage decreases for both genders between 2006 and 2014 was greater for men (36.29%) than for women (11.31%).

**Table 1.** Descriptive characteristics of qualified white-collar workers by gender and period.

Variable	Women		Men		Women		Men		Women		Men	
	Means	SD	Means	SD	Means	SD	Means	SD	Means	SD	Means	SD
Hourly gross deflated wage (€ of 2010)	12.43	(7.48)	19.93	(12.44)	10.81	(6.94)	16.03	(12.27)	11.17	(5.86)	14.62	(8.68)
Education (years)	11.69	(4.19)	11.67	(4.41)	11.74	(3.83)	10.77	(4.09)	12.60	(3.52)	11.35	(3.99)
Experience (years)	11.58	(8.61)	14.04	(9.85)	13.73	(9.98)	14.22	(9.48)	11.41	(8.72)	13.63	(9.63)
Tenure (years)	5.33	(6.46)	9.10	(9.63)	6.05	(6.11)	11.00	(10.35)	8.46	(7.21)	12.14	(10.54)
Age (years)	35.31	(8.78)	41.61	(10.61)	38.04	(9.52)	42.92	(10.17)	38.74	(9.03)	43.72	(10.24)
Tasks of responsibility	0.53	(0.50)	0.63	(0.48)	0.51	(0.50)	0.80	(0.40)	0.58	(0.49)	0.76	(0.43)
Full-time contract	0.73	(0.44)	0.90	(0.30)	0.62	(0.48)	0.83	(0.38)	0.75	(0.44)	0.89	(0.31)
Permanent contract	0.81	(0.39)	0.91	(0.28)	0.88	(0.33)	0.91	(0.29)	0.91	(0.28)	0.93	(0.26)
Adequately educated	0.36	(0.48)	0.35	(0.48)	0.36	(0.48)	0.38	(0.49)	0.41	(0.49)	0.34	(0.48)
Under-educated	0.12	(0.32)	0.10	(0.29)	0.12	(0.33)	0.05	(0.22)	0.12	(0.32)	0.05	(0.22)
Over-educated	0.52	(0.50)	0.55	(0.50)	0.52	(0.50)	0.57	(0.50)	0.47	(0.50)	0.61	(0.49)
Regional sector-specific collective agreements	0.65	(0.48)	0.71	(0.46)	0.93	(0.25)	0.92	(0.27)	0.81	(0.39)	0.90	(0.30)
Firms of up to 19 workers	0.11	(0.31)	0.11	(0.31)	0.08	(0.26)	0.08	(0.27)	0.10	(0.30)	0.07	(0.26)
Spanish workers	0.95	(0.22)	0.91	(0.28)	0.91	(0.28)	0.91	(0.28)	0.94	(0.23)	0.91	(0.29)
Non-Spanish EU workers	0.03	(0.18)	0.07	(0.25)	0.06	(0.23)	0.06	(0.23)	0.05	(0.23)	0.06	(0.24)
Rest of the world workers	0.02	(0.13)	0.02	(0.13)	0.03	(0.18)	0.03	(0.18)	0.01	(0.06)	0.03	(0.16)
Observations	458		439		317		379		311		336	

Note: Standard deviations are in parentheses. Source: WSS-2006, 2010 and 2014.

Regarding the continuous variables related to human capital, the average number of years of education for women and for men increased from 11.69 to 12.60 years and decreased by 0.32 years, respectively, over the study period. This finding highlights the efforts made by women with higher qualifications to continue increasing their human capital during the crisis period. On the other hand, although there was little variation in the number of years of experience between men and women in similar jobs, there was an increase in the average number of years of experience in men (25.04%) and women (37.00%). These data, together with the increase in the average age of workers of both genders, suggest that the decrease in employment in the accommodation sector during the economic crisis mainly affected younger workers who had been employed by the company for fewer years. This suggestion has already been put forward in other studies (Casado-Díaz & Simón, 2016; García-Pozo et al., 2011; Lillo-Bañuls & Casado-Díaz, 2012).

Over the study period, the dummy variables representing personal and workplace characteristics reached different values. Although both genders experienced an increase in the number of jobs involving the management and supervision of other employees, this increase was greater for men. This finding may be due to firms, during crisis periods, retaining workers who are more integrated within the structure of the company. These workers would be able to perform more tasks needing a higher level of responsibility than those who had joined the company more recently. Regarding types of contract, there was no significant change in the mean percentage of full-time contracts, although it remains less common for women to have this type of contract (García-Pozo et al., 2011). Nevertheless, there was an average increase of 10 percentage points in indefinite hiring for women, which suggests that there was increased job stabilization for qualified white-collar women, with average values approaching those for men. Of note, there was a 4-percentage point decrease in female educational mismatch, indicative of an improvement in matching the educational level of women to the level required for the job. It is also noteworthy that the regulation of labor relations has significantly increased at a regional and sectorial level: the mean number of male and female qualified white-collar workers under this type of contract agreement has increased by more than 15 percentage points. The decrease in the number of workers in small businesses was probably due to their greater financial weakness because of the economic crisis. Finally, during the study period, there were no significant changes in the percentage distribution of qualified white-collar workers by nationality and gender in the Spanish hospitality sector.

### 3. Results and discussion

#### 3.1. Wage estimations

Table 2 shows the estimations of the proposed wage equation for each of the WWS waves analyzed disaggregated by gender for qualified white-collar workers in the Spanish hospitality industry.

As shown in previous studies, the returns to education in the Spanish hospitality sector were low compared to other sectors, even in the case of highly qualified workers (e.g. García-Pozo et al., 2014; Lillo-Bañuls & Ramón-Rodríguez, 2005; Pastor et al., 2006). Table 2 shows that in the year prior to the economic crisis (2006), although the returns to education were low for both genders, they were much lower for women.

**Table 2.** Wage regression by gender and period.

Variables	2006			2010			2014		
	Women	Men	Whole sample	Women	Men	Whole sample	Women	Men	Whole sample
Constant	Coef.	1.4433*	1.0909*	1.0613*	1.7352*	1.6259*	1.4861*	1.2397*	1.1385*
	RSE	(0.138)	(0.130)	(0.09)	(0.172)	(0.211)	(0.134)	(0.162)	(0.203)
Education (years)	Coef.	0.0417*	0.0776*	0.0625*	0.0111	0.0480*	0.0345*	0.0423*	0.0443*
	RSE	(0.008)	(0.007)	(0.005)	(0.010)	(0.009)	(0.006)	(0.009)	(0.009)
Experience (years)	Coef.	0.0047***	0.0116*	0.0086*	0.0028	0.0061**	0.005**	0.0040***	0.0132*
	RSE	(0.003)	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)	(0.003)	(0.003)
Tenure (years)	Coef.	0.0167*	0.0203*	0.0192*	0.0146*	0.0128*	0.013*	0.0100*	0.0191*
	RSE	(0.003)	(0.002)	(0.002)	(0.003)	(0.003)	(0.002)	(0.003)	(0.002)
Tasks of responsibility	Coef.	0.0644*	0.0705	0.0698**	0.3191*	0.2652*	0.3004*	0.1891*	0.1369*
	RSE	(0.040)	(0.044)	(0.030)	(0.044)	(0.048)	(0.032)	(0.047)	(0.050)
Full-time contract	Coef.	0.1847*	0.0527	0.1635*	0.1179**	-0.1221***	0.0109	0.1846*	0.2520*
	RSE	(0.046)	(0.069)	(0.046)	(0.051)	(0.063)	(0.039)	(0.049)	(0.067)
Permanent contract	Coef.	0.1905*	0.2949*	0.2268*	0.0088	0.1109	0.0354	0.0493	0.0364
	RSE	(0.053)	(0.074)	(0.039)	(0.056)	(0.081)	(0.052)	(0.075)	(0.070)
Under-educated	Coef.	0.0877**	0.4026*	0.2566*	-0.0422	0.0176	0.0042	-0.0130	0.0051
	RSE	(0.064)	(0.060)	(0.043)	(0.058)	(0.072)	(0.046)	(0.051)	(0.066)
Over-educated	Coef.	-0.1107***	-0.1986*	-0.155*	-0.1653*	-0.3279*	-0.233*	-0.1411***	-0.2439**
	RSE	(0.066)	(0.076)	(0.042)	(0.059)	(0.081)	(0.046)	(0.077)	(0.101)
Regional sector-specific collective agreements	Coef.	-0.0190	-0.0622	-0.0414	0.1033	0.0826	0.0866	0.1675*	0.1766***
	RSE	(0.041)	(0.045)	(0.03)	(0.088)	(0.086)	(0.061)	(0.055)	(0.092)
Firms of up to 19 workers	Coef.	-0.1451**	-0.2618*	-0.1888*	-0.0615	-0.2378*	-0.1564*	-0.0868	-0.0541
	RSE	(0.062)	(0.067)	(0.046)	(0.080)	(0.079)	(0.056)	(0.072)	(0.097)
Non-Spanish EU workers	Coef.	0.0475	-0.0013	0.0399	0.0094	-0.0464	0.0071	0.1385	0.0391
	RSE	(0.107)	(0.080)	(0.071)	(0.082)	(0.085)	(0.059)	(0.105)	(0.129)

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Variables		2006			2010			2014		
		Women	Men	Whole sample	Women	Men	Whole sample	Women	Men	Whole sample
Rest of the world workers	Coef.	0.2934**	-0.0117	-0.1719***	0.1852	0.0481	0.1114	0.3022*	0.0204	0.0113
	RSE	(0.148)	(0.152)	(0.099)	(0.128)	(0.108)	(0.083)	(0.044)	(0.102)	(0.093)
Gender	Coef.	-	-	0.2738*	-	-	0.2163*	-	-	0.1343*
	RSE	-	-	(0.029)	-	-	(0.034)	-	-	(0.032)
Observations		458	439	897	317	379	696	311	336	647
R <sup>2</sup> adjusted		0.2627	0.4132	0.4296	0.2693	0.2484	0.3142	0.3461	0.2919	0.3408
F-statistic		13.210*	26.700*	52.920*	9.330*	10.800*	25.500*	13.150*	11.100*	26.690*
Sum squared resid		74.686	74.903	154.676	40.584	68.233	112.989	35.693	49.559	86.995

Notes: Significant at: \*1%, \*\*5% and \*\*\*10%. White-corrected standard errors are in parentheses. Source: WSS-2006, 2010 and 2014.

However, by 2014, which was a year of deep economic crisis, the returns to each additional year of education were practically equal for both genders (4.23% for women and 4.43% for men), but at the level for women, who had the lowest returns at the beginning of the period. It should be noted that the workers under analysis were those with the highest qualifications. In any case, the returns to education in the 3 years analyzed were lower for women than for men. Historically speaking, this situation has always been the case, as pointed out by Lillo-Bañuls and Ramón-Rodríguez (2005). The other two basic components of human capital (i.e. previous experience and number of years in the current post) yielded low returns, particularly in the case of previous experience. Over the entire study period, these returns were also much lower for women than for men.

Regarding the variables related to personal and job characteristics, we draw attention to the following aspects:

1. It has been shown that taking on tasks involving greater responsibility was relevant to wage returns during the study period. This aspect was particularly marked in the case of women, because even in the years of deepest economic crisis wage returns were higher (20.82%) for women than for men (14.67%). This finding may have been due to hotels making staff adjustments such that more responsibility was given to workers who remained in the firm.

2. The evolution of full-time contracts for both genders was more erratic. Between the beginning and end of the study period, no differences were observed in the case of women, whereas a significant difference was observed in the case of men. There was only a permanent contract wage premium before the crisis (i.e., 2006) as opposed to part-time contracts (see Appendix). This premium was much higher for men (34.31%) than for women (20.98%).

3. Regarding educational mismatch, under-educated workers of both genders lost their wage premium over the study period, whereas over-educated workers lost their very high wage premium over the same period, with wage reductions of 13.16% for women and 21.64% for men in 2014. This finding suggests that educational match was better in women than in men.

4. Despite the approval in 2012 of a labor reform in Spain that encouraged business-labor agreements, in 2014 the wage premium associated with regional sectoral agreements, compared to any other type of agreement, was 18.23% for women and 19.32% for men in the sector under study.

5. Regarding nationality, non-EU women in high-level management roles had a very high wage premium compared to that of their Spanish peers before and after the crisis. This wage premium reached 35.29% in 2014.

6. The size of the company became less relevant as Spain entered deeper into the economic crisis.

7. Finally, the coefficient for the variable gender shows that the wage advantage expressed as a percentage is greater for men than for women when both genders have the same characteristics and perform the same job. In other words, this coefficient is a quantitative expression of gender discrimination. The results obtained for the study period show that there was a marked decrease in gender discrimination from 31.5% in 2006 to 14.37% in 2014. That is, the economic crisis led to a downward adjustment in gender discrimination in high-ranking jobs in the Spanish hospitality industry. However, despite relevant progress in this regard, the incidence of gender discrimination among high-ranking professionals is greater than that estimated for all hospitality workers in the Spanish tourism sector, with values ranging between 6.71% and 11.1% (Campos-Soria et al., 2015; Campos-Soria et al., 2009; Muñoz-Bullón, 2009).

### 3.2. Gender wage gap decomposition

Equation (2) was used to decompose the estimated gender wage difference between qualified white-collar workers in the Spanish hospitality sector for each year of the study period. This decomposition was based on Neumark's proposal (1988), which assumes that a non-discriminatory wage structure is obtained from the regression of a combined sample of men and women (coefficients are shown in Table 2, column 3). Table 3 includes relative contributions to the gender wage gap of the observed differences between the characteristics of each gender (column 1), differences in their performance (column 2), and the sum of the differences (column 3). Positive and negative values indicate that the variable increases or decreases the gender wage gap, respectively.

The decrease in the gender wage gap among qualified white-collar workers in the Spanish hotel industry was particularly striking. In the year before the beginning of the economic crisis (2006), the wage gap between white-collar men and white-collar women reached 78.99%, whereas at the peak of the crisis (2014) the gap was 32.93%. Although this was a marked decrease, the percentage in 2014 was still far greater than that estimated by authors who analyzed samples that included hospitality workers from all categories. In these cases, the values ranged between 19.18% and 24.95% (Campos-Soria et al., 2015; García-Pozo et al., 2012).

Although the relative contribution of differences in the observed characteristics of men and women was quite similar in 2006 and 2010 (53.75% and 56.73%), their contribution to the gender wage gap significantly increased in 2014 (71.06%). In addition, there was little difference in the relative impact of gender (34.66–35.14%). However, in 2014, the relative contribution of gender underwent a moderate increase up to 40.8%. If the relative contribution of the differences in returns based on the observed characteristics is added to the suggested percentages, the total weight of the gender-based component of discrimination reached 80.91% in 2006, 78.41% in 2010, and 69.74% in 2014. These results are in line with those obtained by Campos-Soria et al. (2009) for the whole of the Spanish hotel industry (76.61–77.83%). They also show that most of the wage gap between the qualified white-collar workers category can be explained by gender-based discrimination. However, whereas in 2006 and 2010 the differences in returns were caused by these characteristics with greater weight in gender-based discrimination, in 2014, gender *per se* had the greatest contribution to discrimination.

Regarding the relative effect of differences in observed characteristics, although the variables experience, tenure, responsibility, full-time contracts, permanent contracts, and overeducation positively contributed to the gender wage gap, there were strong variations in their magnitudes over the study periods. For example, tenure and responsibility underwent changes of +7.5 percentage points between 2010 and 2014 and +13 percentage points between 2006 and 2010, respectively. All the above-mentioned characteristics had higher average values in male managers and professionals than in women and they contributed to an increase in the gender wage gap. However, men did not present higher values for education in 2010 and 2014.

**Table 3.** Relative contributions on the gender wage gap.

Estimated gender wage gap (%)	2006			2010			2014		
	Charact.	Returns	Total	Charact.	Returns	Total	Charact.	Returns	Total
Constant	0.00	-44.61	-44.61	0.00	-17.76	-17.76	0.00	-30.74	-30.74
Education (years)	0.00	53.00	53.00	-5.43	89.36	83.93	-15.43	0.00	-15.43
Experience (years)	2.69	10.89	13.59	0.00	0.00	0.00	6.12	33.37	39.49
Tenure (years)	9.19	0.00	9.19	10.45	0.00	10.45	17.97	26.60	44.57
Tasks of responsibility	0.85	0.00	0.85	13.94	0.00	13.94	9.04	0.00	9.04
Full-time contract	3.39	0.00	3.39	0.00	-28.33	-28.33	9.17	0.00	9.17
Permanent contract	2.97	0.00	2.97	0.00	0.00	0.00	0.00	0.00	0.00
Under-educated	0.00	26.97	26.97	0.00	0.00	0.00	0.00	0.00	0.00
Over-educated	0.00	0.00	0.00	2.64	0.00	2.64	3.39	0.00	3.39
Regional sector-specific collective agreements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Firms of up to 19 workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Spanish EU workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rest of the world workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.30	-0.30
Gender	34.66	-	34.66	35.14	-	35.14	40.80	-	40.80
Total	53.75	46.25	100.00	56.73	43.27	100.00	71.06	28.94	100.00

On the other hand, differences in returns to education strongly increased the gender wage gap in 2006 and 2010 because educational returns for men were greater than those for women. This was also the case for experience in 2006 and 2014 and tenure in 2014, when these characteristics contributed the most to increasing the wage gap between qualified white-collar men and qualified white-collar women.

Regarding the other variables analyzed, in 2006, differences in returns to undereducation increased the wage gap by 26.97%. On the other hand, in 2010, full-time contracts contributed to reducing the gap by 28.33%.

#### 4. Conclusion

A detailed study of the most relevant empirical literature on TM shows that this concept lacks a universally accepted definition. Nevertheless, some key elements of TM were identified: 1) the recruitment and selection of personnel; 2) the development of professional careers and managerial success; 3) forecasting the needs and availability of a long-term workforce in the company; and 4) the need to identify, develop, and reward talent among the workforce. All these elements bring the TM concept closer to the core aspects of the theory of human capital.

We followed the methodology used by Becker (1964) and other seminal authors on human capital (Mincer, 1958, 1974; Schultz, 1960, 1963) and applied Oaxaca and Ransom's decomposition method (1994) to a database of 2240 workers (1086 women, 1154 men) in the Spanish hospitality sector for the waves 2006, 2010 and 2014 of the Spanish Wage Structure Survey. The following conclusions can be drawn from our estimations.

This study obtained relevant information on the attitude of firms toward TM and the impact of the economic crisis on the composition and characteristics of Spanish workers. During the economic crisis, there was a proportional increase in jobs that entailed managerial responsibilities. This finding suggests a commitment on the part of companies to retain talent. However, this increase differed by gender: more managerial positions were gained by men than by women. Nevertheless, the number of permanent contracts for women in managerial posts increased and almost reached the average number of such posts for men. In the setting of a strong decrease in real wages for all workers, the wage decrease was three times lower for women than for men. According to our data, this positive outcome was directly related to the educational effort made by women during the crisis, which resulted in a better match between their professional profiles and the jobs they performed. The fact that Spanish tourism companies rewarded their effort in the form of permanent contracts and lower wage gap lends weight to our conclusion that these firms both recognize and reward talent.

The Spanish labor reform of 2012 sought to strengthen company labor agreements over sectoral labor agreements. However, it appears to have had little effect on the Spanish hospitality sector, in which workers covered by sectoral agreements, rather than by other labor agreements, have a wage premium that is practically the same for both genders. This finding highlights the relevance of sectoral agreements in the hospitality sector, in which the power of unions is relevant. In a social setting that is strongly opposed to gender discrimination, together with significant improvements in some variables related to human capital, union negotiations seem to underlie the drastic reduction in the gender wage gap. Although the gender gap is still greater in this sector than in other sectors of the Spanish economy, in less than 10 years during a period of severe economic crisis it has been reduced by half. This decrease in the gender gap was strongest among the most qualified workers with managerial positions.

However, it should be emphasized that the current wage gap is due to gender discrimination. These white-collar jobs are associated with high managerial contracts, which are not affected by sectoral agreements and are directly negotiated by the worker and the company. This aspect could underlie the existing gender wage gap in higher rank posts. It is obvious that much remains to be done to achieve equality in this domain.

The practical implications of our study are clear. The results suggest a growing commitment among Spanish hospitality companies to the better management of talent. Both genders, particularly women workers, appear to have realized that education is the best way to keep their employment and improve their career. Given the relevance of sectoral agreements, a logical consequence should be to broaden these agreements such that they include more effective measures to eliminate the wage gap and gender-based discrimination. Regarding the negotiation of senior management contracts, it is also clear that intervention at the legislative level is needed to prevent or at least strongly limit the possibility of discrimination for any reason. By extension and given that Spain belongs to the European Common Market and maintains behavior parameters of the social agents like the rest of Europe, we understand that our results can be extrapolated to the entire continent. The analysis in other different markets, such as North American or Chinese, we understand that it could be done without major difficulties, although logically it is possible that some data would have to be qualified. In the latter case, the availability of local statistical sources would allow us to contrast our data with those obtainable in this area.

Finally, we must mention the limitations of this study and its possible improvement. Although the Spanish Wage Structure Survey is a very powerful database in terms of the number of observations and variables included as well as its time availability, the variable tasks of responsibility used in this

study is too synthetic and do not distinguish between professional classification or areas, which are of great relevance in the hospitality sector. The present study could be improved by designing a specific survey capable of making this distinction and subsequently analyzing the resulting data.

### Conflict of interest

All authors declare no conflicts of interest in this paper.

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