

EVALUATION OF A TALENT MANAGEMENT SYSTEM WITHIN A SOUTH AFRICAN ORGANISATION

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ABSTRACT

The combination of highly mobile talent workers and the turbulent economy places more responsibility on organisations to be proactive in managing their human capital through an effective talent management system. The ability to identify, recruit, develop and retain the best staff can create continuous value for stakeholders and can give an organisation a competitive advantage. Thus every organisation needs to understand talent workers in terms of what they think, what they want, what they are willing to contribute, and what they expect in return. The purpose of this research was to identify the elements of a talent management system, and factors that contribute to its effectiveness through an investigation of a system in place at a South African organisation within the food and beverage industry.

A qualitative research methodology was used and this allowed the researcher to conduct unstructured interviews with both management and talent workers. The researcher was able to interact with them in their natural setting so as to make sense of and interpret phenomena in terms of the meaning people bring to the phenomena. The data was subjected to content analysis. Factors which emerged as important for talent workers were compared with factors that managers thought were most effective in identifying, recruiting, developing and retaining critical talent. These results were cross checked against other qualitative data sources such as policies and best practice.

The interpretation of results revealed that this organisation's talent management system has the following elements: identifying talent workers from within, identifying talent workers from outside, managing and developing talent workers, and retaining talent workers. A combination of the following factors: talent friendly organisation, communication, career advancement opportunities, strong presence in the market place, an A-list reward system, clearly set goals, effective performance management, training, visible and caring leadership, high performance teams and results-driven culture lead to the effectiveness of this organisation's talent management system.

DECLARATION

I, Zimasa Sibongile Shadinah Koyana, declare that this research report is my own work. It is submitted in partial fulfilment of 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 in any other university.

Zimasa Sibongile Shadinah Koyana (nee Mehlomakulu)

Signed at _____

On the _____ day of _____ 2007

DEDICATION

In loving memory of my father Godfrey Lwazi Sabelo Mehlomakulu, and my grandparents Mzimkhulu and Shedinah Mehlomakulu, George and Regina Tontsi,

and

To Thelma Nomhlotshazana Mdlalana, my Grade 5 teacher who saw an enormous *talent* in me.

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LIST OF ABBREVIATIONS

CEO – Chief Executive Officer

CTO – Chief Talent Officer

HR – Human Resources

HRM – Human Resources Management

TM – Talent Management

TMS – Talent Management System

CHAPTER 1

1 Introduction to the research

The purpose of this research is to identify the elements of a talent management system and factors that contribute to its effectiveness through an investigation of a system in place at a South African organisation within the food and beverage industry.

1.1 Background and context of the study

Organisations in South Africa and around the world are faced with increasing competition and a rapidly changing environment (Fredman, 2003; Berger & Berger, 2004). The rise in globalisation and rapid pace of technology has created an environment in which the basis of competition has changed (Fredman, 2003). Quality is now the cost of entry rather than a point of differentiation as it only provides some competitive advantage in the short run. Superiority in the long run comes from the human element and managerial expertise of talented people (Fredman, 2003). "Attracting, and retaining intellectual capital, a cadre of highly skilled, independent, internationally marketable and mobile individuals is thus a critical feature of globalisation" (Sutherland, Torricelli & Karg, 2002:13). Organisations in South Africa and around the world thus need talented people who can create organisations who are responsive and flexible enough to address a rapidly changing market in a global economy (Financial Mail, 2006).

South Africa, like the rest of the world, is faced with another challenge of globalisation; competition for a limited supply of talented workers. According to Wall and Aijala (2004), despite millions of unemployed workers, there is a real shortage of talented workers or "critical talent". The demand for people who possess highly developed skills and deep knowledge, not just for the work itself but who also know how to make things happen, exceeds their supply (Wall & Aijala, 2004). Thus finding and keeping people with the vision and commitment to create and execute a

strategy is difficult (Frank & Taylor, 2004). The growing demand for a more skilled labour force is therefore not unique to South Africa (Foley & Swartz, 1996). All around the world, the skills shortage is fuelled by how organisations are structured, amongst other things.

The way in which today's organisations are structured creates a huge demand for more flexible, responsive, horizontal and team-based employees (Foley & Swartz, 1996). Such organisations are looking and fighting for talent that is creative and innovative, able to cope with change, and capable is able of fitting into the organisation (Foley & Swartz, 1996).

In South Africa, it is however important to note that the skills shortage is worse than in most parts of the world, especially amongst blacks "...owing to [the] past policy of separate development to educate for inequality and inferiority" (Foley & Swartz, 1996:34). According to the Financial Mail (2005:22) the apartheid era has created a "a mismatch in terms of demand and supply of labour both in the public and private sector in terms of training and qualification against available vacancies". The apartheid era was therefore a major contributor to this problem. The many years of apartheid excluded a majority of South African from accessing higher education and from participating in formal employment. The majority of those who were in formal employment at the time could not progress to management level (Maisela, 2001; Qondashe, 2001). This is now a major challenge in that even though a lot of companies "...are anxious to recruit well qualified, competent black graduates" (Foley & Swartz, 1996: 34), there is a shortage. The skills shortage is also fuelled by the fact that thousands of South Africa's professionals and students are leaving the continent for better prospects in Europe, USA or India as they believe that their chances of career progress and making more money are higher than in South Africa (BBC News, 2004).

As a result of the above challenges, many organisations are now getting involved in bidding wars so as to attract and retain talent (Maisela, 2001). These bidding wars primarily focus on cash incentives such as salaries, bonuses and stock options

(Maisela, 2001). Leading organisations, however, fight these wars differently. They do not bribe their talent to stay by offering them monetary incentives because they know that this alone will not foster long-term commitment (Moos, 2004; Frank & Taylor, 2004).

For them, competition for retention focuses on supporting their key people in things they care about most which are; career development opportunities, recognition, doing work that engages them, learning how to do it better, encountering fresh challenges, interacting with people in a positive way, and work life balance (Moos, 2000; Maisela 2001; Frank & Taylor 2004). These organisations go to surprising lengths to help their talent tap into their core skills and passions (Handfield-Jones, Michaels & Axelrod, 1998).

The results of a study conducted by LBA consulting group in the United States supports the above views as it revealed that there are six human conditions that organisations have to meet in order to create and sustain organisation excellence; viz. "...performance oriented culture, low turnover (particularly in premium employee group), high levels of employee satisfaction, a cadre of qualified replacements, effective investment in employee compensation and development, and the use of institutional competencies (success factors in employee selection and performance evaluation process)" (Berger & Berger , 2004:3).

Fighting the talent wars this way helps organisations to deal with the third challenge of globalisation, which is the high mobility of talented workers (Moos, 2000). Generally, the best talent workers tend to be the most mobile, and are selective and demanding in choosing their jobs (Moos, 2000). The best and the brightest are no longer looking to stay with the employer for a long period (Maisela, 2001). The Internet has created a flood of new, rich, well resourced companies all hungry for talented people. Big corporations are competing with start up companies for the smartest, most creative staff - now seen as their most vital assets (Lynn, 2000). Intellectual property is now the most important asset of all (Lynn, 2000). The mobility of these talented people is a major concern in that the loss of talented individuals is

costly both in financial and non-financial terms (Kinnear & Sutherland, 2001). The average cost to replace an employee is one and half times their average salary. New candidates can take a year or more to master their jobs. Moreover, a company that focuses on external talent can erode the commitment of internal candidates who perceive a bias against them (Kinnear & Sutherland, 2001).

The above challenges, coupled with the desire to have a long-term competitive advantage, have therefore created considerable pressure on organisations to bring the right expertise to the right place at the right time (Hartley, 2004). Organisations wanting a long-term competitive advantage thus use a talent management system that allows them to identify, attract, manage and keep a leadership talent that is ready, willing and able to meet tomorrow's business challenges (Smith, 2005). "In today's rapidly expanding SA business environment, where skills are scarce and job-hopping commonplace, the ability to find and retain the best staff can make or break a company" (Financial Mail, 2006: 32). Effective talent management happens when there is a coherent and well considered talent management system in place that has strategic goals and imperatives that are vested in everyday practises of management and employees (Frank & Taylor, 2004). The Financial Mail runs a survey on "The best company to work for". By doing this, they are hoping to "raise awareness amongst employers of the need to become an employer of choice" as this would assist in acquiring and retaining people who have the critical skills that are needed by the business to move forward (Financial Mail, 2006:38).

In summary, three key concerns arise that have led to this research:

- South Africa and the new world of work: Globalisation necessitates employees that are able to consistently realign their organisations with the forever changing environment and who are able to bring new perspectives to the workplace.
- Skills shortage: Retaining people with the right skills, vision and commitment to create and execute a strategy is difficult due to a small talent pool.
- High employee turnover: High turnover is costly and thus impacts negatively on

the success of the business. Employee departure affects morale and performance within organisations.

1.2 Problem statement

To identify the elements of the talent management system and factors that contribute to its effectiveness within an organisation in the food and beverage industry.

1.2.1 Sub-problems

- Identify the elements of the talent management system within an organisation in the food and beverage industry.
- Identify the factors that contribute to the effectiveness of a talent management system of an organisation in the food and beverage industry.

1.3 Significance and relevance of the study

A review of literature on talent management systems showed that a vast body of literature exists on this subject; e.g. Handfield-Jones *et al.* (1998), Lynn (2000), Chowdhury (2001), Morton (2004) and Duttagupta (2005). However, very little exists on the elements and factors that could lead to the effectiveness of a talent management system within a South African organisation.

This research therefore aims to establish what the elements of this system are, and what factors lead to the effectiveness of a talent management system within an organisation within the food and beverage industry. Factors used to identify, attract, develop and retain critical talent in the organisation will be used as indicators of an effective talent management system. In understanding these factors, organisations can begin to understand the needs of talent workers and how their retention within the organisation can be enhanced.

Thus the research will thus focus on the following factors relating to talent

management systems:

- The elements of a talent management system within the organisation under study.
- The most important factors which influence the decision by talent workers to join and stay within the organisations.
- The extent to which the organisation under study emphasises those factors which talent workers have identified as enhancing their commitment to the organisation.

The research has significant management implications. The results should be useful for any organisation employing talent workers for a number of reasons, namely:

- To increase the understanding of what talent workers need to remain committed to an organisation.
- To develop practices that meet the needs of talent workers, thereby improving the retention of these employees.
- To enable South African employers of talent workers to compete with international employers in retaining their knowledge base.
- To increase the academic insights into the area of talent management and employee retention within the food and beverage industry.

1.4 Assumptions

This initiative is part of the broader organisational strategy and it aims to assist the organisation in meeting its business objectives.

There are clear guiding principles that are being followed by talent managers on transparency, consistency and commitment to the process.

There is clarity of expectations from both the talent managers and the talent

employees.

There is a clear understanding that being on the talent pool is not 'membership for life' as it is dependent on performance.

1.5 Scope and limitations of this research

1.5.1 Research subject

The organisation under study is an international organisation which has its origins in South Africa. It operates within the food and the beverage industry, also known as the consumer industry. Within this industry, it has operations in over 40 countries, has more brands in the world's top 50 in its industry, and is ranked among the top three in its industry.

In South Africa it has been judged as the best company to work for, and internationally, it is one of the handful of companies judged "exemplary practice partners for employment practices, talent development and acquisition"(Company website, 2006).

1.5.2 Human capital competitiveness of the research subject

It is the aim of the group to be the employer of choice in each country in which it operates. In order to achieve this, the company has employment policies which are appropriate to its business and markets and which attract, retain and motivate the quality of staff necessary to compete.

This organisation believes that some of its key areas of differentiation are people, processes and its talent. People are seen as the key source of their sustainable competitive edge. The ability to attract, develop and retain the best people is therefore seen as the primary force influencing business strategy. After all, it is people who possess the unique talents and collective wisdom needed to move the business from where it is now, to where it needs to be. The group is therefore

committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

In Southern Africa, there is a special focus on achieving a demographic balance across management grades. Its people strategy is driven by the strategic people resourcing which has as one of its objectives “to value people as a core element of success and competitive capability”(Company website, 2006).

1.5.3 Limitation of the research within the organisation

This research was limited to the “critical talent” within five business units, which are manufacturing, sales and distribution, marketing, finance and research and development. Critical talent in this research is defined as the people who have the skills and the capabilities that are crucial to the current and future success of the organisation. Within these units the researcher focused on professionals as they are key to the success of the business and they are also hard to find and replace.

1.5.4 Limitation of the research in general

Limited generalisation will be made as the research was based only on one organisation and only one criterion was used to define the population for the research. Different organisations and definitions of talent could yield different results.

Sampling method, sample size and the limitations of qualitative research paradigms as discussed in the methodology section could have added further limitations.

1.6 Structure of the research report

Chapter 1 contains a short introduction to the research report. The literature review follows, which is contained in chapter 2. The literature review focuses the elements of a talent management system and on factors that contribute to the success of a talent management system. The research questions which this research proposes to answer are found in chapter 3. The methodology used to answer those questions is

set out in chapter 4.

The methodology consists of:

- Defining the research population.
- The procedure that was used to select a random sample from the population.
- Determining the constructs and the validity of the interview questionnaire used to gather the data needed to answer the research questions.
- The research techniques used to analyse the data.

Chapter 5 contains the outcome of the analysis of the data gathered by means of an interview questionnaire, observations, documents and articles. Chapter 6 contains the interpretation of results and the answers to the research questions.

Chapter 7 contains the conclusions drawn from the research and the areas of new research are identified. The report is concluded with the references and appendices.

CHAPTER 2

2 Literature review

2.1 Introduction

This literature review will focus on what a talent management system is and how it can be used to keep an organisation ahead of the rest. Talent management has proven itself to be that tool used by organisations to develop talented employees so as to achieve its short- and long-term objectives (Frank & Taylor, 2004). It has been developed and adapted throughout the years in response to many changes in the workplace, from the industrial revolution and the rise of labour unions, to affirmative action, globalisation and outsourcing (Frank & Taylor, 2004).

It is based on the notion that to get the best from one's talent workers, and create an energy in one's organisation, talent workers have to be managed in a manner that allows them to realise their true potential (Fredman, 2003). Thus any organisation that wants to optimise its ability to achieve sustainable excellence must “ recognise the need for proactive talent management and have a systematic way of accomplishing the activity” (Berger & Berger, 2004: 3).

Identifying, attracting, developing and retaining talent does not necessarily entail the development of a major new strategy but requires the tweaking of existing capabilities to produce disproportionately large benefits, although some areas may need a fresh approach (Chowdhury, 2001). The starting point is really recognition by the organisation of the value inherent in their human capital and creating an appetite to manage talent properly (Frank & Taylor, 2004) by turning one's organisation into a “talented-centred organisation that proactively searches for new talent, then keeps those people by satisfying their needs, employing and using them effectively, and creating challenging jobs” (People Management, 2006: 69). Management therefore needs to create an environment where talent is recognised and nourished when it presents itself as it is at this point that an organisation can begin to yield the true

potential of its human capital, and to gain real competitive advantage and shareholder value through greater organisational performance (Handfield-Jones *et al.*, 1998).

According to Fredman (2003:1), this is a real competitive advantage in that it is linked to people's intelligence and there is "...one thing competitors can't quickly access, is the brains of one's work force". Thus in today's highly competitive environment, the truly sustainable competitive advantage a company has over its competitors is the quality of its people and the ability to keep its stars. Butler and Waldroop (1999:4) encourage organisations to learn as much as they can about their stars as, "The best way to keep the stars is to know them better than they know themselves and use that information to customise their dreams". Kinner (1999: 18) also states that "with the notion of loyalty as anachronism, organisations wishing to retain their key employees need to understand what determines the commitment of these employees to an organisation".

There are two important factors that organisations take into consideration when designing a talent management system; business needs and talent worker needs (Chowdhury, 2001). This research will, however, focus on talent worker needs rather than business needs even though these are highly interlinked because if an organisation takes good care of its talent workers, they will in turn give their best.

Business needs – Generally talent management systems are designed with a focus on identifying, developing and retaining skills that are needed to implement strategy and accomplish business objectives. This involves grooming people for future roles as corporate leaders, realigning talent to meet an organisation's critical business need, and ensuring that the talent supply equals the company's demand (Chowdhury, 2001). The skills identified in most organisations are divided into five broad hierarchal categories that build on one another; viz. technical, professional and self management skills; unit management skills; integration; competitive skills and global and societal skills (Baird, Briscoe & Rosansky, 1994).

Talent worker needs – Management with a talent management system in their organisations are often keen on finding out what their talent worker needs are within their organisations (Chowdhury, 2001). Towers Perrin (2006:3) argues that, “Virtually every company today, regardless of its business or geographic scope of operations, needs to understand these employees: what they think, what they want, what they are willing to contribute and what they expect in return’.

So even though talent worker needs might vary across the different organisations, there are common basic needs that every organisation needs to aware of; viz. the need for co-workers and bosses with whom they can develop a mutual respect and trust, learn from, bang around ideas with and collaborate with, and the need for freedom from the environment and freedom from fear (Chowdhury, 2001).

2.2 Talent management

2.2.1 Definition of talent workers

Talent workers, as defined by Morton (2004:2), are “...individuals who have the capability to make a significant difference to the current and future performance of the company”. These are people that ‘ have well developed leadership 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 have the potential to adapt quickly to internal and external change, and to get that change owned and embedded in an organisation’ (Davidson, 2004: 24). Talent workers are thus able to think and act out of the box as they have the ability to “...challenge old patterns, and spearhead new ones at any level of the organisation” (Peters & Smith, 1996:7). Berger and Berger (2004:ix) refer to talent workers as super keepers because they are “...role models for success and the organisation can neither afford to lose or fail to take advantage of their ability to contribute to organisational excellence”.

Morton (2004) argues that there are many definitions of the term “talent worker” and

agrees with them as long as they apply to all levels of the organisation. Morton (2004) therefore proposes that talent workers should not be related to a position within the job, nor be related to only high performers, and should be race, gender and age independent. Talent workers should come from anywhere from the organisation and should be managed in relation to the organisation's broader strategic objectives.

Gritzmacher (1989), as cited in Peters and Smith (1996:7) who refer to talent workers as "fast trackers", argues that managers need to appreciate the following characteristics regarding talent workers;

- A unique perception of their occupation: fast-trackers see their daily activities as fitting into a career pattern, rather than just doing a job, and see their role as making their organisation into a global leader in its field.
- A broad thinking style: seeing wholes rather than job-bounded parts; seeing symbolic significance to actions.
- Time consciousness: a drive to achieve the most as soon as possible, a drive to achieve a goal and embrace a next one.
- Independence: a creative urge to add value to guidelines, a fast-learned knowledge of what would be good to accomplish.
- High commitment: not wanting to miss out on anything interesting for the organisation, a belief that the organisation would be diminished without them, and a drive to enact that self-perceived importance constructively.
- High energy: the ability to get supra-normal amounts of work done and cheerfully come back for more.
- A need for creativity and variety: fast-trackers enjoy new and testing challenges.
- A varying interest in teamwork: the badging of fast-trackers as the favoured sons and daughters can make team interplay difficult, and also a need to move ahead

faster than the pack can make them impatient with others.

- Continual improvement: a hunger to challenge and improve whatever they are involved in.

From the above definitions and characteristics, the following definition, which will be carried throughout this research, has been drawn:

Talent workers are the top 20% of people or “stars” within organisations who consistently deliver exceptional results because they can see the bigger picture and have the ability to motivate and inspire others.

There is often confusion around talent workers and knowledge workers, and a lot of people use these terms interchangeably (Chowdhury, 2001). This research will, however, differentiate between the two as it has been shown that the two are different as outlined in Table 1 (Chowdhury, 2001). Chowdhury (2001) argues that there is a difference between knowledge workers and talent workers in that talent workers are more than knowledge workers. Knowledge workers are defined as people who can “...generate new applications, products, and services from knowledge to effectively employ knowledge as a means of production” (Bramer & Winslow, 1994:17) and are “learning people who are at the core of knowledge transfer in the organisation” (Kinnear, 1999: 48). According to the above definitions and the definitions of talent workers, it can be concluded that both of them apply to people who possess some critical knowledge, but the key distinctions between the two is that talent workers are much more proactive than knowledge workers.

Table 1 Talent workers vs. knowledge workers (Chowdhury, 2001)

Talent workers	Knowledge workers
initiate change	support change
innovate	learn
direct	act
create	implement
make and break the rules	conserve the rules
inspire and lift people	receive information and motivation

Chowdhury (2001) warns that even though talent workers are different from knowledge workers, they need knowledge workers to implement strategies for organisations. Knowledge workers may become talent workers through a well-defined goal, but most don't make the transformation if they are not guided properly (Bramer & Winslow, 1994).

2.2.2 Talent worker needs

Kinnear (1999) and Robbins (2005) argue that human motivation is linked to one's needs. These needs, according to Maslow (as cited in Kinnear, 1999 and Robbins, 2005) are better explained through a "hierarchy of needs: as shown in Figure 1. Individuals go through this hierarchy of needs. This hierarchy outlines the needs that individuals go through in their lifetime to improve their lives. There is a progression from lower level needs to higher level needs (Kinnear, 1999; Robbins, 2005). This progression starts with physiological basic needs for food, water, air and shelter; second level social needs, such as belonging, acceptance, giving and receiving friendship; third level needs relating to esteem, such as self-confidence, achievement, recognition and respect from others, and ends with highest order needs of self-actualisation, such as self-fulfilment, realisation of potential and consciousness of self-development (Kinnear, 1999; Robbins, 2005).

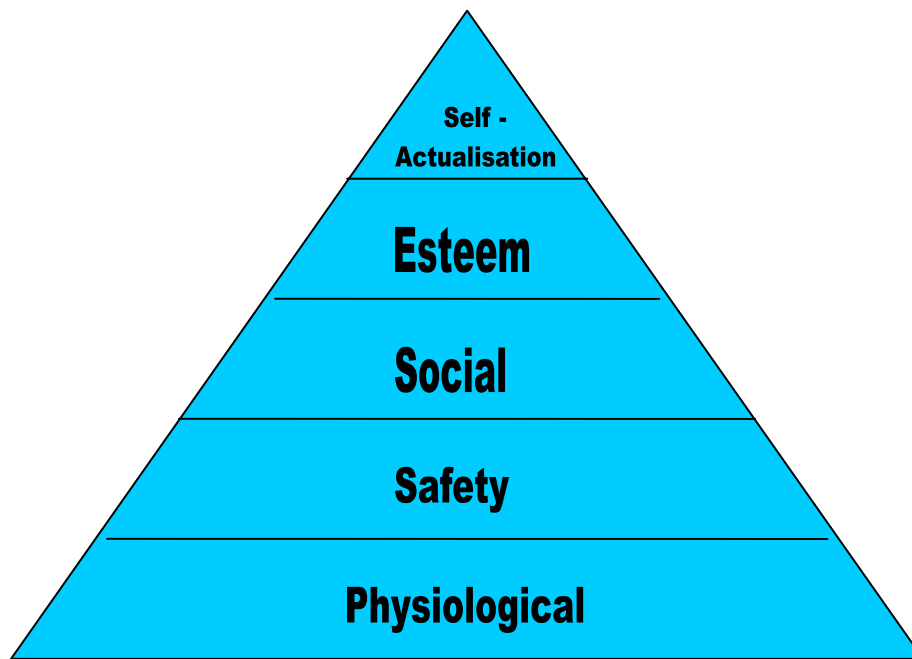


Figure 1 Maslow's hierarchy of needs (Robbins, 2005)

Talent workers fall in the self-actualisation stage (Kinnear, 1999; Kimaryo, 2005). They therefore have an expectation that their work environments will provide an environment that fulfils these needs through personal growth and stimulation (Kinnear, 1999). This is driven by the fact that highly talented individuals have different values and motivations from the majority of the people. More is expected of them and they expect more in return. They are often high impact but high maintenance too. They think differently and faster. They get bored more readily. They need different kinds of challenges. They can deal with complexity but are more complex in themselves. They get frustrated more readily and express themselves readily (Robertson & Abbey, 2003; Watt, 2004)

Organisations thus need to create an environment to satisfy these needs and which is free from fear, harassment and other interpersonal stress (Kimaryo, 2005). Kimaryo's (2005:23) suggestion stems from Stum (2001) who argues that there is hierarchy in which these needs can be satisfied; "The need for safety can be satisfied by extrinsic rewards in the form of compensation and benefits; the social needs are met by intrinsic affiliation with colleagues and a sense of being part of the

organisation community; opportunities for personal and organisational growth, and having new experiences cater to the esteem need while the need for self-actualisation manifests as a need for work-life balance”.

Stum’s (2001) argument is closely related to Steers and Porter’s (1996) argument (as cited in Keeley, 1999) which states that motivating individuals requires an organisation to use a variety of factors, as individuals will be at different levels of the need hierarchy. A list of general rewards and organisational factors used to satisfy these needs is illustrated in Table 2.

Table 2 Application of Maslow’s hierarchy of needs (Keeley, 1999)

Need level	General rewards	Organisational factors
Physiological	food water sex sleep	pay pleasant working conditions cafeteria
Safety	safety security stability protection	safe working conditions company benefits job security
Social	love affection belongingness	cohesive work group friendly supervision professional association
Esteem	self-esteem self-respect prestige status	social recognition job title high status job feedback from the job itself
Self actualisation	growth advancement creativity	challenging job opportunities for creativity achievement in work advancement in the organisation

Table 2 highlights an important point mentioned by Kimaryo (2005) when she argued that talented workers are not just working for money; they are now looking to fulfil

psychological needs such as meaning and a sense of community. In Maslow's hierarchy of needs, talented workers are thus looking to higher order needs rather than lower level needs as these are already met, and thus the traditional employees' need strategies focused on compensation and benefits are no longer of the utmost importance to them (Robertson & Abbey, 2003; Watt, 2004; Kimaryo, 2005).

This therefore means that although compensation and benefits have been shown to greatly influence the decision to join an organisation they are perceived as entitlements once a person is inside the organisation and thus cease to motivate (Robertson & Abbey, 2003; Watt, 2004; Kimaryo, 2005). This then creates a new challenge for organisation in that organisations need to find a way of making sure that they fulfil these needs. It also places a different emphasis on the incentives companies should be seeking to provide. Frank and Taylor, 2004, and Watt, 2004, suggest that these incentives should include: opportunities to excel for at least 80% of the time, by using people's strengths; personal and professional challenges which stretch the individual; opportunities to create productive impact and leave legacies; constant new ideas and projects to work on; opportunities for continuous learning, development and personal growth; talented leaders and great team mates who provide a rich mix of talents and a consequent powerful sense of synergy and involvement; and rewards and aspiration to lifestyles that appeal to people and their families.

Osgood (1992) as cited in Kimaryo, 2005, also makes an important suggestion to employers of talent workers when she suggests that in order to motivate talented people in the workplace and develop a committed attitude which leads to job satisfaction, the need to serve, the need to believe, the need to recognise and the need to act decisively and creatively must be fulfilled. Kimaryo (2005) supports this view when she states that the challenge is, therefore, for organisations to identify the underlying needs of talented workers as well as the best way to satisfy those needs when considering their identification, attraction, development and retention.

A study conducted by Lockwood and Ansari (1999) at an IT based company in the United States highlighted the importance of addressing the above talent worker needs in today's organisation. Lockwood and Ansari (1999). through the above research. found that today's recruits want more than just the "hygiene factors" i.e. money and job advancement, as these do not create total fulfilment. Total fulfilment comes from motivational factors such as challenging work, training, praise/recognition, and working conditions.

2.2.3 Definition of talent management

Hartley (2004:1) defines talent management as "the process of recruiting, on-boarding, and developing, as well as strategies associated with those activities associated with succession planning, human capital management, and resource planning and employee performance management". Management Development Review (2006) defines talent management as an active management system used to identify, capture, develop, grow and nurture the talent organisation to the benefit of the work team and the organisation at large.

Duttagupta (2005 1) defines talent management as "...a system that addresses competency gaps, particularly in mission critical occupations, by implementing and maintaining programmes to attract, acquire, promote and retain quality talent'. Talent management therefore assures that the supply of talent workers (talent pool) is available as this will ensure that organisations will be able to align the right people with the right jobs at the right time so that they can meet their strategic business objectives (Fredman, 2003).

Talent management, according to these definitions, can be divided into talent acquisition and talent retention. It starts with the recruitment phase. When organisations recruit, they look for people who are going to fit in because getting the right person means that the person will be passionate about their job (Chowdhury, 2001). Also, talented people want to be in jobs which fit within their value chain and which also allow them to excel at the high leverage components of their jobs

(Chowdhury, 2001).

From the above definitions, it can be concluded that:

Talent management is a useful tool that does not only focus on “acquisition” and “retention” of talent workers but which concentrates on what talented employees care about most; i.e. developing in ways that stretch their capabilities, deploying them into work that engages their hearts and minds, and connecting with people who will help them achieve their own objectives and those of the business.

In the broadest possible terms, talent management is therefore a strategic management of the flow of talent workers through an organisation. Its purpose is to ensure that the supply of talent workers is available to align the right people with the right jobs at the right time based on strategic business objectives (Duttagupta, 2005). It is thus a lot more than yet another HR process (Fredman, 2003). It is a mindset that leverages on the fact that the greatest competitive advantage comes from people (Handfield-Jones *et al.*, 2001). Talent management is about those thoughts and actions that, consistently, over time, become organisational culture (Hartley, 2004). Talent management is more than something to do; it is something to be, a way of working and achieving both short- and long-term success. It is a belief that talent differentiates organisation culture and breeds competitive advantage, with benefits for both the individual and the organisation (Wall & Aijala, 2004).

Talent management is about grooming people who have been identified as potentials for future roles as corporate leaders, realigning talent to meet an organisation's critical business needs, ensuring that the talent supply equals the company's demand and more (Management Development, 2006).

Duttagupta (2005) has summarised talent management, as outlined in Figure 2 and this summary is in line with almost all the definitions above.

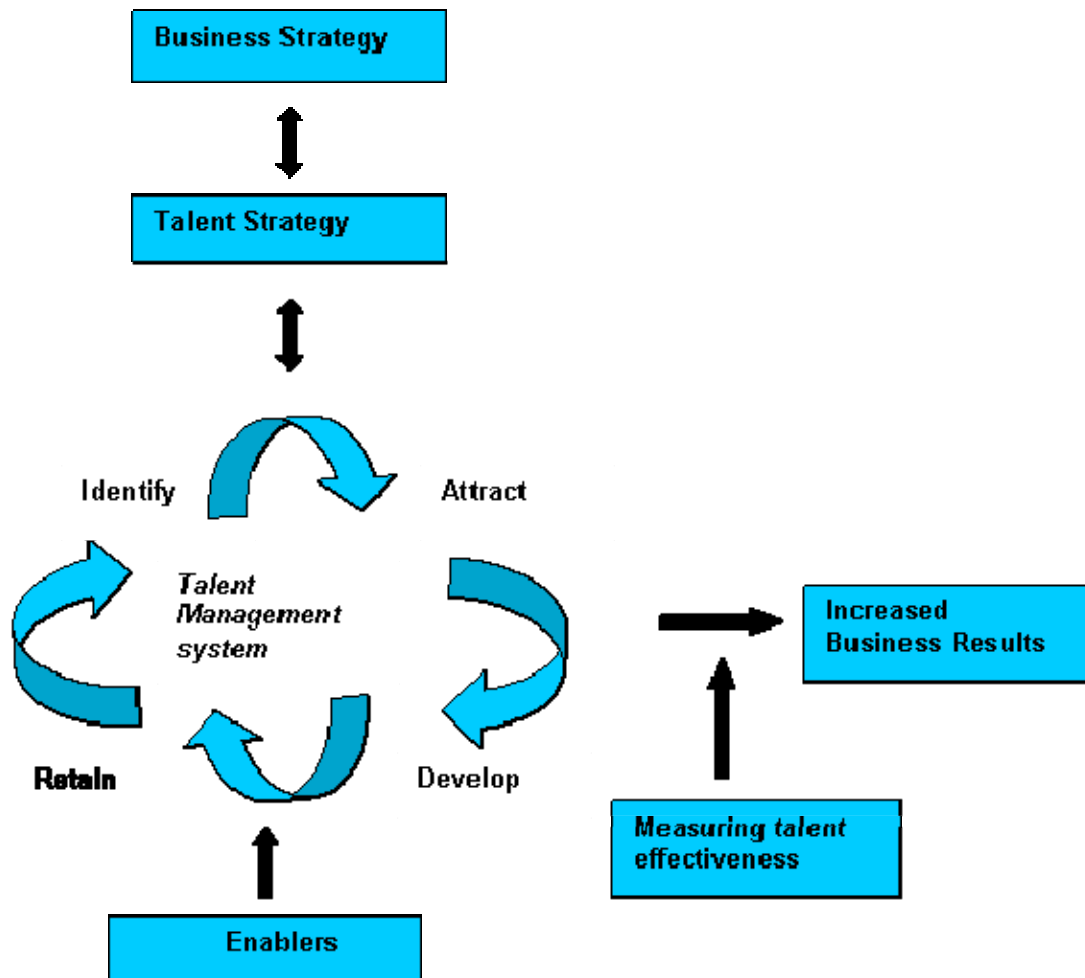


Figure 2 Summary of talent management (Duttagupta, 2005)

Figure 2 gives a summary that is very useful in understanding talent management in that it does not only deal with the process but it also highlights the key drivers that have to be in place for this system to be effective. Business strategy is the most important driver of talent management, that is, talent management starts with the business strategy - a clear connection between what the organisation requires of its talent and how the organisation can win in the market place (Management Development, 2006).

A talent management system must therefore have a clearly defined business strategy which clearly outlines organisational priorities and the skills that are required to achieve this (Vicere, 2006). Talent management is therefore like any strategic

objective in the company and therefore should be treated as such. It is about aligning business objectives with HR strategies and thus should be administered by the management team in co-operation with the human resources. This process like any other strategic process must be driven by the CTO who works closely with the CEO as these are the people who have the talent management pools in their hands (Handfield-Jones *et al.*, 2001). Maisela (2001) supports this view by arguing that one of the main strategic focuses of many CEOs should be how to attract, develop and retain talented employees, especially in those areas where a significant demand is projected.

A study conducted at Johnson and Johnson (Watt, 2004) showed that the success in their talent management process is due to a high involvement of top management which works closely with HR in driving this process. The executive team of Johnson and Johnson spend 20% of their time discussing talent. Senior leadership believes that talent management is a priority and therefore owns the process collaboratively with HR. This mindset is filtered down in that every leader in every division unit, department or branch takes it upon themselves to be involved and to make sure that talent management takes place (Watt, 2004).

Leadership in organisations like Johnson and Johnson therefore understand that talent management within their organisation is not from better HR processes; nor is it about better HR department; but is about having managers within the organisation who embrace the mindset which allows one to pull all the levers (Handfield-Jones *et al.*, 1998). Talent mindset, as defined by Morton (2004:2) is, "...a belief that talent differentiates organisational culture and breeds competitive advantage, with benefits for both the individual and for the organisation". This mindset kicks in when managers realise that there is a high traffic in and out in today's organisations and thus they need to deploy strategies that will continue to enhance staff retention (Maisela, 2001).

Talent mindset starts with the belief that a person has something to offer the organisation and the organisation in turn has to develop them to bring out the

potential in them (Chowdhury, 2001). It is an 'integrative way of thinking that starts by valuing everyone and then creates highly integrated systems and processes that break down the barriers between people and opportunities because it acknowledges that people are different and barriers do exist' (Morton 2004: 2). Thus it can be concluded that;

A talent mindset acknowledges and embraces diversity within organisations by creating a constant learning environment that embraces positive challenge, a fearless environment where people can communicate and collaborate with one another, a diversified environment where people think differently and value each other's thinking, new ways of looking at opportunities, and a strong sense of urgency and a culture that effectively leverages talent.

2.3 Talent management system

A talent management system is part of talent management as shown in Figure 2. It is an implementation phase of the broader business strategy and talent strategy within the organisation. Organisations therefore use this system in developing a human resource strategy and competency platform to support corporate growth and globalisation by addressing leadership supply, development, attraction and retention issues (Duttagupta, 2005). A talent management system is an "...effective tool for creating a symbiotic relationship between talent and the organisation to dramatically accelerate performance improvements" (Chowdhury, 2001: 7). It is a tool that is designed to help organisation develop and deploy quality people with the appropriate competencies in mission critical activities (Duttagupta, 2005).

Talent management systems are therefore effective when they are administered by management, which works closely with HR (Chowdhury, 2001). Vicere (2006) argues that high performing organisations do not leave the management of their talent workers to chance; they have a well developed talent management system that develops a distinct employer brand to attract talent, and thinks through how work is

organised and its impact on issues such as employee satisfaction.

For them a talent management system is part of the fabric for the organisation. These organisations have realised that the following are characteristics of a good talent management system: ownership and involvement across the company, not just with the human resource management department; business objectives that permeate every aspect of the system from employer branding to appraisal through development; and a system measured in real business terms whose results are acted upon (Vicere, 2006).

A talent management system comprises four critical elements (as shown in Figure 2) that work together to ensure that organisations have people with the right skills, in the right places at the right times. When done correctly, this helps companies to eliminate gaps and deficiencies in the skills, knowledge, and competencies of employees of mission-critical occupations in the current and future workforce (Handfield-Jones *et al.*, 2001). For the four critical elements to be effective, Watt (2004) proposes that the following sub-elements should be included in any design of a talent management system:

- A talent map that helps in identifying key talent and areas of present or future weakness in the organisation. This view is supported by Berger and Berger (2004) who argue that the first thing that organisations should do in creating an effective talent management system should be to develop a list of organisational competences.
- An appraisal model that can be used consistently throughout the organisation based on key competencies and skills.
- A transparent model for evaluating and rewarding performance against individual, team and organisational objectives.
- More focused and cost effective use of training and education in priority or weak areas.

- A model with greater recognition of individual motivators and professional goals aligned with appropriate training and career.
- A model that encourages more open and directed communication with the reduction in the “us-them” mentality.
- A model that recognises a more flexible and rewarding work environment that recognises the needs of people as people.

2.3.1 Aligning talent worker needs with talent management system

The best model of talent management is the one that recognises the convergence of interest between the organisation and its human capital (Vicere, 2006). Moos (2000) however warns that while a number of organisations are recognised as having world-class policy and practice, there is no single global standard talent management system. Thus not all world-class practice will be right for every organisation as each organisation has a different style and culture, alongside different business needs, targets and priorities (Moos, 2000). It is thus the effectiveness of talent management in the organisation, as an outcome, which tends to be viewed as a world-class system (Moos, 2000). Every talent management system should therefore be designed around the specific talent worker needs that must be satisfied within the organisation (Duttagupta, 2005). This requires that organisations pay attention to the success factors that will enable them to systematically address their talent gaps and the needs of their talent workers (Berger & Berger, 2004; Smith, 2005).

Kinnear and Sutherland (2001) suggest that in our era of scarce talent, only organisations which have a strategic approach to workforce management involving the creation of mutually beneficial employment relationships will be able to attract and retain the best talent. This is because these organisations have strategies that are based on their talent needs. They understand that talented workers need and want to work for organisations whose business values matches theirs; where they can deliver excellent work; where there is support within teams, and practise of open communication (Qondashe, 2001). Thus talent workers “...typically require a much

higher level of work and life flexibility, a motivating environment, a link between financial business success and personal rewards and of critical importance, future workplace marketability and employability” (Qondashe, 2001:28).

However, while there are no global standards and no common understanding of what a talent management system means for an organisation or its people, there are recognisable factors to consider in defining and implementing an effective talent management system. Mercer (2004), Berger and Berger (2004) and Duttagupta (2005) have identified the following factors as being important to and beneficial to both management and individuals within an organisation with a talent management system (as cited in Watt, 2004).

2.3.2 Identifying talent

More and more organisations face a shortage of talented workers. This is driven by a variety of factors including rapid growth, dramatic rise in retirements, poaching of key people by competitors and the difficulty of retaining talented people (Johnson, 2000; Berger & Berger, 2004). To contend with this reality, organisations essentially have two options: intensifying their efforts to hire hard-to-find, increasingly expensive people from outside the organisation, or to tap into quality people already in their organisations (Pendit, 2005).

Organisations that do well are those who are able to identify talent from within, rather than those who steal talent from others (Chowdhury, 2001). Stesgaard (2004) supports this view and argues that transplanted employees, despite promise and pedigree, experience high failure rates as high as 40%, according to his study. Plucking an employee from even the best executive grooming grounds does not guarantee immediate success for the transplanted employee when entering a new culture (Stesgaard, 2004). As a result many organisations are now focusing on how to create a system that guarantees the development of talents at all levels of the organisation (Maisela, 2001).

In order to achieve this, companies develop and use the right techniques that help

them to better spot talents in-house, and these often include things like “...paying attention to employees with iconoclastic personalities, looking for employees with managerial talent that are remote from managerial levels, giving young employees special and unique challenges and testing lower ranking employees on large scale problems” (Flamberg, 1990:40). The process of talent identification is therefore grouped into three broad topics: noticing and identifying the obvious talent, using performance-based identification tools, and using test-based identification tools (Flamberg, 1990).

Talents workers within organisations often stand out as different (Chowdhury, 2001). Bosses, peers and subordinates all recognise obvious talents. However there are instances where some talents are hidden by the system because they are either quiet, or unassuming, or even mild mannered. Such people are sometimes difficult to identify as talented. In these instances, other assessment tools such as test-based identification tools can be useful (Chowdhury, 2001). Test-based identification tools include psychometric testing which is quite useful in identifying people who have the potential to become talents (Veldsman, 1990). They provide useful information by identifying whether the candidate has the competencies and capabilities needed for the job and whether their personalities and personal characteristics are in line with the job specification (Foxcroft, Roodt *et al.*, 2001). Foxcroft, Roodt *et al.* (2001) however warn that in South Africa psychometric testing should be used with great caution because of its history. They further suggest that psychometric tests should be used as prescribed by the Employment Equity Act no. 55 of 1998 which states that psychometric tests can only be used if it has been proved that they are reliable, valid, fair and unbiased.

2.3.2.1 *Aligning talent worker needs with identification of talent workers*

Aligning talent worker needs with identification of talent workers will be discussed under three broad topics: viz. identification of talent from within, communication and job characteristics.

2.3.2.1.1 *Identifying talent from within*

Berger and Berger (2004) refer to talented employees as the “crown jewels” that are vital for the success of any organisation. Organisations must therefore have a talent management system that is not only able to identify these employees but which allows them to realise their full potential. Duttagupta (2005) and Forman (2005) suggest that organisations should therefore look internally when trying to fill the demand for vacancies. Towers Perrin (2006:3) supports this view by arguing that companies cannot afford to alienate or lose talent workers from within as, “They have been with the company long enough to understand some of the important, if not implicit, ways to get things done inside the organisation”. Also, organisations that identify talent from within create an environment which sends out a message that suggests that they know what they are looking for: i.e. what talent they need for the business, now and in the foreseeable future; how best to source such talent; recognise it when they meet it; and get it and deploy it for optimum effect within the business (Watt, 2004).

Identification of talent workers from within reinforces the positivist outset at the beginning of the employment relationship (Qondashe, 2001). Johnson (1998) however warns that even with talent identification, employers still need to develop talent or otherwise it will leave. Kimaryo (2005:53) supports Johnson’s view when she suggests that that organisations should create internal opportunities for career advancement and should have clear paths without glass ceilings as “ without internal career development and advancement opportunities, employees will look to other companies”.

Berger and Berger (2004) suggest that organisations should have a talent identification strategy because having such a strategy in place helps organisations determine the actual and the potential contribution of each employee to the productivity and the profitability of the organisation. This talent identification strategy is normally designed as follows:

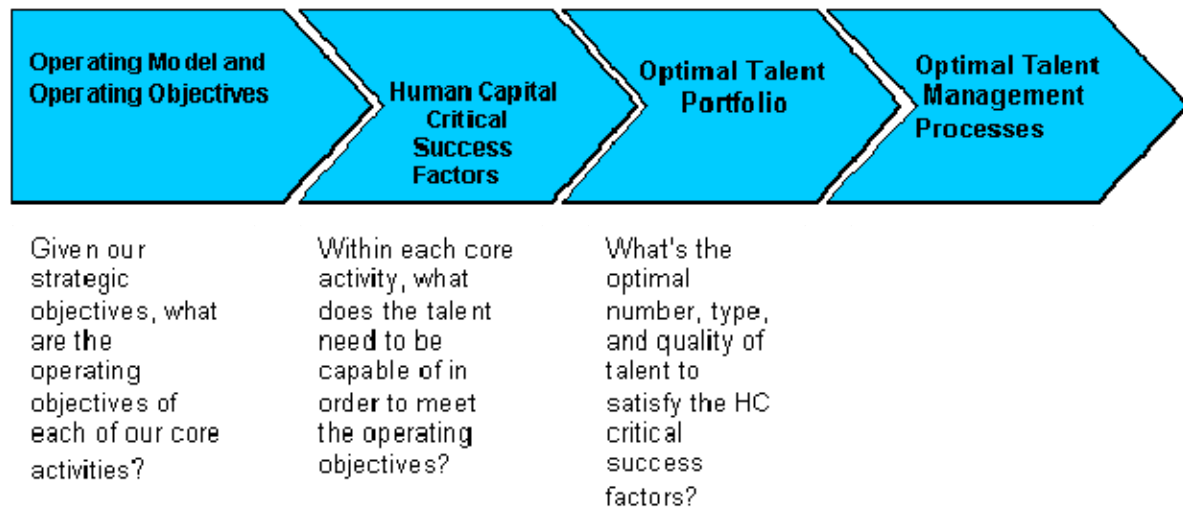


Figure 3 Framework for making talent portfolio decisions (Berger & Berger, 2004)

2.3.2.1.2 *Communication*

(Johnson, 2000) suggests that communication needs to occur regarding company plans, otherwise the skills and the learning developed within the organisation will be lost as incumbents leave for elsewhere. This communication should not only be regarding where the company is going, but should also be about giving talent workers an opportunity to assess whether they “ still have the requisite skills and competencies to achieve the organisational goals” (Kimaryo, 2005:37). In a survey conducted by Berger and Berger (2004:37) entitled “The 1997 National Study of the Workplace” on 3,400 employees, two-way communication was considered an important factor in their current jobs, in that, “Being listened to and heard by others is a sign of being respected and valued”.

The Financial Mail survey conducted in 2006 showed that most organisations are still battling with communication. According to this survey, “Weak communication is almost certainly the main reason for the widening gap between employer and employee perceptions of companies’ HR strategies” (Financial Mail, 2006:33). Communication, in the Financial Mail (2006) survey, was rated by employees as one

of the weakest elements in their organisations. This was not in line with the way it was rated by management. Management boasted about their best communication policies. Communication was therefore seen as one of the areas where management has not perfected a way of putting theory into practice. The Financial Mail's conclusion on this was that management spends so much time "...devising new fashionable ways to communicate that they forget to communicate. Modern management use e-mails, SMSs, in-house magazines, industrial theatre and corporate TV" (Financial Mail, 2006:33) and these are sometimes not effective because they all lack human contact which is needed by talented workers. Companies who were rated highly in this survey understand the importance of this and therefore compromise with things like company road shows that allow the MD to meet with everyone; rely on divisional heads and management to pass on the message to those below them, and make public announcements which puts pressure on middle management to filter down communication by explaining it to employees.

2.3.2.1.3 Job characteristics

Keeley (1999) argues that the characteristics of the job are key in people's decisions to take up the job or not. This argument stems from Herzberg's (1959) conclusion that, "Achievement, recognition, the work itself, responsibility, advancement and growth are related to job satisfaction" (Keeley, 1999:26). So people will take up jobs that interest them and that allow them to use their creativity and resourcefulness. Thus they seek challenges that are in line with their competencies and capabilities; jobs that interest them and jobs that they enjoy (Keeley, 1999).

Talented employees are looking for jobs that are challenging, provide scope and variety and match the right skills to the right tasks; match one's talent to abilities; and give them control and autonomy which give them more meaning, suit their style and preferences and provide more involvement (Kimaryo, 2005). Talent workers need engaging jobs which give them an opportunity which go beyond just getting the job done by redefining the jobs to improve efficiency, effectiveness and results (Towers Perrin, 2006). They are therefore looking for jobs that will allow them to " try new

approaches, test boundaries, challenge the status quo, and achieve personal or team bests because they find it stimulating, challenging and satisfying” (Towers Perrin, 2006: 9). To do this effectively, Kimaryo (2005) suggests that managers need to bridge the gap between expectations and reality; organisations need to have clearly defined and well communicated job characteristics and descriptions.

2.3.3 *Attracting talent*

Attracting talent from outside the company is the next logical step to take when identifying talent workers from within fails (Watt, 2004). Here the most important thing to do is to create a positive feeling about the organisation and that should be based on “...the organisation’s mission, values, viability, policies, reward structures and commitment to work life balance”, as these have proved to be positive factors for attraction (Maisela, 2001:32). Chowdhury (2001) supports this view and argues that there are seven ways that can be used to attract talent workers; viz. treat talent workers as customers; have a TMS; promise future reward and recognition with stock options, other ownership options, and performance based pay packages; have a flexible work environment and positive culture; provide proper training and research facilities; and conduct performance reviews and succession planning.

Within these, the work environment is the critical one in that talents have creative minds and they want that to be used and valued within their environments (Chowdhury, 2001). Organisations who want to create a winning environment should start by asking themselves and looking for answers of the following question: why would outstanding talent want to join our organisation and what specifically and uniquely would they be likely to get by joining the organisation? (Dutttagupta, 2005). Organisations that understand this start the process as far back as at the planning phase of the recruiting stage. They look for people who will thrive in their environments. Frank and Taylor (2004) warn that new techniques of recruiting people that are technology-based and are used with the aim of increasing the talent pool and with the aim of speeding up the recruitment process should be monitored

closely because they pose a challenge to getting the right talent workers.

2.3.3.1 Aligning talent worker needs with the attraction of talent workers

Aligning talent worker needs with attraction of talent workers will be discussed under five broad topics; viz. external talent acquisition, induction, rewards and recognition, work-life balance, and managing and developing talent.

2.3.3.1.1 External talent acquisition

Effective recruiting is the beginning of effective retention; therefore, keeping employees starts with a recruitment strategy (Duttagupta, 2005). This includes identification of key positions and turnover risks associated with these positions, and competency/behavioural-based selection criteria that support the retention strategy and business drivers – both based on identified organisational capabilities that are required for success (Duttagupta, 2005). Companies where career advancement is based on talent more than tenure and age will compete most successfully in their markets (Duttagupta, 2005).

When looking to attract the best talent, organisations need to answer at least two questions: why would outstanding talent want to join our organisation; and what, specifically or uniquely, would they be likely to get by joining us? (Watt, 2004). For them effective recruiting is the beginning of effective retention. Keeping employees starts with a recruitment strategy. Dibble (1999) (as cited in Qondashe, 2001) suggests that there are ten things that talent workers may want to know about the organisation before joining them: self description of the organisation, staffing, mission/strategy/flexibility, employee development, job expectations, supervision, teamwork, and respect.

Towers Perrin (2006) has identified the following factors as key in attracting talented workers: competitive base pay, work/life balance, challenging work, career advancement opportunities, salary increase linked to individual performance, learning and development opportunities, reputation of the organisation as a good employer,

competitive retirement benefits, calibre of co-workers, and organisational financial health.

Forman (2005) therefore advises that organisations need to have a plan as to how to hire the best, even when there is an abundance and high mobility of talent workers. This plan, according to Forman (2005), should be designed as shown in Figure 4:

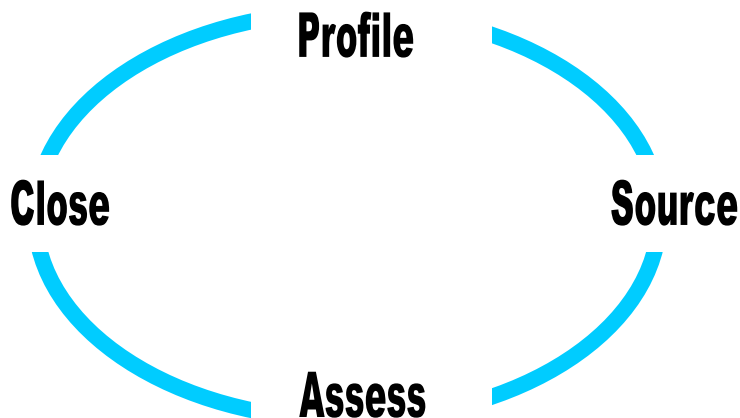


Figure 4 The talent acquisition cycle (Forman, 2005)

The talent acquisition cycle should therefore start by identifying the competencies, skills and characteristics of successful candidates; then deciding how to source and attract them; how to separate the best from the good or mediocre; and how to close the deal.

2.3.3.1.2 Induction

Induction of talent workers, once they have joined the organisation, is important to them (Watt, 2004). Talent workers want to be inducted about the culture, policies and working conditions of the organisation as they bring their own expectations of the business (Watt, 2004). New talent workers must therefore be inducted with care, sometimes through a carefully designed programme undertaken months prior to the actual joining date (Maisela, 2001). It is important to avoid bringing new people into old ways of working and thinking unless the organisation is confident that this will add

value to the business (Smith, 2005).

2.3.3.1.3 Rewards and recognition

Rewards and recognition are important to talent workers (Watt, 2004). This was also evident in the Financial Mail survey conducted in 2006 where participants rated this as the second most important factor. Rewards come in the form of salaries, benefits, incentives; and other rewards that do not come in money form such as recognition for doing a good job (Financial Mail, 2006). Talent workers thus want more than money; they want a reward system that is targeted on individual rather than business unit performance (Smith, 2005). Thus these employees seek compensation that is performance-based and that they can influence. Gain sharing, and profit sharing schemes such as cash bonuses or shares and equity participation, have also been identified as some of the elements that influence talent workers to join certain organisations (Watt, 2004; Kimaryo, 2005).

Kimaryo (2005) and Towers Perrin (2006) also suggest that talent workers perceive rewards as being valuable if they are fair. In a study done by Towers Perrin (2006) participants viewed their pay for performance as not being implemented fairly and were therefore negative about their employment deal. Towers Perrin (2006:11) therefore suggests that talented workers want to see a “ well thought-out reward strategy that’s appropriately customised to different segments of the workforce and effectively implemented and communicated”.In organisations where talent management is a core element, rewards at the A list and related levels will tend to be targeted at the corporate/individual level, rather than business unit performance, and rewards and incentives will be significantly higher than for executives outside the talent community (Smith, 2005). The purpose is to allow the consistently high-performing individual to progress to the upper quartile/decile relative to their peers over time. In addition, bonus arrangements are sufficiently flexible to allow the company to pay outside the normal constraints for exceptional contributions. Top talent will be engaged in the delivery of special projects that will often attract their own bonus arrangements (Moos, 2000).

2.3.3.1.4 *Work-life balance*

The need for work-life balance has also been identified as a key element in talent worker needs (Kimaryo, 2005; Financial Mail, 2006). The Financial Mail (2006:36) has summed up this concept in a cliché; “work to live, not live to work”. So in the broadest sense, talent workers need and take up jobs which allow for a better balance between their work and their family life (Kimaryo, 2005).

Watt (2004) argues that if organisations want to attract and keep top talent, they must start excelling on issues like family leave, telecommuting, flexible working arrangements or flexible schedule workers, day care at work or even eldercare, and other family-friendly programmes. Berger and Berger (2004) mention that work life balance is particularly important for female talent workers.

2.3.4 *Managing and developing talent*

Organisations who wish to manage their talent workers well, need to recognise what kind of people these are and what their needs are. They also need to realise that this process needs to be properly managed by the right people with the right system that gives everyone within the organisation a chance to become a talent.

Stensgaard (2004) argues that the practise of selecting a few high-potential employees and grooming them for specific roles is dated and increasingly ineffective. Many organisations are now adopting systems that seek to develop a large scale and deep pool of people talented, flexible and equipped with a variety of experiences that will enable them to step into multiple roles – even roles that have not yet been created. This is important in that people who are already in the system have a better understanding of the organisation in terms of culture, its strengths and weaknesses, and what is it that needs to be done to improve things (Chowdhury, 2001). These organisations therefore focus on retaining their talents because they know that when their people resign, the organisation not only suffers from lost productivity but also from knowledge that these people possess that can be beneficial to the company.

2.3.4.1 Aligning management of talent workers and talent worker needs

Talent management and development is a critical and essential part of any executive's role. What distinguishes high performing companies from average companies is the talent mindset of their leaders around the development of their talent workers. The right talent management mindset is the "...deeply held belief shared by talent managers which is that it is their job to manage talent effectively" (Michaels *et al.*, 2001). This is underpinned by trained competence in four major areas of leadership and management capability (Duttagupta, 2005).

2.3.4.1.1 Leadership

The survey conducted by the Financial Mail (2006) revealed that leadership is one of the key elements that are important to talent workers. "If individuals have no sense of company's direction or vision, they won't know where they are going, or why" (Financial Mail, 2006: 33). Talented workers also want to have visible leadership as they need to understand the " vision, mission and growth strategy, and how and where their efforts and activities fit in: (Towers Perrin, 2006:11).

Talented employees therefore need to perceive the organisation as having good leadership and direction as leadership is crucial both in the commitment of senior management to a culture of diversity management and also in the development of shared vision and values (Kimaryo, 2005). Thus to build long-term relationships with employees, leaders must build trust through honest, two-way communication and learning, as employees also have a need to understand and support the direction in which an organisation plans to take (Financial Mail, 2006; Kimaryo, 2005).

Kimaryo (2005) suggests that organisational direction should be communicated through continuous dialogue between the organisation's leadership and all employees about market conditions and the organisation's direction. In this way, employees are kept aware, not only of the intended direction, but also can assess whether they still possess the requisite skills and competencies to achieve the organisational goals as they always want to see the link between organisation

purpose, their daily activities, and business results (Kimaryo 2005). In a study which was conducted by Morton (2003), the Conference Board CEO Challenge 2003, talent related issues such as engaging employees in vision and values and developing and retaining potential leaders were rated amongst their top five current issues.

2.3.4.1.2 Coaching

Talent workers need coaching (Duttagupta, 2005). Coaching essentially seeks to help people to see and do things differently – better, faster, more effectively. Through a combination of feedback and reflective questioning, coaching progresses the trainee through a process of the following: opening up awareness; creating understanding; encouraging exploration and experimentation; taking responsibility; committing; taking action; and reviewing action, and taking the next steps. Primarily, coaching concentrates on improving performance in a current role and at a specific stage in the individual's career (Duttagupta, 2005).

Effective coaching for talented workers happens when the coach creates a climate where they feel comfortable to talk about their dilemmas, the coach is a good listener and gives people the space to talk about their issues and guide them. The coach asks probing questions to clarify things for others, allows them to scrutinize the different options they have, and above all allows them the child them in them to grow into an adult by the coaching styles they use (Yudelowitz, 2005).

2.3.4.1.3 Mentoring

Talent workers need mentoring (Duttagupta, 2005). Mentoring is the process of developing and growing the individual for future (often unspecified) roles (Duttagupta, 2005). Mentoring works on a person's perceived potential and how this might be realised in the foreseeable future. It is likely to focus on aspects of potential such as the transferable competencies; for example, "helicopter quality" (the ability to see higher and wider than the immediate situation); the ability to influence upwards, within (or outside) the organisation; the capacity to grip a situation, in a crisis, especially when superiors are not present; high innovative ability and the capacity to

provide new solutions to challenges; high adaptability and an ability to operate successfully in a variety of different cultures; good common sense in dealing with everyday situations; steadiness under pressure; and the consistent ability to deliver, as opposed merely to talking about things (Duttagupta, 2005).

Mentorship therefore refers to both the formal and informal processes of development of employees (Berger & Berger, 2004; Yudelowitz, 2005). It includes all levels and involves all employees becoming committed, competent and involved to enhance and underpin the process to develop people of calibre (Berger & Berger, 2004; Yudelowitz, 2005). It is a complex process where personality, specific work, developmental roles and situational factors interact, including mutuality, congruence and comprehensiveness. Mentoring can either be formal or informal. Formal mentoring involves training and matching of mentor and mentee, mutual matching and contracting between mentor and mentee in the setting of goals, the networking to achieve the same, the feedback, measurement and evaluation and the support processes to underpin the objectives (Yudelowitz, 2005).

Informal mentoring is situational and generically supportive, based on a developmental relationship (Yudelowitz, 2005). Talented workers therefore see mentoring as a beneficial exercise in that it accelerates their development, it is pertinent and constructive coaching, it enhances their confidence, and it gives them a sense of self worth and of being valued and optimally utilised (Yudelowitz, 2005).

2.3.4.1.4 Empowering

Talent workers need empowering (Duttagupta, 2005). Empowering is about letting go, so that others can get going. Successful empowering involves setting clear boundaries for autonomy – freedom within a framework – so that there is absolute clarity and agreement about what is mandatory and what is discretionary. Essentially, empowering people is about establishing focused, productive independence of thinking and action, within defined boundaries of interdependence, in the organisation (Duttagupta, 2005). Empowering, therefore, always needs to be considered in the context of delegation, where specific parameters and

imperatives give sharper definition to the boundaries and invest in the exercise of autonomy with purpose, direction and significance (Duttagupta, 2005).

2.3.4.1.5 Sponsoring

Talent workers need sponsoring (Duttagupta, 2005). Sponsoring is the process of opening doors, removing blockages and penetrating unnecessary bureaucracy, on behalf of a talented (often young) people, so that they are brought to the attention of senior executives and other pivotal players in the organisation and, therefore, are more able use their talents to make a bigger, or more appropriate, contribution to the business (Duttagupta, 2005). The ideal sponsor may be summed up as a committed professional, who knows and understands what is wanted, who cares about achieving results, who can make things happen within the business, and who will make it happen (Robertson & Abbey, 2003).

2.3.4.1.6 Task engagement

Fully engaging talent workers is important (Duttagupta, 2005). Engaging talent means using it intelligently and mobilising it in alignment with corporate and functional goals, so that the individual can add maximum value by exercising his/her principal strengths at every opportunity (Duttagupta, 2005). Typically, making the most of talent and developing it through the medium of directed work and coached performance includes the following:

- Giving early responsibility in significant areas of contribution to the business.
- Early leadership roles and positions of accountable influence.
- High-value, high-profile assignments.
- Specific profitability improvement projects.
- Cross-functional roles.
- Opening up a new business within organisational boundaries.

- New global roles.
- Working abroad.
- Being allowed to fail, learn quickly, move forward and succeed (Duttagupta, 2005).

Talented people in organisations give of their best when they have confidence in managers who value their contributions – by actions, not just the right words. Winning the hearts and minds of talented people is not a matter of quick fixes, glib, easily broken promises or lip service (Watt, 2004). Commitment to talent management is a process based upon mutual respect and informed, intelligent professionalism. It is an area of leadership, perhaps more than most, where leader credibility and example are tested to the full (Watt, 2004).

2.3.5 Retaining talent

Talent worker retention is defined as an effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs (Smith, 2005). Retention is keeping the people you want to keep. Employee retention is thus not a programme or product, but rather a result of effective organisation and leadership practises (Smith, 2005).

(Chowdhury, 2001:8), has identified ways in which organisations can retain their talents happy; viz. they treating talent as customers; compensating talents as preferred suppliers; offering the right compensation, including proper reward and recognition; conducting meaningful performance appraisals; designing jobs to appeal to talented people; assigning the right talent to the right jobs; choosing the right location to attract and retain the right talent; providing proper training, development and succession planning; provide proper research facility; balancing age, race, gender and colour; creating challenging environment or excitement in jobs; communicating candidly without fear and reprisal and create social bonds with talents.

This is because organisations have realised that the economy is down and there is a shortage of talent and labour. Furthermore, technology has enabled employees to be more knowledgeable and sophisticated about employment and job searches (Smith, 2005). Sutherland and Welman (2004) have grouped the above into three main categories; retention devices for the whole organisation, changing human resources systems, and retention devices for individuals.

Organisations therefore need to realise that they need to differentiate themselves from others by being known as places where talent is valued and grown (Frank & Taylor, 2004). Talent is nurtured through training and development in a learning organisation. Training ranges from technical training classes that are done right at the beginning of the career through to leadership and executive coaching (Frank & Taylor, 2004). Organisations that follow this approach are referred to as learning organisations in that they allow people continually expand their capacity to create results they truly desire. Their employees' expansive patterns of thinking are nurtured, their collective aspirations are set free, and people are continually learning to see the whole together (Senge, 1990).

2.3.5.1 Aligning talent worker needs with retention of talent workers

There is vast body of literature which argues that organisations who wish to retain the best talent should have retention policies which identify and retain committed employees for as long as it is mutually beneficial to both the employee and the organisation (Branch, 1998). Thus organisations should understand that they do not own people; they are only entitled to the services of employees so long as they can assure the highest possible pay-off on the investment in employees' skills (Hamel & Prahalad, 1990). Kinnear and Sutherland (2000) argue that there is a multiplicity of suggested methods for retaining talent and suggests that organisations should approach retention in many different levels and in different ways.

Solomon (1997) argues that organisations that are good at retaining their employees have a comprehensive approach that is well thought of, and not fragmented, as it

should be easy to measure and to have the kind of impact to make it worthwhile. Christian (2000) supports this view, and further highlights the importance of having such an approach. Christian (2000) suggests that organisations should follow the following techniques if they wish to be successful in retaining their people:

2.3.5.1.1 Good selection process

Retention starts up front, in the selection and hiring of the right employees (Christian, 2000). This requires not only an assessment of basic job skills, but also an examination of the "softer" issues of motivation, values, and being able to fit into the organisation—factors that have a powerful impact on an employee's success and tenure with a company (Newel, 2000).

2.3.5.1.2 Professional growth

Today's employees know that a successful career depends on constant learning and on acquiring skills and experience that will make them more employable in the open market (Newel, 2000). That means that access to ongoing training and development is important to them, and is a strong incentive to stay with a company (Chowdhury, 2001). It is therefore important for organisations to understand that talent workers would prefer to develop professionally in areas that will aid their own skills as opposed to the group (Frank & Taylor, 2004; Handfield-Jones *et al.*, 2001).

Handfield-Jones *et al.* (2001) argue that organisations should view training and development as an investment in the human capital of the organisation. Morton (2004) adds to the above view when he argues that smart organisations fight attrition with smart training that is not only relevant but helps broaden employee experiences and provides development opportunities. Talented individuals view job satisfaction as being in the right job, with the right orientation, training and resources that are useful improving performance in their jobs (Stum, 1999).

Werst (2004), Maisela (2001), Smith (2005), Heathfield (2005) and Herman, Hankin and Moore (2005) add that such jobs should also provide an opportunity for

personal growth in addition to a match between their skills and the jobs to which they are assigned.

2.3.5.1.3 Meaningful work and ownership

Talent workers need to know they are making a difference and being effective in their jobs (Watt, 2004). Expectations and responsibilities need to be clearly defined, so that employees can understand their roles, and see how their jobs are linked to the organisation's overall success (Branch, 1998). Employees must also be involved in determining how work is done, so that they have a sense of ownership and an opportunity to contribute to improvements in the company's performance (Christian, 2000).

2.3.5.1.4 Recognition for contribution as individuals and as team members

In addition to salary and similar compensation, people appreciate and respond to alternative forms of acknowledgement; such as dinners, awards, comp time, and so forth (Branch, 1998). To be effective, such recognition should be clearly tied to achievement, and must encourage the desired behaviour in individuals or teams (Watt, 2004). Organisations are encouraged to retain people as individuals rather than groups, and therefore employers need to implement programmes and services according to the needs of individual employee (Christian, 2000).

2.3.5.1.5 Shared vision

Christian (2000) suggests that organisation who are serious about employee retention should value people according to a strong organisation vision. There should be an approach to retention according to a long-term strategy instead of a short term one (Branch, 1998). Solomon (1997) supports the above views and further suggests that companies that understand what their employees want and need in the workplace and make a strategic decision to proactively fulfil those needs so that they can become the dominant players in their respective markets.

2.3.5.1.6 Caring for individuals

Morton (2004) suggests that organisations should demonstrate to employees that the company cares about them and their personal growth. This is because research has shown that organisations successful in retaining talent are those that demonstrate to employees that the company cares about them, wants them to advance in their careers, and will help them satisfy their need for personal growth (Morton, 2004). Today's employees know that a successful career depends on constant learning and acquiring skills and experience that will make them more employable in the open market. That means that access to ongoing training and development is important to them, and a strong incentive to stay with a company (Branch, 1998).

2.3.5.1.7 Weeding out poor performers

Werst (2004) suggests that organisations should weed out poor managers as many employees leave their jobs because they are unhappy with their bosses. According to Morton (2004), people don't leave their jobs, they leave their managers and organisations need to bear this in mind all the time. Talent workers therefore expect to be managed by people who are well trained and experienced. They also expect their managers to be good communicators and to be responsive to problems and their needs. In turn, they resent managers who are not available or who disappear at the first sight of a problem. Employees therefore want managers who are consistent in their roles and who are good leaders in both good and bad times (Fitz-Enz, 2000). Werst (2004) also suggests that managers need to monitor teams very closely as talent workers do not want to be part of teams who are not performing.

2.3.5.1.8 Fearless culture

The arguments and suggestions above require organisations to create a fearless culture – a culture that allows people to challenge the status quo (Branch, 1998). Such cultures should also recognise the need to balance family and work life (Morton, 2004). In addition to the above, Werst (2004) suggests a culture that promotes empowerment as this is key in employee retention because it allows

organisations to attract and hire talented people with competitive compensation and benefits. Establishing a sound organisation structure in which all employees know and understand their organisation's direction and values is also important (Morton, 2004). Providing leadership and a work environment that supports employees' growth and success ensures that employees know why their job is important and what it is they are trying to accomplish, but they must have the appropriate training and tools to succeed (Werst, 2004).

2.3.6 Benefits of having a talent management system

The use of a talent management system has both financial and non-financial benefits. A number of authors have found benefits to be greater in companies in which this is taken seriously. These benefits are outlined below:

“It allows managers to strengthen their pool; it imposes the discipline of having regular conversations and making decision about people, some things that are easy to let slide; and is way for leaders to engage in discussion about the standard of talent” (Handfield-Jones, Michaels & Axelrod, 2001:59)

- Increases productivity or quality in line with organisational objectives (Watt, 2004).
- Results in greater employee satisfaction, loyalty and retention (Watt, 2004).
- Makes use of talent that is already in the system and this is much more effective than hiring new talent.
- Creates a win-win situation for companies by changing manager's behaviours; is a strong magnet for attracting and keeping talent; non-talents aspire to become talents; hidden talents become visible; external talents start knocking so as to get in; and the organisation develops a reputation of being the absolute best place in the world of work (Chowdhury, 2001).
- Results in a good job fit which increases performance, productivity and fulfilment

(Stensgaard, 2004).

2.3.7 Challenges of a talent management system

Talent management is a wonderful tool and it works well if it is managed properly. However like any other tool, it has its shortcomings, and these are:

- The talent management system can create problems and unhappiness inside an organisation if it is not administered properly. People start seeing it as one of the insensitive, discriminatory management tools (Chowdhury, 2001).
- An evaluation of this process is difficult in that it depends on the views of the person who is being interviewed, and their views are based on what they see as important in managing talent at their level (Chowdhury, 2001).
- Some people who have not been explicitly told that talent management should be part of their work processes tend to find it a waste of time because it takes away some of the time they want to use in 'increasing the bottom line' (Duttagupta, 2005).
- Most companies misunderstand what a talent management system is and focus on only acquiring and retaining talent. They do not develop and deploy their talent. Employees are often ignored once they are recruited into an organisation. As such they become pigeonholed without the opportunity to be redeployed (Duttagupta, 2005).
- Results from a survey conducted by the Financial Mail (2006:32) showed that there "...is a growing gap between how well employers think they are looking after staff and how the 'troops' themselves see the result of human resources (HR) initiatives". There is still the challenge of how to change theory into practice.

2.4 Conclusion

The literature review has revealed some interesting themes on what talent workers

needs, which are in line with the 11 Financial Mail survey questions. Organisations in South Africa and around the world therefore need to be constantly repositioned in order to achieve alignment with the constantly changing environment in which they operate and this demands the application of an effective talent management system as, “Talent management is about grooming people who have been identified as high potentials for future roles as corporate leaders, realigning talent to meet an organisation’s critical business needs, [and] ensuring that the talent supply equals the company’s demands and more” (Author unknown, 2003:81).

Organisations must therefore learn how to manage their talent workers if they want to have a competitive edge. Management in organisations need to recognise that in today’s ever-changing world, talent equals profit. They need to “...appreciate the order of magnitude of the increases in profit and productivity that can accrue from selecting and recruiting talented performers” (Lunn, 1995:7). A talent management system should thus be used as a strategic tool that helps organisations in meeting their short- and long-term goals. The table below gives a summary of the mindset within today’s successful organisations and this can only be achieved when there is a talent management system that supports this.

Table 3 The meaning of work: A comparison of the old and the new paradigms (Casse, 1994)

The Middle Ages Model	The new Renaissance model
Business exists in order to make money. Profitability is the ultimate objective. The bottom line is “survive and grow”.	Businesses exist so that society can develop and individuals can improve their living conditions as well as their quality of life.
People are an important asset. Corporations must use people’s knowledge, skills and experiences to achieve productivity.	One key corporate responsibility is to enable people to use and develop their individual talents. Organisations must ensure that people can fulfil their needs and find their potential in their work experience.
Working is necessary and is painful by definition.	Work can (and should) be enjoyable and exciting.
People who cannot function properly on the job should be dismissed (“terminated”! or “de-hired”).	Jobs should be designed to match people’s talents.

Good performance is rewarded.	Contributions to the quality of the workplace are highly valued
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CHAPTER 3

3 Research questions

3.1 Research objectives

The following research objectives were drawn from the literature review in the previous chapter:

- To establish the elements of talent management.
- To promote an understanding that possessing factors identified in the literature review could lead to the success of a talent management system.
- To recommend management practises aimed at increasing effectiveness of their talent management systems based on the research findings.

The objectives, together with the literature review have led to the following research questions:

3.2 Research Question 1

What are the elements of a talent management system within an organisation in the food and beverage industry?

3.3 Research Question 2

What are the factors that contribute to the effectiveness of a talent management system within an organisation in the food and beverage industry?

CHAPTER 4

4 Research methodology

4.1 Introduction

The literature review in Chapter 2 of this report revealed some important factors that may have an influence on the organisation to be successful in its talent management initiatives from both the perspective of the employer and the employee. As this is the first evaluation of this system, the research method chosen was therefore qualitative research. Qualitative research often starts off with general research questions rather than a specific hypothesis. This is followed by an extensive collection of data or research information from fewer research subjects (Leedy & Ormond, 2001). In this study, it was conducted in the interpretative paradigm using the case study method.

4.2 Population and sampling

4.2.1 Population definition

The population for this research was all employees of this organisation. However the target pool for the research was talent workers and managers.

4.2.2 Sample defined

The research sample comprised talent workers and their managers within the following business units: manufacturing, sales and distribution, marketing, finance and research and development.

Talent workers - a definition of talent workers that was carried out throughout this research is: "People who have the skills and the capabilities that are crucial to the current and future success of the organisation".

Managers in this research are defined as persons holding management positions; albeit at middle and senior management levels.

4.2.3 Pilot research

4.2.3.1 Purpose

The aim of the pilot study was to confirm that the factors which had emerged from the literature survey were comprehensive and relevant to the South African organisation and to modify them if necessary. Following the completion of a literature review it was therefore decided to conduct a pilot study amongst a selected group of experts and managers to establish whether any important factors had been left out. The pilot research was therefore conducted to improve the content validity of the interview instrument. The questionnaire was pre-tested on a sample of the population to assess the clarity and relevance of the questions.

4.2.3.2 Sampling method

The researcher used “expects” in talent management. These were people known to the researcher and therefore the sampling method was purposive sampling. Purposive sampling was seen as most appropriate sampling method for the pilot and was therefore used to identify respondents who fitted the talent worker definition.

The questionnaires in the appendices were tested on a sample of the talents as Leedy (1989) and Nel *et al.* (1988) suggest that all questionnaires be tested on a pilot sample.

4.2.3.3 The instrument

The instruments used during the pilot research were the unstructured interview questionnaires in appendices A and B. These were based on factors that emerged from the literature review in Chapter 2.

4.2.3.4 Administration

The questionnaire was administered to four people. All were from the organisation under study. The researcher explained fully to these expects what the aim of the research was and asked them to evaluate whether the research questionnaires in appendices A and B will help in achieving the research objectives based on what they know about talent management. Also, the researcher asked the management of the organisation to give their inputs on the appropriateness of the business units chosen. It was then decided that HR personnel should not be interviewed as it was felt that they could contaminate the findings by bringing in bias in the form of giving answers that they felt were required by the interviewer, rather than what is really happening in the organisation.

4.2.3.5 Validity and reliability

To enhance the reliability of the pilot survey and analysis of the results, the researcher carried out the interviews herself.

The issue of validity was difficult to address during the pilot phase as the purpose at this stage was to enhance the content validity of the instrument. This fact is reflected in the interpretation of the results.

4.2.3.6 Analysis of the pilot research data

As a result of the analysis of the pilot research a number of questions were reworded. Responses from the pilot study were then compared with the factors identified in the literature review, based on the proposed model of a talent management system. Thus the draft questionnaire was reviewed and only factors which were identified as crucial factors by both the literature review and the experts through the pilot study were included in the main research. It was also decided to exclude the Human Resources division as management believed there was a risk of giving the “ideal” answers which would confound the study. Further, it was suggested that the research should not look into this system within an organisation that has

just been acquired by the organisation under study as that could also confuse the study.

4.2.4 Main research

4.2.4.1 Purpose

The purpose of the main research was to investigate if the variables identified in the literature review were relevant to talent workers working in South African organisations. This was done by interviewing talent workers and their managers using the questionnaires in Appendices A and B to guide the discussions.

4.2.4.2 Data collection

As the research method chosen was a case study method, the researcher used a number of sources to collect data. Unstructured interviews were carried out. The interviewer, i.e. the researcher, started off by inviting the interviewees to relate their experiences of the talent management initiative as outlined in Appendices A and B. A semi-structured interview framework revolved around several central questions. The similarity of questionnaires for both parties was useful in measuring how well the parties' views and expectations of one another aligned. Contradicting evidence and viewpoints were useful in indicating challenges to the underlying issues outlined in the literature. During the interview, the interviewer used probing questions which allowed her to ask questions about the aspects which were unclear, or which were not raised by the interviewee. The researcher was therefore a facilitator rather than a director. The interviewer used other sources of data gathering in the form of observations, documents on company policies, newsletters and information on the company website to complement the interview as this information was crucial in the analysis stage.

4.2.4.3 Sampling method

Sampling was done via a purposeful sampling method which allowed the

researcher to have access to the people who were relevant to the study because “relevance rather than representativeness is the criterion for case studies” (Perry, 2001). Within this population, however, random sampling was used to select subject that were interviewed to reduce the impact of any self-selection bias that might have occurred. Here there were two samples, viz. line management which are expected to implement talent management, and employees in the talent pool. Ten participants were interviewed. This is in line with Perry (2001) who suggests that in case studies a sample size can range from ten to sixty. The sample was drawn from different functional areas within the organisation with the view of increasing generalisability of the research findings. Therefore, although the sample may be biased, this does not necessarily negate the findings.

4.2.4.4 The instrument

The researcher used interviews to obtain responses from the sample. This instrument was deemed as the most appropriate as using this data collection method has the following advantages, as outlined by Leedy and Ormrod (2001):

- Allows large amounts of data to be gained quickly.
- The researcher can answer questions that respondents might have.
- Allows better participation rate or cooperation rate than in mailed questionnaires.
- The researcher can observe respondents as she or he is interviewing them.
- Facial expressions, body language, mood and other observations can prove to be exceptionally valuable in understanding the totality of the interview.
- Allows for use of probing question to clarify issues.

Disadvantages

- Interviewees may be untruthful.

- Interviewees may be unwilling to share certain information.
- Interviewees may inject personal bias into the discussion.

The issue of confidentiality and anonymity was very important, given the sensitive nature of the research topic (see Appendix C). To encourage participation, the researcher asked management to send out a letter to the various business functions, encouraging both management and their direct reports to participate.

As stated in Section 4.2.2, modified questionnaires were used. The questionnaire was modified according to the findings of both the literature review and the pilot research as outlined in Section 4.2.2.

The interviews were conducted in English as this is the common business language of the sample and also the language of the research report. Using English avoided any loss of meaning or misinterpretations of the questions or the responses which may have resulted from translation to another language. The researcher did not use a tape recorder because the research subjects were not comfortable with being recorded even though they were assured that no identifying information would be shared with anyone.

4.2.4.5 Data storage

A data base was created to collect all the data, and this was updated from time to time. Several backup copies were also created.

4.2.5 Validity

To be able find out whether this is a valid study or not, the researcher had to make sure that it measured what it purports to measure. This therefore meant that the researcher had to look at whether it meets the requirements of the different forms of validity such as description validation, construct validation and criterion-predictive validation (Wolfaardt, 2001). In this research the researcher only looked at content

validity, face validity and construct validity as those are most relevant to this study.

4.2.5.1 Content descriptive validity

Content descriptive validity determines whether the content of the study represents what it is designed to measure (Wolfaardt, 2001). In this research content validation involved a comparison between the talent management frameworks and the interview questions that were used to assess this. This measure is important in drawing up inferences from the findings of the study to a large domain of talent management systems similar to this study.

Content validity is concerned with sample-population representativeness; i.e. factors that are important in identification, acquisition, development and retention of talent workers should be representative to a larger domain of similar frameworks. Thus interview questionnaires were given to experts on this subject matter to assess the degree of content validity.

4.2.5.2 Face validity

It is also quite useful to establish the face validity of the measure before the research is carried out. This helps in that it deals with people's perceptions about the measure. If people think that the measure is unbiased and appropriate, they will be satisfied with the results irrespective of whether they are good or bad (Trochim, 2002). This was assessed through the use of experts in the pilot stage.

4.2.5.3 Construct validity

This type of validity assesses whether the study measures the theoretical construct that it's supposed to measure (Wolfaardt, 2001). Nunnally and Bernstein (1994:394) support this by arguing that, "Construct validity cannot be developed without a theory that dictates the properties of that measure". This is because the entity which is being measured is not measurable directly, and the only way it can be evaluated is by looking at the relationship between the measure and the various phenomena

which the theory predicts. The goal of this process is to determine whether the responses from the questionnaire and observations made by the researcher provide a good measure of the specific construct which is talent management in this case.

A study shows a high level of construct validity if the pattern of the relationship between the responses and what is observed is similar to the pattern of the relationships that can be expected from a perfect measure of the construct. In a talent management system, it should identify factors that are important in identification, acquisition, development and retention of talent workers, and what is it that management should do to put more focus on this initiative. This should be supported by the existing theory.

4.2.6 Reliability

Reliability is critical in data collection as this affects the generalisability of the findings. According to Trochim (2000), a reliable measure is one that shows consistency and repeatability in whatever it measures. Consistency should be maintained under all five general classes of reliability estimates, which are inter-rater or inter-observer reliability, test-retest reliability, split-half reliability, parallel forms reliability, and internal consistency reliability.

4.2.6.1 Inter-rater reliability

Inter-rater reliability, according to Trochim (2002), is used to assess the degree to which different raters or observers give consistent estimates of the phenomenon being measured. This form of reliability was not used because the researcher did not use any assistants.

4.2.6.2 Test-retest reliability

This is done when the same measure is administered to same group or similar sample on two different occasions. The users of this measure make an assumption that the construct being measured has not changed and that there will be a

significant correlation between the two measures (Trochim, 2002). The researcher did not assess this form of reliability because some of the participants were not available the second time around.

4.2.6.3 Parallel forms reliability

Parallel forms are two sets of measures, which are created to measure the same construct. These are then administered to the same group on two different occasions. These measures should be truly equivalent in that they should have the same number of items, the scoring procedure should be exactly the same, and they must be uniform in terms of content and representativeness. The estimate of reliability between these two tests is the correlation between the two forms (Trochim, 2002). This form of reliability was not assessed in this particular research because the researcher did not develop a parallel form of measure.

4.2.6.4 Internal consistency reliability

In internal consistency reliability, a single administration of a single form of a measure is administered to a group on one occasion, then are used to estimate the degree to which items that reflect the same construct give similar results. In this form of the reliability the interest is on the consistency of responses to all items in the measure (Trochim, 2002). Bearing this in mind, the researcher conducted the research herself and asked the same probing questions.

4.3 RESEARCH PROCESS

Below is the summary of the research process followed in completing this research report.

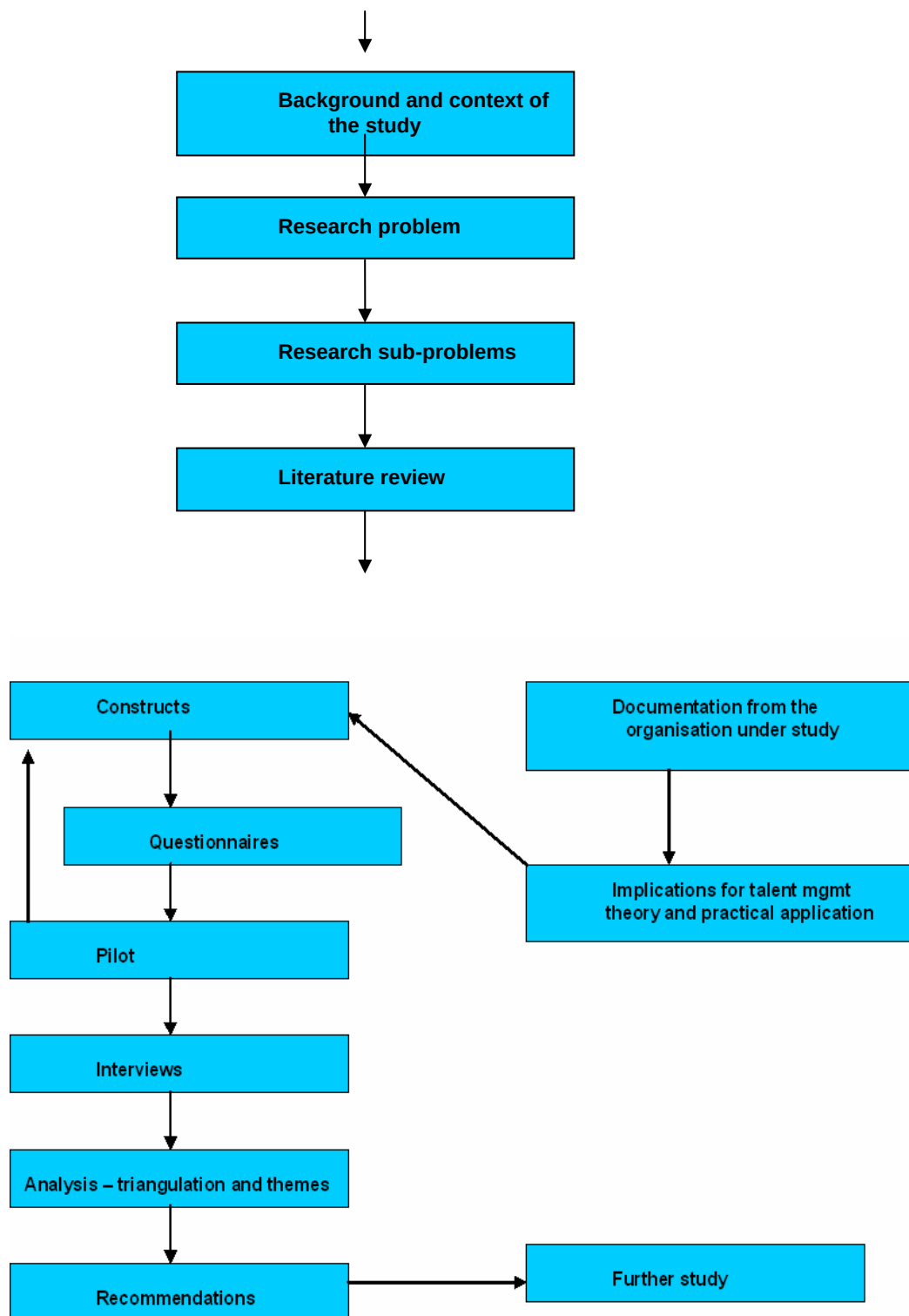


Figure 5 Research process

CHAPTER 5

5 Analysis of results

5.1 Introduction

This chapter presents findings of the research and the analysis of the results. Emphasis is placed on relating these to the research questions in Chapter 3 as well as the literature review which was covered in Chapter 2. Results will be presented in a framework that is based on answers given by managers and talent workers. Company policies and practices were evaluated and presented. The analysis and interpretation leans heavily on the various sources of qualitative data.

5.2 Method used for analysis – Content analysis

After the process of data collection, data was analysed and interpreted so as to answer the research questions. This process therefore required assembling all the information from the various sources. The rationale for using multiple sources of data is the triangulation of evidence. This gives researchers a way of converging data from different sources (Perry, 2001). The benefits of triangulation are that each source complements the other, resulting in a stronger research design thus giving more valid and reliable findings. Inadequacies of individual methods are minimised. Threats to internal validity are realised and addressed.

The first step is content analysis which allows researchers to code groups of words in their transcripts into categories. These categories usually are determined from the research issues that were the starting point of the research. They allow analysts to quickly spot, extract, and then cluster all the segments relating to a particular question, hypothesis, concept or theme (Perry, 2001).

5.2.1 Steps in content analysis

Sorting the content into themes - In the analysis, the initial step involved sorting the content into themes. In this study, the researcher looked at themes like definitions, factors identified under talent worker identification, acquisition, development and retention.

Coding - A coding scheme was devised and this was based on factors like frequency (how often does the theme come up), direction (who is this directed to), intensity (power of content), and space (size of content). Coding took place in two forms; manifest coding and latent coding.

Manifest coding - The coding system was useful in reorganising the themed content in what is called manifest coding, or themes that are easy to identify. This method was more objective in that it only required the researcher to count the number of times a theme occurred in the coding scheme.

Latent coding - At the next level, the researcher engaged latent coding. This will require some knowledge gained from observations made during the visits to the company about how the talents are managed (the relationship between the talents and their managers). This is however less reliable than manifest coding in that it involved the researcher using some rubric or template to make judgment calls on implicit, ironic, or doubtful content.

5.2.2 Limitation of content analysis

There are strict limitations on the inferences a researcher can make with content analysis. For example, inferences about motivation or intent cannot normally be made, nor can the researcher infer what the effect of seeing such content would be on a viewer. Content analysis is only an analysis of what is in the text.

The most common inferences in content analysis make use of concepts like unconscious bias or unintended consequences, and these are not the same as

saying intentional bias or intended effect.

5.3 Common themes emerging from the interviews conducted

A number of common themes emerged and the researcher has concentrated on the major themes emanating from the study and has attempted to group them in terms of responses evoked from management, talent workers and from company policies and practices. The researcher has limited the discussions and analysis of results to what she considers to be the most useful criteria used by talent workers in evaluating their management within organisations, and has not focused on peripheral or ancillary issues.

5.4 Descriptive analysis

This section presents an analysis of distribution of the following demographic variables: age, gender, race, family status, business unit, and managerial level.

5.4.1 *Distribution of responses by gender*

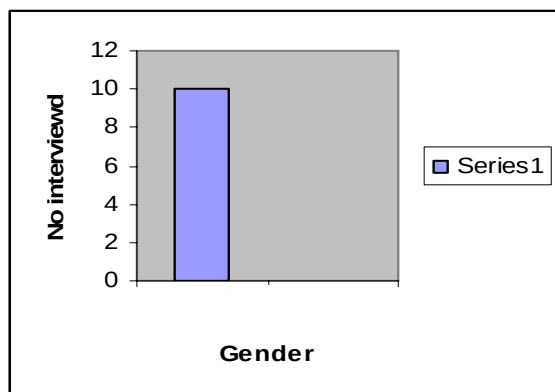


Figure 6 Summary of distribution by gender

All the interviewees were males. The researcher kept this in mind in the interpretation of analysis by gender.

5.4.2 Distribution of responses by race

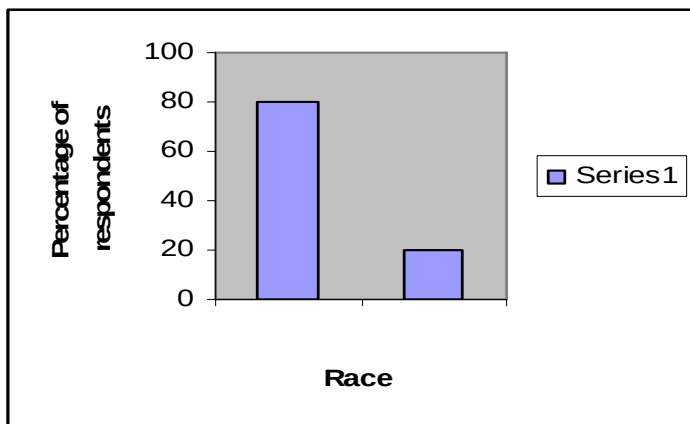


Figure 7 Summary of distribution by race

Eighty percent of interviewees were white and twenty percent were black. This is in line with the equity numbers within senior and middle management within the business units in the regions represented in this study.

5.4.3 Distribution of responses by family status

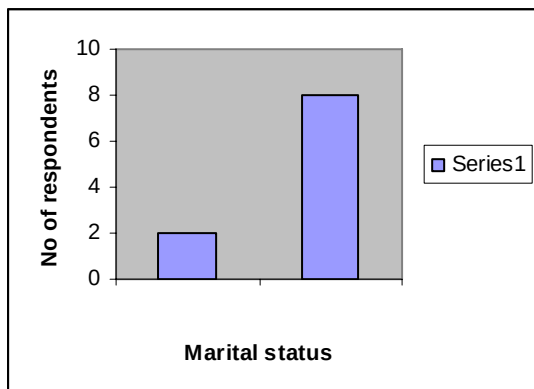


Figure 8 Summary of distribution by family status

Eight of the people interviewed were married, while two were single.

5.4.4 Distribution of responses by business unit

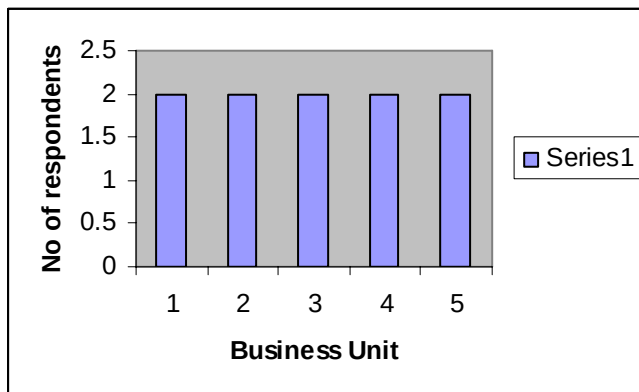


Figure 9 Summary of distribution by business unit

A manager and his direct reportees from three regions in Gauteng and the central office were interviewed. The graph therefore shows a split of two respondents across all five business units.

5.4.5 Distribution of responses by age

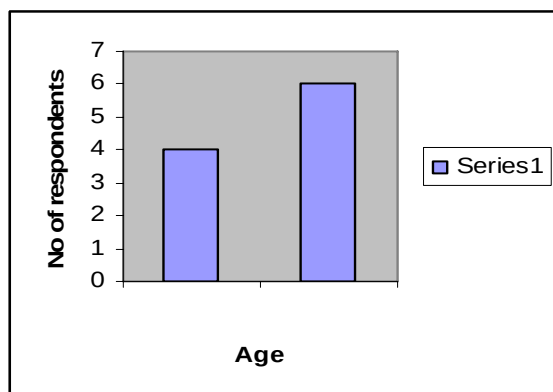


Figure 10 Summary of distribution by age

Four of the ten respondents fell within the 20-30 age group, while six were in the 30-40 age group.

5.4.6 Distribution of responses by managerial level

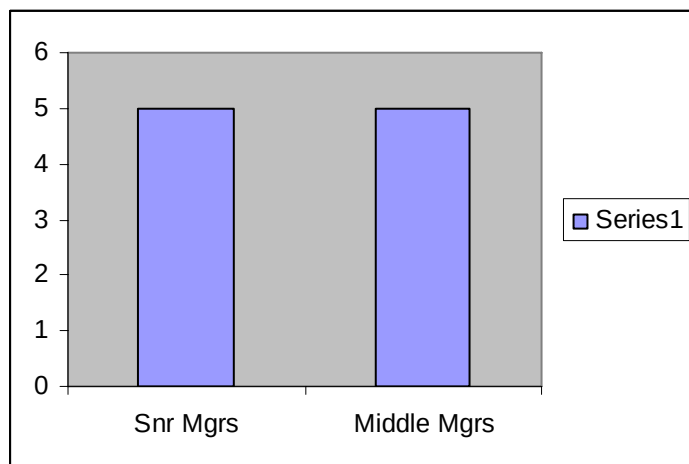


Figure 11 Summary of distribution by level of management

There is a 50/50 split between the two levels of management. This is because in each business unit, a manager and a direct reportee were interviewed.

5.4.7 Research Question 1

What are the elements of a talent management system within an organisation in the food and beverage industry?

5.4.7.1 Management

5.4.7.1.1 Definition of a talent worker

A talent worker is seen as someone who is intelligent and therefore rates highly in psychometric tests, is passionate, has high levels of integrity, is a self starter, works independently, takes accountability for work and career development, has a sense of humour, the right “can do” attitude, the right track record, shows organisational fit by understanding the culture of the organisation, and has the skills set and competencies required by the job and the value system that matches that of the

organisation.

Within this organisation, managers think that they have on average 20% talented workers within their business units.

5.4.7.1.2 *Elements of a talent management system within their organisation*

Managers within this organisation defined their talent management system as a proactive integrated process of attracting, developing and retaining talent workers. This is driven by the strong belief that the biggest assets are people as they are the operational differentiators and thus give the company its long-term competitive advantage.

5.4.7.2 Talent workers

5.4.7.2.1 *Definition of a talent worker*

A talent worker is someone who has potential to make a significant contribution in the organisation, the right attitude, the ability to develop others, is competent in their roles, has people skills, fits the job profile, is willing to go the extra mile, is innovative and creative, takes the initiative, is consistent in terms of performance, and has a natural attitude for the job.

5.4.7.2.2 *Elements of a talent management system within their organisation*

Talent workers within this organisation defined their talent management system as an integrated process of attracting, developing and retaining the best people. This is driven by the strong belief that the organisation sees its people as assets rather than liabilities. and if the organisation invests in them, it will have high return on its investment.

5.4.8 Research Question 2

What are the factors that contribute to the effectiveness of a talent management

system within an organisation in the food and beverage industry?

5.4.8.1 Management

The literature suggests that there are common factors that have emerged as success factors in identifying, attracting, developing and retaining talent workers. Similar themes emerged in the analysis of data as follows:

5.4.8.1.1 *Identifying talent workers*

Identification of talent workers from within is driven by a recruitment policy which encourages and facilitates cross departmental moves so as to ensure that there is a skills balance in the team. When a vacancy arises, line managers, together with HR, draw up a job profile and this determines the profile of the job incumbent in terms of the skills and capabilities required.

Sometimes line management and HR go through a similar exercise if it becomes apparent that there is a skills gap within their unit. When these vacancies or gaps come up, managers generally prefer to recruit internally rather than externally. This is also in line with talent worker needs who want to progress quickly within their organisation. Managers generally look at the track records (especially the people balance sheet grid which measures performance against capability), use their gut feel, and talk to other managers to identify suitable people. One manager made the following comment;

“I prefer to recruit internally rather than externally because I will find someone who already understands the systems, processes and our culture. There is a higher chance that I will get honest feedback from their current manager (referee). Also I will be able to use their people balance sheet results and psychometric results to make an informed decision.”

Sometimes managers do encourage highly talented workers to apply for jobs when a vacancy arises. They, however, do not promise them anything as they want the

selection process to be fair. Some managers have, however, pointed out that recruiting internally also has its challenges in that sometimes it creates unnecessary vacancies, and disturbs productive working relationships.

Managers take the following into consideration when they identify talent workers from inside:

Job characteristics: Managers within this organisation are aware that talented people look for jobs that would challenge them and allow them to make a significant contribution in taking the business forward. They therefore work closely with HR in designing jobs which have the following characteristics: challenging, provide scope and variety, give talent workers control and autonomy, allow talent workers to advance quickly, give talent workers more meaning, and improve the efficiency, effectiveness and ultimately the results of the business.

Career advancement: Management designs jobs that would allow talented people to move upward rather than sideways. Talented people, especially equity talented workers, according to some managers, want to advance quickly within organisation and if they don't they leave as there is a high demand for such talent. Recruitment of equity candidates within the organisation is taken seriously at all levels in that equity targets are linked to the line manager's bonus.

Effective frontline management and supervision: Management recognises the importance of having a manager who is well equipped to advise, support, provide direction, and help solve problems within their business units and therefore act accordingly. Talent workers according to one manager, want to work for managers

“ who will launch them and not lose them. Managers for them are therefore their mentors and coaches”.

There are a lot internal management training programmes that equip managers with the skills that assist them in becoming better managers. Managers do have an option of attending external training programmes which the company pays for as

long as these programmes are in line with their career progression and broader organisational objectives.

Two way communication: There is a company policy which insists that managers should have a two-way communication with their direct reportees. A career discussion allows managers to have one on one discussion with their direct reportees. This discussion is useful in that it allows managers and talent workers to identify skills gaps and training that will assist in closing those gaps. Managers therefore view these discussions as being effective because they happen face-to-face and therefore have the “human touch” about them.

5.4.8.1.2 Attracting talent workers

Managers look at external candidates if it becomes apparent that there are no internal candidates that match the required skills and competencies. External recruitment is also effected to fill entry level positions. Every year this organisation recruits top students from leading universities in South Africa. This is done with the view of creating a large talent pool. External searches are also done to attract supernumeraries, which are:

“People who are brought in at the discretion of the HR director to fill future roles. This is a proactive way of bringing talent ...especially equity talent into our organisation.”

Management works closely with HR in external recruitment as they do with internal recruitment. The external recruitment, according to one manager, is therefore designed to:

“ attract individuals who have the right skills, leadership capabilities for the future, will fit our culture, and who are well rounded.”

Managers who were interviewed cited the following factors as answers to what Watt (2004) suggested organisations should ask themselves when looking to attract the

best talent into their organisation. When looking to attract the best talent, managers in this organisation typically seek to answer at least two questions: why would outstanding talent want to join our organisation; and what, specifically or uniquely, would they be likely to get by joining us? For them, the factors listed below answer these questions.

Match between their technical skills and requirements of the job: Management within this organisation argued that talent workers want to be in jobs that are aligned to their competencies, which fit within their value chain and which also allow them to excel at the high leverage components of their jobs.

“Managers therefore have to manage these expectations carefully and honestly”. The organisation has a screening and selection process that makes sure that decisions to hire are based on relevant current skills, learning potential, educational requirements, and job specific attributes.

Fair selection process: Both internal and external talent workers want to be given a fair chance of getting a job. A fair process is generally seen as one that is objective rather than one that is subjective. Psychometric tests are seen as objective and hence the high emphasis on them. Every manager undergoes training on how to interpret psychometric test scores.

Challenging jobs:

“Talented workers in their nature are people who love challenge, who are competitive, who are output driven, who have a hunger to improve whatever they are involved in, have a passion for excellence and therefore look for an environment which will let them fly’. (Manager)

Managers therefore have a responsibility of managing this energy, and aligning their daily activities with their needs which allow for creativity and variety.

One of the recruitment policies prescribes that managers must recruit people who

will not only have the skills and the knowledge to perform the job but also display the right attributes; viz. health of the skills mix/balance in the current team, i.e. the balance between deep segment/channel specialist versus cross-segment/channel movers, “solid value-adders” versus “high potential”, male versus female, and white versus black.

Opportunity to grow: Management argued that talented employees look for jobs that are going to allow them to learn, build their skills, and move into senior levels within the organisation. One manager commented that,

“We are aware that talent workers want to be in jobs that which present them with an opportunity to grow. We are a multinational company; our organisation is huge so there are a lot of growth opportunities. Our employees can choose to go to any of our international companies. Wherever they go they will still work with the best people and it will take them a long time before they reach the glass ceiling”.

Market related salaries: Managers argued that talent workers work hard and therefore want to be remunerated accordingly. Talented employees want market related salaries or otherwise they leave. They place value on both monetary (competitive perks) and non-monetary reward systems and therefore want reward systems that are fair (transparent) and that represent their individual input (reward for the right reasons) and output rather than group performance. Over and above that they still want to be recognised and often appreciate things like “a family dinner that is sponsored by the company or a pat in the back for a job well done”.

Work for a fun company and work with a fun product: The work environment is important to talent workers as they it provides an answer to one of the questions that most organisations ask themselves when they go out to search for talent: what is it that talented people gain by joining our organisation? Managers within the different business units see their organisation as one where people have fun while working. This is important for an organisation that is output driven or otherwise staff would be

“burnt out”.

Leadership skills: Talented workers look for performance driven leadership skills that would allow them to create continuous improvement. There is emphasis on skills enhancement, learning and development. As leaders within this organisation they are expected to “live” and “drive” the organisation’s leadership brand which is about “an aspirant state of leadership”. This aspirant state of leadership therefore requires that line managers master the following:

- Inspirational leadership - achieve performance through ethical behaviour and through inspiring those around them; creates an engaging environment through a positive energy, self awareness and self mastery.
- Engaging leadership - exceed business objectives by empowering employees, building positive relationships, and encouraging camaraderie and a sense of fun.
- Performance leadership – grow a sustainable business by driving and exceeding performance.
- Strategic leadership – create hope for the future by intuiting what might happen next and articulating a vision.
- Change leadership – move a business forward by leading change so that it is positive and hopeful.
- Thought leadership – deliver superior performance by using initiative and reflection to seek opportunities and solutions and by understanding hidden truths about stakeholders.

Mastering these leadership skills gives them the confidence that they can manage and lead their teams effectively because they can “live” the values of the organisation which are; work and win in teams; accountability is clear and personal, respect customers and consumers, reputation is indivisible, and people are the enduring

advantage.

5.4.8.1.3 Developing talent workers

Employee development is seen as the key competitive advantage of this company. This company sees its people as the most important asset and therefore nurtures them well. Development within this company takes place in two forms; internal and external. Developing talent starts by making them understand how their jobs and performance fit into the broader organisational objectives.

5.4.8.1.4 Goal setting and career discussion plans

Goal Setting: Every manager is required to have individual goal setting sessions, developmental plans, or career discussions with their direct reportees. Managers see this as an important process for talent workers as they want to understand what their goals are and what the goals are of the whole team. Goal setting is the foundation of the Integrated Management Process (IMP). An organisational policy on goal setting requires that line managers set goals aligned to business plans, set them on an annual basis, they are set for individuals and teams, they are defined as outputs not activities, and the focus is on continuous improvement and contain “stretch”. They must be regularly reviewed, adjusted and realigned.

“Goal setting ensures that there is happy marriage between job expectations and own and team effort. It is based on the 4 As of the team role matrix; viz. accountability, agreement, adjustment and alignment” (Manager).

Performance management: Talent workers want to know if they are making a contribution within the organisation. They therefore require constant feedback in the form of performance management. Performance reviews also ensure that people get rewarded for their hard work because line managers use outcomes of these reviews during the compensation review process. Performance management has different processes that facilitate constant feedback and inform perform rewards; viz.:

- Monthly one-on-ones which are held eight times a year. The aim of these meetings is to informally review performance against individual goals, measure progression, and to agree on support requirements. Results from this process are captured on a people balance sheet (PBS) which measures performance against potential and monitors propensity to leave the company.
- Monthly team meetings where the aim is to informally measure and review the team's performance against goals and to agree on support mechanisms.
- Formal mid-year and year-end performance reviews with all direct reportees against individual goals, and with the team against their team goals.
- Customer feedback forms part of all these review sessions and a 360 degree feedback is used to measure management style.

Career development:

“One of the main reasons why talented employees join this organisation is career development. These employees believe that there are growth opportunities in this organisation, either because it is a large multinational company that takes care of its people, or it partners with the best companies.”
(Manager)

Career development is therefore driven by line managers through career discussions. Career discussions are conducted to address the aspirations in the above quote and also conducted to address the gaps that are identified in the performance reviews. These discussions take place yearly. In the first year that a person joins in, they are high level and in the years that follow they are more detailed.

A career development policy within this organisation ensures that the aspirations of talent workers are met in that:

- Career development is about continuous learning.

- Allows employees take charge of their own careers and development.
- Is based on the results of the PBS.
- Is linked to leadership competencies in the leadership brand.

Training and development:

“Talented employees want to undergo training so that they can address any competency gaps that have been identified in either one-on-ones or in performance reviews. Some look for training that will prepare them for the next job which will give them upward mobility. Individuals are given an opportunity to make suggestions on the type of training they choose to attend as long as it aligned to their current role” (Manager).

There are a number of training and development programmes that talented workers are sent to or that they can choose to attend. These could either be internal or external programmes.

Internal training programmes: Most internal programmes are skills based. They are designed to fill the gaps in terms of performance on the job and people therefore need to be realistic about programmes they choose. These programmes range from highly technical (job-specific) programmes to programmes that focus on leadership competencies. The learning pathway is not defined by rank in the organisation, but rather by development needs. Most of the programmes are customised for this organisation and therefore lack a world view. Programmes are offered as divisional or regional programmes. The internal training programmes are driven by a policy on the Competency Acquisition Process (CAP).

In addition to formal training, talented workers want to be coached and mentored. For them coaching can help them see and do things differently – better, faster, more effectively. Through a combination of feedback and reflective questioning, coaching progresses the trainee through a process of: opening up awareness; creating

understanding; encouraging exploration and experimentation; taking responsibility; committing; taking action; and reviewing action and taking the next steps. Primarily, coaching concentrates on improving performance in a current role and at a specific stage in the individual's career.

Within this organisation, coaching supports the engaging leadership component of the leadership brand and managers are expected to use the coaching approach in their interactions with their teams. This coaching approach supports the vision of line managers exceeding business objectives by empowering employees, building positive relationships and encouraging camaraderie and the sense of fun.

Mentoring is the process of developing and growing the individual for future (often unspecified) roles. Mentoring works on a person's perceived potential and how this might be realised in the foreseeable future. Within this organisation, people get nominated into mentoring programmes based on the where they sit in the PBS grid. However, they are responsible for identifying people who would be their mentors. This is based on the fact that people want to be mentored by someone they admire and respect, someone who makes them feel good as a person, someone who imbues them with a spirit of hope for the future, and someone whom they believe can pattern their lives. Mentoring starts out as formal process in the first year and from the second year onwards it becomes informal.

External programmes: Talented workers sometimes want to be part of public programmes rather than customised programmes. Participating in such programmes gives them an opportunity to mix with others and share information on how to do things. This also gives them an opportunity to form networks. Networking is important to talent workers because it keeps their options open.

Retaining talent workers: Retaining talent workers is at the core of any talent management system. All the other elements of a talent management system are seen to be effective only if they lead to retention or if they reduce the turnover rate. The retention strategy within this organisation is based on the view that the most effective way of ensuring retention is by fully engaging employees at both a

rational and an emotional level.

Retention therefore starts at the recruitment stage. The PBS is one of the tools used by the organisation to monitor turnover. Managers are required to continuously rate their direct reportees against the likely hood of leaving, and because these people are critical to the business; they have to intervene through mentoring or they have to find out they what needs to be done to make them stay. The following factors were therefore identified as additional factors that impact on the decision of talented workers to remain in this organisation:

Culture: Talent workers according to managers interviewed want to be part of a high performance culture. This organisation has a high performance culture. Talent workers do not want to seen as losers; they want to part of a competitive environment. Everything for them has to be measured. They believe that if you can't measure it, why bother? They are passionate about doing business, and proud to be employees within this organisation because it encourages creativity and innovation and allows people to take risks.

This culture, however, has a downside; sometimes it is viewed as being extremely pressurised, with little or no life balance. Some roles have been designed such that people have to go out and entertain their clients most of the time and this can be very tiring or lead to "burnout". Some talent workers find themselves doing jobs which are different from their expectation; for example, some people work so hard to get away from their neighbourhoods and their jobs require them to go back into those communities. There is also the challenge of two generations within the organisation, generation X and Y, and they operate at different levels, have their own expectations, and it is hard to get them to work well together.

Clear career paths and quick promotions: Talent workers want to see clear career paths. There are career discussions every year where talent workers are given honest feedback about which career paths to follow. They get channelled in the right direction, and realistic goals and expectations are set for them. Sometimes

they are given an opportunity to spend time in the departments or with people who are incumbents of the roles that they want in the future so that they can see whether that is really what they want. Mentoring is also used to direct people in the right direction and this happens through what is discussed in the mentoring session, or simply by someone aspiring to be like their mentors one day. Discussions like these are useful, but sometimes it can lead to frustration if it takes too long to reach the next level because there are no vacancies.

“People need instant gratification by being in a job for about six months and after that move to the next level, and if they don’t get it, they leave” (Manager).

Work with high performance teams: Managers have commented that talent workers in their organisation are highly driven people and therefore want to be part of high performance teams. They want to be part of a team which draws the best out of each individual. As line managers, they set targets for a team and they (team) have to deliver on those targets or common goals. This happens if they have team spirit and if they are convinced that they are striving towards the same thing and can only achieve that through teamwork. Individual contributions in teams are measured and monitored so that there are no “free riders” and this is done during the mid-year and year-end performance reviews.

Leadership: Talent workers want to be led and follow leaders who are visionary, who are restless, who are performance driven (goal oriented) and who have all the competencies mentioned in this organisation’s leadership brand. Talent workers want to be kept in the loop regarding what is going on in their organisation and thus their leaders should communicate clearly, regularly and honestly about the plans they have for the organisation. Talented people don’t want to be taken by surprise and when this happens, it breaks morale. Talent workers want a leader who is visible, and shows a balance between business experience, innovation and energy.

“Energetic leaders take business to the next level by changing the status quo. Innovative leaders come up with new ways of doing business and this keeps

people motivated and wanting to do more” (Manager).

Work-life balance: Work life balance is an area which needs serious attention. Most managers commented that it is problem in their units in that everything in measured by “numbers”. This requires people to work overtime to get those numbers right. The nature of the product also requires people to work after hours because that is the time that their clients are available. There is an option of working from home but this sometimes is impossible; e.g. they need to be in the office at peak times of the month. The organisation is trying hard to address this through a total employment offering but people still find it a great challenge.

5.3.2.1.5 Conclusion

It is apparent that this organisation takes talent management seriously based on the comments made by managers in the interviews and based on the analysis of the policies in place. As a result there are areas where they are doing well but there are also some areas which still require attention. The elements of this organisation’s talent management system and factors that lead to its success as expressed by the managers are summarised in the following table. The table also compares these with literature findings. A discussion on whether these are in line will be made in next two chapters.

Table 4 Summary of finding from management interviews and company documents compared with the literature review

Talent management system	Management views	Literature review
Talent worker	Someone who is intelligent, rates highly in psychometric tests, passionate, has high levels of integrity, is a self starter, works independently, takes accountability for work and career development, has a sense of humour, the right ‘can do’ attitude, has the right track record, shows organisational fit by understanding the culture of the organisation, has the skills set and competencies required by the job and the value system that matches that of the organisation. Managers think that they have on average 20% talented workers within their business units.	Talent workers are the top 20% people or ‘stars’ within organisations who consistently deliver exceptional results because they can see the bigger picture and have the ability to motivate and inspire others.

Elements of a TMS	Talent identification from within, attracting talent from outside, developing talent and retaining talent	Talent identification from within, attracting talent from outside, developing talent and retaining talent
Factors that lead to its effectiveness	Identifying talent workers • Job characteristics • Career advancement • Effective frontline management and supervision • Two way communication Attracting talent workers • Match between their technical skills and requirements of the job • Fair selection process • Challenging jobs • Opportunity to grow • Market related salaries • Work for a fun company and work with a fun product: Developing talent workers • Goal setting and career discussion plans • Goal Setting • Performance management • Career development • Training and development • Internal training programmes • External programmes Retaining talent workers • Culture • Clear career paths and quick promotions • Work with high performance teams • Leadership • Wok-life balance	Identifying talent • Identifying talent from within • Communication • Job characteristics • Attracting talent External talent acquisition • Induction • Rewards and recognition • Work-life balance Managing and developing talent • Leadership • Coaching • Mentoring • Empowering • Sponsoring • Task engagement Retaining talent • Good selection process • Professional growth • Meaningful work and ownership • Recognition for contribution as individuals and as team members • Shared vision • Caring for individuals • Weeding out poor performers • Fearless culture

5.4.8.2 Talent workers

The literature suggests that there are common factors that have emerged as success factors in identifying, attracting, developing and retaining talent workers. Similar themes emerged in the analysis of data as follows:

5.4.8.2.1 *Identifying talent workers*

Talent workers are attracted to positions that they believe are in line with their competencies, skills and value systems. So the following factors become important to them when they choosing to apply for a different job or in accepting an appointment by the board:

Job characteristics: Talent workers want to be in jobs where they feel they are making a significant contribution in moving the business forward. As high flyers they look for opportunities that will prepare them for senior jobs where they will be looking after people and strategy. One talent worker made the following comment:

“Ever since I joined this organisation, I have always been fascinated by what is done at a senior management level. Positions are more outwardly focused. What is important at the level is creating shareholder value and giving back to people that you are leading” (Talent worker).

Most talent workers were quick to point out that money was not important in influencing their decision. What was important were the intangibles; viz. sense of ownership, sense of leadership, and sense of knowing that they were taking the business forward. Money for them was a hygiene factor as they were at the highest level of Maslow’s hierarchy of needs and according to the X and Y theory.

Career advancement: Potential for growth was also pointed out as one of the key decisions in applying for an internal job and in accepting a job offer. Talent workers are looking for a career rather than a job. Also, they look for challenging work and as they climb up the ladder, jobs become more challenging and more interesting. A number of talent workers believe that no single job provides the perfect opportunity to become a leader, so what they look for are career advancement opportunities that will take them where they want to go, i.e. the top.

The following comment was made by a talent worker:

“The best kind of development is putting someone in a job that tests them where they have never been tested before as this allows them to learn the skills to approach work differently and this is very rewarding for continuous learners.”

Effective frontline management and supervision: “Line management has a huge influence on how I will progress within the organisation and therefore is always a huge consideration for me.”

As highly driven people, talent workers want to have managers who are going to give them guidance, support them by coaching them, give them direction, inspire them, give them the freedom to take risks by allowing innovation, and who are going to be honest and forthright in their dealings with them. They believe that they are where they are because of the effort and dedication that they put in their work and this is highly evident in their PBS ratings and thus they need managers who are going to fast track them. There is an expectation that management should prepare them for the next roles.

Communication: Talent workers pointed out that communication is important for them, especially because it represents an opportunity to hear about the organisational stories, presents them with an opportunity of getting continuous feedback, and allows them to fix things as they come up. Communication in this organisation happens both formally and informally and is driven from the top. Informal communication happens in the corridors, in the lounge, and in the tea room. Formal communication happens during the review sessions, in meetings, and via emails, newsletters and information posted on the intranet. Talent workers pointed out that they prefer the following: direct and honest communication rather than manipulative and shady communication; face to face communication that “...allows people to say things as they are but with some respect”.

5.4.8.2.2 *Attracting talent workers*

This organisation is generally seen as an employer of choice, not only by people

who have already joined, but also by outsiders. This was highly evident in the reasons mentioned by talent workers as to why they joined the organisation.

Origins in South Africa: Most talent workers who were interviewed pointed that they take pride in the fact that their employer is a truly South African organisation and it loyal to South Africa.

“Being truly South African does not mean that our organisation has origins in South Africa but that it cares for the people of South Africa. This is highly evident in our involvement through sponsorship in sport activities, and in the involvement our senior management have in assisting government departments” (Talent worker).

Brand identity: Most interviewees pointed out that they have always wanted to work for this company because of its brand and its reputation. This is known as a company which cares about its people and which creates value for its shareholders. Most of the talent workers interviewed pointed out that when they visited the company website and when they spoke to people who were already working for this company, one of the things that stood out was the way the company emphasised the importance of taking care of one’s talent. One talent worker commented that he was even impressed with their job advertisements.

“Just before I applied, I saw the following advert on the company’s website. Company X seeks an ambitious dynamic individual to join a stimulating environment. We treat people as our most valuable assets.”

Talent workers therefore attribute the strong brand to the way the organisation treats its employees. They commented that people were willing to give their best in taking the business forward because they felt the organisation was doing the same.

“Company X treats us well and we give our best in return and hence we are able to compete well in the market.”

Global organisation: Being part of a company that has global presence was also highlighted as one of the main reasons that attracted a number of talent workers to join the organisation. This was important for them because it presented an opportunity to work anywhere in the world and to work with people from different parts of the world and therefore to understand the importance and benefits of being part of a diverse workforce. One manager commented that as part of the global company, one does not only become highly competent in technical skills; they also learn about attitudes, needs, work ethics and personal commitment of people from other countries and cultures. For example, it is important to understand that when one works with the Brazilians the key thing is “what motivates people?”, when working with Japanese “am I treating people with trust and respect?”.

Remuneration is viewed as an important component in making a decision to take up a job in an organisation. When talent workers look at the remuneration, they look at both monetary and non-monetary remuneration. The emphasis they place on both monetary and non-monetary reward systems, however, varies considerably depending on their stage in their lives and in their careers. Talented workers who were interviewed and who had joined the organisation at a junior level said monetary reward was very important to them. Those who joined at the senior level said they placed more emphasis on the non-monetary rewards because monetary rewards were a given. All talent workers interviewed said that it is important to them that salary criteria are fair and consistent; i.e. they are fairly compensated compared with others doing the same work. They also want remuneration that will take care of their retirement needs.

5.4.8.2.3 Developing talent workers

Talent workers pointed out that a talent management system should not be taken in a piecemeal fashion but should consist of comprehensive development programmes that include the identification of leadership potential, and performance evaluation targeted development activities that lead to a wonderful job experience.

“I believe that our financial results are a reflection of the success of our development programmes. In my view this is a result a strong management development and succession process in place in our organisation. Our organisation provides structured opportunities for talent workers to improve their management and leadership acumen through formal programmes which are both customised and offered internally or through external public programmes”. (Talent worker)

Goal setting: Goal setting in this organisation is seen as useful in shaping one's career path and this happens in accordance with the organisational needs and objectives, employees' potential, and their preferences. Talent workers meet with their line managers to set goals aligned to business plans. They are set on annual basis, are set for individuals and teams, are defined as outputs not activities, focus on continuous improvement and contain “stretch”, and they are regularly reviewed, adjusted and realigned.

“During our goal setting sessions, we sit with our managers and we set individual goals and team goals. When we do that we make sure there is a fit between the two goals.... For me goal setting is important in that it sets direction for me; it is where I get a chance to see how my job and unit fit into the bigger organisation. I like those one-on-one sessions because I can ask questions, I can discuss my career aspirations, and I can talk about the challenges that I am faced with” (Talent worker).

Goal setting is important in that it is the foundation of the Integrated Management Process (IMP).

Performance management: Talent workers commented that performance management within their organisation is one aspect, amongst others, of an integrated approach to managing talent workers. Performance management is imbedded in the way the organisation functions in that it is linked to the organisation's purpose, values and business strategy and its core competencies. Performance management within

this organisation is viewed by talent workers as a systematic way of managing their daily activities and giving them constant feedback on how they are doing. To them this is important in that they want to be kept in the loop as to how they are doing and how they are contributing to the broader objectives of the organisation. They see performance management as a joint responsibility of managers and employees. Talent workers argued that because both managers and their reportees are jointly accountable for organisational results, they all should be jointly involved in agreeing what they need to do in monitoring performance.

The performance management system within this organisation starts with a planning session where both managers and talent workers agree on what talent workers will be doing within a set period, how it will be done, why is important that it is done according to the agreed specifications, how this is linked to the broader vision of the organisation, and how this will be monitored and evaluated. This is followed by on-going communication which either happens in formal meetings or informally. Then there are formal appraisal meetings where the formal evaluation and feedback is given to talent workers on whether they have met the targets set for them. These meetings are very important in that they allow both the manager and the talent worker to agree on things like human resource development planning, pay levels, rewards and promotions. Talent workers seem to be very happy with the way the performance management system is conducted within their organisation. One talent worker commented that:

“I am happy with the fact that this system is taken seriously within our organisation. There is ongoing communication on how people are doing and people are given extra support to meet their targets.”

Career development: Career development is seen by talent workers as a planned effort to link their career needs with the organisation's strategy. Talent workers therefore see career development as:

“A formal, structured opportunity offered by our organisation with the purpose

of increasing our awareness, knowledge or capabilities as we are key in executing our strategy...in addition to putting us in jobs which test us where we have never been tested before” (Talent worker).

Career development for them is therefore very important in that it does not only allow them to learn the skills required to do the job properly, it also allows them to grow into a position and it also allows them to become continuous learners. Talent workers believe that their organisation also takes this seriously as it has been made part of the line managers’ responsibility to make sure that their direct reportees progress upwards within the organisation. They are also required to send their direct reportees to training programmes.

Training and development: Talent workers within this organisation believe that their organisation is more systematic in tracking their performance and providing development opportunities. The performance appraisal meetings are key in driving this process.

“Our organisation takes training and development seriously. Our ultimate financial results are the reflection of the success or lack of our development programmes” (Talent worker).

Talent workers view the training and development programmes as being important in that they not only enhance the skills and abilities needed to do the job properly, which leads to improved organisational efficiency, but they also lead to individual personal growth.

Internal training: Training and development within this unit is driven by the HR department which works closely with the CEO, CTO and line managers. All these areas take joint responsibility for staff development programmes and for the evaluation of the impact of these programmes on the broader organisational objectives. All the talent workers who were interviewed commented that they have been sent on internal training programmes. The choice of programmes was discussed in their appraisal sessions and in the one-on-ones they had with their

managers. The all commented that they found them very useful and thus their performance had improved at work. There were those who also added that attending those courses allowed them to follow new career paths. These programmes have thus been viewed as being one of the key retention factors within this organisation in that they help people to achieve better results and therefore they get more reward and recognition.

External training: The organisation provides increasingly structured opportunities for employees to improve their leadership acumen through external training programmes. They believe that the only way that they can move forward as an organisation is by empowering their talent workers with a thought process that will make them become good decision makers; i.e. that will allows them to think clearly and logically about issues that they are faced with. Talent workers are finding these programmes useful in bringing about new perspectives of how other companies are doing things and achieving results.

5.4.8.2.4 Retaining talent workers

Clear career paths: Talent workers view career management within their organisation as a system which allows them to match their needs, abilities, and goals to the current and future needs of the organisation. This, according to them, allows them to be in jobs which offer them personal fulfilment, allows them to be in control of their careers, and reduces the chance of them leaving. In the one-on-one meetings that talent workers have with their managers, they discuss career paths and possibilities and they get sent to training programme that would facilitate these movements.

Talent workers pointed out that they want their expectations to be delivered. They also pointed out that talent workers who feel that their career path is blocked are more likely to leave as they have an increasing number of companies to choose from. Talent workers, especially equity employees, do not want to wait too long for promotions, and if they do, they may seek an opportunity with other organisations. It

is therefore important to provide these people with challenging new jobs and other opportunities to advance their careers.

“Timing promotions is important but difficult. If the process is too slow, there is risk of losing talented workers to a rival company - occasional after a talented worker has been developed for years. But having said that, promoting someone too quickly represents a risk to the business and can create resentment and job vacancies that cannot be filled lower down” (Talent worker).

Reward and recognition: Talent workers have commented that their organisation has a pay for performance culture where employees are encouraged to reach specific goals and are compensated based on their contributions. This is important to them in that talent workers want to be in jobs where they are rewarded fairly. The performance appraisal meetings inform them regarding how much bonus they will get at the end of the financial year. To them this is fair, in that it is in their control. If they work hard they get better bonuses, and if they don't then they get nothing. They are thus in control of their own destiny. The organisation, according to talent workers, is doing more in that it publicly recognises and rewards deserving candidates with promotions and other awards and this cultivates an environment in which talent flourishes.

Part of highly performing teams: Talent management is about making sure that one has the right people in the right places, for both themselves and the organisation. Talent workers pointed out that they want to be part of high performing teams. This is because they see themselves as high performers and therefore do not want to be in teams with people who do not have the drive to achieve high results. They want to be part of a team that has a common purpose, similar goals, with people who they can trust to get the job done, with manageable team conflict. Also, working in teams allows them to draw on each other's technical expertise, problem solving skills and decision making skills.

Leadership: Talent workers commented that there is a definite correlation between visible, caring leadership and the success of our organisation. People follow behaviour more they do strategy, and leadership is about mobilising behavioural change. For them the global way of measuring effective leadership is how well people respond to that leader.

The true mark of an effective leader is whether people are following the leader and whether the organisation is delivering through this. Talent workers commented that their leaders follow the organisation's leadership brand and that satisfies them. They see their leaders as visionary, inspiring, engaging, high performers, strategic agents of change, and thought leaders.

Culture: The company has a distinct culture which everyone knows and understands. Talent workers said that the culture within their organisation is a high performance, results driven culture; it's a caring culture where people are respected and is an informal culture where people address one another on a first name basis. This caring nature goes a long way in terms of adding to people willing to stay with the company. The culture suits most talent workers because they want to be part of a high performance culture and a competitive environment. Everything for them has to be measured. They believe that if you can't measure it, why bother? They are passionate about doing business, and proud to be employees within this organisation because it encourages creativity, innovation and allows people to take risks.

Work life balance: Talent workers commented that this area is a big challenge within this organisation. This is because the culture is a high performance culture where everything is results driven. Others added that the product of this company also makes it impossible to have this, especially if one is in sales as most promotions happen after-hours and on weekend. The organisation has tried flexi-time at the management level, but this seems not to be working well. Absence of work life balance has been a cause of high turnover, according to some managers and talent workers.

The organisation has also tried to create a fun environment which has a great vibe. At the head office and at the regional offices where interviews were conducted, the reception areas, the offices, the canteens and the garden are done beautifully and are so inviting. As an outsider that is the first thing that draws you. Talent workers admitted that those were some of the things that drew them into this organisation but that all ceased to matter after three months or so when pressure kicked in. Management is still trying to work on this because on one of the days when the researcher was there, the company had a wellness day where employees were, for example, treated to massages (back, neck and foot) at no cost. Specialists were present to give professional guidance concerning family matters, threats of violence and trauma, relationships, HIV/Aids, non-work related legal issues, financial literacy and debt management, stress, health issues, work, alcohol and drug abuse. All of this was done at no cost and it happens from time to time. It is also available to their families, according to one of the interviewees.

5.5 Conclusion

It is apparent that this organisation takes talent management seriously, based on the comments made by talent workers. As a result there are areas where they are doing well, but there are also some areas which still require attention.

The elements of this organisation's talent management system and factors that led to its success, as expressed by the talent workers, are summarised in Table 5. The table also compares with literature findings. A discussion on whether the talent worker views are in line with literature will be made in the following two chapters.

Table 5 Summary of finding from talent worker interviews and company documents

	Talent worker views	Literature review
Talent worker	Talent workers defined a talent worker as someone who has the potential to make a significant contribution in the organisation, the right attitude, the ability to develop others, is competent in their roles, has people skills, fits the job profile, is willing to go the extra mile, is innovative, creative, takes initiative, is consistent in terms of performance and has a natural aptitude for the job.	Talent workers are the top 20% people or 'stars' within organisations who consistently deliver exceptional results because they can see the bigger picture and have the ability to motivate and inspire others.
Elements of TMS	Talent identification from within, attracting talent from outside, developing talent and retaining talent	Talent identification from within, attracting talent from outside, developing talent and retaining talent
Factors that lead to its effectiveness	Identifying talent workers • Job characteristics • Career advancement • Effective frontline management and supervision • Communication Attracting talent workers • Origins in South Africa • Brand identity • Global organisation • Remuneration Developing talent workers • Goal setting and career discussion plans • Goal setting • Performance management • Career development • Training and development • Internal Training • External Training Retaining talent workers • Clear career paths • Reward and recognition • Part of highly performing teams • Leadership	Identifying talent • Identifying talent from within • Communication • Job characteristics Attracting talent • External talent acquisition • Induction • Rewards and recognition • Work-life balance Managing and developing talent • Leadership • Coaching • Mentoring • Empowering • Sponsoring • Task engagement Retaining talent • Good selection process • Professional growth • Meaningful work and ownership • Recognition for contribution as individuals and as team members • Shared vision • Caring for individuals

	• Culture • Work life balance	• Weeding out poor performers • Fearless culture
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CHAPTER 6

6 Findings, interpretations of results and discussion

In this section, findings of the analysis are discussed and interpreted in light of the literature reviewed in Chapter 2. The interpretation will address each question and will be a combination of management perspective, talent worker perspective, and organisational policies and procedures.

It is important to note that the interpretation and recommendations will be based on views and opinions of people who represent a group of employees that are well informed, demanding and highly connected. These individuals are also highly educated professionals within their field, are in roles that require specialised skills and knowledge, and hold middle or senior management positions. They have been with their current employer for at least four years and they spend a considerable amount of time at work. In the view of the researcher, it is therefore critical that their views be considered by any organisation that wants to become an employer of choice.

6.1 Research question 1: What are the elements of talent management system?

A talent management system exists when there are talented workers within the organisation. These are people who have a different profile from other knowledge workers within the organisation in that they are more than just doers. Talent workers are people who do not only have a potential to make a significant contribution in the organisation based on the fact that they are highly competent and intelligent (therefore rating highly in psychometric tests), but who also have the following characteristics: the right “can do” attitude, the ability to develop others, willing to go the extra mile, highly innovative and creative, take the initiative, consistent in terms of performance and therefore have the right track record, a natural aptitude for the

job, passionate about their jobs, high levels of integrity, self starters, independent workers, take accountability for work and career development, a sense of humour, and show organisational fit by understanding the culture with value systems that match those of the organisation.

Both management and talented workers agreed that this organisation has on average 20% employees who could be referred to as talent workers. The way in which talent workers are defined is in line with the definition carried out throughout this research. Also, the definitions are in line with Braemer and Wilson (1994), Kinnear (1999), and Chowdhury's (2001) argument that talent workers are different from knowledge workers as talent workers are more than knowledge workers in that they "...possess highly developed skills and deep knowledge – not just for work itself but also of 'how to make things happen' in the organisation" (Wall & Aijala, 2004:1).

Having talent workers within one's organisation is wonderful because they keep one's organisation ahead of its competitors, but because there is a limited number of them (about 20% on average) demand exceeds supply and therefore this demands that organisations go the extra mile in creating an environment that attracts and nurtures the best talent. This can only happen if there is a talent management system in place; one which is a well integrated process designed to achieve this, one which is aligned to the broader strategic objectives of the whole organisation and values people as assets rather than liabilities.

Both management and talent workers agreed that their organisation has a talent management system in place. Most of them agreed that it allows their organisation to identify, attract, develop and retain the best talent. This is because they view this system as a well integrated system that is people focused and aligned to the broader objectives of the organisation, and therefore leads to greater workforce productivity and benefits. This is evident in one comment:

"People in our organisation, through this system, feel that the organisation cares about them and allows them to turn into the best people that they can

be.”

There are those who, however, felt that the system is not integrated, is stop - start, adding value only in the short term, is cost prohibitive, and frustrating for high flyers because it creates an expectation that if you are high flyer things will happen for you but people still have to wait for opportunities to come up and that could take anything up to a year. Some aspects of this system are based on judgements of the past; for example, high flyers score highly on psychometric tests and therefore there is an over-emphasis on psychometric testing. This in turn limits diversity within the organisation and creates internal competition and takes away the focus on external competition.

“One manager commented that we need a good mix of go getters and people who will be content with their jobs, we need a diverse workforce as that would create a balanced workforce and that is why sometimes I think we should move away from filling most of our posts internally. We need people who will bring in fresh ideas and create balanced teams and everyone within this organisation has similar profiles. We really need a fresh perspective on doing things. Business changes all the time.”

The above views are in line with Chowdhury's (2001) argument that every organisation needs to have a good mix of high flyers and solid citizens so the people resourcing strategy that drives the talent management system should be designed with the following in mind: talent workers initiate change, knowledge workers support change; talent workers innovate, knowledge workers learn; talent workers direct, knowledge workers act; talent workers make and break the rules, knowledge workers conserve the rules and talent workers inspire and lift others while knowledge workers receive information and motivation.

In view of the above findings, and Braemer and Wilson (1994) Kinnear (1999) and Chowdhury's (2001) distinction between talent workers and knowledge workers and the important role that each plays within the organisation, it is important that

management and HR take the above comments seriously as this could affect the organisation's ability to attract and retain talent workers.

6.2 Research Question 2: What are the factors that contribute to the effectiveness of a talent management system within this organisation?

Despite the variety of experience and opinions of managers and talent workers profiled in this study, the results of the interviews indicate that there are a number of factors which have emerged as common themes that lead to the effectiveness of this system within this organisation. As management and talent workers have similar views on some aspects and differ in some, a combined analysis would therefore be useful. It is important to note that some factors were seen as drivers in more than one area of the system. Such drivers have been placed under sections where most respondents said they were the main drivers. Another important thing to note is that demographics seem not to have an impact on the responses and thus the analysis will not take them into account. This is an interesting finding in that it supports Duttagupta's (2005) recommendation that talent workers are found everywhere in the organisation and they all have similar needs and views.

6.2.1 Identifying talent from within

6.2.1.1 Talent friendly organisations with effective line management

Both management and talent workers agreed that talent workers are more likely to stay in an organisation that they perceive as talent friendly and they perceive their organisation as such. Their organisation creates advancement opportunities or jobs which are challenging and which give talent workers an opportunity to make a significant contribution in taking the business forward.

They have, however, warned that those jobs need to be managed by someone who is well equipped to advise, support, direct and help to solve problems within their

business units. Talented employees thus join or run away from “managers”. This view is supported by Towers Perrini (2006:11) who argues that, “If people see their managers as ill-equipped to deliver, employees are at far better risk for both higher (undesirable) turnover and increased disengagement”. Effective line management and supervision was thus identified as a key factor by all talent workers in applying for or accepting positions internally.

Both talent workers and their managers agreed that the talent friendly environment is driven by the fact that line managers work closely with HR in managing their direct reportees’ performance. According to the organisation’s policy, line managers are accountable for performance of their own staff and therefore are trained in coaching, sponsoring, empowering and mentoring skills. Coaching helps talent workers to see and do things differently. Sponsoring allows managers to open doors for talented employees so that they can move upwards within the organisation. Talent workers see empowerment by their managers as a way of establishing a focused, productive independence of thinking and action within defined boundaries of interdependence in the organisation. Mentoring is about developing and growing the individual for the future.

6.2.1.2 Communication

There is a company policy which insists that managers should have a two-way communication with their direct reportees. Both management and talent workers agree that these meetings are very useful in that they open up discussion on the company’s vision, mission and objectives. Talent workers have also commented that they find these discussions useful in that they allow managers and talent workers to assess whether the broader organisational strategy is in line with their needs (especially the self actualisation as per Maslow’s hierarchy of needs).

This is line with Johnson (2000) who suggests that communication needs to occur regarding company plans, otherwise the skills and the learning developed within the organisation will be lost as incumbents leave for elsewhere. This communication

need not only be about where the company is going, but it's also about giving talent workers an opportunity to assess whether they still have the requisite skills and competencies to achieve organisational goals.

Talent workers have also pointed out that communication is important for them, especially because it presents an opportunity to hear about the organisational stories, presents them with an opportunity of getting continuous feedback, and allows them to fix things as they come up. Communication in this organisation happens both formal and informal and is driven from the top.

6.2.1.3 *Job characteristics*

Managers within this organisation are aware that talented people look for jobs that would challenge them and that will allow them to make a significant contribution in taking the business forward. Talent workers have pointed out that they want to be in jobs where they feel they are making a significant contribution in moving the business forward. They therefore all agree that line managers should continue working closely with HR in design jobs which have the following characteristics: challenging, provide scope and variety, give them control and autonomy, allow them to advance quickly, give them more meaning and help improve the efficiency, and a sense of knowing that they were taking the business forward. This suggestion is inline with Kimaryo's (2005) suggestion that employees are looking for jobs that are challenging, provide scope and variety, match the right skills to the right tasks, match one's talent to abilities, give them control and autonomy which gives them more meaning, and suit their style and preferences which provides more involvement.

6.2.1.4 *Career advancement opportunities*

Both managers and talent workers agreed that potential for growth is one of the key decisions in applying for an internal job and in accepting a job offer. Talent workers are therefore looking for a career, rather than a job. Also, they look for challenging work and as they climb up the ladder, jobs become more challenging and more interesting. Both management and talent workers believe that no single job

provides the perfect opportunity to become a leader, so what they look for are career advancement opportunities that will take them where they want to go, i.e. the top. Management and HR therefore design jobs that would allow talented people to move upward rather than sideways. The above views are in line with the views of Stum, 1999; Werst, 2004; Maisela, 2001; Smith, 2005; Heathfield, 2005; Herman, Hankin and Moore, (2005) who comment that talented individuals view job satisfaction as being in the right job, with the right orientation, training and resources which provide an opportunity for personal growth.

6.2.2 Attracting talent from outside

6.2.2.1 Strong brand

Both management and talented employees have agreed that the organisation has a strong presence in the market and a strong brand, and therefore could leverage on this. Almost everyone who was interviewed aspired to be part of this brand before they joined the organisation. They wanted to be part of an organisation which is known for constantly achieving good results and which has its people at the core of its existence. They wanted to be part of a brand that has got global presence. They also wanted to be part of an organisation that has been rated highly in the best company to work Financial Mail survey as the employer of choice because it puts so much focus on “total employment”.

6.2.2.2 High performance environment

A high performance environment also came up as one of the factors that attracts talent workers. Talent workers, by nature, are highly competitive, highly innovative people who want to always be on top of things. They therefore look for an environment that will bring out the best in them and they have found the environment within this organisation as one that allows them to do the following: think out of the box, challenge old patterns, spearhead new ones, give meaning to ‘the new world of work’ and be part of the best global teams.

This high performance, however, has its challenges in that it is output driven and therefore has little work-life balance. Employees generally “burn out” even though the company has got wellness programmes, plush offices with the best lounge, and other entertainment places that people can enjoy while doing their work.

6.2.2.3 Market related salaries

Managers argued that talent workers work hard and therefore want to be remunerated accordingly. Talented employees said that they want market related salaries or otherwise they don't bother applying for the job or they don't accept the job. They therefore place value on both monetary (competitive perks) and non-monetary reward systems, and therefore want reward systems that are fair (transparent) and that represents their individual input (reward for the right reasons) and output rather than group performance.

This is line with Smith's (2005) argument which states that talent workers want more than money; they want a reward system that is targeted on individual rather than business unit performance. Thus these employees seek compensation that is performance based and that they can influence. Gains-sharing, and profit sharing schemes such as cash bonuses or shares and equity participation, have also been identified as one of the elements that influence talent workers to join certain organisations (Smith, 2005; Kimaryo, 2005). Remuneration is therefore viewed as an important component in making a decision to take up a job in this organisation. It is important to note that the emphasis they place on both monetary and non-monetary reward systems varies considerably, depending on their stage of their careers.

6.2.2.4 Global organisation

Being part of a company that has global presence was also highlighted as one of the main reasons that attracted a number of talent workers to join the organisation. This was important for them because it presented opportunity to work anywhere in the world and to work with people from different parts of the world, and therefore to understand the importance and benefits of being part of a diverse workforce. One

manager commented that as part of the global company, one does not only become highly competent in technical skills they also learn about attitudes, needs, work ethics and personal commitment of people from other countries and cultures.

6.2.3 *Developing talent workers*

6.2.3.1 *Goal setting and performance management*

Goal setting in this organisation is seen as useful in shaping one's career path within the organisation. Talent workers meet with their line managers to set goals aligned with business plans. These goals are set for individuals and teams, and they are defined as outputs not activities. They focus on continuous improvement and contain "stretch" and are regularly reviewed, adjusted and realigned.

Talent workers commented that performance management within their organisation is one aspect of an integrated approach to managing talent workers. Performance management is imbedded in the way the organisation functions in that it is linked to the organisation's purpose, values and business strategy and its core competencies. Both management and talent workers view this system as a systematic way of managing their daily activities and as an opportunity to give and get constant feedback. It is important in that everyone is kept in the loop regarding how they are contributing to the broader objectives of the organisation.

6.2.3.2 *Career development*

Career development is seen by both managers and talent workers as a planned effort to link employee career needs with the organisation's strategy. Both management and talent workers view career management within their organisation as a system that allows them to match talent worker needs, abilities, goals and the current and future needs of the organisation. They also pointed out that talent workers who feel that their career path is blocked are more likely to leave as they have an increasing number of companies to choose from. Talent workers, especially equity employees, do not want wait too long for promotions and if they do they

may seek an opportunity with other organisations. As a result, career management has been made part of the line managers' responsibility to make sure that their direct reportees progress within the organisation.

6.2.3.3 *Training and development*

Both management and talent workers agreed that training and development programmes are important in that they not only enhance the skills and abilities needed to do the job properly, which lead to improved organisational efficiency, but they also lead to individual personal growth. Training and development within this unit is driven by the HR department which works closely with the CEO, CTO and line managers. The choice of programmes is therefore discussed in their appraisal sessions and in the one-on-ones with their managers. These programmes have thus been viewed as being one of the key retention factors within this organisation in that they help people to achieve better results and therefore to get further reward and recognition.

Most internal programmes are skills based. They are designed to fill in the gaps in terms of performance on the job, and people therefore need to be realistic about programmes that they choose. These programmes range from highly technical (job specific) programmes to programmes that focus on leadership competencies. In addition to formal training, talented workers want to be coached and mentored. For them coaching can help them see and do things differently – better, faster, and more effectively. Talent workers also want mentoring and this is the process of developing and growing the individual for future (often unspecified) roles. The organisation also provides increasingly structured opportunities for employees to improve their leadership acumen through external training.

6.2.4 *Retention of talent workers*

6.2.4.1 *Part of highly performing teams*

Managers have commented that talent workers in their organisation are highly

driven people and therefore want to be part of high performance teams. They want to be part a team which draws the best out of each individual. As a result line manages and their direct reportees set targets for the team and the team has to deliver on those targets.

The organisation measures and monitors individual contributions in mid-year and year-end performance reviews so as to make sure that there are no “free riders”. This is in line with Werst’s (2004) suggestion that managers need to monitor teams very closely as talent workers do not want to be part of teams that are not performing. Robbins (2005:134) therefore suggests that, “Working in teams requires people to cooperate, to communicate with other, to share in formation, to confront differences and to sublimate personal interest for the good of the team”.

6.2.4.2 Leadership

Talent workers commented that there is a definite correlation between visible, caring leadership and the success of our organisation. To them, people follow behaviour more they do strategy, and leadership is about mobilising behavioural change. The global way of measuring effective leadership is how well people respond to that leader. Talent workers therefore want to be led and follow leaders who are visionary, restless, performance driven (goal oriented) and who have all the competencies mentioned in this organisation’s leadership brand. This is in line with the findings of the Financial Mail’s survey (2006) that leadership is one of the key elements important to talent workers. “If individuals have no sense of a company’s direction or vision, they won’t know where they are going, or why” (Financial Mail, 2006:33).

Kimaryo (2005) suggests that organisational direction should be communicated through continuous dialogue between the organisation’s leadership and all employees about market conditions and the organisation’s direction. In this way, employees are kept aware, not only of the intended direction, but can also assess whether they still possess the requisite skills and competencies to achieve the organisational goals as they always want to see the link between organisation

purpose, their daily activities, and business results (Kimaryo 2005).

6.2.4.3 Culture

All the people interviewed commented that the company has a distinct culture which everyone knows and understands. They said that the culture within their organisation is a high performance, results driven culture; it's a caring culture where people are respected and it is an informal culture where people address one another on a first name basis. They also commented that they are passionate about doing business, and proud to be employees within this organisation because it encourages creativity, innovation and allows people to take risks.

The way in which managers and talent workers view the culture within their organisation is in line with what is suggested by Werst (2004) when he states that talent workers want to be part of a culture promotes empowerment as this supports their growth and success, ensures that they know why their job is important and what it is they are trying to accomplish, and have the appropriate training and tools to succeed.

6.2.4.4 Work life balance

Talent workers commented that this area is a big challenge within this organisation. This is because the culture is a high performance culture where everything is results driven. Other added that the product of this company also makes it impossible to have this, especially if one is in sales as most promotions happen after hours and on the weekend. The organisation has tried flexi-time at a management level but this seems not to be working well. Absence of work life balance has been a cause of high turnover according to some managers and talent workers. Management within the organisation is aware of this and they have tried to create a fun environment which has a great vibe.

At the head office and at the regional offices where interviews were conducted, the reception areas, the offices, the canteens and the garden are beautifully done,

and are very inviting. As an outsider, that is the first thing that draws you. Talent workers admitted that this was one of the things that drew them into this organisation but that all ceased to matter after three months or so when pressure kicked in. Management is still trying to work on this because on one of the days when the researcher was there, the company had a wellness day where employees were, for example, treated to massages (back, neck and foot) at no cost and there were specialists who were there to give professional guidance concerning family matters, threats of violence and trauma, relationships, HIV/Aids, non-work related legal issues, financial literacy and debt management, stress, health issues, work, alcohol and drug abuse. All of this was done at no cost to the workers, and is a regular occurrence. These services are also available to their families, according to one of the interviewees.

6.2.5 Conclusion

The literature, findings, and interpretation of findings suggests strongly that talent workers' needs are changing in response to shifts taking place in the world in general and the best way to deal with challenge is by turning one's organisation into a talent-centred one by having an effective talent management system in place. An effective talent management system is one which recognises that management have an important duty of actively searching for new talent, keeping those people by satisfying their needs, and employing and using them effectively by creating challenging jobs. Factors that were identified as challenges are included in the summary in Table 4.

In addition to the factors summarised in Table 4, it can be concluded that the talent management system in place within this organisation is effective in that it:

- Supports their overall business strategy.
- Creates a balance between people who create a vision and who execute the organisational strategy.

- Allows a translation of company goals to individual objectives so that short-term and long-term goals are reached.
- Allows the organisation to have a system in place on how to expand the pool by recruitment, how to expand the competency of the existing talent, and how to retain talent.

Identification drivers	Attraction drivers	Developing drivers	Retention drivers
Positives	Positives	Positives	Positives
• Talent friendly organisation with formal processes of identifying talent from within • Senior management, line managers and HR are active in continuing search for existing strengths and use training to close competency gaps • The organisation 'engages' staff through communication, motivation and generally making them feel part of the organisation • The company creates career advancement opportunities that allow talent workers to move upward rather than sideways	• Organisation has strong presence in the market and a strong brand • High performance environment that allows talent workers to thrive • An A list reward system • Being part of a global company	• Clearly set individual and group goals • Effective performance management system • Career progression opportunities • Talent workers are given an opportunity to attend internal and external training programmes	• Being part of high performance teams • Having visible and caring leaders • High performance result oriented culture
Challenges			Challenges
• Too much reliance on psychometric testing			• Output driven culture that leads to 'burnout' • No work – life balance • Poorly managed working relationship between X and Y generations

Table 6 Summary of factors that are important and challenges in organisation X's in a talent management system

CHAPTER 7

7 Conclusion and recommendations for further study

7.1 Implications for organisations in South Africa

The interpretation of the results in Chapter 6 has revealed interesting themes on factors that lead to the success of talent management system within this organisation. Also, they have revealed that those themes are in line with the literature on talent management. This therefore means that they have to put in place a talent management system that promotes the following understanding:

- Talent workers are found at all levels within the organisation.
- Talent workers have similar needs irrespective of their demographic profile.
- Talent workers are highly mobile and seeing that they make up a small component of the organisation (about 20%), organisations need to make a huge effort to retain them. This is only possible if there is an integrated talent management system that is understood by everyone and that is owned by senior management and one which works closely with HR.
- Talent workers want to work for organisations which have a vision and mission in line with their needs.
- Talent workers want to know what is happening around them and therefore want to have visible leadership that is constant communication with them.
- Talent workers are high flyers and therefore want training that will advance their career advancement opportunities.
- Talent workers place more emphasis on recognition than reward. Organisations therefore need to devise a reward system that is not based solely on natural pay progressions.

- Talent workers want to be in a high results-oriented performance culture that weeds out poor performers and that still creates a work-life balance.

7.2 Recommendations for further study

This research was conducted on an exploratory basis to uncover the elements of a talent management system and factors that lead to its success within an organisation in the food and beverage industry. This research focused within five business units in Gauteng and due to this, and due to the non-random sampling method utilised, the results may not, theoretically, be generalised. Therefore, it is suggested that a case study of the whole organisation, which would include all the regional units in South Africa and across the world, be undertaken using an all inclusive random sampling method. Alternatively, research could be conducted through a survey, rather than a case study, to include everyone in the sample and the sample could include views of women within the organisation.

7.3 Conclusion

Organisations in South Africa and around the world need talent workers who can keep up with the changes that are brought about by globalisation. There is, however, a limited supply of such employees and this makes employers of these people vulnerable as these employees are in high demand. This therefore creates a challenge and they have to make an extra effort in understanding them better and thus retaining them. Effective talent management, according to the literature and findings of this research, happens when there is a well integrated talent management system that allows management to identify talent workers from within, attract them from outside, develop them and retain them.

Talent management is still a new concept and some of the findings of this research add to some of the work being done in this area. There were factors that did not emerge in the literature which talent workers felt strongly about; viz. brand identity

and working for fun company that has a fun product.

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CONSISTENCY MATRIX

Research topic: Evaluation of a talent management system within a South African organisation			
Question 1	Source of theory	Source of data	How analyzed
What are the elements a talent management system within an organisation in the food and beverage industry?	Duttagupta (2005), Chowdhury (2001), Handfield-Jones, Michaels& Axelrod (2001), Berger & Berger (2004), Watt (2004), Flamberg (1990), Vicere (2006), Moos (2000), Smith (2005), Qondashe (2001), Towers Perrini (2006), Johnson (2000), Financial Mail (2005), Financial Mail (2006), Forman (2005), Maisela (2001), Kimaryo (2005)	Interviews Documents News papers Company news letter Web sites	Coding, Content analysis Pattern identification Cognitive maps and matrices
Question 2	Source of theory	Source of data	How analyzed
What are the factors that lead to the effectiveness of a talent management system within an organisation in the food and beverage industry?	Frank & Taylor (2004), Carrey (2003), Casse (1994), Chowdhury (2001) Flamberg, D. (1990), Fredman (2003), Handfield-Jones, Michaels& Axelrod, B. (2001), Hartley (2004), Lunn (1995), Mercer Human Resource Consulting (2004), Michaels, E. (2001), Morton (2004); Kinnear (1999), Sutherland, Torricelli & Karg (2002), Davidson (2004) Kippenberger (2000) Maisela (2001) Hamilton & Bruce (2000) Taylor (2004) Lynn (2000), Lockwood & Ansari (1999) (Veldsman, 1990), Foxcroft, Roodt et al (2001), Robbins (2005), Keeley (1999), Baird, Briscoe, Lydia & Rosansky (1994), Berger & Berger (2004), Watt (2004), Vicere (2006), Moos (2000), Smith (2005), Qondashe (2001), Towers Perrini (2006), Johnson (2000), Financial Mail (2005), Financial Mail (2006), Forman (2005), Kimaryo (2005) , Kinnear & Sutherland (2001)	Interviews Documents News papers Company news letter Web sites	Coding, Content analysis Pattern identification Cognitive maps and matrices

APPENDIX A

Wits Business School

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08 October 2006

Mr

Company X

Re: MBA research: Evaluation of a talent management system within a South African organisation

Dear Mr/Ms

My name is Zimasa Koyana and I am a Master of Business Administration (MBA) student at the Wits Business School (University of the Witwatersrand). I have been given permission by your Human Resources Director, Mr Y to conduct research within your organisation in partial fulfilment of the requirements for the degree of Master of Business Administration. You have been identified as one of the people that I can interview within the company and I would like to invite you to participate in my study. Participation would involve either a face-to-face interview or telephone interview which would last for thirty minutes or so. Your anonymity and confidentiality will be assured. Since only general trends will be determined, no individual feedback will be possible.

This research aims to establish what the elements of a talent management system are, and what factors lead to its effectiveness within your organisation. Factors

used to identify, attract, develop and retain critical talent from a management perspective and an employee perspective will be used as indicators of an effective talent management system. In understanding these factors, Company X can begin to understand the needs of talent workers and how their acquisition and retention can be enhanced. Thus the research will focus on the following factors relating to talent management systems:

- The elements of a talent management system within Company X
- The most important factors which influence the decision by talent workers to join and stay within Company X.
- The extent to which Company X can emphasise those factors which talent workers have identified as enhancing their commitment to the organisation.

You may contact me for overall feedback about four months after the interviews. You may also contact me on the contact details below should you require any further information. I will be in contact with you or your secretary in the next few days to set up a time for the interview.

Thank you for taking the time to read this.

Yours sincerely

Zimasa Koyana (Ms)

APPENDIX B

Questionnaire for managers

1. Why has your organisation embarked on a talent management initiative?
2. Is this initiative aligned to HR and the organisation's strategic objectives?
3. How did you decide who should head up this initiative?
4. Who else is involved in implementing this initiative?
5. Do you have a framework that you use for this initiative?
6. How was that drawn and who was involved in the planning stage?
7. At the moment where is the focus of this initiative in terms of organisational levels and how do you plan to expand it to other levels?
8. Would you say that talent management is part of your daily operation and how is it part of that?
9. What kind of people are in your talent pool and why have you targeted those individuals?
10. What are the benefits if any that you have seen so far?
11. What are the challenges and why do you have these challenges?
12. How are you planning to work on them?

APPENDIX C

Questionnaire for talent workers

1. Why do you think your organisation has embarked on a talent management initiative?
2. How is the work environment within your organisation?
3. What is your skills/educational/experience profile?
4. Why do you think you were selected for this programme?
5. In your own opinion, how is talent managed within this organisation?
6. Do you think that there people within your level who should be part of this but who are not? If there are, why do you think they have been left out?
7. Do feel that this is part of daily operations, and if so, how?
8. What are the benefits of being on this programme?
9. What are the challenges of being on this programme?