

# **Talent Management Practices in a South African Insurance Company**

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**A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand in partial fulfilment of the requirements for the degree of Master of Business Administration.**

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# ABSTRACT

The main purpose of this study was to investigate talent management practices at a South African insurance company. Talent management is increasingly being recognised as a strategy used by companies to sustain their competitive edge. It is the people employed by the organisations that successfully execute business strategy by making decisions on how to allocate resources.

Various researches have found that those organisations that have top practices in talent management consistently show superior financial performance compared to their peers.

The approach used in conducting this study was qualitative. Data collection was done through the use of interviews. A purposeful sampling methodology was employed and the sample was composed of 13 employees within the organisation.

The finding of the research is that the company is struggling with the actual implementation of best talent management practices. Information that could be gathered from company documents showed a very detailed talent management strategy that is linked to company strategy, but there were a number of concerns that were raised by the respondents, which needs to be addressed by the organisation, should they want to have best practices. The biggest challenge for the organisation is that talent management is still being seen as the accountability of the human resources department, instead of being owned by the entire organisation.

The research concluded that the organisation can overcome these challenges, and must accept that talent management is not a once-off event, but rather a continuous journey that evolves with the company strategy.

# DECLARATION

I, Siphosomusa Perfect Mazibuko, declare that this research report is my own work, except where indicated in the references and acknowledgements provided. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at this or any other university.

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Siphosomusa Perfect Mazibuko

Signed at .....

On the.....day of.....2010

# DEDICATION

This research report is dedicated to the following people:

- My wife, Fundi;
- My kids, Olwethu, Zanokuhle and Bahlebonke;
- My parents and my sister; and
- My mentor and friend, Mpumi Tyikwe;

To my wife and my children, thank you for your love and support. Without you, I would not have completed this journey. To my parents, thank you for instilling in me the value of education. Lastly, to my mentor and friend, thank you for seeing the *talent* in me.

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My sincere gratitude to following people:

- My supervisor, Professor. Rasoava Rijamampianina, for his guidance and enthusiasm;
- My fellow student, Khulekani Twala for encouraging me when I was about to give up;
- Management, human resources department and respondents of the company under my study;
- My family;
- My friends who walked this path with me; and
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# CHAPTER 1: INTRODUCTION

## 1.1 Background and context of the study

“The talent wars are ready to explode – Extraordinary and unprecedented global war for talented people” (Holmes 2008: 1).

The war for talent will get far more intense in the next few years and according to (Holmes, 2008), the war for talent will escalate between developed and developing countries to secure the services of the world’s talented people.

Web recruiting, talent shortage, workforce demographic changes and privatisation are some of the trends that have made talent management a top priority (Frank and Taylor, 2004).

An additional two trends that will lead to shortage of talent is the retirement of baby boomers and skills gap (Deloitte Research, 2004). The impact of these two trends is supported by the following statistics:

- The first crop of baby boomers will retire in 2008;
- In the developed countries of Australia, Canada and the United States more than a third of public sector employees are eligible for retirement in 2010; and
- The United States Department of Education estimates that 60% of new jobs in the 21<sup>st</sup> century will require skills only possessed by 20% of the current workforce.

Chief Executive Officers of the world’s most successful organisations are worried by the dwindling supply of talent (Deloitte Research, 2004). David Whitman, former chairman, president and Chief Executive Officer (CEO) of Whirlpool states that, “The thing that wakes me up in the middle of the night is not what might happen to the economy or what our competitors might do next.

It is worrying about whether we have the leadership capacity and talent to implement the new strategies” (Pepe 2007: 208).

The above-mentioned challenges are not exclusive to countries and organisations overseas. South Africa is part of the global economy and South African organisations find themselves competing with other countries for the skills of talented people (Edwards, 2001). In a 2007 talent shortage survey of 784 South African organisations, 39% indicated they have difficulty in filling vacancies, and insurance skills are in the top ten vacancies that South African organisations struggle to fill (Manpower Inc, 2007).

In the South African context, the problem of talent is compounded by the legacy of apartheid, which segmented skills acquisition along racial lines, with black South Africans subjected to inferior education and denied access to institutions of higher learning. In addition, those black students who were lucky enough to enter university were often channelled into social work or divinity (Swartz and Foley, 1996). The many years of apartheid exclusion have led to many challenges related to skills shortages. For example, in the 1990s approximately a third of 1.8 million managerial and professional posts could not be filled and by 1996, of the 14 000 chartered accountants in the country, only 65 were black (Swartz and Foley, 1996).

The other unique, South African challenge is AIDS. South Africa is home to more HIV positive people than any other country in the world (Nattrass, 2003). This pandemic is disastrous for the South African economy, and it is estimated that the South African population will grow by only 1.5 million between 2000 and 2015 as compared to 11.5 million, if AIDS was not endemic (Nattrass, 2003). Some models predict that by the year 2015, 3.5% of highly skilled workers will have advanced AIDS and given that only 1% of the highly skilled are unemployed, there will not be enough people to replace those who are dying from AIDS (Nattrass, 2003).

The challenges of talent and skills shortage facing organisations worldwide also apply to the South African insurance industry. In the 2008 South African Insurance Industry Survey, out of the 45 most pressing issues in the industry,

the issue of recruiting and training of competent staff is the most serious issue (PriceWaterHouseCoopers, 2008). The short-term insurance sector is less able to attract top talent. As the result of the shortfall of experienced talent, many organisations are likely to engage in open warfare for talent (Rothwell, 2002).

The effective solution to these problems lies in succession planning and management. There needs to be a systematic, long-term approach to meeting the present and future talent in an organisation, if it is to continue to achieve its mission and meet or exceed its objectives (Rothwell, 2005).

In summary, it can be stated that the logic behind talent management is that businesses are run by people. It is people who execute company strategy by deciding how to allocate company resources, such as capital and technology. This means that the better the organisation can attract, develop and retain skilled people, the better the organisation will perform.

## **1.2 Purpose of the study**

The purpose of the research is to investigate talent management practices at a South African insurance company. In 2007, the company constructed a strategy to achieve certain business objectives by 2010. One of the six, key drivers of this strategy was the organisation's employees, which the company referred to as, "Igniting Human Capital," The company adopted talent management as a tool/framework that will be used as an intervention to drive the people element of the strategy.

This study has come at an opportune time to assess progress made by the company in implementing talent management practices.

Accordingly, the research results generated from this study will be beneficial to the organisation, as it will assist the organisation in determining if they have been successful in their talent management efforts.

### **1.3 Significance and relevance of the study**

*The study will augment existing knowledge and add new knowledge:*

The literature on talent management is mainly from North America (Ashton and Bellis, 2003), Very little South African literature exists. By undertaking this research, new knowledge about talent management practices from a South African organisational perspective will be added.

*The study should benefit the organisation that is being researched:*

The results from this research can benefit the company to identify which areas of their talent management practices are strong or weak, and which areas to focus on in order to establish a successful and sustainable talent management strategy.

*The study should be useful to short- term insurance industry companies:*

The result from the study should assist employer organisations within the short-term industry in recruiting, developing and retaining talented employees by improving their talent management practices, based on the results of this research.

*The study should benefit human resources practitioners in general:*

Human resource practitioners, who deal with talent management can benefit from the study because the results will be from a South African talent and organisation.

### **1.4 Scope and limitation of this research**

#### **1.4.1 Research subject**

The organisation under study is the largest player in the South African short-term insurance market. In the 90 years that the company has been in business, it has built up a policyholder base exceeding 650 000, has assets of

more than R17-billion, and a market share exceeding 20%. In 2008, the company came second in the Large Employer category of, “The Best Company to Work For” (BCTWF) survey.

#### **1.4.2 Delimitation**

- The scope of the study will be limited to talent management practices at this specific organisation under research. No attempt will be made to investigate talent management practices at any other organisation(s).
- The research will be limited to current employees of the organisation under research.

#### **1.4.3 Limitations**

A limitation of the research is that a non-probability purposive sample will be used as a sampling method. This means that the results of the research might not be referable to other employees or any other organisation(s).

### **1.5 Definition of terms**

TM – Talent Management

HR – Human Resources

CEO – Chief Executive Officer

BCTWF – Best Company to Work For

Professionals – Those employees, who are below senior management job grade, but above skilled technician job grade, in terms of this company’s job grading system.

## **1.6 Assumptions**

The following assumptions have been made regarding the research:

- i. The sample will reflect normal perspectives and experiences of the organisation;
- ii. The respondents know about talent management;
- iii. The respondent will provide answers based on their own experiences and perspectives; and
- iv. The respondents will be able to articulate their views or opinions about the organisation's talent management practices

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

What gives companies a sustainable competitive edge over their competitors? The literature suggests that a sustainable competitive advantage comes from talent management practices. In other words, how does the organisation attract, develop, motivate, manage and reward its talent? (Heinen and O'Neill, 2004).

It is people who make the success of business strategy execution by making the following decisions or choices:

- Analyse competition and decide on a business model;
- Formulate a vision, goals and shape strategy to meet goals;
- Develop and explore technologies into marketable products or services; and
- Choose to delight customers with impeccable customer service.

The bottom line is that people are an integral part of leading a winning organisation (Bergeron, 2004). (Fredman, 2003) further stresses the importance of people in the organisation by stating that the one thing that competitors cannot access quickly is the brains of one's workforce.

The critical challenge for organisations is finding, recruiting and retaining these talented individuals (Kirkland, 2007).

According to (Ashton and Lynne, 2005), instead of decreasing competition for the right talent or people, competition will increase, in part driven by macro trends such as:

- New cycles of business growth, frequently requiring different kinds of

talent;

- Emergence of new enterprises, which attract talent from larger organisations;
- The need by multinationals to expand across the globe and requiring talented people to manage these operations; and
- Complex economic conditions that requires segregated talent.

Based on this brief introduction about talent and talent management practices, the following topics will be reviewed from the existing literature:

- a) Definition of talent management;
- b) Talent management as a decision science;
- c) Talent management framework;
- d) Challenges and barriers in talent management;
- e) Benefits of talent management practices;

## **2.2 Definition of talent management**

### **2.2.1 Meaning of *Talent***

Hansen (2007) defines talent as, “a core group of leaders and key contributors/individuals that drive business forward”. Thompsen (2003) refers to talent as the superior capability to apply a specific critical knowledge area, using a combination of experience, education and behavioural profiles in order to produce superior value for business and its customers. This is illustrated in figure 1.

<b>Talent</b>	<b>=</b>	<b>Knowledge</b>	<b>X</b>	<b>Opportunities</b>
		<b>Skill and</b>		<b>For</b>
		<b>Behaviour</b>		<b>Development</b>
				<b>and Experience</b>

**Figure 1 – Definition of Talent (Thompson, 2003)**

Deloitte Research (2004) further defines, “critical talent” as those individuals or groups who drive a greater share of business performance and bring above average value to shareholders and customers. Critical talent have highly developed skills and intimate knowledge of the organisation.

Talent can therefore be considered to be any individuals who have the capability to make a significant difference to the current and future performance of the company (Morton, 2005). Davidson (2004: 24) states that talent workers have: “well developed skills, the ability to shift attitudes and behaviours, the capacity to exert effective influence and work through others, the talent for successful partnership working and, most importantly, having the potential to adapt quickly to internal and external change, and to get that change owned and embedded in an organization.”

Talent workers should not be confused with knowledge workers because they possess different characteristics, as comparatively shown in Table 1. Davenport (2005: 10) defined knowledge workers as having, “high degrees of expertise, education or experience, and the primary purpose of their jobs involve the creation, distribution, or application of knowledge”.

**Table 1 Talent workers vs. knowledge workers (Chowdhury: 2001) as cited in (Koyana, 2007).**

<b>Talent Workers</b>	<b>Knowledge Workers</b>
Initiate change	Support change
Innovative	Learn
Direct	Act
Create	Implement
Make and break rules	Conserve rules
Inspire and lift people	Receive information and motivation

According to characteristics outlined in table 1, the major difference between knowledge workers and talent workers is that talent workers are highly innovative and are initiators of change.

For the purpose of this research and based on the above definitions of talent workers, talent workers will be defined as the top 10% to 15% of people in an organisation, who make a considerable difference to business performance.

### **2.2.2 Definition of Talent management**

If talent is about individuals within an organisation that drive business performance to superior results and give the organisation a sustainable competitive edge, then talent management is about identifying, recruiting, hiring and developing people with a strong potential to succeed in an organisation (Laff, 2006). (Mucha, 2004) suggests that talent management is

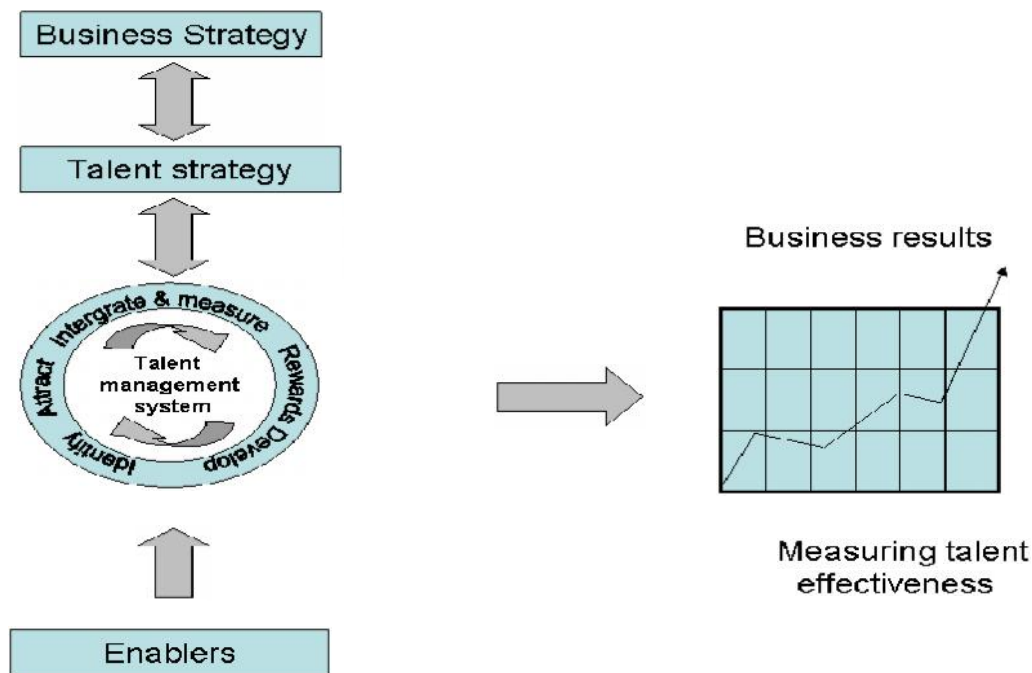
about building people capability, which in turn drives the execution of business results.

Talent management includes workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, talent reviews, succession planning and evaluation (McCauley and Wakefield, 2006). (Creelman, 2004) summarised talent management as a set of tools and technologies that help organisations make good decisions about talent. (Knetz and et al, 2004) further refers to talent management as a continuous process of external recruitment and selection, and internal development and selection.

Berger and Berger (2004) present the main goals of talent management strategy as follows:

- To identify, select and cultivate employees who demonstrate superior performance, and who inspire others to perform in the same way;
- To find, develop and position highly qualified backups for key positions in the organisation; and
- Allocate resources, such as compensation, training, coaching, job assignments, to the employees based on their actual or potential contribution to excellence.

Dutttagupta (2005: 2) explains talent management as a, “strategic management of the flow of talent through an organisation and state that the purpose of talent management is to align the right people with the right jobs at the right time based on strategic business objectives”. A visual depiction of talent management as explained by (Dutttagupta, 2005) is shown in Figure 2, which very similar to the reviewed literature.



**Figure 2 Summary of talent management (Dutttagupta, 2005)**

There is also a counter view - that talent management does not present any new distinctive knowledge. (Bexell and Olofsson, 2005) concluded that talent management is an effort to repackaging old ideas and techniques with a new label, and they highlighted the following to support their view: “When comparing the concept of talent management with traditional models of HRM and HR-planning, it can appear striking how similar the theories and concepts are described”. For (Bexell and Olofsson, 2005) to reach their conclusion that talent management does not offer something new, they compared the following definitions of talent management to human resources management:

- a) Creelman (2004: 3) defined talent management as, “the process of attracting, recruiting and retaining talented employees”.
- b) Another attempt to define talent management was made by one of our respondents: “Talent management is the organization’s capabilities to attract, recruit, retain and develop the appropriate competences for the organization’s current and future needs” (P. Linderum, personal

communication, 2005-04-25).

These definitions can be compared with Cascio's definition of human resources management as, "the attraction, selection, retention, development and use of human resources in order to achieve both individual and organisation objectives" (Cascio 1998: 2).

Lewis and Heckman (2006) support the statement that talent management is a term without value, because it lacks a strategic decision framework that guides talent decisions

According to Bexell and Olofsson (2005), as well as Lewis and Heckman (2006), with or without well-recognised frameworks and models, talent management is a concern and a top priority to most organisations. This is confirmed by a survey in the Executive Issue Survey (Accenture, 2005), which emphasised that it is the number one business concern for top executives globally. In a South African context, a survey done by (PriceWaterHouseCoopers, 2008) on the South African insurance industry also confirmed that the problem of attracting and retaining talent is the number one business issue.

## **2.3 Talent Management as a Decision Science: Talentship**

### **2.3.1 Decision Science theory**

Decision science is defined as an activity which is scientific and which helps to obtain elements of answers to questions asked by participants in a decision making process (Roy, 1993). Roy (1993) further states that the word "scientific," is, "frequently used in a variety of contexts to express the idea that a body of knowledge (i.e. a network of concepts, models, procedures and outcomes) has been established by taking paths of a sufficiently rigorous nature, as well as appropriate to the goal set, to be recognised as valid by the given community."

A decision science provides a logical, reliable and consistent framework that

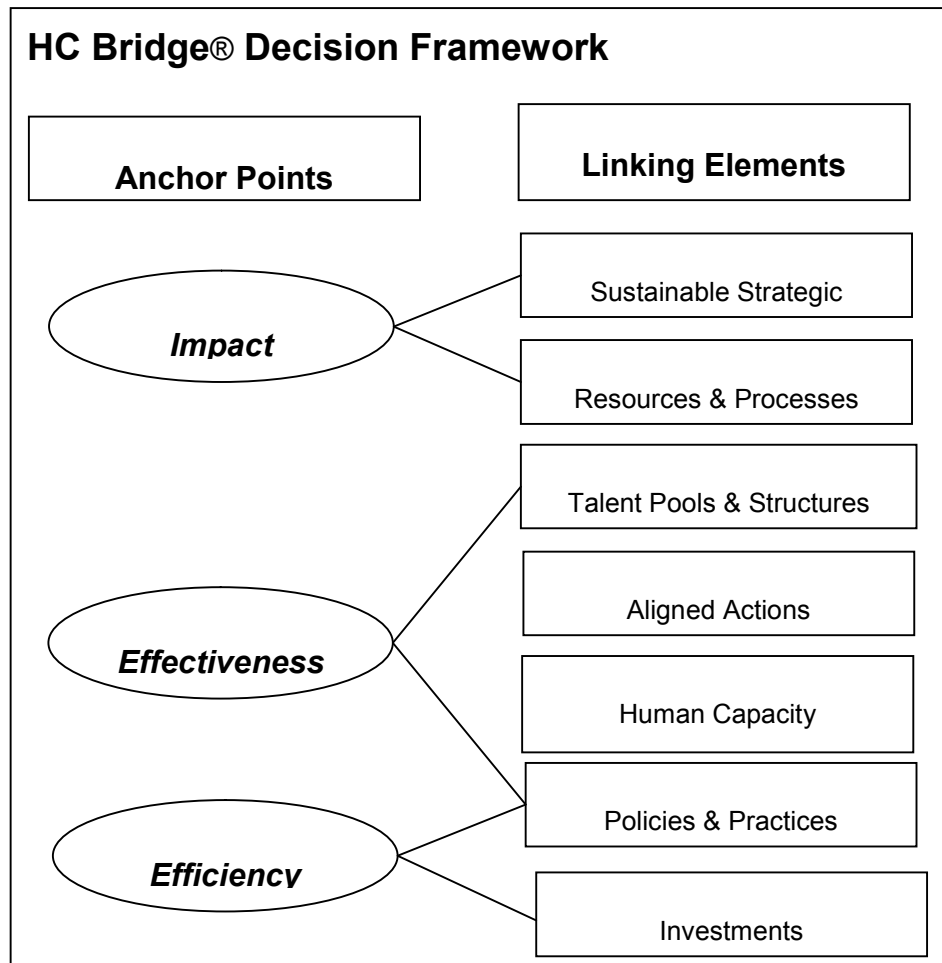
enhances decisions about a key resource. It does not rigidly prescribe actions, but instead provides a system to identify and analyze key decision issues (Boudreau and Ramstad, 2004).

### **2.3.2 Talentship as a Decision Science**

The struggle for organisations has been that decisions made about talent lack rigour, logic and strategic connections, compared to decisions about finance, marketing and technology (Boudreau and Ramstad, 2004).

To develop a decision science for talent or human capital, (Boudreau and Ramstad, 2005) pioneered the concept of talentship, which provides a decision science with a logical, reliable and consistent framework that enhances decisions about a key resource. Talentship is to human resources what marketing is to sales, and what is finance is to accounting.

Boudreau and Ramstad (2004) stated that as talentship evolves, organisations will increasingly succeed not simply through HR practices, but by the quality of decisions about talent resources throughout the organisation. They further argue that the lessons from finance and marketing tell us that the goal of talent decision science should be: “To increase the success of the organization by improving decisions that impact or depend on talent resources”. They propose three elements of decision framework that supports talentship. The three elements are Impact, Effectiveness and Efficiency. From these findings, they created a decision framework, namely, The HC Bridge® Decision Framework, as illustrated in Figure. 3.



**Figure 3 The HC Bridge® Decision Framework (Boudreau and Ramstad, 2004)**

**Efficiency**

*Efficiency anchor:* focuses on what resources are used to deliver HR practices. Typical indicators of efficiency would be cost per hire and time to fill vacancies.

**Effectiveness**

*Effectiveness anchor:* focuses on how HR policies and practices affect the talent pools and organisation structures to which they are directed. Effectiveness refers to the outcomes of HR policies and practices on human capacity (a combination of capability, opportunity and motivation), and the resulting, “aligned actions,” of the target talent pools. Effectiveness applied to

the traditional financial definition of success might include measuring whether sales increase for individuals who receive training or incentives.

## **Impact**

Impact reflects the hardest question of the three and most vividly illustrates the fundamental differences revealed by a focus on talent decisions, beyond simple HR service delivery. Impact asks, “How do differences in the quality or availability of different talent pools affect strategic success?” This question is a component of talent segmentation, just as in marketing where a component of market segment asks, “How do differences in the buying behaviours of different customer groups affect strategic success?”

The framework is useful as a planning tool, because it links sustainable strategic success at the top (i.e. Impact) to determine implications for policies and practices, and investments at the bottom (i.e. Efficiency). Further, it is useful as a guide in execution by starting at the bottom (efficiency) and linking up to effectiveness and impact at the top.

This HR paradigm shift from professional practice to decision science (talentship) has the potential for the organisation to achieve sustained competitive advantage through its most important resource: talented people.

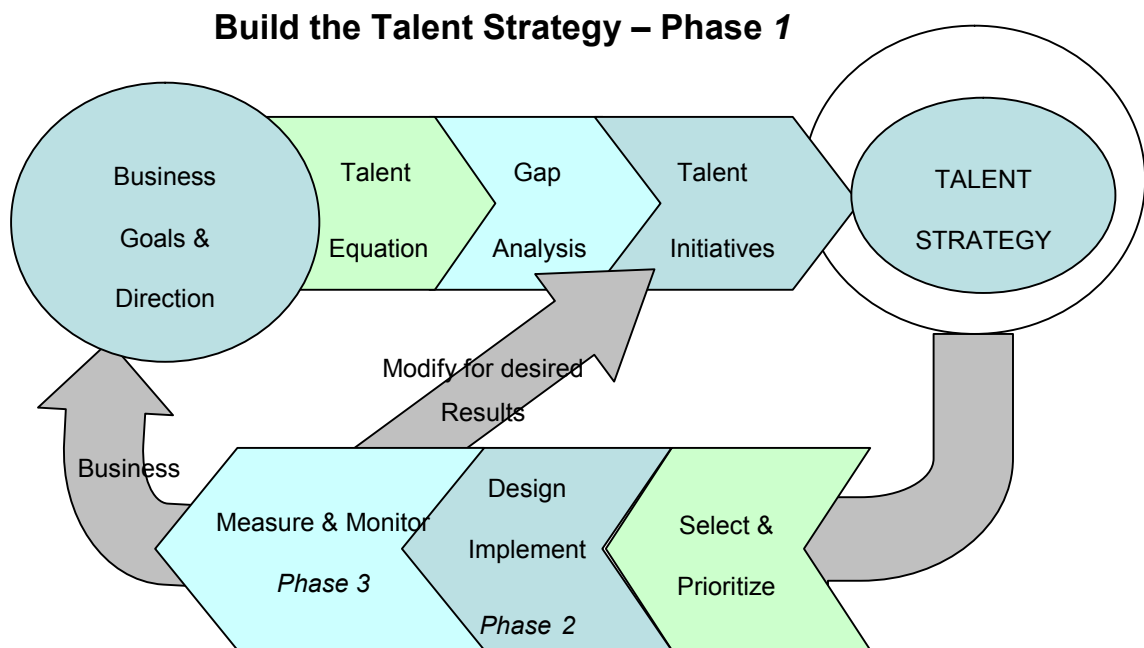
Lewis and Heckman (2006) acknowledged that (Boudreau and Ramstad, 2005) have added significantly to the talent discussion by outlining the dynamics by which talent is linked to strategy. They introduced the notion that we need a talent decision science, akin to that of finance and marketing, which goes beyond acknowledging that strategic elements influence talent decisions.

## **2.4 Talent Management Framework**

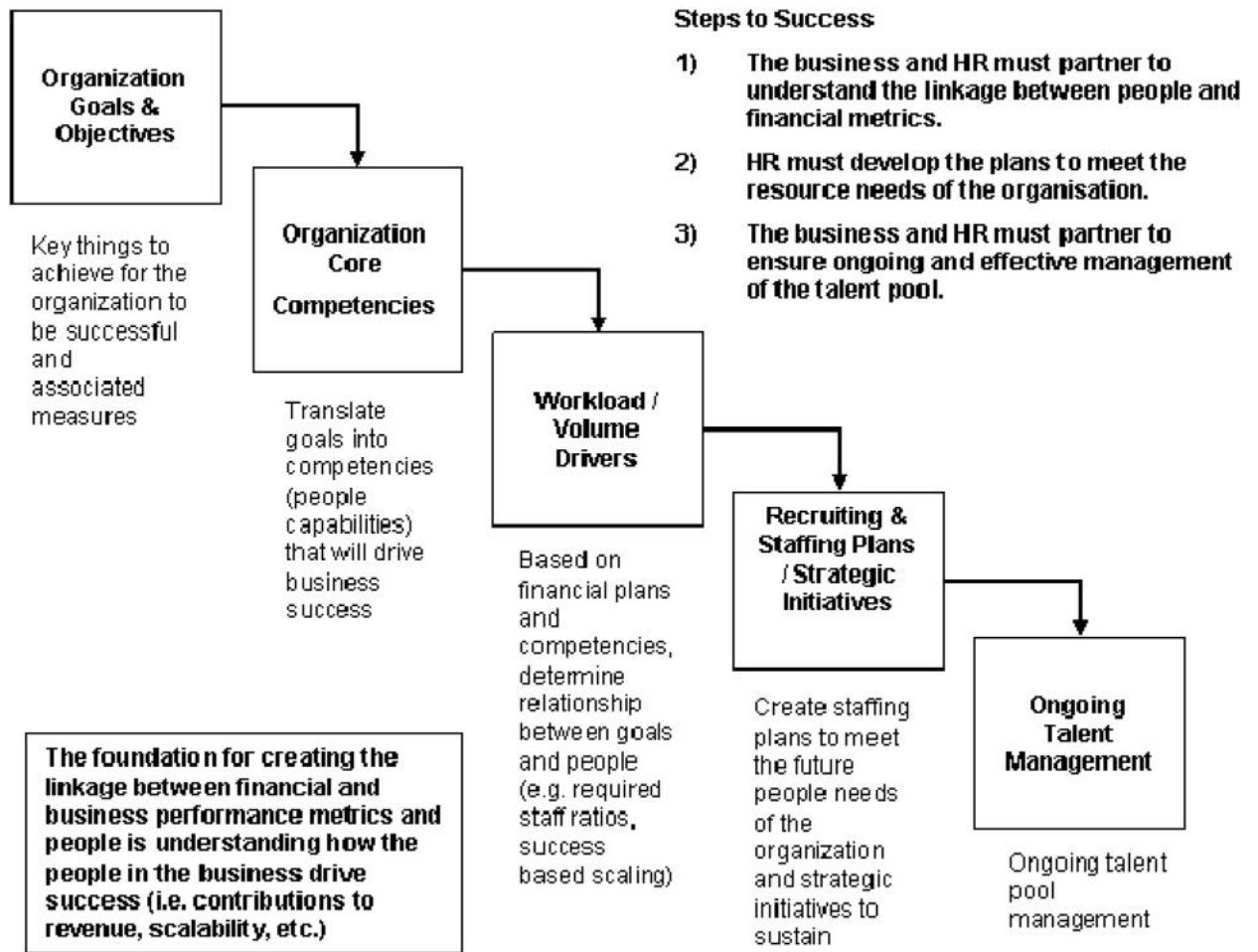
Successful talent management frameworks are organisation-specific and respond to the organisation’s unique business and human capital context (Heinen and O’Neill, 2004). (Vicere, 2006) as cited in (Koyana, 2007)

proposes that the best model of talent management is the one that recognises the convergence of interest between the organisation and its human capital.

Duttagupta (2005) explains that there are no global standards or common understanding of talent definition and talent management, because it differs from organisation to organisation. However, the starting point for any successful talent management framework is that it must be linked to business strategy as shown in Figure 4. The view that talent strategy must be linked to business strategy is well documented (Bergeron, 2004; Heinen and O'Neill, 2004; Farley, 2005; Ingham, 2006). In Figures 4 and 5, the link between business strategy and talent strategy is shown:



**Figure 4 - Talent Strategy Methodology (Bergeron, 2004)**



**Figure 5 Transferring Corporate Goals into Business Results**

Heinen and O'Neill (2004) caution that a talent management strategy not aligned to business strategy will fail and alignment does make a difference as outlined in Table 2 below:

**Table 2 - Impact Alignment and Misalignment (Heinen and O'Neill, 2004).**

<b>Misaligned Talent Management Practices</b>	<b>Talent Management Aligned with Strategy</b>
Lagging or mismatched employee capabilities with market demands	Right workforce skills and behaviours in place to implement and sustain business strategy
Limited accountability or clear line of sight to business plan	Individual and team performance expectations aligned with organizational values and priorities
Lack of career road maps or limited and rigid career paths, undermining retention of top talent	Business success and diverse workforce supported by functional career-path architecture
Disparate pay and career programs that fail to address retention issues	Integrated pay, performance, career development programs that improve on retention challenge and garner commitment
Conflicting processes and tools, mismatched messages regarding identification, assessment, development and retention of a talent	Talent management programs that work in unison to drive company results

In another study conducted by the American Productivity and Quality Centre, and the Centre for Creative Leadership, as cited in (McCauley and Wakefield, 2006), it was discovered that companies that excel in talent management follow these eight best practices:

1. Defining “talent management” broadly;
2. Integrating the various elements of talent management into a comprehensive system;
3. Focusing talent management on their most highly-valued talent;
4. Getting CEO’s and senior executives committed to talent management work;

5. Building competency models to create a shared understanding of the skills and behaviours the organisation needs and values in employees;
6. Monitoring talent system-wide to identify potential gaps;
7. Excelling at recruiting, identifying and developing talent, as well as performance management and retention; and
8. Regularly evaluating the results of their talent management system.

## 2.5 Challenges and barriers in talent management

### 2.5.1 Measuring the impact of talent management

The greatest conceivable challenge that has faced the human resources function is the measurement tools needed to measure the impact of the human resources function on the execution of business strategy (Jamrog and Overholt, 2004).

Currently, HR is in the midst of technology transformation. The challenge of measuring the impact of HR practices and talent management practices should be a thing of the past. Organisations need to create their own “right” dashboard of metrics and measures, and Table 4 is a sample of talent management measures (Heinen and O'Neill, 2004):

**Table 3 Sample of Talent Management Metrics (Heinen and O'Neill, 2004)**

Tracking metric	Definition	Comments
Voluntary Turnover	Number of quits/end of the month headcount, annualized by prior performance rating	Track overall trends, pay close attention to performance levels of voluntary exits
HIPO turnover by key area/attribute	Percentage of high potentials lost due to voluntary turnover in specified roles or by key characteristics	Data allow diagnosis and resolution of specific causes of high potential turnover

<b>Tracking metric</b>	<b>Definition</b>	<b>Comments</b>
Cross functional experience	Number of managers who transfer in/out of functions or business units	Goal is to increase flow of human capital among functions to develop talent and create cross functional networks
Promotion rate by level	Number of employees promoted/number of employees in level	Focus on rates of promotion out of career levels where there are career choke points; track rates at all levels over time
Internal/external recruitment	Percentage of key positions filled by internal and external candidates	Companies should not attempt to fill all key positions with internal candidates, as external hires can provide fresh perspectives and skills
Bench strength ratio	Number of high potentials per senior management position	Proper ratio of high potentials to upper level positions facilitates effective succession management, helping to provide a sufficient number of candidates for key positions
Development costs	Measurement of organizational resources devoted to development	Understanding of program costs enables a cost-benefit analysis of development activities.

### **2.5.2 Challenges with implementation of talent management practices**

Many challenges and barriers are associated with the implementation of talent management, such as:

- Concern about the use of the term, “talent pool” – does it imply that the rest of the employees in an organisation are not talented and therefore not valued? (Kirkland, 2007).
- Fairness of selection into the talent pool (Kirkland, 2007).
- As long as the talent strategy is not seen as equally important as

business strategies, implementation will fail (Walker, 2004).

- Lack of clarity and focus (for example, is the organisation developing broad organisational capability or developing leaders of the future?) (Walker, 2004)
- Lack of linkage between supporting processes can lead to failure of talent management. There should be a linkage between performance management, organizational talent reviews and succession planning (Walker, 2004).
- Lack of support from a CEO and senior executives will lead to failure of the programme, because the line managers will not implement it if they see there is no support from senior management (Anon, 2007).
- Clear definition of terms used, such as *talent*, *performance*, *potential* and *succession* (CorporateResearchForum, 2007).
- Does the organisation know what talent it will need in three years? After all, talent management is about developing for the current and the future (CorporateResearchForum, 2007).

Yale New Haven Health Systems (YNHHS) is a practical example of challenges and barriers that an organisation can face in the implementation of talent management activities. When YNHHS decided to implement a talent management programme, there was an overwhelming support within the organisation. However, for a complex organisation like YNHHS, with well over 100 years history, this represented significant challenges as illustrated in Table 4 (Pepe, 2007).

The barriers and challenges of implementing talent strategy can be overcome if organisations understand that this is not a once-off event, but a journey that involves communication, building momentum through relevant consecutive wins and inclusiveness of all relevant stakeholders (Bergeron, 2004).

**Table 4 Challenges associated with the implementation of talent management practices (Pepe, 2007)**

Talent Management Activity	Implementation Challenges
Successor/Talent identification and selection	Agreement and use of consistent standards about potential and promotability across the enterprise
Open (public) dialogue via talent reviews	<p>Honest debate about talent (competitive meritocracy) in a “polite” egalitarian culture</p> <p>Enterprise wide vs. hospital perspective of talent</p>
Ranking Talent	<p>Willingness to make tough decisions which may result in managing low performers out of the organisation</p> <p>Willingness to remediate the challenged</p> <p>Concern for those individuals ranked at the bottom</p>
Collective resources for development	<p>Use of one hospital’s resources to develop another hospital’s employee</p> <p>Leader’s time and willingness to mentor successors and emerging talent within their hospital or at another facility</p>
Growth assignments and promotions vacancy	<p>Sharing talent (losing talent) with another hospital and creating the burden of backfilling</p> <p>Talent hoarding – i.e. managers reluctance to give up their talent to benefit the enterprise</p>

Cross functional movement	Risk averse moves outside of functional boundaries, i.e. clinical positions require specialized skills and abilities that are not transferable across disciplines
Recommending movement of an individual from one hospital to another hospital	Selling the idea to managers that geographic mobility might facilitate career growth

Even though talent management is difficult and time consuming, it is very rewarding (Heinen and O'Neill, 2004). A case in point is Hughes Supply, a construction products distributor, who decided to implement a talent management programme in 2005. After overcoming the challenges of implementing the programme, the company achieved success in reducing the cost of hiring to approximately US\$2809 versus the US average of US\$4723. They also increased the acceptance rate by 26% (Romans, Frost and Ford, 2006).

Besides the internal factors that have been mentioned in the literature, there are also external factors that impact the implementation of talent management. These are the economy, mergers and acquisitions, global expansion, recruitment challenges, retention challenges and employee branding (i.e. how potential candidates and internal candidates perceive the organisation) (Morton, 2004).

(Hughes and Rog, 2008) suggest that organisations should follow certain steps to overcome barriers and challenges of implementing an integrated talent management strategy. They should define what is meant by talent and its objectives, ensure CEO commitment and leadership for its implementation, make business case/aligning talent management with the strategic goals of the organisation, establish talent assessment, data management and analysis systems, develop a broad based implementation plan with clear line management accountability and structures and conduct audit of all human

resources practices, and make changes and formalise processes as required.

## **2.6 Benefits of talent management practices**

There were two major studies in the 1990's, which linked HR practices with business results or financial performance (Ulrich, 1997). The studies were conducted by (Huselid, 1995) and (CCH Incorporated, 1995). (Huselid, 1995) studied over 2800 firms and companies that were doing the best job in talent management to deliver better results for their shareholders. The study showed that a positive change in talent management practices, such as standard deviation increase, is linked to enormous economic returns.

The top 15% of the companies in the study, in terms of use of high talent management practices, showed the following financial advantages:

- A 7.05% decrease in staff turnover;
- An increase of \$3,814 in profits per employee;
- An average \$27 044 increase in sales per employee; and
- An increase of \$18 641 in market value per employee;

CCH Incorporated (1995) conducted a research study similar to that of Huselid, to evaluate the impact of HR practices on financial performance. This research resulted in a number of general and specific findings about HR in general and the relationship between HR and financial performance in particular. The study developed an overall quality HR index based on all HR activities adopted by the firm. This quality HR index related to four financial measures, as below:

- Market/book value (market value of the firm based on stock price divided by firm's assets, which represents, "value added," by management);
- Productivity (dollar value of sales divided by number of employees);

- Market value (stock price multiplied by outstanding shares); and
- Sales.

The results of the study showed that all four financial measures increased substantially with the quality of HR practices. This is reflected in Table 5. below:

**Table 5 – HR Quality and Business Results (CCH Incorporated, 1995)**

Performance Index	Quartile of HR Index			
	Bottom 25%	Second 25%	Third 25%	Top 25%
Market/Book value	0.15	0.23	0.24	0.40
Productivity Index (output/employee)	0.16	0.17	0.20	0.21
Market Value	878	1250	2031	3667
Sales	1017	1598	2090	4420

Companies that have a more comprehensive leadership development effort, have better financial results on critical financial measures, such as staff turnover, shareholder return, growth in market share, return on sales and growth in net income (Wyatt, 2003; Kirkland, 2007).

There is, however, a contradicting view. The above studies do not take into account other external factors that might have contributed to the better financial performance, like the economic boom of the 1990's (Lewis and

Heckman, 2006). They argue further that one of the companies quoted in the study had its profitability slip by 76% a few years later, and if a talent mindset was so firmly established and talent was so good, why had this occurred?

The literature suggests that those companies that have comprehensive talent management practices achieve higher organisational performance. Although there might be other factors that contribute to their performance, research consistently shows that companies with talent management practices also achieve higher organisational results. (Huselid, 1995; Wyatt, 2003; Accenture, 2005).

## **2.7 Key success factors in talent management**

In order to establish successful talent management practices, the company must first build a talent-focused culture (Walker, 2004). According to (Morton, 2004), the five most important key success factors for integrated talent management are alignment of talent management to strategic goals, a strong and supportive human resource management department, active participation of a CEO, involvement and ownership by line/business unit management, and collective responsibility.

(Heinen and O'Neill, 2004) also mentioned similar factors as the key to a successful talent management practices. These are as follows:

### **I. Chief Executive Ownership**

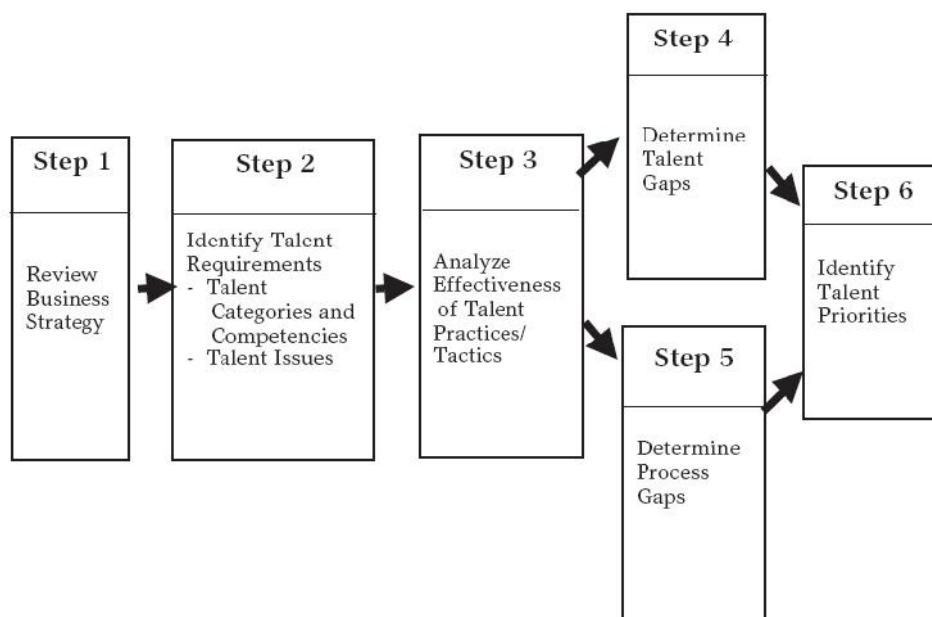
The CEO of the organisation must own the talent management system, and drive the planning and development of the organisation's talent, especially the top group leaders. S/He should take accountability for the overall success or failure of talent development.

For talent management to be successful, the CEO must continuously communicate within the organisation that talent management is critical to the organisation's competitive advantage.

## II. A Business Activity, not an Administrative HR Task

Successful organisations view talent management as an ongoing strategic priority. Talent management is not an HR administrative task, but a critical component in the organisation strategy.

Talent strategy is part of the business and strategic planning processes. Figure 6, below, illustrates how talent strategy links to business strategy.



**Figure 6. Linkage of Talent Strategy to Business Strategy (Heinen and O'Neill, 2004)**

As the organisation reviews its long-term strategy, it also needs to review its talent strategy to ensure that both are in alignment. If business strategy and talent strategy are not in alignment, this will lead to failure of both.

## III. Development must be forward-looking

The talent development plan is not static due to an ever-changing business environment that the organisation is operating in. Therefore, the talent development plans should be forward-looking, the plan

needs to focus on developing skills and abilities for future business needs, and for current job performance.

#### **IV. Focus on Rigorous Candidate Assessment**

For a successful development plan, the starting point should be a strong and rigorous assessment of the candidate's competencies. This includes current performance and future capabilities that the person will need in future positions. The purpose of the plan is to help the person achieve the capabilities required.

#### **V. Balance Organisational and Individual Needs**

Both the organisation and the individual's needs must be balanced in any talent planning and development. The organisation must address the needs and concerns of the individual in order to attract and retain that individual. At the same time, it must also deal with issues in its own environment and address its key concerns for the future.

#### **VI. Invest in Staff and Process Support**

While the CEO plays a leading role in talent management, it is the responsibility of key staff to facilitate the talent management process and accumulate organisational learning.

#### **VII. Develop Multiple Talent Pools and Career Paths**

In today's uncertain world, the focus should be on developing talent pools, rather than developing a specific individual, who might leave for other opportunities. By such development, the organisation minimises the risk of not having capable individuals who can fill an open vacancy.

#### **VIII. Focus on On-the-Job Learning**

There is no substitute for on-the-job learning. Many successful organisations have found that job assignments and experiences are the best development opportunities. Some organisations identify

positions that have been found to be helpful in developing key executives or technical talent, and ensuring that high potential candidates are placed in these positions to accelerate their development.

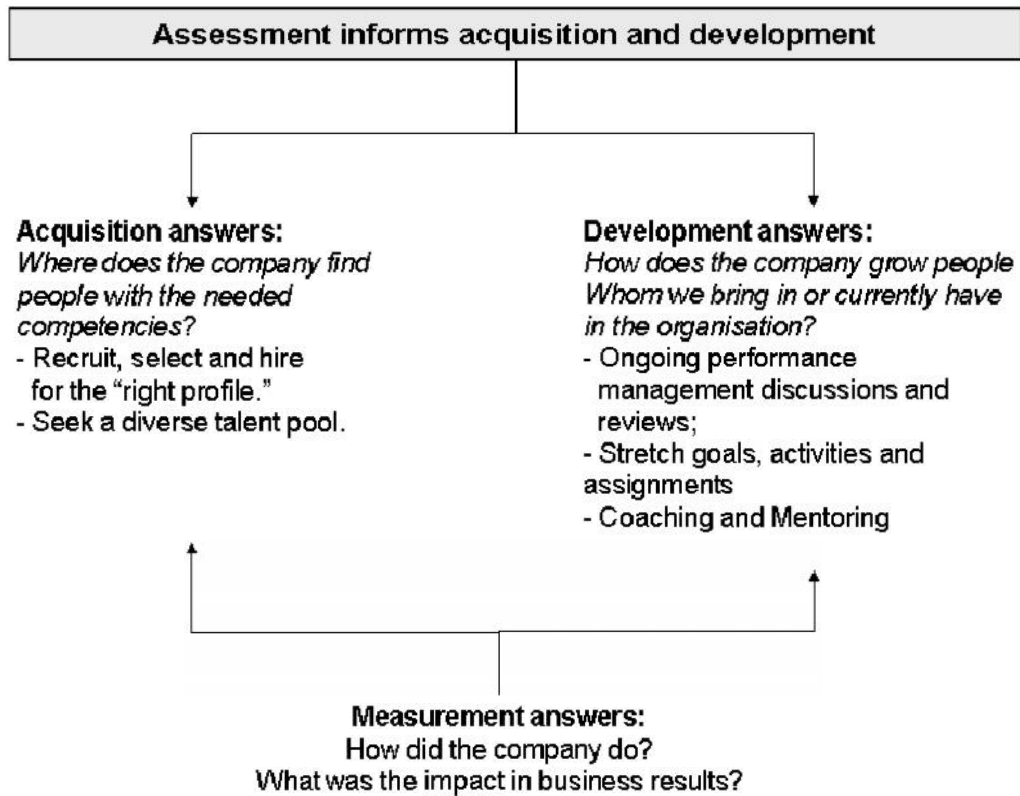
#### **IX. Conduct Regular Talent Reviews**

It is not enough to have a talent management process without reviews. Reviews aid in highlighting individual and organisational capability issues. They also help to track individual development progress and the organisation's total talent.

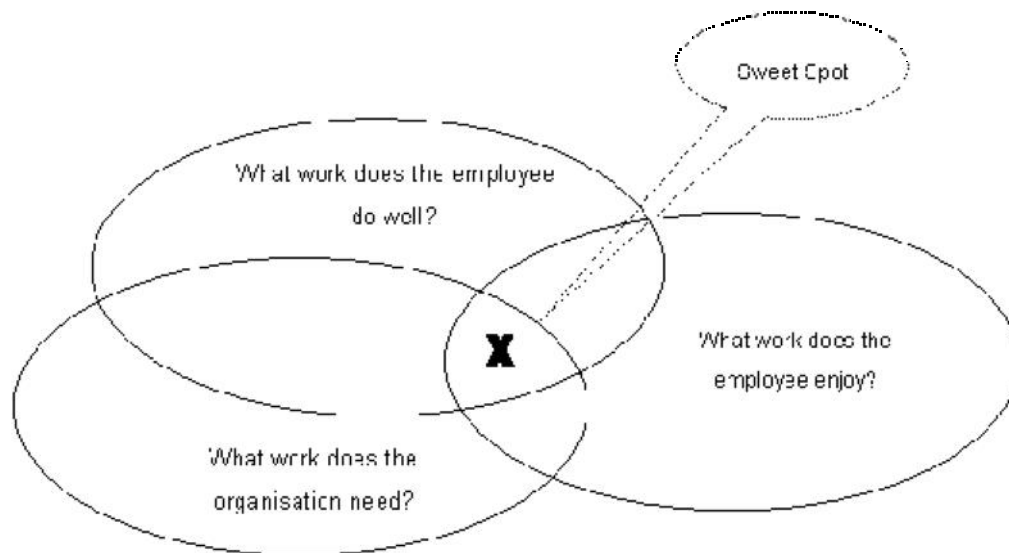
#### **X. Leverage Technology and Measure Success**

The organisation must leverage on information technology to automate talent management processes. This will allow ease of access to information for managing talent and to maximise performance.

Mucha (2004) and Heinen and O'Neill (2004) advocate similar key factors in the implementation of a talent management system: a development plan, balancing employees and organisational need, a diverse talent pool, conducting talent reviews, measuring and on-the-job training, as shown in figures 7 and 8.



**Figure 7 – Assessment Answers (Mucha, 2004).**



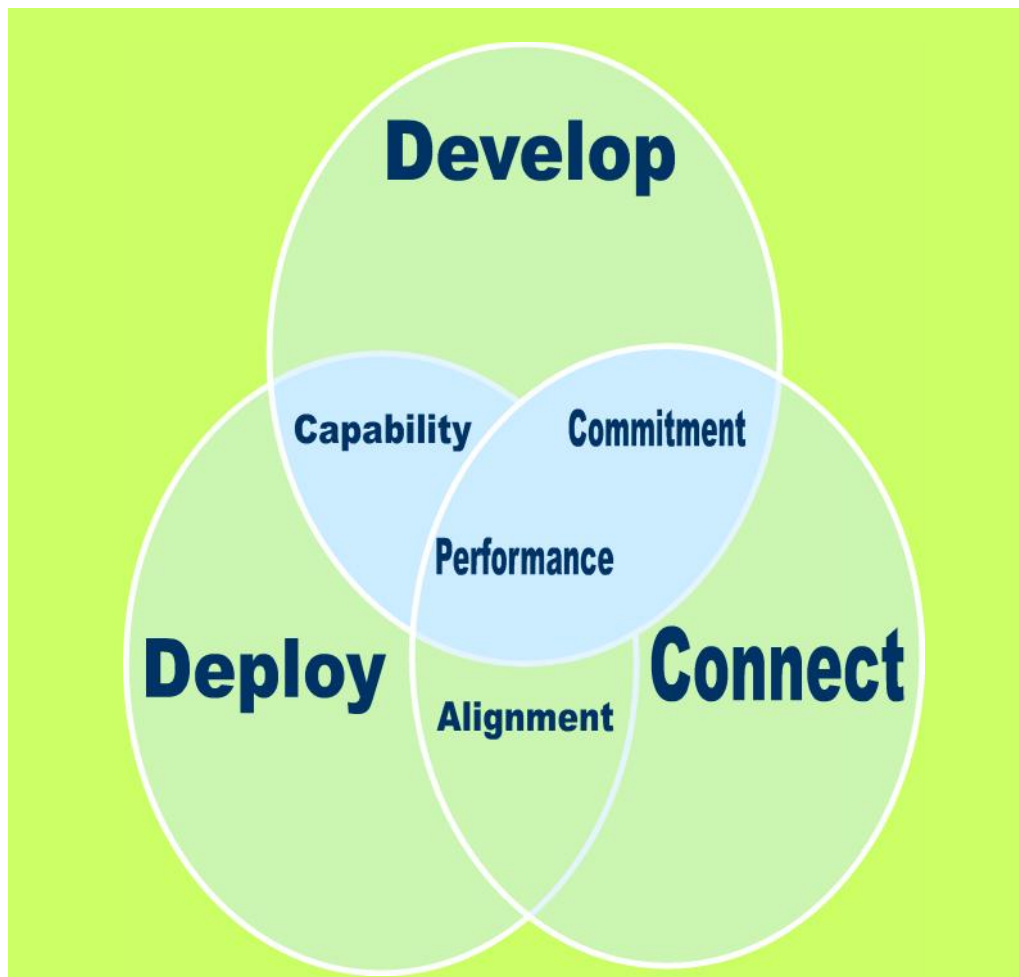
**Figure 8 – Sweet Spot (Mucha, 2004).**

Additional literature supports the same key success factors, as mentioned above, for the implementation of a successful talent management programme

(Walker, 2004; McCauley and Wakefield, 2006).

Deloitte Research (2004) further argues that with competition for talent increasing, there needs to be a mindset shift in building talent. Companies need to rethink how they build or manage talent, rather than starting with new recruiters. In addition, companies must first look within to match employee experiences and aspirations to the company's evolving strategic needs.

Deloitte Research (2004) proposes a Develop-Deploy-Connect Model as a tool to match talented employees' requirements to company's strategic needs, as reflected in figure 9.



**Figure 9 Develop-Deploy-Connect Model (Deloitte Research, 2004)**

The Develop-Deploy-Connect model is described, as follows:

**Develop:** providing the real-life learning to master a job, and not just traditional classroom education.

**Deploy:** working with key individuals to identify their skills, interest and knowledge.

**Connect:** providing critical employees with the tools they need to build networks that enhance individual and organisational performance, and improve their interactions with others.

Interestingly, in a case study on a South African financial institution, five variables were found to be the most important in a job, as rated by the institutional talent (Birt, Wallis and Winternitz: 2004):

- Challenging and meaningful work;
- Advancement opportunities;
- Manager integrity and quality;
- Empowerment and responsibility; and
- New opportunities and challenge.

These variables are the same as the Develop-Deploy-Connect model.

## **2.8 Conclusion of the literature review**

In conclusion, the literature suggests that talent management is about attracting, developing and retaining the talent that gives the organisation a sustainable competitive edge. Not all employees of the organisation are talent. Talent comprises key individuals who make decisions about how to allocate and use company resources to meet and exceed customers' expectations. It is the talent who provides organisations with a sustainable competitive edge, as opposed to other resources controlled by the organisation. The literature further argues that organisations with successful

talent management practices also produce better financial results.

Organisations must therefore learn to manage their talent, because the traditional sources of competitive advantage, such as natural resources, technology and economies of scale have become increasingly easy to imitate (Connor, 2007).

## **2.9 Research Questions**

The literature review has led to the following research questions:

- Question 1:** Why should talent management practices be linked to business strategy?
- Question 2:** What are the benefits of talent management?
- Question 3:** What are the issues and challenges in implementing talent management?
- Question 4:** What are the key success factors in talent management practices?

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter describes the research methodology used to answer the research questions posed in the literature review in the previous chapter, and why this particular methodology was followed. It then describes the research design and in this particular research, a case study methodology was chosen. It will continue to discuss the organisation that is being studied, including the population, sample and the research instrument. The chapter concludes by discussing the tools used to analyse and interpret the data and methods used in ensuring the validity and reliability of this research.

### **3.2 Research methodology**

The researcher chose qualitative approach as it allowed deeper understanding of the “why,” and “how,” of the phenomenon that the researcher was investigating. In this particular case, the researcher was interested in understanding why the organisation decided to adopt the talent management as a strategy to meet company goals and how talent management practices have been implemented, as well as how it has impacted on the organisation’s performance and the intended recipients of talent management.

Merriam (1998: 5) defines qualitative research as an enquiry that helps us to understand and explain the meaning of social phenomena with as little disruption of the natural setting as possible. Qualitative research has key characteristics that are appropriate in achieving the researcher’s objective as set out in the first chapter, and Merriam (2009: 14) identified four key characteristics of qualitative research as follows:

- Focus on meaning and understanding: researcher’s key concern is to understand how people make sense of their lives and interpret what

they experience;

- Researcher as primary instrument: researcher is the primary instrument for collecting and analysing data;
- An inductive process: researcher uses qualitative research not to test hypotheses, but to gather data to build concepts or theories; and
- Rich description: the final product of qualitative enquiry is richly descriptive; words and pictures, rather than numbers, are used to express what the researcher has learned about the phenomenon.

### **3.3 Research Design**

(Yin, 2009) suggests that choosing a research design largely depends on the research question(s), the more the questions seek to explain some present circumstance, then the case study method is more appropriate as it allows researchers to retain the holistic and meaningful characteristics of real life events such as organizational and managerial processes. (Merriam, 1998) further suggest that case studies anchored in real life situations results in a rich and holistic account of a phenomenon.

Given the nature of the posed research questions that require the researcher to have insights into the talent management practices of the case site, the case study method was chosen as it will allow the development of detailed, intensive knowledge about the case site (Saunders, Lewis and Thornhill, 2000; Yin, 2009).

Although case studies provide a wealthy description and analysis of a phenomenon, a researcher can be limited by money and time (Merriam, 1998)

The researcher overcame the limitations of time and money by conducting the case study at a single case site, rather than at multiple case sites.

## **3.4 Population and sample**

### **3.4.1 Case Site**

Santam is the largest player in the South African short-term insurance industry. In the 90 years of its existence, it has built up a policyholder base exceeding 650 000, has assets of more than R17 billion, and a market share exceeding 20%.

Recently named as best Personal and Commercial insurer by the Financial Intermediaries Association of Southern Africa (FIA), Santam offers personal, commercial, corporate and specialist risk solutions, and insures most of the top 100 companies listed on the Johannesburg Stock Exchange.

To ensure sustainability, a brand can only be built from the inside out. Therefore, the business places a high priority on enabling staff to support the brand promise through service delivery. Consequently, in 2007, Santam achieved third position in the corporate category of the Deloitte's Best Companies to Work For survey.

Santam follows a client-centric approach in how it conducts its business, thereby putting the policyholder at the core of its decision making. Extensive research into client needs, attitudes and behaviours enables the business to focus on specific client segments with differentiating value propositions.

Successful transformation will make for a much stronger, more competitive Santam. It will also enable the business to sustainably participate and contribute within the South African economy. During 2007, significant progress was made with the broad-based black empowerment transaction that was announced in February of that year. The first allocations to staff were made in December and will be followed by allocations to business partners.

Santam believes that its people are its single most important asset. The company values diversity in its people, particularly for the way in which this contributes to innovative thinking. The diversity of the staff reflects South

African society at large.

Santam's training and development strategy facilitates leadership, management, technical, operational and behavioural skills development for employees at all levels. It also includes accelerated development, study assistance, bursaries, induction of new employees, learnerships and personal wellness.

Santam's corporate social investment strategy focuses mainly on economic empowerment through job creation and by developing entrepreneurship. In addition, Santam supports education and training, social welfare and health, as well as the conservation of South Africa's natural heritage. The company believes that the success of its corporate social investment strategy is linked to its effective support in the form of mentoring, access to skills development, information, resources and financial support. The programmes include the well-known Child Art Competition, an entrepreneurship project for learners and employee-engagement programmes.

#### ***3.4.2 Sample and sampling method***

(Merriam, 1998) argues that since generalisation in statistical sense is not a goal of qualitative research, probabilistic sampling is not necessary or justifiable in qualitative research and since qualitative research seeks to appreciate the meaning of a phenomenon from the perspective of the participants, it is therefore important to choose a sample from which the most can be learned, and this is called purposive sampling, and it falls under non-probabilistic sampling (Merriam, 2002).

Given that the researcher wanted to gain a deeper understanding of talent management practices at Santam, a purposive sampling methodology was chosen. The advantage of purposive sampling is that it gives access to people who are knowledgeable about the talent management practices of the company and is also often used in case study research (Saunders et al., 2000).

In the Santam case, the people who have the relevant knowledge of the talent management practices of the company were top managers, who own the company strategy, senior managers, who implement company strategy, and professionals, who are impacted by the company talent strategy. The total number of top and senior managers, including professionals as at December 2008 was 887 (Company documents, 2008). Table 6 shows the sample obtained for the research.

**Table 6 - The research sample**

<b>Population Category</b>	<b>Population Size</b>	<b>Sample</b>
Top Management	8	3
Senior / Middle Management	235	6
Professionals	644	4

### **3.5 The research instrument**

According to Merriam (2002), there are three major sources of data collection for a qualitative study, namely interviews, observations and documents. Interviewing is necessary if one is interested in past events that cannot be repeated or how people understand the world around them (Merriam, 1998). The purpose of this research was to capture the opinions of people within the case site of their views on the organisation's talent management practices. Interviews were therefore chosen as the research instrument, as suggested by several authors as the best research instrument in similar case studies (Merriam, 1998; Saunders et al., 2000).

The other advantage of interviews is that managers are more likely to agree to be interviewed than to complete a questionnaire, if the interview topic is

interesting and relevant to their own current work (Saunders et al., 2000).

A semi-structured interview structure was chosen over the highly-structured interview because it allowed the researcher to access participants' perspectives and understanding (Creswell, 2003). The interview schedule used is attached as Appendix A.

### **3.6 Data collection procedure**

The data was collected from the purposefully selected participants as shown in Table 6. The research took place at the case study site, in order for the researcher to observe the participants in their familiar surroundings. The interviews were personally conducted, because it enabled acquiring information that would be hard to obtain and express in a non-personal context (Yin, 1994). Formal appointments for the interviews were arranged by sending a formal letter of request for the interview, and simultaneously explaining the purpose of the interview.

For perceptive purposes and to enhance research findings, company documents were used, which included human resources policies, talent management policies and company strategy documents. Certain information could not be accessed because of confidentiality reasons.

The methods chosen by the researcher to collect data (interviews, observations and documents) are considered the best in qualitative research (Silverman, 1993).

### **3.7 Data analysis and interpretation**

Data analysis involves comprehending text and image data (Creswell 2003: 190) and this definition is confirmed by Merriam (2009: 175) as, "making sense out of data," as the process used to answer research questions. The researcher collected data from interviews, documents, literature and personal observation. The data from these sources were analysed with the intention of

answering the research questions.

In analysing and interpreting the data, the researcher followed the basic elements of narrative data analysis, as suggested by several authors, such as (Saunders et al., 2000; Creswell, 2003; Yin, 2009). These elements are as follows:

**Know the data:** The researcher transcribed the interviews and read the company documents, literature and own notes to gain a sound understanding of the data. The researcher started to record the meaning and/or impressions that he was attaining from the data.

**Categorisation:** The researcher classified the data into coherent categories by identifying themes or patterns that kept recurring in data and those that emerged from the data. The categorisation of data was channelled by the purpose of the research, as well as to answer the research questions.

**Recognising relationships and patterns:** At this stage of the analysis, the researcher pulled together the patterns and connections, both within and between categories.

**Interpretation and conclusions:** In this last step of the analysis, the researcher interpreted the findings by comparing the findings to literature, adding the researcher's personal interpretation and conclusions. This is presented in Chapter Six.

### **3.8 Limitations of study**

- The study is limited to one organisation, and may therefore not necessarily be generalised to other organisation.
- The study is only limited to talent management practices of the organisation and did not look at other practices within the organisation that deal with people management.
- A non-probability sampling methodology was used that may not be

statistically representative of the total population.

- The researcher requested recording the interviews in order to eliminate the possibility that respondents do not answer certain questions truthfully. The researcher allowed the respondents to control the recording device, therefore giving the respondents the choice of stopping the recording in the cases where they were unwilling to answer questions.
- The possibility of bias can be a factor, thus impacting on the findings of the research, since the researcher is employed at the company that was being researched.

### **3.9 Validity and Reliability**

The validity is the extent to which the data accurately measures what they were intended to measure. Reliability refers to the extent to which the data collection method will yield consistent findings, if replicated by others (Leedy and Ormrod, 2005). (Neuman, 2006) further describes validity as truthfulness, and reliability as dependability or consistency.

#### **3.9.1 External validity**

External validity is also referred to as generalisability, and relates to whether the results of a measure can be extrapolated to other settings, times and so on (Neuman, 2006).

(Merriam, 2002) argues that in qualitative research, a small, non-random sample is selected purposefully, and therefore it is not possible to generalise statistically, although the selection of the sample is deliberate as the researcher wishes to understand the issue in depth. To overcome the shortcoming of generalisability, (Merriam, 2002) proposes that the research should provide a rich and substantial description. This should involve providing a database with sufficient information so that the person analysing the research can determine how closely their situation matches, and thus

determine if findings are transferable.

To improve the generalisability of this research, the following was done:

- Detailed information about the case site was presented in section 3.4.1; and
- To improve validity, the researcher purposefully selected people that he thought were knowledgeable about the company's talent management practices, and the sample was also varied.

Even with the above-mentioned strategies for improving generalisability, there are several factors that could still reduce the external validity. Such factors are:

- The sample is from a single organisation (Santam); and
- The sample is not randomly selected.

### **3.9.2 Internal validity**

Internal validity means there are no internal errors to the design of the research project (Neuman, 2006). One of the strategies to improve internal validity is triangulation (Merriam, 2002). Triangulation is the process of observing something from different angles (Neuman, 2006). (Yin, 1994) states that an important advantage of triangulation is the development of converging lines of inquiry.

To achieve triangulation, multiple sources of data was used including interviews, company documents and literature.

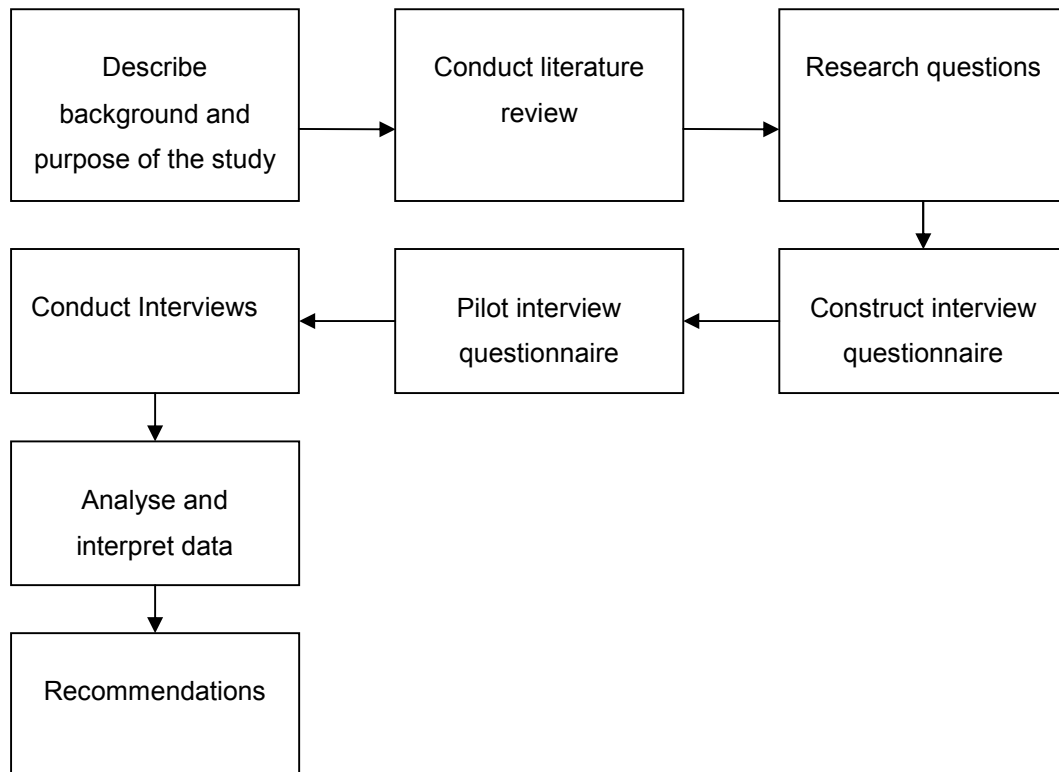
### **3.9.3 Reliability**

Merriam (2009: 220) refers to reliability as the extent to which research findings can be replicated. The researcher adopted the following strategies to improve reliability: triangulation and the strategy to explain the methodology used to collect and interpret the data, as shown in the current chapter and

Appendix A.

### 3.8 Research Process

In figure 10, a summary of the research process followed is shown:



**Figure 10. Research Process**

# CHAPTER 4: PRESENTATION OF RESULTS

## 4.1 Introduction

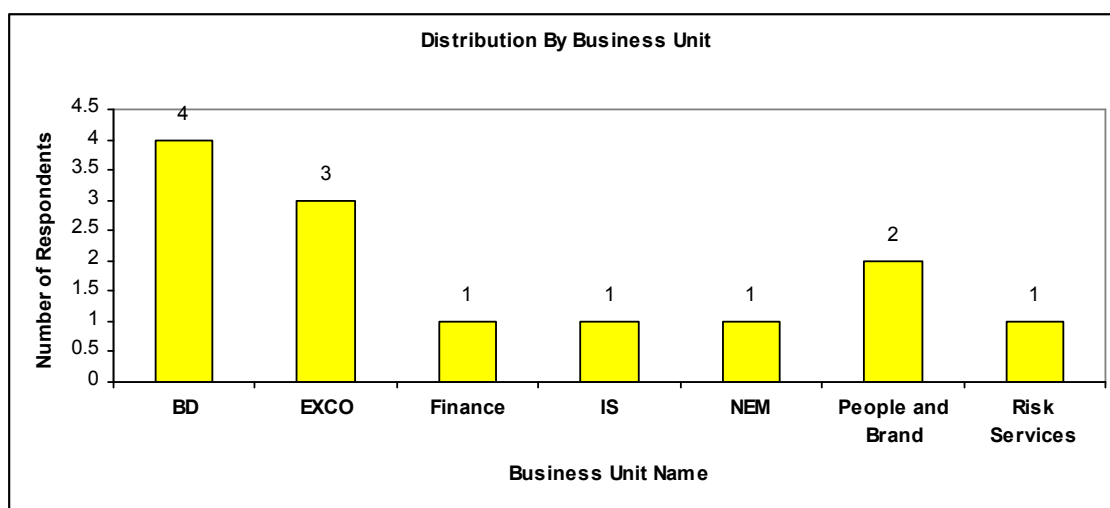
The following chapter presents and describes the findings of the research. The results will be presented in relation to the four research questions derived from the literature review in chapter 2. The results presented in this chapter are limited to the results that the researcher considers meaningful for the purpose of this research, and to major and frequent themes that emerged from the research questions.

The next section of this chapter will present a brief descriptive analysis and the subsequent section will discuss the results pertaining to each of the four research questions.

## 4.2 Demographic profile of respondents

This section present the demographic profile of the sample obtained.

### 4.2.1 Distribution response by business unit

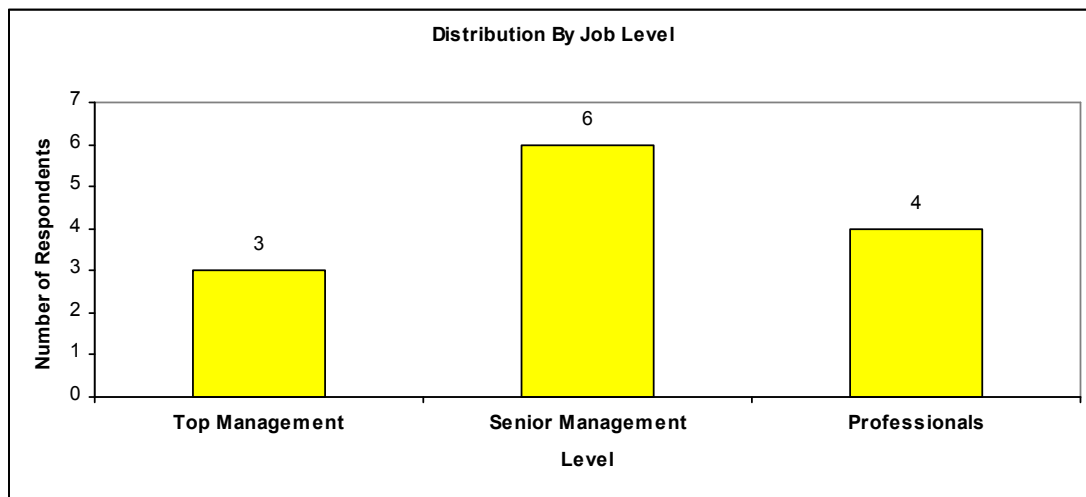


A complete name of the business unit is shown in the legend that follows:

Abbreviated Business Unit Name	Full Business Unit Name
BD	Broker Distribution
TM	Top Management
Finance	Finance
IS	Insurance Services
NEM	New and External Markets
People and Brand	People and Brand
Risk Services	Risk Services

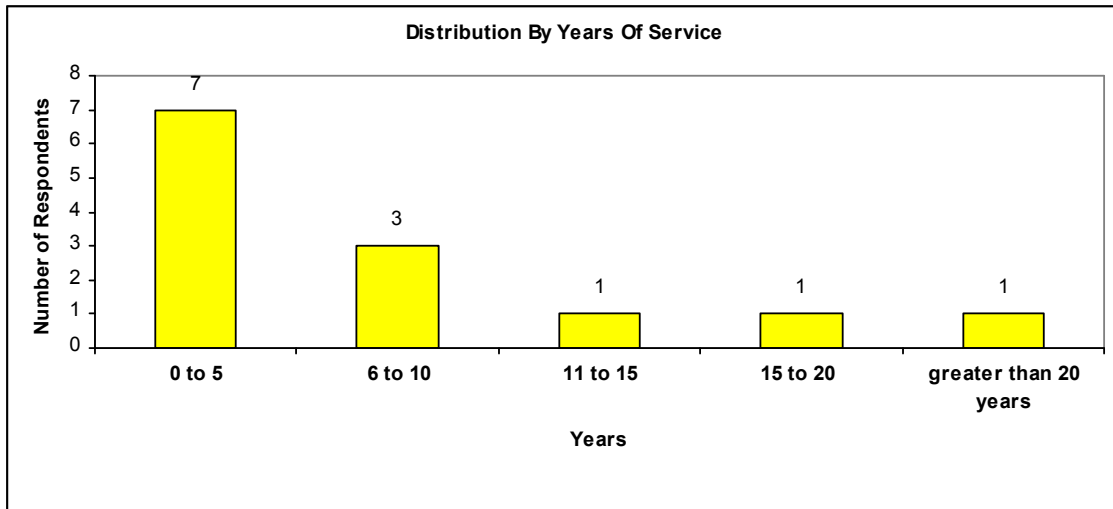
All business units of Santam participated in the study except for the Information Technology business unit.

#### 4.2.2 Distribution by Job Level



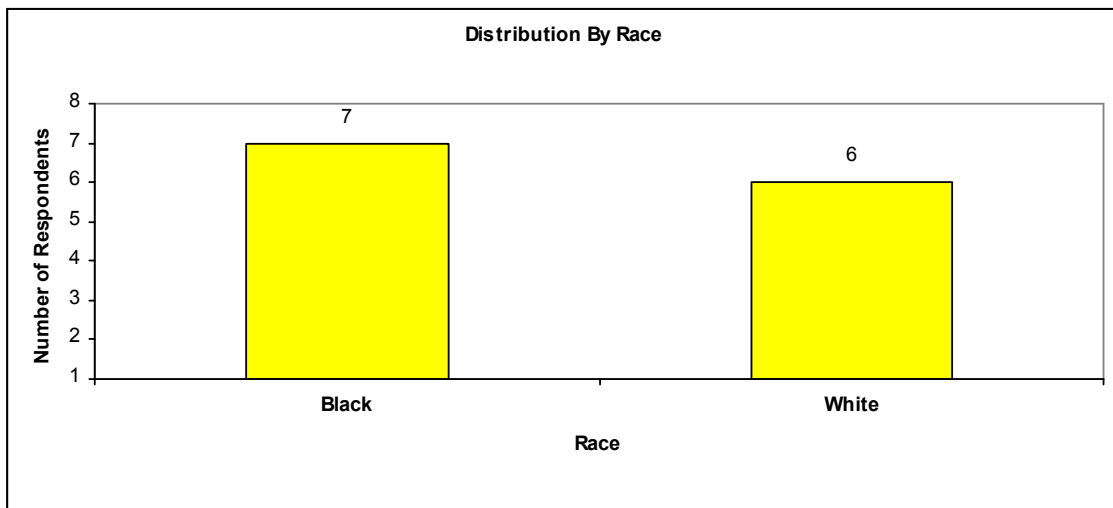
The distribution sample by job level is in line with the intended sample that the researcher planned to achieve.

### 4.2.3 Distribution by Years of Service



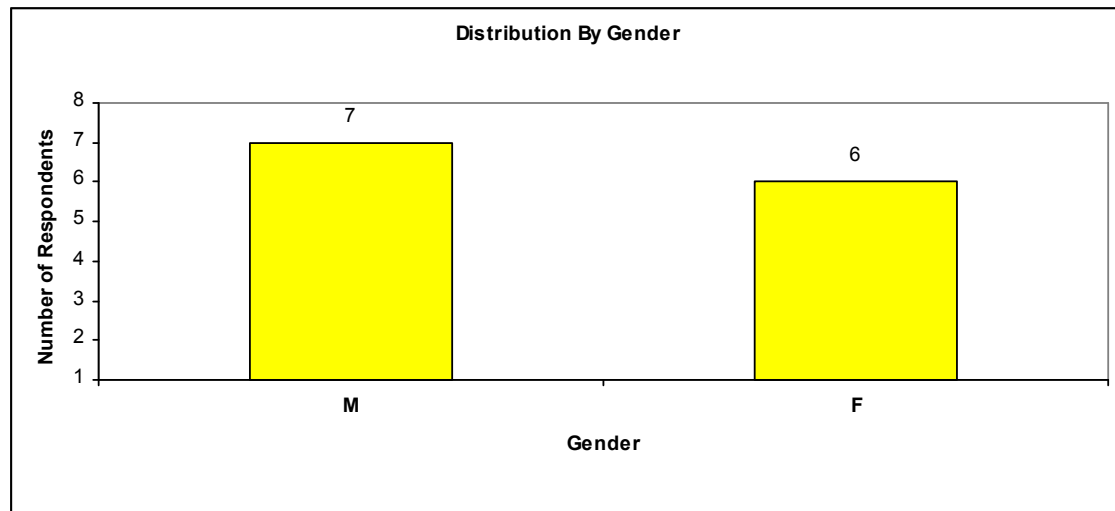
Ten of the participants in the research had 10 years of service or less to Santam, and the balance of three participants had more than 10 years of service with the company.

### 4.2.4 Distribution by Race



In terms of race, seven black people and six white people participated in the research.

#### 4.2.5 Distribution by Gender



The split by gender was nearly even; seven males and six females participated in the research.

#### 4.3 Results pertaining to Research Question.1.

Why should talent management practices be linked to business strategy?

The aim of the questions was to acquire respondents' views on the importance of linking talent management practice to business strategy, and also get their comments on whether or not Santam's talent management is linked to its business strategy. The questions regarding the first research question can be viewed in Appendix A. Only the major themes that emerged and the results that are meaningful to this research question will be presented.

##### 4.3.1 Definition of talent

The company believes that it can only achieve its business objectives through the intellectual capital of its people, and it therefore defines everyone in the organisation as talent. Top management have the same definition as the company for talent, and in the researcher's opinion, this is because they were part of the team that approved the company's talent management strategy.

The senior management perceives talent as someone who is intelligent, passionate and ambitious about his/her job, wants to engage in a leadership position, willing to take risks to achieve both personal and company goals, has the right competencies and skills to advance the organisation.

The professionals view talent as a person who has a lot of energy, dedication, subject knowledge, the ability to influence, can-do attitude, innovation, potential, able to acquire new knowledge through practice and training. The talented person will become restless if the job is not challenging enough.

#### **4.3.2 Definition of talent management and company talent management strategy**

The company defines talent management as attracting, selecting, developing and retaining people, and according to the company, the purpose of talent management is firstly to ensure that the right skills and competencies are available to the company to achieve its strategic vision, and secondly, to contribute to company's vision of being the preferred employer, where people compete to work for the company rather than the company competing for skills in the labour market.

The top management respondents view talent management as critical to the success of the organisation in achieving its strategic objectives and for the organisation to sustain its competitive edge. Top management defined talent management as follows:

- Sourcing and attracting of talent: They believe that the company should continuously source talent both internally and externally. The sourcing of talent is the first step in talent management;
- Grooming of talent: Once the talent has been sourced or identified, the talent needs to be groomed to meet the requirements of the company and the external environments that the company operates in; and
- Lastly, in their opinion, there is no point on embarking on talent

management programme if the talent is not going to be retained within the organisation. A talent management programme is deemed successful if the organisation can retain the talent.

However, all top management respondents hold the same view that the talent management practices of the organisation lacks execution. The reason for this is that talent management practices are confused with employment equity. One of the top managers even confided that: "Talent management only become a hot topic within the organisation when people refer to the shortage of black talent."

Within the ranks of senior management respondents, identifying, attracting, developing and retaining talent came out strongly as the definition of talent management. The professionals have a similar definition of talent management as senior management, but a number of concerns came out very strongly from the professionals, which are cited in the next paragraph.

The professional level was the most negative about talent management practices of the company. The greatest concern is the lack of communication by the company regarding its talent management strategy. Secondly, the professionals perceive the company as using a blanket approach to talent management, whereas each talented worker is unique, and therefore the needs of each talent worker are different. Lastly, they feel that from top management downwards, talent management is seen as the responsibility of the HR department, and not as the responsibility of the whole organisation.

#### **4.3.3 Linking of business strategy to talent management**

Talent management has been identified by the company as one of the organisational capabilities that are crucial for the company to meets its strategic objectives. Top management respondents concur on this point.

The top management participants felt that there is a lack of execution in implementation of talent management activities, and they place the cause of this on the perception within the organisation that talent management is a

human resources department initiative, and therefore not something that they are accountable for. They felt this is the reason why most managers in the organisation do not take responsibility for talent management. In their view, managers, and therefore leaders of the organisation, should take the blame for this perception. They felt that they could have done more in terms of owning the talent management strategy and communicating to the rest of the organisation that talent management is an enabler for the organisation to achieve its strategy.

They further argued that given the type of industry that the company is in, people are very critical because it is their intellectual capability that gives the company its competitive edge. Unlike in some industries, where you can rely on machines/automation for your competitive edge, it is the people in the insurance industry who make the difference.

One of the top management respondents holds the view that the other problem for the lack of buy-in for talent management within the company is that during the company planning cycle, the focus is more on financial goals and results. This means that the people element is usually discussed last, causing managers to focus on achieving financial targets to the detriment of other company goals, including talent management. The same respondent further argues that this behaviour will continue as long as the company reward system is biased towards rewarding for financial performance, even if other strategic goals have not been achieved.

All top management respondents also admitted that lack of skills and talent are in their top three things that keep them awake at night. They are concerned that, in the past few years, the organisation has consistently increased its time and resources on attracting, developing and retaining talent, but that these initiatives are still only seen as the responsibility of human resources department and not that of business. They are worried that if this misalignment continues, it will lead to failure of both company strategy and talent management strategy.

All senior management respondents agreed that it is important to link

company strategy to talent management strategy and practices, but gave inconsistent answers on whether the Santam's business strategy is linked to its talent management strategy. Of the six respondents from the senior management team, only three agreed that there is a link between company strategy and talent management strategy. The rest were of the opinion that there is no link.

I will start by presenting the results of the respondents who agreed that the company strategy is linked to talent management strategy.

The three respondents stated that the talent management strategy is linked to company strategy through the company's balanced scorecard and its performance management process. The company uses a balanced scorecard as a strategic planning and management tool, as well as a performance measurement framework. This means that it monitors and measures the company's performance against strategic objectives.

The company has a company-wide balanced scorecard that top management produces after agreeing on the business goals with the company's board of directors. This balanced scorecard is then cascaded down to individual business units. Each business unit will produce its balanced scorecard based on the company-wide balanced scorecard. It will continue to cascade down to each employee level. The company balanced scorecard primarily has six perspectives: the financial perspective, the client perspective, the distribution perspective, the internal perspective and the resource perspective. It is within the resource perspective that the objectives, measurements and targets for talent management are supposed to be recorded and monitored.

The researcher noted that senior management respondents, who all came from the same business unit, reported that Santam strategy is linked to talent management strategy. They based their answers on happenings within their business unit.

They advised that in their planning cycle, talent management is extensively discussed as part of the business unit strategy, and that from this process a

detailed talent management framework is produced, which will include talent pools, matrixes, goals and measurements. These will be included in the business unit's balanced scorecard, and the next lower level of management in the business unit will do the same for their business departments or sections until the whole business unit has been included in the process.

The next step is monitoring. This is done at least once a quarter where all talent management related issues are discussed and reviewed as per talent management balanced scorecard. This applies to everyone within the business unit. It is also compulsory during the performance reviews that each manager has a proactive, transparent and frank discussion with his/her subordinates regarding individual performance and also discuss where the individual fits in within the business unit talent management strategy. These discussions are seen as useful because they allow interaction between the manager and the employee and also acts as a closing loop in the business unit talent management framework.

The above-mentioned talent management process for this business unit has only been in existence for approximately a year and the respondents also admitted that the process is not company-wide yet. It is only in their particular business unit that company strategy is linked to talent management strategy.

The remaining senior management respondents stated that the company strategy is not fully linked to talent management strategy. They hold the view that the strategy planning phase's focus is still mainly about financial targets. For example, on how to grow revenue and reduce expenses. They feel that little time is spent on talent management and even during the quarterly meetings between top and senior management, most of the time is spent on discussing financial results. Besides the view that not enough is being done about talent management, the respondents mentioned that there are a lot of activities on talent management, but that they are driven by the human resources department, and not by the rest of the organisation. In the respondent's view, talent management activity does take place in the organisation, but it is not properly implemented, lacks focus and

communication. To illustrate talent management activities, the respondents mentioned a few examples where the organisation has been pro-active regarding talent management.

Such examples are mentoring programmes, best of the best development programme for middle management, graduate development programmes to attract new talent to the organisation. This also includes the company's focus on benchmarking itself against other companies when it comes to people, like entering the Best Company to Work For surveys. They see these activities as part of attracting, developing and retaining talent.

The professionals corroborate the view of senior management; that talent management within the organisations happens in pockets, and is not yet seen as a strategic focus by the whole organisation. In the opinion of the professionals, the implementation of talent management within the organisation depends on individual managers. If the manager is passionate about talent management, it will happen. The opposite is also true; if he/she is not passionate, then talent management will not become an entity. They see this as unfair since those who report to managers who implement talent management, seem to get better opportunities in terms of stretch assignments, development programmes and rewards.

#### **4.3.4 Human resources department's strategic role in talent management**

The researcher thought it prudent to also interview people within the human resources department. Since they are closely involved and enablers of talent management within the organisation, the researcher believed that their input will add greatly to the findings of this research.

A senior manager within the human resources department explained how they had planned to integrate the talent management practices to company strategy.

The respondent explained that in 2007, the human resources department

produced a strategy document dealing with how the company will manage its people. This strategy document was called, 'Igniting Human Capital', or people strategy (Santam, 2008). The people strategy was developed based on the 2010 business strategy. In the document, the company acknowledged that it can only deliver its 2010 strategy through its people by attracting, developing and retaining talented people. The core strategic objective being that the company wanted to become an employer brand of choice. The one measure to be used will be the company achievement in the Best Company to Work For (BCTWF) survey.

In order to deliver on the company and people strategy, the human resources department identified talent management as one of the capabilities that the organisation needed to build. The human resources' department views the purpose of embarking on talent management process as firstly to ensure that right skills and competencies are available to the organisation to achieve its strategic vision and secondly, to contribute to the company's vision to become a preferred employer. This would mean that instead of the company competing for skills in the labour market, people will compete to work for the company.

Since talent management was identified as a key capability for the company to achieve its goals, a detailed talent management plan was developed to bring together all the various initiatives that are of a talent management nature and add any new initiatives that are relevant to talent management.

The talent management plan encompassed the following:

- Recruitment and Selection (Attract);
- Succession Planning and Development (Develop); and
- Performance Culture and Tailored Value Packages (Retain).

The above mentioned talent management plan will be discussed separately in the following sections, based on the company documents

and responses from the HR department.

#### ***4.3.4.1 Attracting Talent***

The human resources respondents' mentioned that in their experience, the insurance industry, especially short-term insurance, struggles to attract new talent to the profession. When they engage with students from high school to tertiary institutions, it is very seldom that they find students who are interested in working for the industry, and even worse, for the company. In their view, they attribute this reluctance to the bad perception that insurance industries have in the minds of the public. When it come to attracting people within the insurance industry, they do not find any difficulty since the people in the industry know that the company is one of the top short-term insurers, based on its market share and premium income.

To overcome this perception, the company devised a detail talent management plan to attract new talent to the company. A number of recruitment and selections processes have been overhauled to make it easier for the company to attract talent, and also change perceptions of potential talent about the company. The actions and processes taken by the company to attract talent are discussed below and are also referred to in Appendix B.

In order to attract new talent, the company has reviewed their traditional methods of recruiting, such as those used in newspapers and advertising. The company now visits universities to teach students about the exciting world of insurance, and to communicate the brand message about the company. It also employs non-traditional forms of media to advertise and communicate with students, such as the popular social application, Facebook.

Another form of recruitment device used by the company is sponsorship. Students are sponsored for their studies, and the company has also started a graduate development programme, where graduate students are recruited to the company. The students are rotated to different roles in the company for a period of twelve to eighteen months. This gives them the opportunity to be exposed to the different parts of the business. While they are in the graduate

programme, they are encouraged to study industry-related courses through the Institute of Insurance. Only after completing the graduate programme will they be placed in a specific position, based on the graduate student's input and the feedback from the people within the organisation who have interacted with the student. Learnerships are also used to complement the graduate programme. At least 40 learners are recruited by the company yearly, and of these learners, about ninety% are offered permanent positions after the completion of learnership.

With regards to attracting talent within the insurance industry, the company has redesigned the selection process. The company uses different channels to target various segments of talent. The company has also started to track talented people within the marketplace and track their career moves.

The company believes that, with all the above-mentioned initiatives, it will be in a better position than its competitors to attract talent relevant to achieving its future goals.

#### ***4.3.4.2 Developing Talent***

In the company's view, once the talent has been attracted, the talent needs to be developed in order to benefit both the talent and the company. Development is seen as critical in the company to maintain its competitive edge. From the company perspective, the benefit of developing talent is as follows:

- It creates a pool of talent that have skills and competencies that are pertinent to the company;
- It satisfies the talent's need for growth and career advancement;
- It allows talent to do a variety of jobs; and
- Development contributes to retention of talent;

The development of talent within the company takes place in various forms, namely, on-the-job training and development, or formal education,

both internally and externally. Development discussions take place in June/July as a separate exercise from the performance discussions. Managers are expected to have discussions with their direct reports on development plans and career plans. Based on the development discussion, a development plan is agreed to between manager and direct report. The development plan is then incorporated into the key performance area for the direct report and the manager is measured on the overall achievement of development plans in his department.

As mentioned, development takes various forms depending on the talent development needs. These various forms of developments are discussed in the following section to provide the reader with a perspective regarding the company development initiatives.

**Internal Development Programmes:** There are a variety of internal courses available, depending on the individual development needs:

- Insurance-related courses offered by the company's accredited trainers. The courses are technical in nature; they cover personal lines and commercial lines, classes on insurance, underwriting, claims and basic legal framework of insurance.
- In 2009, the company introduced a mentorship programme for talent that the company believed had potential to take roles at higher levels. Each mentee was paired with someone at a senior management level to act as a mentor, and an outside company was contracted to run the mentorship programme. The programme is designed to run a year long. The company hopes that the benefit for the mentee will be exposure to senior management, and build new networks. The benefit for the mentor will be to get to know other talent available within the organisation.
- The company identified assessors and relationship managers as mission-critical jobs. These jobs, in the company's perspective, are mission critical because they have a great impact on the overall

performance of the organisation. To address gaps in the mission-critical jobs, the company has an internal development programme for these jobs. To fast track the development of assessors, the company has recruited external people, who have skills required to be an assessor, although they are not assessors, such as mechanics and panel beaters. For relationship managers, the company is recruiting people internally who have the technical knowledge of insurance and training them to be relationship managers.

- The Best-of-the-Best development programme: This development initiative is aimed at middle management or non-managers at a similar middle management level. The programme covers a wide range of subjects in leadership, management and strategy. The major outcomes of the programme are on management skills and leadership. The running of the programme is outsourced to external training providers and runs for year.
- The senior management development programme is designed to enhance the leadership skills of the senior management team and to improve collaboration and team work between senior management teams. The programme is run on a quarterly basis.

**External Development Programmes:** The amount spent by the company on external educational programmes has increased significantly and deliberately in the past two to three years. The intention is for the people in the organisation to get recognised and accredited qualifications. The company offers study bursaries to existing employees to study at any recognised tertiary institution. The bursary cover studies from a diploma to a master's level. The emphasis is to encourage staff to obtain nationally recognised qualifications in the field of insurance. A respondent from human resources said that there is generally shrinkage of insurance skills within the industry, and they hope that they will be able to improve the situation with the bursary scheme.

#### **4.3.4.3 Retaining Talent**

In the human resources department, they view retention of talent workers as the nucleus of a talent management practice. The talent management programme can only be seen as valuable if it leads to retention or reduction of staff turnover.

“The test of talent management practice is in the retention of talent staff.”  
(Respondent)

The company’s retention strategy is based on two factors, namely maintenance and motivation.

**Maintenance factors:** The maintenance factors are seen as non-negotiable and are not perceived as giving the company any competitive edge, since any good and reputable organisation is expected to be making use of them. The company gave the following examples as maintenance factors: paying employees a correct salary on the agreed payday, making resources available to the employee for executing his/her job, such as functional computers and a decent workplace.

Ultimately, the company is aiming for a zero-tolerance deviation in the maintenance factors.

“Imagine not paying employees on payday, just before a long weekend or school holidays.” (Respondent)

**Motivation factors:** Accordingly, the company views the motivation factors as contributing more to retention of talent than maintenance factors. Based on the research done by the company, the focus is on improving the following motivation factors:

- (a) Leadership: Talent or employees expect to be led and follow leaders who live the company values and give direction. The focus is on leadership development and levels of work. An integrated plan has been developed and approved and is already being implemented. In building leadership capability, formal leadership programmes are run

through selected business schools and an international leadership consulting firm has been contracted to work with top management. All the top management have been assigned coaches, and 60% of the direct reports have coaches. Another area of focus in leadership development is on softer skills, such as presentation and communication skills.

(b) Tailored value packages: The objective is to customise value packages for talented pools. Value packages refer to the company's reward and recognition packages. The intention being that the company is benchmarked, or is ahead of the best in the market. The current initiatives to reach the goal of being the best in value packages are:

- i. Review of the current share scheme;
- ii. Comprehensive review of the system used to benchmark pay scales with the market, use of separate specialist and generalist pay scales, and review of the job evaluation system;
- iii. Develop a retention bonuses for mission critical or scarce skills;
- iv. Bonus system that is rigorous and linked to performance;
- v. A recognition programme separate from rewards (i.e. remuneration). The recognition was implemented in 2009 to recognise behaviours and acts of all employees in living the values of the company;
- vi. The company realised that employees spend most their time at work, and in order to make their lives easier, the company introduced, 'Yell for Yellow lifestyle package,' ([www.yellforyellow.co.za](http://www.yellforyellow.co.za)). This package provides convenient services for both employees and their household members. Some of the services offered are discounted shopping at

selected service providers, access to financial planners, concierge desk for services, such as motor vehicle license renewal, arrangement and bookings of holidays, and access to teachers to help children with homework.

(c) Succession Planning: This has been identified as critical to talent retention by the company. The key is for talent to be given opportunities for career advancement, as well as interesting and challenging work. Succession and career planning processes have been initiated by the company to facilitate opportunities for talent as they arise.

(d) Performance Culture: Talent is very ambitious and generally like to work in high-performing environments, where poor performance is not tolerated. For this reason, the company is overhauling its performance management system. By adopting a high-performance culture, the company believes that its reputation will be enhanced in the eyes of talent.

In overhauling its performance management system, a new rating scale has been developed to differentiate performance. Development discussions are separated from appraisals, and result areas are linked to the company balanced scorecard.

The emphasis on retaining talent by the company is on the above-mentioned factors and processes.

For the human resources department, the success of talent management programme within the company will be critical in the department's journey to become a business partner and organisation designer. Although human resources have always been about people, the department felt it is important that it changes its name to, 'People department'. This has been done to remind themselves and employees that they exist because of people, and they are there to serve the people. In support of this journey from human resources department to people department, a new payoff line has been

adopted:

## “Passionate about People”

### **4.4 Results pertaining to Research Question 2**

This part deals with finding of research question 2:

What are the benefits of talent management?”

The questions were designed to probe respondents’ view on the benefits or lack of benefits of talent management for both the organisation and its employees. The questions can be viewed in Appendix A.

In answering the questions, the researcher allowed the respondents to answer the question based on what they currently perceive as benefits of talent management within the company, and also on what they consider to be benefits of talent management in general.

#### **4.4.1 Benefits of talent management for the organisation**

The top management respondents believe that there is great value in talent management, based on their personal and corporate experience. They concurred that the benefits of talent management are not only financial, but also non-financial. The huge financial benefit mentioned is the sustainable profitability for the company. This is based on their observations of the companies that have excellent talent management practices. The other financial benefit mentioned is the reduction in cost of hiring, such as the use of advertising and recruitment companies. An example used to support this statement is that, if as a company you have a reputation that you manage your talent well, people will come to you looking for opportunities, instead of the company going through recruitment agencies with fees that can range from 15% to 20% of the annual remuneration package of the candidate.

There were a few non-financial benefits mentioned by top management,

including the following:

- People take ownership of the company;
- The longer people work together, the more effective they become in executing the company strategy;
- The organisational culture becomes entrenched, which is something competitors cannot easily copy; and
- A good talent management programme addresses the issue of attracting, developing and retaining talent.

It is people who execute the company strategy. If one does the right things to manage them, it will be reflected in the company's bottom line. This is essentially how top management views talent management.

With reference to Santam, the top management felt that the benefits of talent management have not been properly quantified. The main reason is that the company's talent management strategy and objectives have not been clearly agreed and communicated. The ownership of talent management is also not organisation wide; it is still seen as another human resources department initiative. Until the previously mentioned reasons are addressed, it would be nearly impossible to measure.

At the senior management level, there is a very strong argument about the benefits of talent management. Below are the facts raised by the senior management respondents regarding the benefits of talent management:

- a) Reduction in cost of recruiting: There is a reduction in cost of hiring, since right talent management programme vacancies can be filled with the talent that has been groomed internally. Money and resources spent on sourcing talent from outside the organisation becomes obsolete.
- b) Lower staff turnover: There is an increase in the average length of service in the organisation, which in turn leads to higher productivity,

because people know what is expected from them.

- c) Increase in talent pool: A good talent management programme increases the availability of the internal talent pool of the organisation because it attracts the right talent to the organisation. The talent is developed to fill the vacancies that arise, and the company also retains the talent for longer.
- d) Increase in staff morale and motivation: Positively motivated staff will go the extra mile to make ensure that the organisation achieves its goals. They do this out of the feeling that they are valued, respected and that their contribution is recognised and appreciated.
- e) High performance culture: Talent management leads to a high-performance culture because ambitious people desire work in high-performing environments. A high-performance culture attracts ambitious people to the organisation, which leads to the development of a culture of high performance within the organisation.
- f) Profitability: If one has ambitious and talented people working in an environment that is challenging, and innovative, it will highlight the company's bottom line.

With regards to talent management benefits of the company under research, the senior management team concurs with the view of top management. They agree that there is a lack of uniform understanding in the organisation about talent management. Even the business units that have some form of talent management have their own measurements that are not standard across the organisation.

Respondents from the professionals echoed similar sentiments about the benefits of talent management as that of top and senior management. They also mentioned the lack of benefit tracking within Santam.

#### **4.4.2 Benefits of talent management for the talent**

Top management advises that a good talent management system is a symbiotic relationship between the organisation and talent. Those who are a part of a talent management programme should grab the opportunity by the horns, because the benefits are immense. In their view, a good talent management system has the following benefits for those who lucky to be in the programme:

- a) **Build networks:** The advantage of being in a good talent management programme is that it provides an opportunity for the participants to build a network of people, who are likely to be valuable during the career of the participant. The networks can be internal and external, from the top decision-makers to lower-level employees.
- b) **Increase in career prospects:** By being a part of a talent management programme, the chances of talent progressing faster and higher up the corporate ladder increases. This is due to the involvement in more complex projects within the organisation and exposure to different parts of the organisation, which, under normal circumstances, would not have been the case.
- c) **Exposure to company strategy:** Depending on the position and level of talent within the organisation, talent has exposure to company strategy which can be advantageous.

One of the top management respondents stated that if it was not for talent management participation during his career, he would not have been where he is today.

The senior management respondents have the same opinion as top management regarding the benefits of talent management for talent. They added the following as benefits:

- d) **Know your strengths:** Through the participation in a talent management programme, the talent becomes aware of his/her strengths and

weaknesses.

- e) Morale and learning: Just by being a part of the programme, it improves morale because one feels valued and it also opens up opportunities for talent to learn new things.

For the professional, besides the benefits that have already been mentioned, the most important benefit for them is that it builds self-confidence and motivates talent to achieve further.

### **4.5 Results pertaining to Research Question 3**

This section presents the results on research question 3. These can be viewed in Appendix A.

What are the issues and challenges in implementing talent management?

The research question was meant to get respondents opinion's and views on what they perceive as challenges in the implementation of a successful talent management system within the organisation. The research question focused only on the following: Challenges in the identification and selection of talent, challenges in retaining and developing talent and lastly, what the challenges in measuring talent management benefits are.

#### **4.5.1 What are the challenges in the identification and selection of talent?**

Top management stated that the identification and selection of talent requires an integrated approach and a very clear strategy that is constantly reviewed. They continued to argue that identification and selection of talent is not an event, but a continuous process that needs to respond to company needs and the ever-changing business environment.

In their view, if the objectives and strategy of talent management are not clear, the identification and selection of talent will be more challenging. They

identified the following issues as the main challenges:

- a) The talent management strategy must be in line with the business strategy. If the two are not in sync, the identification and selection of talent will be difficult. The talent that the company desires to attract should be relevant to business strategy and should be talent that can deliver on company strategy.
- b) The company must define what is meant by talent. It must be clear about what do they consider as talent. The company must form a definition based on its needs and objectives.
- c) Constant and continuous communication of the talent management strategy within the organisation, as well as and similar communication to external stakeholders, such as recruitment agencies, potential talent and so forth.
- d) There must be consistency and transparency in the process of identification and selection of talent; else there will not be support in the whole organisation, thus causing the process to lose credibility.
- e) Remuneration and reward structures must be market related and reviewed in order to meet the needs of different talent segments. A uniform approach in rewarding talent proves to be a challenge because talent segments are unique and their needs are different. A new graduate, who has recently joined the company, will have different remuneration/reward needs as compared to a 60-year-old company veteran, who is about to retire.

Respondents in senior management stated that the challenge is that of time. They stated that there are always daily business pressures which lead to managers not spending enough time looking for and discovering hidden talents in their people. There is not enough engagement between managers and staff. Another challenge is that some leaders and managers only consider a person talented if they have the same traits and cultural background as themselves. This is evident in the example of managers only hiring people

who are of the same race and gender.

Yet another challenge is that of managers who do not want to have honest and open discussions with their people about where they feature in the talent grid. Another challenge is that there is a shortage of skills within the insurance sector. This is because the insurance industry is competing with other sectors of the economy for the same talent, and short-term insurance also suffers from an image problem. It is not considered as attractive when compared to other industries, such as investment banking and asset management, especially for graduates.

Lastly, they mentioned that the company does not reward managers that spend time on the identification of talent. Managers therefore feel that they are wasting their time on something that they are not going to be rewarded for, and will rather spend time on something that has a direct benefit on their pockets.

The respondent at professional level felt strongly that the ego and insecurity of managers makes it difficult in the identification and selection of talent. They feel that managers are threatened by people who are ambitious and talented. They feel that managers do not have a transparent process in the identification and selection of talent, and rather of the opinion that the whole process is about favouritism. The other challenge is that managers want to keep people in the same role, even when the person is ready for another challenge to develop other skills. They also strongly feel that given the company's culture of non-tolerance or forgiveness of mistakes, a lot of talented people play it safe and do not dare do something that could jeopardise their careers. Due to this culture, the company loses out on identifying talented people because the talent does not reveal its true capability. Some even decide to leave the company and apply its talent somewhere else.

#### **4.5.2 Challenges in developing and retaining talent**

The top management said the process of talent management is like a continuous chain; if one process within the talent management system fails, it will impact on the other subsequent processes. Therefore, the mentioned challenges in the identification and selection of talent will impact on retaining and developing talent, if not addressed.

The challenges that top management mentioned in developing talent is that the organisation does not make adequate time to develop talent and lack of opportunities for the talent to be rotated within the organisation because managers are not willing to let go of their talented people. They also mentioned that the attitude of managers towards development has a large impact on the development of talent. When it comes to retaining talent, top management mentioned the culture of the organisation, remuneration and rewards, intellectually-challenging jobs, communication and opportunities for advancement.. All the mentioned challenges on retaining talent are not mutually exclusive. They need to be concurrent because one can be good in all except one, which will still cause your talent to leave.

Lastly, top management held that the key to all the challenges is leadership. If leadership is visible and sincere, nothing is impossible in developing and retaining talent.

The senior management echoed similar views as that of top management, except they added that until the talent management strategy of the organisation is very clear, linked properly to business strategy and communicated throughout the organisation, the company will continue to struggle in developing and retaining talent.

The professionals concurred with the challenges that have already been mentioned by both top and senior management respondents. I will present their responses in more detail since they are the ones who are directly impacted:

- a) Lack of opportunity for development: The professionals complained

that managers do not release people from work in order to attend courses. The common excuses being that if they are not at work, it will impact on customers and deadlines will not be met;

- b) Levels of work: The professionals also find that managers do not work according to their level of work; managers tend to work at levels below where they supposedly should be. This creates conflict between managers and direct report. Managers working at such lower levels deprive development for professionals because they cannot learn or apply skills that they have acquired through training.
- c) Homogenous approach to development: Professionals feel that development programmes are not tailor-made to suit individual needs. The company uses a homogenous approach to development, which they feel is not effective as it does not take into account the skills and experience of each talent.
- d) Diversity management and culture: Managers need to be educated and trained about the benefits of diversity. Managers still believe that people who are the same as them are talent. The culture of the organisation must also change to accommodate other people's backgrounds and cultures.
- e) Rewards and recognition: The lack of flexibility in the rewards system of the company is seen as one of the challenges in retaining talent. One of the respondent mentioned that as a young professional, it is important to her to have a work-life balance. Instead of being rewarded with more money, she would prefer more time off from work, depending on the company needs.
- f) Lack of clear talent management strategy: The respondents also mentioned that they often do not know what the talent management strategy of the company is, or even if the company considers there to be talent.
- g) Leadership: There is no visible leadership from the top when it comes

to talent management. The professionals are of the opinion that this lack of visible leadership limits the success of talent management. The company has great leaders in terms of execution of the company strategy, but they need to improve on engagement and inspiring qualities.

- h) Desire to work for a successful organisation: The professionals said that one of the major reasons they are still working for the company is that the company is very successful in terms of its financial position and market leadership. According to them, they are attracted to work and remain with a successful organisation because they believe success breeds success.

#### **4.5.3 Challenges in measuring talent benefits**

All the respondents in the research stated that it is impossible to measure benefits of talent management within the company because the objectives and strategy of talent management has not been agreed and communicated to all. No targets have been agreed on, and therefore one cannot measure or evaluate something where goals have not yet been set.

#### **4.6 Results pertaining to Research Question 4**

This section contains the last research question. This can be viewed in Appendix A.

The main aim of this question was to get the respondents opinion on what they consider to be key success factors in talent management. The questions were structured in such way as to probe the role of the Chief Executive Officer (CEO), and top management as key success factors in talent management. Further, these questions were designed to get the respondents' view on the role of transparency, and other key success factors in talent management.

#### **4.6.1 The involvement of the CEO and top management is the key to a successful talent management programme**

As commented by one of the top managers about the importance of the involvement of CEO and his executives: “It is leadership, leadership and leadership that is the key to a successful talent management programme.”

The top management said that the rest of the organisation looks up to the CEO and his leadership as to the direction of the company. Therefore, if the involvement of the CEO is not seen and felt, the talent management programme will ultimately fail.

The CEO and his executive must own and sponsor the programme and view it as their collective responsibility. They should walk the talk, and realise that people follow the actions of their leaders, and that if leaders do not follow their words with actions, the people will do the same.

In the opinion of the senior management respondents, any strategy that does not have the backing of the CEO is bound to fail. They argue that a talent management strategy is supposed to be linked to business strategy and therefore, it deserves similar attention. The CEO should be measured on a talent management strategy, as it is done on company strategy. They believe that if the CEO is measured on a talent management strategy, he will make it part of his executives’ key performance indicators, resulting in a ripple effect down to the rest of the organisation. The professionals share the same sentiment as that articulated by the top and senior management respondents.

#### **4.6.2 Transparency in talent management**

Transparency builds trusts and brings cohesion to the organisation. According to top and senior management, cohesion becomes even more critical when it impacts directly on the well being of the talent within the organisation. Transparency and communication are two sides of the same coin, and in the opinion of the top and senior management, one cannot communicate truthfully without being transparent. In order to have an effective and successful talent

management system, transparency is very important, since one is dealing with people who are intelligent and who will know if something is hidden from them.

By being transparent, the organisation needs to understand that it comes with responsibilities. It will also need to accept feedback, even when is not pleasant and also manage expectations. However, one respondent mentioned that the benefits far outweigh not being transparent. The current view within the organisation is that the company is not transparent enough about the whole talent management practices; people are not aware about where they feature in the organisation's talent pool. Frank and honest discussion is lacking.

The professionals hold the view that transparency will bring credibility to the talent management programme, and also support from talent. They further mentioned that transparency brings about level playing fields, and everybody gets an equal opportunity to know where they fit in within the company's talent management programme.

#### **4.6.3 Other key success factors in talent management**

The responses on the other key success factors were similar from all the respondents and are discussed below:

- a) Experts – The respondents suggested that the use of outside experts will greatly assist in the formulation of a talent management strategy and its implementation;
- b) Share and benchmarking – The company should share information on talent management with other companies that are not competing directly with the company in order that the company can learn from their best practices and vice versa. Information sharing can also benchmark the company;
- c) Use of talent pools – The company has defined everyone within the organisation as talent, but talent is not homogenous. The suggestion is

that the company segments its talent so that it can be in a position to meet the needs of talent. The caution is that in the process of creating talent pools, the company should use objective methods and transparency should be visible.

#### 4.7 Conclusion to research questions findings

The common theme that has emerged from these research questions is that the company has talent management, as a tool to achieve its company goals, but from respondents' answers, the company does not yet have the best practices in talent management, as suggested by the literature in Chapter Two. Table 7 reflects the summary of findings of the respondents, as well as company documents.

**Table 7 Summary of findings from respondents and company documents**

	<b>Research Question 1</b>	
<b>Talent Practice</b>	<b>Respondents</b>	<b>Literature</b>
Definition of Talent	Intelligent, can-do attitude, innovative, ability to influence, passionate, dedicate, possesses knowledge	Those individuals who make considerable difference in business performance
Talent Management	Attracting, developing and retaining people required to fulfil company objectives	Attracting, developing and retaining people who drive company performance
Talent Strategy vs. Business Strategy	Company documents show that talent strategy was developed to link to business strategy, but in practice, it is not linked and this is the view of respondents	Talent strategy must be linked to business strategy
Ownership of Talent Management	It is viewed as the responsibility of the Human Resources Department	Ownership is by the organisation, starting with CEO and top management

Communication	Lack of communication about the talent management practices	Communication is one of the keys to successful talent management
<b>Talent Practice</b> Measuring Benefits of TM	<b>Research Question 2</b> <b>Respondents</b> Company does not have a company-wide tool to measure talent benefits	<b>Literature</b> Companies need to create own dashboard of metrics and measures
<b>Talent Practice</b> Challenges of TM	<b>Research Question 3</b> <b>Respondents</b> <ul style="list-style-type: none"> <li>• Use of the term, ‘talent,’</li> <li>• Importance of TM strategy to business strategies</li> <li>• Training and development opportunities</li> <li>• Remuneration and reward</li> <li>• Lack of support from managers</li> <li>• Organisational culture</li> <li>• Lack of processes in implementation</li> </ul>	<b>Literature</b> <ul style="list-style-type: none"> <li>• Clear definition of term used</li> <li>• TM is not seen as important as business strategy</li> <li>• Sharing of talent for development</li> <li>• Support starts from top to rest of organisation</li> <li>• Lack of linkage between processes</li> </ul>
<b>Talent Practice</b> Involvement of CEO	<b>Research Question 4</b> <b>Respondents</b> The process is driven by the Human Resources Department	<b>Literature</b> Accountability rests with the CEO
Transparency	There is a lack of transparency about the TM of the organisation	Transparency is one of the key success factors in TM
Talent Reviews and Talent Pools	Respondents are not aware of company formal talent reviews	Companies must conduct regular reviews of its TM

## **CHAPTER 5: DISCUSSION OF THE RESULTS**

### **5.1 Introduction**

In Chapter 4, the results of the research findings were presented with regards to talent management practices in a South African insurance company. Each of the four research questions will be analysed and interpreted using the findings from the interviews, such as the responses from top management, senior management and professionals, company documents and literature, as reviewed in Chapter Two. This will be done alongside the researcher's own knowledge and interpretation of the data.

### **5.2 Research Question 1: Why should talent management practices be linked to business strategy?**

#### **5.2.1 Definition of talent**

The top management, senior management and professionals agreed that talent workers possess the following attributes or characteristics: They are go-getters with a can-do attitude, they take initiative, are passionate and ambitious, have the ability to influence, are inquisitive, independent, like to acquire new knowledge, enjoy challenges, and take risks to achieve personal and company goals. The attributes mentioned by the respondents are replicas to the attributes mentioned in the literature by various authors (Chowdhury: 2001, Creelman: 2004 and Morton: 2005).

Notwithstanding the above mentioned attributes, the company and respondents still define everyone within the organisation as talent, which is in contradiction with the definition of talent as key individuals or contributors to the organisation's performance (Thompson: 2003, Davidson: 2004, Morton: 2005 and Hansen: 2007). The respondents and the company believe that everyone is talent that needs nurturing. This is based on the belief that the focus should not only be on the highflyers, but also on one's capable and

steady performers, who also contribute to the success of the organisation. According to one of the senior managers, “There is a misconception that talent is only highflyers. Everybody has talent that needs to be found and nurtured.” In the researcher’s opinion, there is nothing wrong for the company to regard everybody as talent, as several authors have emphasised. The contribution of one’s so-called B-players, who are capable and also the majority of the workforce, is important (DeLong and Vijayaraghavan, 2003; Guthridge, Komm and Lawson, 2008). It is an advantage the company to consider everyone as talent because the organisation will then not alienate the rest of the employees by only focusing on the highflyers. This is supported by the research that has been done by several authors (DeLong and Vijayaraghavan, 2003) who have found that long-term performance of companies depends more on the unsung commitment and contribution of B-players. They are the best supporting actors of the business world.

### **5.2.2 Definition of talent management**

All the respondents described talent management as the process of attracting, developing and retaining talent. This is in agreement with the company’s description of talent management. The company views the talent management process as a means to ensure that the right skills and competencies are available to achieve its strategic objectives, and to achieve its goal of becoming an employer of choice within the financial services industry. In addition to attracting, developing and retaining talent, the company talent management strategy also takes into account performance, culture, tailored value-packages and succession planning.

In comparing the respondents and company’s definition of talent management to literature, it is in agreement with (Creelman, 2004; Knetz and et al, 2004; Mucha, 2004; Duttagupta, 2005) and also with (McCauley and Wakefield, 2006), who recognises that talent management includes succession planning, talent gap analysis and workforce planning.

### **5.2.3 Company talent management practices**

In this section, the research findings of the company talent management practices and human resources role in talent management will be discussed and analysed respectively.

#### **5.2.3.1 Implementation of talent management strategy**

There were three negative themes that come out strongly from the respondents regarding the implementation of the company talent management practices. These are as follows:

a) Linking of company strategy to talent management practices:

The company has a detailed talent management strategy, entitled, 'Igniting Human Capital,' which was developed specifically to link to company business strategy and to assist the company in achieving its vision and objectives.

The top and senior management team are aware of the company's talent management strategy and acknowledge that it has been developed to support the company strategy, but the challenge has been the execution. They also agree on the importance of linking talent management strategy to company strategy, and feel that if the two are not linked, it will lead to the failure of the company's talent management strategy. As they have already mentioned, the challenge is implementation and at the moment the implementation is in pockets within the organisation and still seen as the responsibility of the human resources department.

The linking of the company talent management strategy to business strategy is in line with (Farley, 2005), who claims that a talent management strategy that is linked to business goals is the critical building block for effective talent management.

The professionals are the least aware of the company's talent management strategy. They think that the company does not have any talent management strategies since they have not seen any. They believe

it is only driven by individual managers, who have a passion for talent management. According to (Dutttagupta, 2005), companies that have a winning talent management strategy, have a strategy that is based on the principle of fully engaging talent. Talent is not fully engaged at the company.

b) Ownership of talent management strategy from top management to line managers

The top management take ownership of company strategy once it has been agreed at board level and the same should apply for a talent management strategy. However, the concern from respondents is that the ownership of talent management within the organisation still rests with the human resources department. Respondents see this as one of the problems in the execution of talent strategy. The professionals feel that top and senior management have not taken ownership, and only limited managers have supported and championed talent strategy within their areas of responsibility. The top and senior management respondents concur on the views of the professionals, and acknowledge that the collective ownership of a talent management strategy within their ranks is not visible. Based on the views of the respondents, the company is not following the best practices, as discovered by (Heinen and O'Neill, 2004; McCauley and Wakefield, 2006) that the companies that excel in talent management are the ones where the ownership of talent management rests with the CEO and his senior executives.

c) Communication

The lack of communication was repeatedly mentioned by the professional respondents as an area of concern. The professional respondent said that there is not communication of a talent strategy from the CEO and his top management team. The only communication is from the human resources department, even though this communication is more reactive than proactive. They also mentioned that, even with their immediate line managers, there is very little communication about a talent management

strategy.

#### **5.2.4 The human resources department's role in talent management strategy**

The top and senior management respondents demand that the human resources department must play a critical role in the successful implementation of a talent management strategy. The consensus is that the human resources department should be a strategic partner to business and align business strategy. The view from top and senior management is that the human resources department has improved in the past few years in order to play a strategic role, other than being effective at operational and administrative level, although there are gaps that need to be filled by human resources department to be seen as a full, strategic partner. The human resources department also acknowledged that its current strategic goal is to achieve full business partnership

The professionals are of the same opinion. The views held by the respondents, that human resources must be a partner, are in line with that of (Goode, 2005), who states that HR must be a partner to business, and make a significant contribution to strategy and its implementation.

### **5.3 Research Question 2: What are the benefits of talent management?**

#### **5.3.1 Benefits of talent management for the organisation**

From top management to professional respondents, the view is held that talent management has huge benefits for the organisation, given that the company does not manufacture products, but provide a service that is highly dependant on the capability of the intellectual capital at its disposal. They believe that the company has benefited since the implementation of talent management, but the challenge has been that the company has not developed a company-wide measuring tool to measure talent benefits. The

financial benefits that they mentioned are increase in turnover and profits, increase in turnover and sales per employee. This is in line with research conducted by (Huselid, 1995; Wyatt, 2003; Accenture, 2005), where companies that have excellent talent management, achieve superior financial results. They also mentioned that, besides the financial benefits, there are other indirect financial benefits that contribute to the effectiveness of the organisation. Such indirect financial benefits are the creation of a high performance, lower staff turnover, increase in the talent pool, as well as the in staff morale and motivation.

To enrich the analysis, the researcher also investigated the company's financial performance since the implementation of a talent management strategy in 2008. In addition, the researcher also looked at the company's performance in the Best Company To Work For (BCTWF) survey, conducted by the Financial Mail and Deloitte, including the survey undertaken by the Financial Intermediary Association (FIA) for the best short-term insurer. The financial performance is presented in Table 8. The researcher was only interested in two financial variables, namely premium income and profit before tax. The achievement of the company in BCTWF and FIA surveys is discussed after the financial performance analysis.

**Table 8, Financial Performance of the Company - 2007 to 2009**

<b>Financial Performance from 2007 to 2009</b>			
<b>Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Premium Income</b>	100	108	106
<b>Profit before Tax</b>	100	43	196

As reflected in Table 8, 2007 is the base year and the company achieved

premium growth of 8%, 6% for 2008 and 2009 respectively. The profit before tax decreased in 2008 by 57% and increased by 96% in 2009. The results are mixed with revenue showing growth from year to year, but profit before tax show a huge decrease and then a huge increase. It is the researcher's view that it is still too early to establish the impact of talent management in the company's financial performance, because two years is too short, and the global, economic crisis, initiated in 2008, is still being felt in 2009. This has had a direct impact on financial performance (Lane, 2010).

In the BCTWF surveys of 2007 to 2009, the company achieved the following overall ranking in the large category. These are companies ranked according to size:

2007 – 3<sup>rd</sup> position

2008 – 2<sup>nd</sup> position

2009 – 1<sup>st</sup> position

This is an excellent achievement for the company, and since the questions asked in the survey are relevant to talent management, it means the company is doing something right in the talent management field. Next is the sample of dimensions that are asked in the BCTWF survey. These are recognition, rewards, management style, values and culture, leadership, innovation, training and development, communication and performance management.

In 2009, the company also won a number of accolades, including the Financial Intermediary Association (FIA) award as best short-term insurer in personal lines, commercial lines and corporate lines. The awards are awarded by insurance brokers/intermediaries to insurers that they deem are of high quality in terms of service and product. In the same year 2009, customers voted the company as the top short-term insurer in the country, and second best company overall in terms of exceptional customer service in the Ask Afrika Orange Index Service Excellence survey 2009.

In the researcher's opinion and conclusion, the company would not have

achieved the above-mentioned accolades if it was not looking after the interests of its employees, and did not have good talent within it. The company has shown consistent improvement in the BCTWF survey, improving its overall performance each year. In 2009, it also won a number of awards, as voted by its stakeholders. The researcher acknowledges that one can not judge company performance on only one year's performance for awards. Other than the BCTWF survey, the performance needs to be tracked over a period of time to establish if it consistent and sustainable.

### **5.3.2 Benefits of talent management for the talent**

The respondents from the professional level are very positive about the benefits of talent management that accrue to individuals on the talent management programme. Referring to themselves, they said that they have benefited in a number of company initiatives, although it has not been clearly communicated if these initiatives are part of a talent programme. They mentioned the following benefits from different company initiatives:

- a) They have build new networks of people that they can contact within the organisation, if they need assistance or advice, should the need arise. These are the new contacts that they have met in the training sessions.
- b) The fact that the company offers them with opportunities for training and development, has improved their morale and learning, and they believe the company cares.
- c) They have learned new skills, especially on the leadership programmes that have improved their skill in interacting with colleagues and subordinates.
- d) The training has built up their confidence, and they are now willing to take on more responsibility.
- e) Some of the professionals have been lucky enough to be in the company's first mentorship programme that was introduced at the

beginning of 2009. So far, they have benefited by being assigned to senior managers as their mentors, and this has given them an opportunity to interact with the leadership of the organisation.

It is clear from the professionals' responses that talent management has benefits for the participants, but they complain that it is sometimes the company's initiatives that are not tailor made to suit participant needs, and that there is lack of communication and clarity about the talent management strategy. It is the researcher view that the company needs to communicate clearly and involve its talent (Ulrich, 1997). The responses of top and senior management are congruent with the professionals about the benefits to participants in the talent management programme, but again they mentioned that there is still a lack of communication and ownership of a talent management strategy by business.

### **5.4 Research Question 3: What are the issues and challenges in implementing talent management practices?**

#### **5.4.1 Challenges in the identification and selection of talent**

The respondents mentioned challenges in the form of various activities that are associated with identification and selection of talent. Such mentioned challenges were on linking of a talent strategy to company strategy, defining talent by the organisation, managers' lack of time spent on talent management, lack of engagement with staff by managers, and lack of transparency. The mentioned challenges are not unique to this organisation and are much similar to other organisations who have implemented talent management, as seen in company case studies conducted by (Romans et al., 2006; Pepe, 2007).

#### **5.4.2 Challenges in developing and retaining talent**

The same challenges were again mentioned in the identification and selection of talent. In addition, the following was also cited as challenges: Lack of

ownership and visibility of leadership, opportunity for development, homogenous approach to talent, lack of communication, and an inflexible rewards and recognition system. These mentioned challenges are the same as that which is found in the literature (Walker and LaRocco, 2002; CorporateResearchForum, 2007; Kirkland, 2007).

The professionals were the most vociferous about the challenges which the company needs to view as blessing because it showed that they are passionate about the organisation and willing to assist the organisation in the implementation a successful talent management system. The researcher also appreciated the honesty of the top and senior management about the challenges with regards to the implementation of a talent strategy.

#### **5.4.3 Challenges in measuring talent benefits**

The top and senior management admitted that they do not have the metrics or tools standard within the organisation to measure the impact of talent management benefits. They agreed that this needs to be addressed as soon as possible else they cannot manage what they cannot measure.

(Jamrog and Overholt, 2004) suggest that organisations need to create their own relevant dashboard of metrics and measures to measure the impact of talent management interventions.

### **5.5 Research Question 4: What are the key success factors in talent management practices?**

#### **5.5.1 The involvement of the CEO and top management is the key to a successful talent management programme**

(Heinen and O'Neill, 2004; Morton, 2004) argue that, for an organisation to have a successful talent management programme, the CEO and his top management must own the programme and be actively involved. This is in concurrence with the view raised by the respondents. They argued that

people follow the actions of leadership.

The respondents feel that there is lack of ownership from top leadership and they argue that this lack of ownership is affecting the successful implementation of the programme.

### **5.5.2 Transparency in talent management**

One of the company's core values is transparency between the organisation and its employees. However, judging by the respondents answers, there seems to be a lack of transparency on the company's talent management strategy, especially from the respondents who are below middle management. The professionals were more uninformed about the company's talent strategy as compared to top and senior management. The respondents from the professional level said that they regard the company's leadership as honest and having integrity, but sometimes they do not communicate enough, causing the perception of non-transparency. Transparency is considered one of the best practices in talent management (Ashton and Bellis, 2003).

### **5.5.3 Other key success factors in talent management**

The respondents suggested the use of experts in talent management, benchmarking and segmentation of talent as other key success factors in talent management, in addition to the other key success factors, as found in the literature. These factors are in line with the studies conducted by (Morton, 2004; Mucha, 2004).

## **5.6 Conclusion**

The focus of the study was to investigate the talent management practices of this organisation. Multiple sources of data were used to conduct the study, and these included literature, interviews and company documents. Based on the findings of the study, the company does not yet have the best practices of talent management, as suggested in the literature, and the areas of

weaknesses were highlighted in Table 7. The researcher believes that it can overcome these challenges and have one of the best talent management practices.

# **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

## **6.1 Introduction**

This chapter presents the summary of the research findings, recommendations to stakeholders and suggestions for further research. The objective of this research was to investigate talent management practices in a South African insurance company.

In the end, the objective of the research was achieved in that the researcher gained a deeper understanding of the talent management practices of this organisation, based on the responses from the respondents chosen to participate in the research, as well as from company documents. The research highlighted the area where the company was excelling and where the company was weak in its implementation of talent management practices within the organisation.

## **6.2 Conclusions of the study**

The objective of talent management is to attract, develop and retain talent. Research shows that talent management has the potential to increase the company's competitive edge and those companies who have excellent talent management practices consistently produce above-average financial performance. The objective of this research was to investigate talent management practices at this organisation. The findings highlighted a number of concerns when it comes to the actual practices, but the planning of talent management by the organisation are in line with the suggestions from literature. The major concerns notes through this research were as follows:

- Lack of ownership of talent management by the CEO and his/her top management;
- The company has an excellent talent management strategy, execution

is the problem;

- Concern about the lack of communication about talent management throughout the organisation;
- Transparency was raised as a concern because respondents feel that the company is not truthful when it states that everybody is talent, because everybody is not treated equally in terms of development opportunities;
- Most managers do not view talent management as part of their responsibility, but rather the responsibility of the human resources department;
- Managers are not measured on how they manage their talent;

The organisation has very well-documented talent management practices that are linked to company strategy and human resources processes and system, but the challenge lies in the implementation;

It is the conclusion of this researcher that if the company can address the above-mentioned concerns, it will be on the right path to achieving excellent talent management practices. The company has consistently improved its ranking in the Best Company to Work For Survey, since it chose to implement talent management, but if it does not address the concerns raised by the respondents and does not adopt the best practices, as suggested by the literature, it is likely that its talent management strategy will fail in the long run.

## **6.3 Recommendations**

### **6.3.1 Recommendations to management**

- The ownership should rest with the CEO and his top team. It should then be supported by the human resources department;

- The accountability and responsibility of talent management practices should be enforced. Managers should own and be responsible in managing their own talent, and there should be consequences for non-performance.
- Talent management practices should constantly be reviews as the company strategies change, and both must be in line.
- The company must develop standard measuring tools to measure talent management benefits, in order to measure the impact of talent management to business performance.
- Although the company considers everyone as talent, it is important for the company to know which talent is critical in achieving its objective. The company should consider having talent pools so that it can manage its talent more effectively.

## **6.4 Suggestions for further research**

Based on the findings of the research and the literature review, the following is recommended for further research:

- The study was conducted with a very small sample from only the Gauteng province. It is suggested that the research be conducted to include other regions, as this will assist in generalising the research results.
- The impact of talent management practices to the company's financial performance should be researched
- Follow-up research to measure the long-term effectiveness of talent management should be conducted, as this research was done during the initial implementation of talent management practices.
- Similar research should be conducted in another company within the

same industry. This will assist in comparison and benchmarking.

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# **APPENDIX A**

## **Interview Schedule**

### **Section A: Introductions:**

- The researcher introduces himself and clarifies the purpose of the research.
- Before the interview commences, the researcher confirms approval to conduct the interview, and explains confidentiality and request to use an electronic tape recorder.

### **Section B: Respondent Demographic Data:**

- Position
- Job Grade
- Length of Service
- Gender
- Business Unit

### **Section C: Research Questions:**

#### **Research Question 1: Why should talent management practices be linked to business strategy?**

- a. What is your understanding of talent management?
- b. Can you describe talent management within Santam?
- c. How is the talent management practice of Santam linked to business strategy?
- d. Describe how talent management practice is linked to HR objectives and strategies?

- e. How often is talent management strategy reviewed?
- f. Describe how talent management is driven in the organisation?
- g. What tools are at your disposal to measure and monitor talent management strategy?
- h. In your view, is it clear who is accountable for talent management strategy?

**Research Question 2: What are the benefits of talent management?**

- a. What organisational benefits have you seen from talent management strategy (i.e. financial and non-financial)?
- b. What individual benefits have you seen for those who have been on a talent management programme?

**Research Question 3: What are the issues and challenges in implementing talent management?**

- a. What are the challenges of identification and selection of talent?
- b. What are the challenges of retaining talent?
- c. Do you have challenges in measuring talent management benefits?
- d. What are other challenges in implementing talent management?

**Research Question 4: What are the key success factors in talent management practices?**

- a. Is the involvement of the CEO and senior management key to a successful talent management programme? Please explain why.
- b. Do you think transparency in talent management is critical?
- c. What other key factors do you think are important in talent management?

# APPENDIX B

## Talent Management Process of the Company

### Talent Management Process

