

Human Talent Management and its Impact on Organizational Performance of Tourism MSMEs in Latin America

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Abstract - Human talent management poses challenges and effects on organizational performance in tourism-related micro, small, and medium-sized enterprises (MSMEs), which are in an intricate position since they are a cluster of firms working within the same environment. The activities of other companies can influence the decisions of a single company. In this sense, human resource management is key to the development and competitiveness of tourism MSMEs in Latin America. This study was done to examine how human talent management has had an impact on the organizational outcomes of these companies in 2019. The methodology used was a quantitative, explanatory, and cross-sectional one, with a sample of 850 directors. Inclusion criteria were: business administrators of five Latin American countries: Mexico, Peru, Argentina, Ecuador, and Colombia, who signed informed consent. The administrators were professionals in the field of tourism, aged 26-60 years. Other Latin American tourism administrators were left out as the exclusion criteria. Validated surveys and statistical analysis were employed in this study, and carried out in SPSS and AMOS. The results show that 40% of the companies have favorable human resources management, although only 20% achieve high organizational results. Human talent management has an effect on the performance of the tourism MSMEs in Latin America. Measurement, result of the model: $M1 = 1.000$. The structural model established that the management of human talent contributes a lot to business satisfaction, competitive advantage, and sales performance. It is concluded that enhancing the selection, training, and motivation of staff is the key to enhancing the performance of tourism MSMEs in the region.

Keywords: Human Talent, Organizational Performance, Tourism, MSMEs, Business Results

I. INTRODUCTION

The study constructed an introduction of human talent and its role on the organizational development of tourism then constructed the research methodology to formulate the study plan in addition to showing the results in structural equations to determine the effect of the independent variable on the dependent variable, the discussion that was relevant to the

study, conclusion that was relevant to the study, and the references of the study.

Human Talent Management has become one of the fundamental pillars to achieve success, not only in large organizations but also in medium and small companies. Traditionally, human capital management has been associated with the practical and normative field, focused on the particularity of specific case studies, which offered little to scholars, academics, and companies that did not want to follow a global model. Tourism MSMEs go through a complex state of affairs as they are a conglomerate of companies operating in the same environment. The decisions of one company can be affected by the activities of other companies.

Most of the research that has been carried out in the area of human talent is focused on large companies, given the search for the use of the model and positive practices that are applied in them (Pocztowski & Pauli, 2022). Nonetheless, little of this work has been preoccupied with researching, assessing, and determining whether human talent practices are applicable to small firms or common.

Furthermore, it is necessary to take into account that in Latin America, the labor world faces a complex situation in which, for a long time, internal globalizing policies have been created and sustained (Huaraca-Carhuarica, 2023). Highlighting, the management of human talent as an essential administrative instrument to ensure the efficient and effective occupational variation of workers for the balance of the institutional structure and operational, and also seeks to generate methods for the creation of a pleasant and fair organizational environment favorable to all members.

The tourism industry operates within a dynamic and ever-changing context, characterized by personalization and variability in traveler consumption patterns. Furthermore, there is a continuous transformation in the supply of products

and destinations, as well as in the competitive landscape. In this scenario, the implementation of technology becomes a key factor in obtaining differentiating advantages that enable companies to reach the highest levels of efficiency (Sigala, 2018).

Tourism is a fundamental sector of the global economy and, despite the challenges it faces, has great potential to continue advancing responsibly by implementing strategies that prioritize sustainable development, safety, and competitiveness (Clancy, 1999). Job performance in the tourism sector of a cultural tourist destination is a crucial factor that directly influences the quality of service, the destination's image, and the visitor experience. In an environment where history and culture intertwine, employee job satisfaction can either boost or hinder the destination's consolidation as a renowned tourist attraction (Cong & Thu, 2021). Tourism workers in colonial destinations face unique challenges, including heritage preservation, managing tourist flow, and adapting to current market demands. Job satisfaction in this context depends largely on factors such as recognition of the importance of their work, adequate training, team cohesion, and opportunities for professional growth (Baum, 2007)

Furthermore, it can be stated that human talent management generates a higher level of commitment and job satisfaction among employees in relation to their position within the company. As a consequence, employee loyalty to the company is fostered, and therefore, the company's objective is to ensure that employees are aligned with its goals (De Vos & Dries, 2013)

Thus, the primary purpose of the research is to determine the extent to which the organizational outcomes of the system of micro, small, and medium-sized enterprises (MSMEs) of the tourism industry in Latin America depend on human resource management, considering the year 2019 as an example. Through the analysis of relevant data and indicators, we seek to identify whether human talent management practices, such as selection, training, performance evaluation, and staff motivation, are positively associated with the achievement of better business results, such as profitability, customer satisfaction, innovation, and competitiveness in the Latin American tourism market. Therefore, this research is expected to present empirical evidence that will add to strengthening tourism MSMEs through enhancing their human resources strategies.

This article is divided into a number of sections. The theoretical framework that is going to consider human talent management and its connection with organizational performance is introduced in Section 1. Section 2 reviews the literature on human talent management as an important parameter for improving organizational efficiency. Section 3 provides the research process, that is, the study approach, study design, population and sample, research instruments, and statistical analysis processes. In section 4, the results obtained from the descriptive and inferential analysis are presented, as well as the structural equation model used to

examine the relationship between the study variables. Section 5 provides a discussion of the findings in comparison to the past research. Lastly, in section 6, the study concludes, and future direction of research is suggested.

II. LITERATURE REVIEW

Human talent management within organizations is invaluable, as it allows for improved business performance. Furthermore, it represents a potential asset for achieving short-, medium-, and long-term objectives, and it also enhances the company's competitiveness. Human talent management is crucial because the survival of any organization depends on the competency that a leader has to lead and guide an entire team towards a common objective. While a company can survive with good control and proper planning, it cannot thrive without a strong leader among its specialized workforce. The impact of human talent management on organizations is effective for entities in general, as it has the capacity to motivate all work activities toward continuous improvement through training, which will be reflected in the achievement of the proposed goals within a given timeframe.

On the other hand, it is pointed out that the management of human talent becomes a factor of vital importance for any organization that manages the resources at its disposal, since it allows having committed and motivated employees with the necessary capacity to promote and fulfill the objectives and strategies proposed in a shorter period than expected (Correa González et al., 2025). This translates into the achievement of goals, purposes, and strategic objectives through actions and programs in the areas of selection, training, education, motivation, evaluation, compensation, and retention of human talent, which are aligned with the policies, objectives, and strategies of the organization (Huaraca-Carhuarica, 2023). Additionally, training, education, evaluation, and retribution programs are those tools that focus on the employee's performance until he/she becomes the ideal person to face the position to which he/she was appointed and thus achieve, to a greater extent, the satisfaction of the customers' needs (Nguyen & Dao, 2023). Despite the vast body of literature on the significance of talent management (TM) in terms of innovation, little literature exists on tourism companies. This paper will discuss the attributes of an organizational environment that is friendly to innovations and what companies should include as part of their talent management process (Mebratie et al., 2025). Chain hotels tend to adopt the approach of talent management; they are also known to bring more activities on board to be innovative. There is a positive correlation between TM and innovation. Based on this analysis, some alternatives for TM in hotel companies are proposed. In this regard, TM will help in attaining improved business outcomes through encouraging innovation processes that create value to the organization (Arauz et al., 2025).

Therefore, the human talent variable becomes the most important differentiating element of a company and possibly

its *raison d'être*. However, the management of this type of information tends to be scarce within the region's tourism MSMEs, especially when audited from an Intellectual Capital approach and integrated with conventional economic information (Jiang et al., 2012). This is why if the MSMEs are really committed to creating this management process, it is possible to solve this type of shortcomings and, in turn, communicate to the rest of the country the best practices on issues related to human talent management, a clearer vision for the tourism sector (Agina et al., 2025).

In another order of ideas, tourism as a significant economic activity in the growth and economic-social development of the country and the world has undergone a tremendous change over the past decades of this century; and tourism products have become a market that pays a certain focus or interest, it is time that many micro-, small and medium-sized enterprises (MSMEs) should react to the fact that there are well-defined investment niches. The main characteristics that evidence the transformation of the current tourism offer are:

1. More informed tourists.
2. Tourists demanding unique tourism products.
3. Tourism encompasses more goods and services than hotels and restaurants.
4. Tourism has modified the tourist offer.
5. Tourism generates innumerable activities, with a greater number of jobs for suppliers.
6. Tourism has implemented changes in value every year.
7. The change in the growth of tourism.

Moreover, the contemporary socio-economic state is particularly sensitive to the significance of the micro-economy and the paramount role of the micro, small, and medium-sized enterprises (MSMEs) in productive activity, the creation of job opportunities, and, in many cases, the day-to-day sustenance (Krishnan & Scullion, 2017). In this sense, it is noted that MSMEs have consolidated as the main source of employment generation at the national level and the reduction of unemployment will depend on them (Palomeque-Solano et al., 2023).

Latest research has indicated that human talent management is a strategic issue in enhancing organizational performance in small and medium-sized firms. According to the literature, structured recruitment, continuing training, an incentive system, and employee input in decision making, among other

practices, can play a great role in enhancing the motivation, productivity, and competitiveness of the business (Boon et al., 2018). Furthermore, research in the field of MSMEs shows that effective human capital management is directly linked to strengthening organizational innovation and achieving sustainable competitive advantages (Nguyen & Dao, 2023). In the tourism sector, these practices take on greater relevance due to the service-intensive nature of this industry, where the quality of human capital directly influences customer satisfaction and business performance (Karatepe, 2013)

Inference

The literature reviewed also regularly notes that human talent management (HTM) is one of the most important factors to determine organizational performance, especially in tourism MSMEs, where the quality of services is strongly related to the skills and motivation of the employees. Structured recruitment, ongoing training, performance assessment, and incentive systems not only improve the capabilities of individuals and teams but also create innovation, competitive edge, and customer satisfaction. Although it is acknowledged that HTM is strategically significant, in most tourism MSMEs in Latin American countries, it is not applied systematically, which implies an instance where there is a discrepancy between theoretical understanding and practical implementation. This highlights the necessity of harmonized strategies that combine human capital management and organizational goals by utilizing intellectual, as well as traditional economic resources. Therefore, the current research aims to empirically evaluate the impact of HTM on the organizational performance (business satisfaction, competitive advantage, and sales performance) that offers effective implications to enhance tourism organizations in the region.

III. METHODOLOGY

The study was elaborated within the framework of a quantitative approach, with an explanatory scope and the cross-sectional correlational-causal type of non-experimental design (Fig. 1). This allowed exploring the correlation between human resource management and organizational outcomes in Latin American tourism MSMEs and observing their phenomena in a natural environment. This was to test hypotheses and provide explanations of the factors and circumstances in which the effects under investigation are realized.

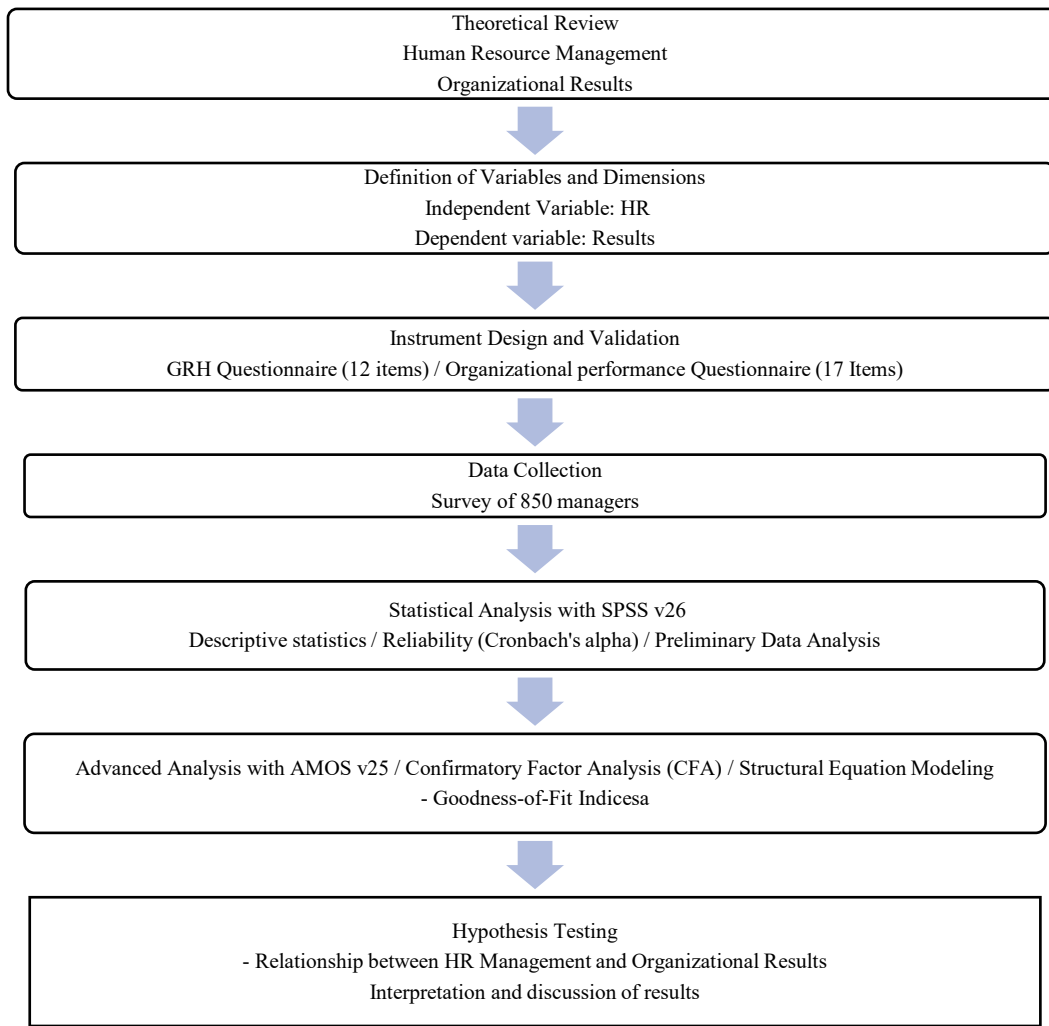


Fig. 1 Architecture Diagram

The dataset comes from a survey administered to 850 managers of micro, small, and medium-sized enterprises in the tourism sector from five Latin American countries: Mexico, Peru, Argentina, Ecuador, and Colombia. The initial population consisted of 2,759 managers, from whom the sample was selected using non-probabilistic criterion sampling, with the requirements that the companies had been

established within the last ten years and held a valid tax registration. Furthermore, only professional managers linked to the tourism sector, aged between 26 and 60, who voluntarily agreed to participate by signing an informed consent form, were included. Table I gives the demographics of the 850 managers sampled and the inclusion and exclusion criteria applied to choose the sample.

TABLE I DEMOGRAPHIC PROFILE OF SURVEYED MANAGERS (N = 850)

Variable	Category / Range	Frequency	Percentage
Country	Mexico	170	20%
	Peru	170	20%
	Argentina	170	20%
	Ecuador	170	20%
	Colombia	170	20%
Age (years)	26–35	250	29%
	36–45	300	35%
	46–60	300	36%
Sector	Tourism-related MSMEs	850	100%
Inclusion Criteria	Signed informed consent, professional manager, 26–60 years old, tourism sector	850	100%
Exclusion Criteria	Non-tourism managers or managers from countries outside Mexico, Peru, Argentina, Ecuador, and Colombia	0	0%

Regarding the variables analyzed, the study considered human talent management as the independent variable, assessed through two main dimensions: personnel selection and people development. On the other hand, the dependent variable was the organizational performance of the business system, operationalized through three dimensions: business satisfaction, competitive advantage, and sales reach. These variables were measured using two structured questionnaires with a Likert-type scale: the first consisting of 12 items to assess human talent management and the second comprising 17 items aimed at measuring organizational outcomes.

With regard to data preprocessing, preliminary statistical procedures were conducted to ensure the quality and consistency of the collected information. First, the reliability of the instruments was verified using Cronbach's alpha, and construct validity was assessed through exploratory factor analysis, using indicators such as explained variance and the KMO measure of sample adequacy. Subsequently, the data distribution was evaluated using the Kolmogorov–Smirnov test, whose results indicated that the variables did not follow a normal distribution; for this reason, it was decided to apply structural equation models using the asymptotically distribution-free (ADF) estimation method.

Lastly, SPSS version 26 and AMOS version 25 were used to analyze the processed data to enable descriptive and inferential analysis and estimation of the structural model that explains the impact of human talent management on the organizational results of tourism MSMEs in Latin America. This methodological extension has been included in the respective part of the manuscript to increase the transparency and replicability of the study.

IV. RESULTS

The current studies of the issue of human talent management and its influence on the organizational outcomes of tourism MSMEs in Latin America have produced important discoveries that should be taken into account. The results of a careful statistical analysis of the data gathered among 850 managers of MSMEs in the tourism industry are as follows.

The findings given below are organized into two major parts: the validity and reliability of the instruments used are provided, proving the methodological soundness of the research; second, the descriptive and inferential findings, which make it possible to understand the relationship between human resource management and organizational results, are given. This data is supplemented with statistical tables and figures that illustrate the trends identified in a clear way.

It should be noted that these results are not only of academic relevance but also offer important practical implications for business management in the Latin American tourism sector, especially in a context where MSMEs represent a fundamental engine for the economic and social development of the region.

4.1 Validation of the Construct of the Human Resource Management Variables and the System's Results

The factor analysis for the measurement of HRM through the 12 items in 2 factors, presented a variance of 73.884%, establishing that the instrument is good, explaining the variability of human resource management with 73.884%, and the difference being 26.116%, explaining the other factors not established in the questionnaire.

TABLE II VARIANCE EXPLAINED BY HUMAN RESOURCE MANAGEMENT FACTORS

Component	Total variance explained								
	Initial eigenvalues			Sums of extraction loading square of extraction			Loadings sum square of rotation		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative % variance	Total	% of variance	Cumulative % variance
1	7,625	63,539	63,539	7,625	63,539	63,539	7,368	61,399	61,399
2	1,241	10,345	73,884	1,241	10,345	73,884	1,498	12,486	73,884
3	,777	6,473	80,357						
4	,546	4,551	84,908						
5	,447	3,722	88,629						
6	,376	3,137	91,767						
7	,311	2,592	94,359						
8	,241	2,010	96,369						
9	,168	1,400	97,769						
10	,119	,990	98,759						
11	,090	,748	99,507						
12	,059	,493	100,000						

Extraction methods: principal component analysis.

From table II, it was observed that the 12 questions have values greater than 0.500; therefore, it is established that they do not present ambiguities.

TABLE III ADEQUACY INDICES FOR THE FACTOR ANALYSIS OF HUMAN RESOURCE MANAGEMENT

KMO and Bartlett's tests		
Kaiser-Meyer-Olkin measure of sampling adequacy		,877
Bartlett_Sphericity_Tests	Approx. Chi ²	535,957
	gl	66
	Sig.	,000

In table III, the Kaiser-Meyer-Olkin statistic shows a value of 0.877, which shows that between the items of the evaluated

questionnaire, there is correlation between them. It is also observed that the result is significant; therefore, it is cataloged as an adequate factorial model.

In reference to the factorial analysis of the items of the variable results of the system, which contains 17 items that are distributed in three components, these present as variance 71.751%, this gives the instrument a rating of good, because it explains the variability of the variable under study in that value mentioned, also the difference was 28.249%, this was explained by different factors that have not been considered in the questionnaire.

TABLE IV PERCENTAGE OF VARIANCE EXPLAINED BY THE COMPONENTS OF THE ORGANIZATIONAL RESULTS

Components	Total variance explained								
	Initial eigenvalues			Sum of squared loadings from extraction			Sum of squared rotation loadings		
	Total	% of variance	Cumulative	Total	% of variance	% cumulative	Total	% of variance	Cumulative %
1	9,492	55,834	55,834	9,492	55,834	55,834	8,295	48,793	48,793
2	1,543	9,075	64,909	1,543	9,075	64,909	1,955	11,498	60,291
3	1,163	6,843	71,751	1,163	6,843	71,751	1,948	11,460	71,751
4	,981	5,772	77,523						
5	,759	4,462	81,985						
6	,584	3,433	85,418						
7	,438	2,575	87,993						
8	,384	2,259	90,253						
9	,361	2,123	92,375						
10	,294	1,732	94,108						
11	,258	1,517	95,624						
12	,247	1,453	97,077						
13	,167	,985	98,062						
14	,107	,627	98,689						
15	,092	,538	99,228						
16	,069	,404	99,632						
17	,063	,368	100,000						

Method of extraction: principal component analysis.

In table IV, it was observed that the 17 questions have values greater than 0.500; therefore, it is established that they do not present ambiguities.

TABLE V EVALUATION OF THE FACTORIAL ADEQUACY OF THE ITEMS ON ORGANIZATIONAL RESULTS

KMO and Bartlett's tests		
Kaiser-Meyer-Olkin measure of sampling adequacy		,885
Bartlett's test of sphericity	Approx. Chi ²	707,332
	gl	136
	Sig.	,000

In table V above, the KMO values are shown, which were 0.885. This value suggests that the correlation between the items is significant, as demonstrated by the indicator of 0.000<0.05. Therefore, it is concluded that it is an adequate factorial model.

4.2 Descriptive Results

Table VI indicates a comparison between human talent management practices and the relationship between the practices and organizational performance in tourism MSMEs in the countries under analysis. It can be seen that Mexico and Peru have a higher implementation of staff training and development strategies, associated with better levels of competitiveness and business satisfaction. Argentina and Colombia record intermediate scores of uses of these practices, whereas Ecuador records lower scores of formalizations in human talent management.

The study findings have significant implications for professionals and managers in the tourism industry. Specifically, they demonstrate that effective human talent management practices, including proper selection processes, ongoing training programs, and staff motivation strategies, play an important role in enhancing the performance of tourism MSMEs.

TABLE VI COMPARATIVE ANALYSIS OF HUMAN TALENT MANAGEMENT AND ORGANIZATIONAL PERFORMANCE IN TOURISM MSMEs BY COUNTRY

Country	Level of Human Talent Management Implementation	Main Practices Identified	Observed Organizational Performance	Implications for the Tourism Sector
Mexico	High	Continuous training, service quality management, and staff development	High	Greater competitiveness and innovation in tourism services
Peru	Medium-High	Staff training programs, improved recruitment processes	Medium	Progressive improvement in service quality and customer satisfaction
Argentina	Medium	Development of managerial and leadership skills	Medium	Need to strengthen talent retention and professionalization
Ecuador	Medium-Low	Limited training and informal HR practices	Medium-Low	Greater need for formal HR management strategies
Colombia	Medium	Gradual implementation of staff development strategies	Medium	Potential improvement through sectoral training programs

4.3 Inferential Statistics

To apply the structural equation model, the required statistical assumptions were taken into consideration, such as checking the data normality in the analysis. At the first stage, the study variables were distributed, and the test used was the Kolmogorov-Smirnov test with a level of significance of 0.05 as a criterion of testing univariate normality. Table VII showed that all the variables failed to meet the assumption of normality, as the p-values were less than the stipulated value. Given this evidence, it was decided to use the asymptotic free distribution estimation method to contrast the hypotheses raised, in view of the fact that the data did not conform to a normal distribution.

TABLE VII NORMALITY OF VARIABLES AND DIMENSIONS OF THE STUDY

	Kolmogorov-Smirnov ^a		
	Statistic	gl	Sig.
Selection of persons	,131	850	,000
People development	,127	850	,000
Human resources management	,123	850	,000
Satisfaction with the company	,129	850	,000
Competitive advantage	,115	850	,000
Sales scope	,128	850	,000
System results	,123	850	,000

4.4 Test Function

As the outcome of the normality test proved that the data were not distributed normally, it was concluded that the method of asymptotic free distributions would be used to apply a structural equation model with the variables that do not satisfy the normality assumption. The analysis indicated that human resource management (HRM) and satisfaction with the company were directly and positively correlated with a p-value of less than 0.05, which is statistically significant. The standardized coefficients generated by the structural model (Table VIII) indicate how each of the dimensions of the independent variable affects the dependent variable.

TABLE VIII STANDARDIZED COEFFICIENTS OF THE LATENT AND OBSERVED VARIABLES

			Coefficients	Coefficients Standardized Coefficients	S.E.	Sig.
F2	<---	F1	1.000	1.000	.041	.000
M2	<---	F1	1.121	.904	.023	
M1	<---	F1	1.000	.830	.056	.000
N1	<---	F2	1.000	.935		
N2	<---	F2	1.185	.939	.022	.000
N3	<---	F2	1.019	.823	.028	.000

4.5 Calculations

A one-factor model was used to depict selection and people development, which were dimensions of human resource management, with positive and high standardized factor loadings of 0.904 and 0.830, respectively. This shows that there is a high internal consistency and a high contribution of the two dimensions to the whole construct.

In the same manner, the content of the variable system outcomes, satisfaction with the company, competitive advantage, and sales scope were also expounded using a one-factor model, whose standardized factor loadings of 0.935, 0.939, and 0.823, respectively, were very high. These findings indicate a high degree of consistency between indicators and the factor they are indicating.

Structural Model

$$F2 = 1.00 \ 1 \ 5xF + e$$

F1 = Human resources management

F2 = System results: 1.00 = equal to the standardized coefficient.

Measurement models

$$M1 = 0.830 \ 1xF + e1$$

$$M2 = 0.904 \ 2 \ 2xF + e$$

$$N1 = 0.935 \cdot 2xF + e \cdot 3$$

$$N2 = 0.939 \cdot 2xF + e \cdot 4$$

$$N3 = 0.823xF2 + e \cdot 5$$

M1: People selection

M2: People development

N1: Satisfaction with the company

N2: Competitive advantage

N3: Sales environment

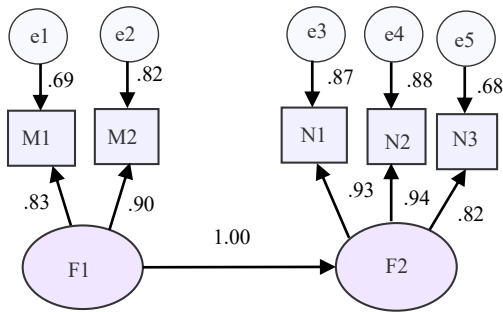


Fig. 2 Standardized Coefficients of the Structural Model Showing the Influence of Human Resources Management on the System's Results

The figure shows the standardized coefficients of the structural model that shows the influence of HRM, with its dimensions Selection and development of people on the system results variable (Fig. 2).

TABLE IX INDICES OF GOODNESS-OF-FIT MEASURES

Measure	Result	Acceptable values
NFI	0,921	≥ 0,9
GFI	0,922	≥ 0,9
AGFI	0,600	≥ 0,85
RFI	0,868	≥ 0,9
RMSEA	0,000	≤ 0,1

Source: Byrne (2010)

Based on the indicators presented in table IX, the structural model evaluated shows an overall fit rated as very good, as it complies with most of the recommended values for the fit indices. However, certain indicators were identified with values below the optimal thresholds: the AGFI presented a value below 0.850, and the RFI was below 0.90, indicating moderate fits in some aspects of the model. In contrast, the RMSEA index was positioned within acceptable ranges (value close to 0.05), being the most representative indicator of the quality of the fit, reflecting a parsimonious and well-specified model. Taken together, these results support the validity of the model and confirm the significant influence of human resource management (HRM) on system performance.

According to the coefficients of the structural model, a direct and significant relationship between HRM and satisfaction with the company dimension is evident. This result confirms the alternative hypothesis, which implies that improvements in HRM are associated with a higher level of business satisfaction among the MSMEs analyzed.

TABLE X STANDARDIZED COEFFICIENTS OF THE LATENT AND OBSERVED VARIABLES

			Coefficient	Standardized Coefficient	S.E.	P
F2	<---	F1	1.000	1.000		,000
M2	<---	F1	1.000	.545		
M1	<---	F1	2.232	.871	.115	,000
q1	<---	F2	1.000	.664		
q2	<---	F2	2.692	.924	.137	,000
q3	<---	F2	2.304	.880	.121	,000
q4	<---	F2	2.599	.898	.134	,000
q5	<---	F2	2.205	.800	.122	,000
q6	<---	F2	.728	.291	.091	,000

The satisfaction with the firm dimension was unifactorially explained by the two components of human resource management, which showed positive standardized factor loadings: one high, with a value of 0.871, and the other moderate, with 0.545, which indicates a significant but differentiated contribution of each dimension. Similarly, a unifactorial structure was seen in the six items that comprise the firm satisfaction dimension. As shown in table X, the standardized factor loadings were positive and varied in intensity: a moderate loading of 0.664, high loadings of 0.924, 0.880, 0.898, and 0.800 were recorded, as well as a low loading of 0.291. These values indicate that, although most of the items contribute significantly to the construct, there is one item with lower consistency. Furthermore, a

direct association between the errors of items 4 and 6 was found, indicating a potential residual relationship that the common factor did not directly explain.

Structural Model

$$F2 = 1,000xF1 + e \cdot 8$$

F1 = Human resource management

F2 = Satisfaction with the company: 1,000 = equal to the standardized coefficient.

Measurement models

$$M1 = 0.871x F1 + e2$$

$$M2 = 0.545 + 1.1x F1 + e1$$

$$q1 = 0.664 + 1.3x F2 + e3$$

$$q2 = 0.924 + 2x F2 + e4$$

$$q3 = 0.880 + 2x F2 + e5$$

$$q4 = 0.898 + 2x F2 + e6$$

$$q5 = 0.800 + 2x F2 + e7$$

$$q6 = 0.291 + 2x F2 + e8$$

M1: People selection

M2: People development

q1 - q6: Satisfaction with the company dimension items

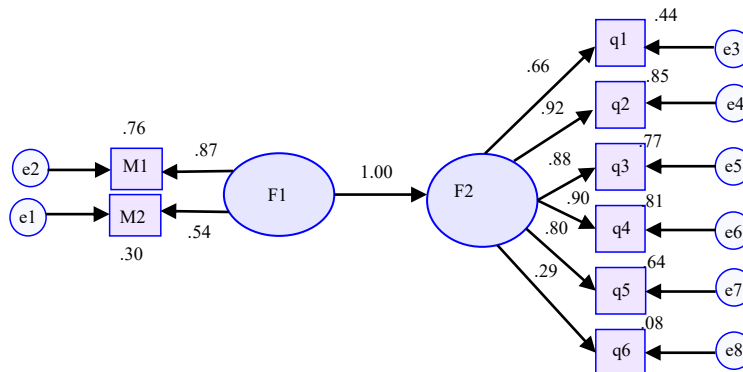


Fig. 3 Standardized Coefficients of the Structural Model Showing the Influence of Human Resource Management on the Company Dimension

Fig. 3 displays the standardized coefficients of the structural model that illustrates how HRM, with its dimensions of development and personnel selection, affects the system's performance in terms of business satisfaction. The structural coefficients shown in table XI indicate that HRM and

competitive advantage have a direct and statistically significant link. The alternative hypothesis is supported by these findings, which show that MSMEs' competitive position in the tourist industry is greatly enhanced by effective human talent management.

TABLE XI COEFFICIENT OF THE STRUCTURAL MODEL OF THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT ON THE COMPETITIVE ADVANTAGE DIMENSION

			Coefficient	Standardized Coefficient	S.E.	P
F2	<---	F1	1.000	1.000		,000
M2	<---	F1	1.000	.917		
M1	<---	F1	1.266	.908	.022	,000
q7	<---	F2	1.000	.823		
q8	<---	F2	1.225	.895	.027	,000
q9	<---	F2	1.112	.852	.028	,000
q10	<---	F2	.927	.733	.033	,000
q11	<---	F2	.985	.756	.033	,000
q12	<---	F2	.777	.634	.035	,000

Table XI demonstrates that the competitive advantage dimension is consistently explained by the dimensions of the independent variable (human resource management), with high standardized factor loadings of 0.917 and 0.908, demonstrating a strong link between the model's factors. The competitive advantage dimension's six elements, which have positive and high factor loadings of 0.823, 0.895, 0.852, 0.733, 0.756, and 0.634, respectively, also displayed a clear unifactor structure.

These values show that all items contribute significantly to the construct. In addition, direct relationships were identified between the errors of items 7, 8, 9, 9, 10 and 11, suggesting

the presence of shared variance not explained exclusively by the common factor, possibly due to similarity in the wording or content of these items.

Structural model

$$F2 = 1.000x F1 + e10$$

F1 = Human resource management

F2 = Competitive advantage: 1,000 = equal to the standardized coefficient.

Measurement models

M1= .908x F_1 + e_2

M2= 0.917 1 1x F_1 + e_1

q7= 0.823 1 3x F_2 + e_3

q8= 0.895 0.895 2x F_2 + e_4

q9= 0.852 2x F_2 + e_5

q10= 0.733 2x F_2 + e_6

q11= 0.756 2x F_2 + e_7

q12= 0.634 2x F_2 + e_8

M1: People selection

M2: People development

q7 - q12: Items of the competitive advantage dimension

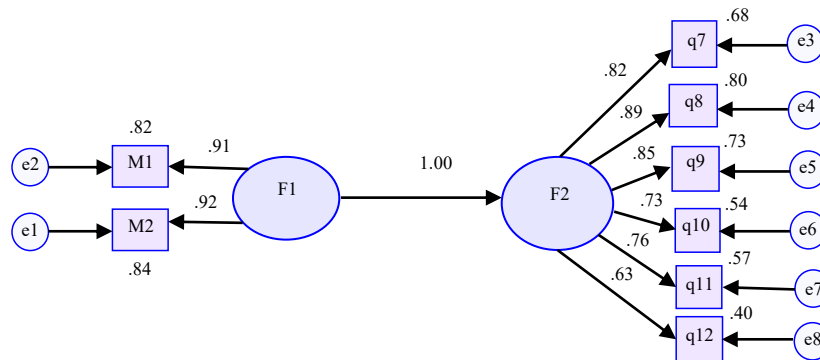


Fig. 4 Standardized Coefficient Structural Model of the Impact of Human Resource Management on the Competitive Advantage Dimension

The standardized coefficients of the structural models that demonstrate the impact of human resources management on the competitive advantage dimension of the system's outcomes are displayed in fig. 4.

V. DISCUSSION

This study's theoretical and practical contributions, which center on the potential of human capital in the future, demonstrate the definite and positive impacts of Human Talent Management (HTM) on organizational outcomes. The authors emphasize that the responses of the interviewees on the practices implemented in the company, such as training programs that allow employees to train with professionals from recognized companies, acquire and transfer knowledge, and receive first-hand feedback on good practices, are particularly positive. Relevant findings regarding training and support programs for the definition of strategies and plans are highlighted, whose objective is to train personnel and support them in their processes, fostering a culture of prevention and promotion. These authors point out that the implementation of corrective measures has allowed the partners to assume dual tasks in the presentation of financial information, increasing personal responsibility and commitment to continuous improvement. However, they caution that, among the programs designed to optimize organizational processes, adjustments are envisaged in conjunction with customers, who play an active role in evaluating implementations aimed at hotel guests (Cooke et al., 2014).

One of the main recommendations for MSMEs is to establish training programs and workshops aimed at all workers, from salespeople and chefs to receptionists and other key roles,

with the objective of promoting continuous and practical learning that optimizes customer service and generates positive results for both the company and its users (Demirkan et al., 2022). The authors suggest that these trainings should begin even before the formal incorporation of staff, for example, by starting training one month before the opening of a hotel or during the hiring process, and continue systematically over time. It is also essential to provide specific training to new leaders for the implementation of innovative ideas and to carry out periodic evaluations of the different areas and management (Elrehail et al., 2020). It is stressed that human talent management should be institutionalized by documenting all processes related to the attraction, selection, development, and retention of personnel in specific manuals or guides (Nkala et al., 2021). The attraction and selection process is the first and most relevant step in the management of human talent within MSMEs. To attract suitable candidates, they recommend that these organizations establish links with schools, universities, and job fairs, as well as use social networks and digital platforms to expand their reach and attract profiles that meet the required competencies.

On the other hand, it is emphasized that the training and development cycle is essential for organizational growth. This process ranges from induction and familiarization of new employees to continuous updating and training throughout their career in the company (Rahman, 2025). Furthermore, it can be stated that human talent management generates a higher level of commitment and job satisfaction among employees in relation to their position within the company. As a consequence, employee loyalty to the company is fostered, and therefore, the company's objective

is to ensure that employees are aligned with its goals (De Vos & Dries, 2013).

For companies with fewer than 10 workers to achieve a significant impact on their competitive environment, they must identify their differential advantages and distinguish themselves from their competitors, even when these are larger. It is recommended that these microenterprises focus on customer segments where they have clear strengths and develop commercial strategies that boost their market share, investing in effective communication and promoting direct sales channels (Ezeoha et al., 2025). In addition, the talent management area must define organizational structures and work processes that facilitate continuous improvement in the provision of services.

In line with these approaches, recent studies highlight that differentiation based on quality and service is one of the most effective strategies for microenterprises, as it allows them to generate sustainable competitive advantages and higher business performance, especially when the products or services offered are highly valued and difficult to imitate. Thus, innovation and the use of information and communication technologies, such as digital marketing and personalized attention, become key tools for attracting and retaining customers. In the financial and accounting area, consolidating budgets, optimizing the allocation of resources, and anticipating the internal fund balance, prioritizing productivity, and generating solid financial statements are suggested (Ezeoha et al., 2025).

The importance of human talent management lies in the survival of any organization, as it is the competency a leader possesses to direct and guide an entire team toward a common goal. While a company can survive with good control and proper planning, it cannot thrive without a strong leader among its specialized workforce. Effective human resource management is a critical factor for the success and competitiveness of organizations in any industry, and the tourism sector is no exception. The importance of comprehensive human resource management, encompassing everything from recruitment and selection to professional development and talent retention, is highlighted. Successful practices were identified in some tourist establishments in the Quevedo canton, as well as common challenges such as high staff turnover and a shortage of specialized training.

Lastly, organizational management in the Latin American tourism industry will be significantly impacted by the study's findings. First, they offer actual proof that human talent management plays a crucial strategic role in enhancing organizational performance. Additionally, the results demonstrate how strategies like effective hiring, training, and staff development improve organizational satisfaction, competitive advantage, and sales performance. From an applied standpoint, these findings direct industry managers to improve human capital development strategies. The findings open up new avenues for investigation into this association through longitudinal studies and the identification of mediating variables.

VI. CONCLUSIONS

The result of the structural model ($M1 = 1.000$) validated that human talent management is a major factor influencing the organizational performance of tourism MSMEs in Latin America. By appreciating human capital as a strategic resource, MSMEs need to strategically acquire, develop, and retain it using policies aimed at its acquisition, development, and retention. Renewed organizational values and work climate will increase the strength of internal and external systems, such as operational efficiency and sustainability practices. Innovation, a constant learning process, leadership, and adaptability are key pillars that allow organizations to facilitate organizational performance and long-term effectiveness.

Comparative analysis has shown that the effectiveness of human talent management varies in regions due to cultural differences. As an example, in Nigeria, managers and employees had low and moderate levels of 32% and 68%, respectively, and in Peru, 39.8% of the managers and employees had positive perceptions despite 38.1% showing low performance of the organization. Such results imply that, in spite of the existing progress, there are still challenges in converting HR practices into consistent results. The findings also indicate that structured HR policies, organizational learning, employee participation, recognition, achievement, and compensation are other factors that add positively to performance. Nonetheless, loopholes remain, which point to improved strategic alignment and contextual alignment. The digitalization of HR practices, leadership, and organizational culture, as well as the well-being and mental health of people in the tourism sector, should be the areas of future research.

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