

### HUMAN RESOURCE TRANSFORMATION AS A STRATEGY FOR ADDRESSING TALENT MANAGEMENT CHALLENGES AT ESWATINI ELECTRICITY COMPANY

By

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#### **DECLARATION**

I, Trevor Ncamiso Mtetwa, declare that

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Trevor N Mtetwa

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## **DEDICATION**

This study is dedicated to my daughter **Tamara K. M. Mtetwa**. I hope this thesis inspires you to work hard to achieve your goals in life and become a strong and independent woman.

#### **ABSTRACT**

Faced with looming talent challenges, uncertain business environments and changing demographics, organizations find themselves forced to adapt or perish. These changes not only suppress an organizations' competitive edge but also greatly affect the manner in which they are positioned to respond to the changes. Adapting to such volatile environments requires organizations to rethink and reinvent their operations. Moreover, with these changes having human capital implications in both strategy and operations, HR professionals find themselves under immense pressure to rise to the challenge and help their organizations achieve competitive advantage. The aim of the study was to explore the nature of HR transformation and determine the impact it has in addressing talent management challenges. To address the research questions and objectives, the study employed a descriptive mixed method approach. The survey strategy by means of questionnaires and interviews was used for data collection. Quantitative and qualitative data analysis was performed using the statistical package for social sciences and the NVIVO system respectively.

The results indicated that there was consensus that the company has taken strides in transforming the HR function through the adoption of the business partner model however, the findings also revealed that HR lacks the in-depth knowledge of business operations necessary to function optimally as a business partner. As such, respondents felt that HR does not add as much value as expected. Furthermore, the study found that HR does not have a clear talent strategy, lags in instilling a talent culture in the organization and application of data analytics. While some employees showed confidence in the HR department and were happy with the support they get, they also expressed dissatisfaction with major talent management practices and the delivery of the employee value proposition. The study recommended that HR should improve on the value-adding aspects of their activities by gaining deeper understanding of core business operations. This requires a shift from tactical to strategic management where HR issues are viewed from both a people and business perspective. This mind-set shift would provide a crucial balance, which would enable HR to tailor its TM strategies to critical business requirements.

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#### **CHAPTER 1**

#### INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.1 Introduction

There is broad consensus among business leaders and researchers that effective management of talent is crucial for achievement of organizational goals. Organizations are made up of people; recruiting them, training and developing them, motivating them and ensuring that they are engaged and committed to the organization are issues of critical importance for the growth and sustainability of organizations. In the modern business world it is the human resource (HR) function which has pivotal responsibility for these processes and business operations, ensuring that their firms have the capable and talented individuals they need to drive the organization's strategy. However, faced with volatile and ever-changing business environments, the HR function often finds itself having to reinvent and transform itself, realign its strategies with the requirements of the business conditions, and come up with effective ways to manage the talent at its disposal.

Human resource transformation and talent management (TM) are core concepts both in the functionality and credibility of the HR function, and in the attainment of competitive advantage in organizations. A great deal of research has been done on how the concepts should be implemented in both private and public organizations. The research reported in this thesis seeks to explore the phenomenon of HR transformation and how it impacts on talent management at eSwatini Electricity Company (SEC). This chapter indicates the background of the study, gives a brief overview of SEC and talent management process in the company and explains the motivation for conducting the study. Any research aims at addressing certain objectives and providing answers to questions. This chapter therefore also presents the objectives and research questions, and further sets out the problem statement. Research is also prone to limitations, and the limitations encountered by the researcher are clearly stated in the chapter. The last section of the chapter provides an outline of the entire research process.

#### 1.2 Background of the study

One of the main goals of human resource (HR) transformation is to add value and drive business success by bringing the HR function in line with the goals of the business and redefining how HR work should be done to deliver on the business strategy. But although there has been extensive research on the evolution and the multidimensional character of transformation, few studies have explicitly considered how transformation is linked to particular HR practices and outcomes. In the past few decades the human resources function in organizations has changed as a result of enormous ongoing changes in the business world which have compelled HR professionals to move away from their traditional roles of managing day-to-day staff terms and conditions. Studies on human capital indicate that HR has a crucial role in partnering with business to address both strategic and operational activities that will enhance organizational growth and sustainability (Ulrich, 2016). According to Ulrich (2016), the modern reality is that HR faces a choice in its priorities regarding content and process: content choices focus on areas where the HR function adds more value, whilst process choices are concerned with the HR work that is carried out. For HR professionals to effectively respond to the realities of the business environment, they need to develop new skills and capabilities and a strong talent mind-set. Furthermore, they need to develop exceptional strategies, bring them in line with the strategies of the organization, and focus on developing talented employees who will drive these strategies (Ulrich, Brockbank, Johnson & Younger, 2007).

Human resources departments (HRDs) have traditionally focused on transactional duties relating to employee problems. HR was preoccupied with ensuring that employee problems were attended to and that staff were duly paid, including drafting contracts of employment and complying with labour legislation and company policies. Mathlape (2006) adds that HR departments functioned reactively, waiting for managers to report problems before making an intervention. The objective of HR departments was to ensure that human resource issues did not impede business operations such as production or sales, and mediated only when issues had a direct impact on business (Noe, Hollenbeck, Gerhart & Wright, 2008).

Over the years the HR function has had to transform itself to be responsive to changes in business conditions brought about by external pressures that have challenged the way organizations operate. HR today is expected to be hands-on and play an active part in strategic business operations (Mathlape, 2006). Similarly, Ulrich (2002) argues that "increasingly HR has to assume a more strategic role and start focusing on assisting management to build organizational capabilities to grow the business rather than spend time on administrative issues". Mello (2011) adds that strategical management requires a shift in mind-set on the part of HR professionals towards the functions that add value to business rather than mere personnel management issues. Ulrich and Brockbank (2005) suggest that rather than focusing on what

they do, HR needs to concentrate on deliverables, aligning their mandate and developing integrated value-adding practices and capabilities geared toward attainment of organizational goals. Moreover, HR also needs to take advantage of the automation of transactional functions and validate its strategic role in the business.

#### 1.3 Problem statement and rationale for the study

The eSwatini Electricity Company (EEC), formerly Swaziland Electricity Company (SEC), is an electrical power generating, transmitting and distribution company in the kingdom of eSwatini. Since its inception in 1963 as the Swaziland Electricity Board (SEB), the company has enjoyed a monopoly in the supply of electricity in the country. In 2007 however, the energy sector underwent a reform to reduce the monopoly of the electricity powerhouse (Sustainable energy for all action plan, 2014). This also served as a strategic agenda aimed at delivering sustainable value to stakeholders, which not only included structural changes from a board (SEB) to a company (SEC) but also saw a number of changes in the operations and services of the company being implemented in the subsequent years. The transition from a board to a company also meant lasting changes in the organizational culture of the company, in terms of its competitiveness, customer service and people management. This had serious human capital implications including the manner in which employees are recruited, how they are developed to keep up with the latest technological developments while striving to instil and maintain a high performance culture.

Following the establishment of SEB in 1963 and the conversion to SEC in 2007, the company has however grown and established itself as a reliable power generating company. According to Swaziland's Sustainable Energy for All country plan report (2014), SEC is currently third in SADC in power supply reliability. Currently the company owns numerous substations across the country and operates four hydro-power stations, all serving as peaking and emergency power stations, and they contribute between 14% and 24% of the total energy consumed in the country (Simelane, 2011). However, since the establishment of SEC in 2007, and faced with a number of transformational challenges following the reform, the company has had to restructure to ensure its sustainability. As a result, a number of initiatives aimed at accelerating the creation of a high-performance organizational culture were implemented (Annual Integrated Report, 2012/13). Among these were; (i) development of a leadership framework to aid in benchmarking and assessment of leadership effectiveness; (ii) design and implementation of a performance management system based on the balanced scorecard aimed

at improving the overall line of sight in performance and (iii) development of a human-capital strategy which reinforces the company's vision of "winning through people" and determining critical human-capital issues which need urgent attention (Annual Integrated Report, 2012/13). In 2012 the company also adopted the Human Resource Business Partner (HRBP) model in an attempt to bring HR closer to business (Swaziland Electricity Company Human Capital Report, 2012). With the HRBP model HR has designated consultants within the various divisions in the company who work closely with divisional heads and supervisors in providing advice and consultancy services on various human capital related issues.

The company attaches great significance to talented individuals and considers its employees critical to its success and growth. Their HR strategy focuses on achieving business success through the collective efforts of its employees. Attracting, retaining and continuously developing the skills and capabilities of their employees consequently remains crucial to the growth and sustainability of the company. In their (2012/13) annual integrated report the company identified talent management, technical training, performance management, change management, employee well-being and systems administration as crucial areas central to the achievement of business objectives and requiring attention in both time and resources. According to the report,

Given the transformational imperative of the company, which included talent management and culture change, it was envisaged that a focus on these areas will enable the company to develop employee centred mechanisms, initiatives and programmes to achieve its business objectives (p36).

The Swaziland Electricity Company's Human Capital Management Progress Report (2015) indicated however that there is a continuous loss to other companies within and outside of the country of critical and skilled employees occupying key positions. This was cited as a huge concern, as large amounts of money are spent in recruiting and developing employees for these positions. Like many organizations in the engineering fields, SEC experiences an exodus of skilled employees. The issue of employee turnover, especially in the technical and engineering fields has been a cause for concern given the fact that the country has a shortage of such skills (Swaziland Central Statistics Office, 2013).

Deloitte (2015) in their report on High impact HR operating model, note that for years organizations have been attempting to transform their HR functions. The report mentions however that 42% of companies surveyed reported that HR operations have a "weak" impact

on organizational success, and that 85% of the companies surveyed were considering transforming HR to meet new business priorities. Apart from demonstrating efficiency in the delivery of core, HR today is also expected to drive the talent agenda and including performance and engagement. Accordingly, Deloitte (2014) states that current HR department's face new demands that require them to lead talent management initiatives and attract the best talent, including driving alignment, promoting a culture of exceptional performance, leverage technology and business metrics, and have viable succession management plans.

Gallardo-Gallardo, Nijs, Dries, and Gallo (2015), Thunnissen, Boselie, & Fruytier (2013) and Gallardo-Gallardo, Thunnissen and Scullion (2017) note that despite the extensive scholarly literature on talent management questions still remain in relation to what happens in practice. They argue that there is limited knowledge on conception, implementation and development of TM within organizations and what the outcomes are. The authors argue that, while researchers and firms adopt varying approaches regarding the connotations of talent TM goals and goals, the impact of organizational configuration (the internal context) is hardly considered in TM research. In addition, literature on HR transformation mainly focuses on how HR departments should align with and support the organizations strategy through improved services delivery while neglecting the intricacies of talent management. The motivation for this study stems from the understanding that the HR function, as the driver of TM in organizations, is key in ensuring the success of the TM programs through transformation of the function's core activities. As the Society for Human Resources Management (2008) notes, through the process of transformation, HR departments are expected to redirect their attention from administrative activities to more value-adding strategic functions and to develop other comprehensive strategic systems to enhance their processes and meet organizational challenges.

Moreover, globalization, increasing labour mobility, changing demographics, reduced product lifecycle, and technological advancements are changing the face of the current labour markets. Expectations of HR have, over the years intensified and heightened with company leaders relying on human capital management as a critical driver of business performance. For organizations to be successful and sustainable, they need to embrace these changes and transform themselves in response to the demands of the business environment. Notwithstanding the substantial volume of research on HR transformation and talent management, the exact nature of the relationship is, however, unclear. This study therefore

builds on existing knowledge on HR transformation and focuses on the relationship with talent management. It argues that HR transformation is instrumental in resolving TM challenges and that a holistic focus on the transformation of the HR function in the company would have an impact in addressing talent management challenges and driving business success.

#### 1.4 Aim of the study

The aim of this study was to explore the nature of HR transformation and its impact in addressing talent challenges at Swaziland Electricity Company.

#### 1.5 Objectives of the study

The purpose of this study was to evaluate aspects of HR transformation and talent management practices in the company. It therefore undertook an assessment of these aspects from the perspectives of management and non-management staff. The following research objectives were developed:

- To establish the extent to which HR transformation addresses talent management challenges at SEC:
- To ascertain the role of HR in the company's strategy enactment:
- To propose ways in which SEC can build a strong employee value proposition to attract and retain staff:
- To determine ways in which the company can improve existing strategies on talent management and:
- To propose ways in which the company can increase employee engagement.

#### 1.6 Research questions

To address the above objectives, the following questions were developed:

- To what extent are HR transformations focused on addressing talent management challenges at SEC?
- What role does HR have in the company's strategy enactment?
- How can SEC build a solid employee value proposition?
- What can be done to improve existing strategies used for talent management?
- How can employee engagement be improved at SEC?

#### 1.7 Location of the study

The study was carried-out in various depots of the company in the Kingdom of eSwatini. The company has numerous depots around the country and the researcher randomly distributed questionnaires to employees in various depots. Arrangements were made prior with depot managers for distribution of questionnaires to employees in the depots. Questionnaires were also randomly distributed the company's Headquarters offices in the capital city of eSwatini in Mbabane where the bulk of administrative workers were located. For qualitative data collection, all interviews were also conducted at the company's Headquarters. Appointments were scheduled with personal assistants of executive members and were conducted in the comfort of their offices.

#### 1.8 Limitations of the study

The major limitations affecting the study were location and costs. The population was widely dispersed, and as a result the researcher had difficulty in reaching some of the company's depots. To overcome these limitations, the researcher, with the assistance of the HR personnel, was able to group certain depots and deliver the questionnaires during their weekly morning gathering. In terms of cost, the researcher was assisted with funds by the college research office. Another limitation was reluctance of some staff members to complete the questionnaire. This was however overcome by clearly explaining the purpose and objective of the study and assuring participants that they will remain anonymous and that no identities were required for participation.

#### 1.9 Outline of the study

Chapter one presents the introduction to the study and provides detailed background to the research. This section looks at the role of the HR function and how it has changed over the years. The problem statement and motivation for the study are also provided, including the talent management challenges facing the SEC. The chapter discusses a brief history of EEC and provides a synopsis of the human capital challenges faced by the company. The chapter also outlines the objectives and the questions to be addressed by the study and ends by providing the location and highlighting the limitations encountered during the course of the study.

Chapter two provides a comprehensive account of literature on the background of human resources management. The chapter discusses the transition of personnel management to human resources management and highlights the differences between the two concepts. It further looks into the new roles of strategic human resources. The review of literature also offers an in-depth exploration of the concept of HR transformation and the driving forces behind transformation. Reference is made to the HR transformation model by Ulrich. D., Allen, J, Brockbank. W, Younger. J & Nyman. M. (2009). The role of technology in HR transformation and the connection between HR service delivery models and HR transformation was also discussed.

Chapter three focused on *talent* and *talent management*, exploring the meaning and application of the concepts in organizations. The significance of talent management and the respective roles of stakeholders in the process were discussed. In the discussion, the chapter looks at the framework for talent management including the components that make up a talent management system and how they can be integrated to provide seamless services to HR customers. The chapter also underscores the significance of talent management in an organization's performance, and how it enhances the achievement of competitive advantage.

Chapter four presents the methodology used in the study. The chapter looks at the design, sampling methods and data collection technique chosen for the study. The various forms of testing validity and reliability are also highlighted. The chapter also explores the various statistical measures applied in manipulating data, and the ethical considerations followed in collecting and safe-keeping data.

Chapter five presents the results of the study. Presentation is in the form of tables and graphs. Presentations begin with quantitative results from management subjects, followed by results from data collected from employees. These were categorised and presented based on the sections of the questionnaire. The last section of the chapter presents the qualitative responses obtained from interviews. Qualitative results ere presented in the form of themes relating to the main variables of the study.

Chapter six provides a discussion and synthesis of the results of the study in relation to findings of other researchers. The discussion endeavours to highlight the meaning of results obtained in chapter five in relation to the main variables. As such, the results are contrasted with findings from other scholars in the field. The discussion will blend the results from both quantitative and qualitative data in an attempt to achieve the research objective. In addition,

the discussions draw from and refer to the literature reviewed in order to obtain meaning from the findings.

Chapter seven presents a summary of the study by highlighting the important aspects covered in each of the chapters. Attention is drawn to relationship between HR transformation and talent management and how these two concepts influence each other. The chapter thereafter provides the conclusions drawn in relation to the objectives of the study and discusses recommendations offered based on the findings of the study. The last section of the chapter highlights the limitations encountered in the course of the study, and how these were overcome. Contribution of the study to literature and management field was also discussed including suggestions for future research in relation to the study.

#### 1.10 Conclusion

The chapter has set out the scope of the study and clearly stated the aim and objectives developed for the study. The background information on the HR function and how it has evolved over the years was also highlighted, including the new demands, responsibilities and expectations of the HR department. Undoubtedly the role of HR has intensified as result of the unprecedented changes in the world of work and HR is expected to assume more strategic responsibilities and prove themselves as value-adding players in the achievement of organizational goals. The chapter also looked at the concept of talent management and provided context in relation to HR transformation. The last section of the chapter looked at the location of the study and specifies limitations encountered by the researcher during the course of the study, including and how they were overcome. The next chapter provides a broader view of the HR function: how it has been transformed, the causes of its transformation and the processes involved in its transformation.

#### **CHAPTER 2**

#### **HUMAN RESOURCE TRANSFORMATION**

#### 2.1 Introduction

Ulrich at al. (2009) state that an important aspect of any sustainable business is an HR department that drives and supports business operations. The current challenging times require increased focus on results from HR departments. Aggravating an already difficult situation is that these environmental changes and pressures are making organizational challenges more complicated as company executives look for alternative ways to cut costs and ensure business success. The current chapter therefore looks at the changes which have taken place in organizations as a result of environmental changes. The focus of the discussion is on the role of the HR department within organizations, how it has evolved over the years, the challenges they confront, including the manner in which they deal with such challenges. The analysis also looks at concept of HR transformation and current trends in the transformation of the HR department. Reference is made to the HR transformation model of Ulrich et al. (2009). The last section looks at the role of technology in HR transformation and the obstacles hindering successful HR transformation.

#### 2.2 Background of human resource management

Exploring the concept of HR transformation calls for some elucidation of the concept of human resources, how it originated and how it has evolved over the years. As highlighted in the preceding chapter, the field of HRM has evolved tremendously over the past decades in response to environmental changes. Exploring the history of the field serves to provide context regarding impact of these changes and management and HR professionals responded to them.

#### 2.2.1 Personnel management and human resource management

In recent decades, the HR profession has evolved dramatically, mostly in response to external pressures and changes in operations within organizations. Previously, the HR function was conceived as personnel management that pursued transactional activities (appraisals, rewards, selection and policies). Personnel management as it originated in the 1920s was primarily concerned with the procedural aspects of work and had limited interest in the relationship between work practices and overall organizational performance. As Long (2009) states, it

lacked a unifying approach to work practices. Personnel managers did not participate in the organization's planning and strategy meetings. Their attention was focused on labour management control, and the personnel department was therefore treated as less important than its counterparts – marketing and finance – because executives felt that it was not creating direct value or had no decision power on strategic issues (Long, 2009).

It was during the late 70s and 80s that the term Human Resources Management (HRM) replaced personnel management. HRM suggested that employees were an asset or resources like machines, but at the same time HR also appeared to emphasize employee commitment, development and motivation. In addition, research literature shows that HRM developed in response to the substantial increase in competition among organizations brought about by technological developments, globalization and social values. These forces of change also gave rise to increased concerns on organization to engage in strategic planning: the process of forecasting future environmental changes and aligning the various components of the organization in ways that promote organizational effectiveness.

Keenan (2008) argues that one of the most critical forces for the development of HRM came from increased strategic thinking about how businesses would susceptible to change if they wished to survive. Mujahid, Sameen, Naz, Nazir and Manzoor (2014) state likewise that with the changing trends in the competitive environment of an open market HRM became a significant variable for the efficient growth of any organization. Personnel management, according to Tubey, Rotich, and Kurgat (2015), was developing into HRM, representing a shift towards the transformation and streamlining of personnel activities to strategically focus on overall organizational effectiveness. They state that in actuality human resource management re-presents 'employees' as crucial organizational 'assets' who require well-coordinated and supportive management approaches to ensure their contributions to the achievement of the organization's objectives. Taylor (2011, in Tubey et al. 2015) states that this change from personnel management to human resource management marked not just new rhetoric, but also new critical thinking from managers and business leaders.

Although scholars (Armstrong, 2000; Schuler and Jackson, 2005) and business leaders were optimistic about the improvements brought about by the transition, it nonetheless raised questions about modern HRM and traditional personnel management methods of people management in organizations (Aikaterini, 2014). Although HRM was meant to replace personnel management, both approaches had a lot of similarities and this led critics of HRM to

question whether it was fundamentally different from personnel management. Indeed, these scholars argued that there were no significant differences between HRM and traditional personnel management. They maintained that these terms could be used interchangeably with no significant variation in meaning and for those who perceived that there were differences, the differences could only be described as philosophical.

## 2.2.2 Differences between personnel management and human resources management

- Personnel management was predominantly clerical, with a focus on disconnected functions.
   HRM, however, was responsible for managing employees as primary sources of competitive advantage and contributors to organizational success.
- HRM had much wider scope than personnel management. It incorporated and developed
  traditional personnel management functions and strove to develop teams of employees that
  would benefit of the organization. Personnel management, on the other hand, had a narrow
  focus on transactional tasks and ignored the personal development of employees.
- Personnel management was reactive, only responding to problems as they arose. By contrast, HRM focused on ongoing strategies to develop and manage employees. HRM was proactive and involved ongoing development of functions and policies to improve an organization's workforce.
- Personnel management included both traditional and routine functions and often was considered a separate function of a company. HRM however was an integral part of the overall organizational set-up. Responsibility for personnel management was the sole concern of the personnel department, while with HRM, line management was also involved in the management of the workforce with the goal of ensuring the development of skills and motivating employees.

From an HRM perception, all employee management matters have to be considered at both strategic as well as operational level to accommodate business and people priorities and adapt to environmental trends. However, Long (2009) argues, despite the transition from personnel management to human resources management, HR dealt reactively with changing business realities and seldom implemented "game changing" strategies for the function or for employees, Long further states that HR lacked integration with line management and power to influence strategy. The elaborate routine tasks and overloaded paperwork also limited the powers of HR. To be more effective, HR needed to be more strategic and involved in business

strategy formulation and implementation. It needed to excel in both operations and strategy and be more mission oriented (Long, 2009).

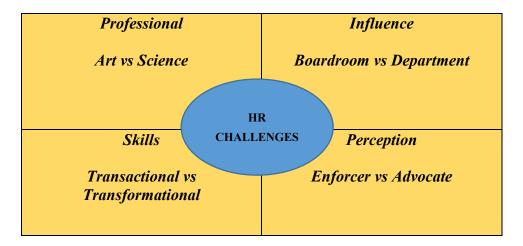


Figure 2-1 HR Challenges Adapted from Vosburgh, R.M. (2007)

Figure 2.1 shows the challenges faced by HR in their quest for relevance over the years. According to Vosburgh (2009), as a profession, HR lacked the grounding in legally mandated processes and reporting that its counterparts in finance and marketing would have. HR was also not considered in boardroom matters and was merely a stand-alone and reactive department. Moreover, the extent of utilization of HR in strategy by boards of directors differed significantly. In terms of skill set, HR needed to grow and develop the skills required to deliver transformational activities rather than transactional activities. Many organizations have struggled, however, with migrating from delivery of transactional services to delivery of transformational services. Vosburgh (2009) suggests that some people should migrate to the service which better fits their skills and interest, while others should develop consulting skills that enable the transformational aspects of HR. HR has also been perceived as henchman of company leaders or as a bureaucratic enforcer of rules that resists and hinders change.

#### 2.2.3 Strategic human resources management

Noe, Hollenbeck, Gerhart and Wright (2008) suggest that if HR departments are to be actively involved in business and become meaningful contributors to business strategy they need to engage in evidence-based HR. This means that HR departments should demonstrate the value-adding aspects and contributions of their activities to organizational effectiveness through provision of statistical data on critical strategic functions and showing their relationship with

HR practice. Gilani, Zadeh & Saderi (2012) note that the theory and literature regarding strategic human resources management has received significant attention by researchers in the past decades. Scholars such as Hendry & Pttigrew, (1999; Mabey et al. 1998, cited in Gilani et al., 2012) argue that the industrial turmoil of the 1980's in the United States of America is one of the significant factors which led to the development of strategic human resources management. The authors assert that this led to substantial changes in traditional HRM and gave rise to research and practice of strategic human resources management. It was also the growth in scholarly research linking human resources management and organizational performance which propelled the thinking and growth in strategic human resources management. The questions surrounding the role and impact of HRM in the achievement of strategic goals led scholars to investigate new ways in which HR could contribute to the success of business. Sippola, (2007, cited in Anyangwe, 2017) adds that the choice of HRM of being proactive or reactive is also related to the conceptual shift from traditional HRM practices to strategic human resources management.

Cania (2014) defines strategic human resource management as an all-encompassing approach to the development and application of integrated human resource strategies in the management of employees. The author also mentions that these strategies define the plans related to overall organizational considerations such as organizational effectiveness and other employee management programs, including recruitment, training, performance management and reward. Similarly Anyangwe (2017) states that strategic human resource management refers to the strategic human resources plans and intents regarding the manner in which the organizations goals will be accomplished with the use of human capital. Wright and Mcmahan (1992, cited in Gilani, Zadeh & Saderi, 2012) refer to strategic human resource management as the patterns of human resource placements and practices intended designed to enable and support an organization to achieve its goals. Bratton and Gold (2007, cited in Mansour, 2015) refers the practice of strategic human resource management as the process of aligning the HR function to the strategic goals of organization in order to enhance organizational performance. The authors add that it is a managerial process which requires HR practices and policies to be aligned with the strategic goals of the organization. Similar to traditional HRM, the goal of strategic human resource management is to facilitate the achievement of organizational goals. However strategic human resource management goes deeper into aligning HR strategy to the organizations strategy, integrating HR practices and prioritizing strategic HR activities which add value and drive the business strategy.

Mello (2011) argued that traditional human resource approach limited the ability of organizations to grow, whereas a strategic approach broadens innovativeness and ability to grow by being systematic and anticipating changes in the environment. Similarly Nankevis et al. (2002) mention that if the HR department is to add value organizations need to consider global and technological changes, economic and societal conditions, and the operational requirements of the organization, and then develop long-term strategies which will address these issues. Anyangwe (2017) asserts that the concept of strategic human resources enables HR managers to design HRM strategies which are integrated horizontally with other businesses or vertically with the business strategy of the organizations. Gilani et al. (2012) adds that strategic human resources management frameworks enable organizations to optimize opportunities and bring necessary coordination between various activities of an organization, including the creation of appropriate opportunities and preventing potential threats.

#### 2.3 The new roles of HR

Although HR organizations have been evolving continuously for many years the key roles and functions of HR teams remained relatively unchanged until the 1970s, when organizations were increasingly encouraged to embrace employee values in a more progressive and proactive HR function. Since then, HRM as a concept and framework for practice has gained considerable acceptance in academia and business. HRM theories went beyond earlier personnel management theories and a new strategic human resources management (SHRM) framework embraced employees' perceptions as an organizational resource (Nankervis & Compton, 1994, in Walters, 2006).

The research literature confirms that the roles that people play in an organization are pivotal for its success and that employers who utilise SHRM practices are able to strategically attract and retain the talent needed to drive organizational success. In relation to employee contribution to organizational performance, many scholars agreed that HR needed to reevaluate, rethink and redefine its role in business. According to Keenan (2008), human resources functions can be carried out at two levels: operational level and strategic level. Personnel management only had a limited role in the strategic management of employees, but played an important role at operational level; HRM, on the other hand focused on both operational level and strategic level, which, included management of training and development and of performance. At operational level, personnel management was responsible for administering and running courses, whereas at strategic level issues arose such as how much

should be invested in training and how training should be aligned with the needs of the organization, the direction in which it is going, and what it wants to achieve (Keenan, 2008).

The role of HR, and whether it adds value to the business has been under scrutiny for many years, and the question of whether companies should do away with HR has frequently been a subject of debate for business leaders. Ulrich (1997) notes that in reality HR performs multiple roles which are both operational and strategic in nature, and adding value to their increasingly complex businesses requires them to perform ever more multifaceted and at times even inconsistent roles. HR professional themselves have been battling to justify their existence due to an inability to communicate the importance of what they do in economic terms (Naves, 2002).

Scholars and proponents of HR such as Ulrich, Brockbank and others argue however that HR has never been more necessary in business. In his article "A new mandate for HR" Ulrich states that the current and future competitive pressures faced by organizations requires organizational excellence (Ulrich, 1998) and, efforts to achieve excellence are determined by the manner in which organizations treat their people and how they get work done. These fundamental issues of learning, teamwork, re-engineering and motivation are the primary focus of human resource professionals. Ulrich (1998) noted also that an entirely new role and agenda for HR was necessary in which HR focuses on outcomes rather than on traditional HR activities. Jamrog and Overholt (2004) argue that for HR to continue evolving and add value to business, they need to stress the significance of human capital as a differentiator in the achievement of organizational goals. The authors further argue that what is important in achieving competency is the HR department's ability to measure organizational effectiveness. This as Vosburgh & Resorts, (2007) add, demands HR specialists to think, act and design system-focused measures which, centred on how the work of HR optimizes results for the organization. To create value and deliver results, HR professionals need to define deliverables (Ulrich, 1998).

In 1997, Ulrich proposed a framework which defined and described key roles that HR professionals must fulfil to build a competitive organization. This built on an initial model on the roles of HR professionals first presented by Conner & Ulrich (1996) and subsequently further developed by Ulrich and Brockbank (2005).

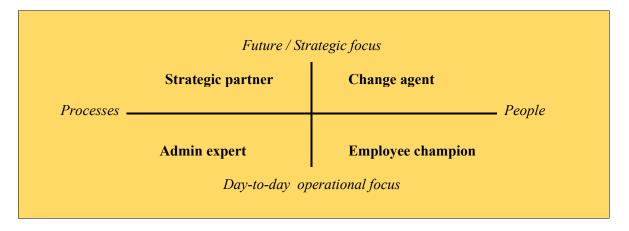


Figure 2-2 Typology of HR functional roles. Adapted from Truss, C., Mankin, D., & Kelliher, C. (2012).

In the four-role conceptual framework (Figure 2.2) presented by Ulrich the horizontal axis reflects a focus on the conflicting demands of process and people and the vertical axis reflects the daily operational focus. The top left section (processes and strategic orientation) has the role of *Business Partner* and the top right (people and strategic orientation) has the role of *Change Agent*. The bottom left section (processes and operational orientation) is the *Administrative Expert* role and the bottom right section (people and operations orientation) has the *Employee Champion* role (Vosburgh & Resorts, 2009). The focus on the changing roles of HR provided the basis for extensive and deeper discussions on the evolution and transition of the HR function. Ulrich's (1997) proposals identify four directions in which HR needed to change in order to deliver organizational excellence:

- HR should become a strategic partner with management in formulation and execution of strategy, and assist in strategy planning from the boardroom to the marketplace
- HR should become the experts in the way work is organized and executed. This entails
  providing expert advice on efficient and effective performance issues to ensure cost
  reduction and maintain quality (Long and Ismail, 2008).
- HR should strive to be an employee champion, representing employee concerns at senior management and also collaborating with employees to enhance and ensure their ability to contribute and deliver results to the organization.
- HR should become the experts in ongoing transformation. This, as Long and Ismail (2008) state, requires HR to be at the forefront of change processes and help improve the organization's capacity to adapt to change. HR has to shape processes and inculcate a culture that also improves the organization's capacity to change (Ulrich, 1997).

#### 2.3.1 The strategic partner role

Heathfield (2017) states that to ensure viability and be able to add value to business, HR professionals must not only think of themselves as strategic partners but must also positon themselves as such in strategy planning meetings. The strategic role of HR in organizations, according to Bagga and Srivastava (2014), entails aligning HR with the strategic goals and objectives of the organization to improve the overall performance of business and develop an organizational culture that nurtures creativity. Similarly, Thill, Covarrubias and Groblschegg, (2014) state that the strategic partner role reflects the strategic aspects of the HR function and inherently implies that HR professionals are accorded equal status with other departmental leaders in developing, refining and implementing strategy. Their key function as strategic partners is to develop human capital strategies and ensure that these, together with other HR practices, are aligned to the organization's strategy. Ulrich (1997) stresses that it is crucial for the strategic partner to be involved in crafting business strategy. In this role HR contributes to the development and accomplishment of organization-wide strategic plans and objectives (Long and Ismail, 2008).

Eisenstat (1996) and Ulrich (1997) acknowledge that there are inherently conflicting pressures in serving as strategic partners while also performing other traditional functions of HR. Ulrich and Eichinger (1998) also noted that HR professionals need to be able to represent the organization externally, understand annual reports and financial statements, and service the capabilities of internal customers. They argued that, to some degree, each business partner gets involved in all the roles in the model. Ulrich further maintains that in the multiple framework HR professionals need to balance the tensions inherent in being a strategic partner with managers. This, according to Long and Ismail (2008), puts HR professionals and management potentially in conflict when HR takes the role of employee advocate, assuming a more employee-centric view. To maintain a balance between these roles, Ulrich (1997) suggests that all stakeholders — management, HR, and employees — should acknowledge that HR professionals can implement management plans and be employee advocates. He further explains that the challenge of the strategic partner is to occupy the middle ground in the continuum and link HR practices with the business strategy. As a result, HR planning becomes a critical aspect of a business planning process.

#### 2.3.2 The administrative expert role

The role of the administrative expert is to promote smooth execution of HR activities. The emphasis is on attending to the needs of employees and managers and on providing support and value-added services expected of HR by the business. This role requires HR departments to improve efficiency so as to add value to the business (Ibrahim, 2015). Ulrich (1997) adds that HR professionals as administrative experts design and implement efficient HR processes and systems for recruiting, training, evaluating performance and monitoring the flow of employees in the organization.

As described by Long (2009), administrative experts reengineer organizational processes to improve efficiency and the capacity of the organization to gain a competitive advantage. According to Ulrich (1997), HR professionals in their capacity as admin experts work at two levels: the level of business processes and the level of HR processes. Business processes involve organizational re-engineering and entail identifying and improving core processes, improving team work, and working towards greater simplicity, efficiency and effectiveness. HR processes, on the other hand, involve being able to re-engineer HR processes to deliver HR services efficiently. In executing both kinds of process, HR adds tremendous value by recognizing and responding appropriately to the two phases of engineering efforts.

Administrative experts focus mostly on process efficiency which involves people issues and most often takes up more of the HR functions time. HR professionals ensure the optimization and efficiency of these processes and continuously track, monitor and improve them to enhance their credibility as a department. By doing so they not only improve the firm's infrastructure but also earn credibility for participating in subsequent business change initiatives (Yusoff, 2012; Ulrich 1997).

#### 2.3.3 The employee advocate role

In functioning as employee advocate the HR professional focuses on the daily challenges and requirements of the employees. This ensures that employees' needs are attended to and that their wellbeing is prioritized. On this point Ulrich (1997) states that the employee advocate role requires HR to gain an understanding of the needs of employees, attempt to meet those needs and strive to provide opportunities to increase employee engagement and commitment. Yusoff (2012) states that the role of employee advocate requires HR professionals to spend time in conversation with employees to understand their concerns rather than merely focussing on

processes. Being an employee advocate includes being able to create an environment in which employees will be happy and motivated and will contribute to the growth and sustainability of the organization.

The primary task of HR in the employee advocate role is to create conducive environments which optimize the performance of employees for the success of the organization. This also entails concern with the day-to-day problems of employees, and if executed well results in increased employee contribution and commitment. It is very important for HR teams to be attentive to employee needs and provide them with the tools and processes and support they need to succeed. This, according to Ulrich (1997), includes providing additional support, giving them autonomy over work processes and presenting their position effectively to management. Truss et al. (2012) add that the role of employee advocacy also focuses on enlightening employees about the strategic issues of the organization. Bringing these strategic issues closely to employees' awareness ensures engagement and employee's commitment to the goals of the organization.

#### 2.3.4 The change agent role

Long and Ismail (2008) argue that for HR to be an effective player in the organization it needs to be strongly involved in defining the process and priorities of change initiatives. Change agents support and manage organization transformation and change (Long, 2009). Conner and Ulrich (1996) define the change agent role as assisting the organization to build capacity for change. This is a strategic and employee-oriented role, and focuses on improving the organization's ability to adapt to environment changes (Thill, Covarrubias & Groblschegg, 2014). In today's work environment, HR is constantly evaluated according to its ability to champion change in organizations. With changes taking place at alarming speed, the companies that will survive are those that can adjust and adapt to such changes. HR professionals as change agents ensure that employees are psychologically and technically prepared for any changes in the environment. They create a culture that helps to give organization members the necessary motivation to participate in the new situation.

#### 2.4 HR transformation: Current trend in HR transformation

Silzer and Dowell, (2010) states that each functional element in an organization has a responsibility to demonstrate its strategic contribution to the business. HR departments likewise need to give account of their value-add to business. As with other business functions,

the HR function is now measured by the value of its contribution to the company's strategic intent. Some of the expectations of HR as outlined by Silzer & Dowell (2010) include:

- Delivering on the key initiatives of the organization and developing individual skills that are critical in achieving competitive advantage.
- Identifying talented individual who possess the potential to achieve competitive advantage.
- Devising human capital strategies that support and enhance penetration of new markets.
- Letting go of the administrative functions which do not facilitate competitive advantage.
- Making sure that HR practices such as benefits, rewards and others are central in decisions relating to the design of systems to manage talent while maintaining efficiency.
- Improving HR service delivery by being consultants and advising managers on how to adapt their management styles and processes to achieve organizational objectives.

According to Ulrich, Schieman and Sartian (2015), when HR professionals form an understating of external expectations and recognize evolving trends, they then design suitable internal interventions; likewise, when they acknowledge and accept these trends and their implications, they engage in business with a mind-set of turning context into strategy. Understanding the context enables HR professionals to create tailored HR practices that serve all stakeholders.

The rules of the business game have changed and HR transformation has evolved significantly in recent decades along with the changing business environment. Organizations today must navigate a "new world of work – one that calls for radical change in leadership strategies, talent and human resources (Deloitte, 2015). According to Ulrich et al. (2015), current business environments are characterized by a "new normal" of speedy changes as a results of cutting-edge technology, skills shortage, economic instability, demographic shifts and the war for talent. For HR, this world requires bold and creative thinking. It challenges existing people practices, employee management, evaluation systems, engagement and team development. HR leaders have been caught in the cloud of change. They are compelled to improve efficiency and effectiveness and embrace new technology. HR, according to Deloitte (2015), needs an extreme transformation driven by the need to add value, deliver increased business impact and drive HR and business improvement. As a result of the continuously evolving environmental trends that influence the role of HR and HR practices, HR professionals find themselves under great pressure keep abreast as their role takes on higher profile.

Ulrich et al. (2015) note, however that despite all the pressure, the current business landscape presents interesting (if anxious) times for HR professionals and other human resources functions as they are challenged to respond to the changes rather than focusing on "HR" work. The authors insist that for HR transformation to be successful, it must emphasise enhancement of the value that HR brings to business. The authors argue that transformation of HR is not about doing HR work, but rather about building and supporting business success. They see transformation of HR as presenting opportunities to integrate systems, align strategies, trigger and promote the creativity of employees and redefine how the work of HR should be carried out in an organization to deliver on the expectations of stakeholders. Similarly Ryckebusch (2017:5) states that "over the years research has indicated shifts in HR operations, ranging from HR efficiency through business enablement to digital HR where the opportunities of mobile, cloud, analytical, social automation and real time operations are combined". He further notes that this shift is on the next level of efficiency and frees HR to focus on value-adding functions, including business automation and innovation.

HR transformation as defined by Mercer (2008) is a process of readjusting the strategy and practices of HR to bring it in line with the strategy and goals of the organization and make sure that HR partners with business. Rothwell, Prescott and Taylor (2008) caution, however, that although demands on HR and expectations about the competencies required of HR practitioners are changing, there is no universal definition for HR transformation. They state that organization leaders define what change efforts mean to them and their reasons to undertake such change including the anticipated outcomes of the change. The authors refer to HR transformation as reinventing, re-conceptualizing, and re-charting what HR is; without presumptuous on what HR is or should be "what has always been done in HR", "what everyone is doing in HR", "what happens in HR", or "what appears in standardized HR textbooks".

Although HR transformation seeks to add value and drive business success, success for a business may have various different meanings, such as cutting costs, penetrating new market, expanding global markets or developing new products (Ulrich et al., 2009). On this point, Rothwell et al. (2008) state that HR transformation therefore means more than just upgrading HR technology, minimizing or containing HR expenses, or outsourcing HR activities, although these efforts also play a role in strategic HR practices. Worth noting, is that the definitions concentrate on the efforts of HR departments to align and integrate HR strategies and programs with business objectives or in some way transform current HR practices and priorities to adapt to changing demands of the business and work environment. Another definition is provided by

Long (2009), who conceptualizes HR transformation as business processes that change and expand the involvement of actors in the HR function and that makes HR concentrate more on strategic, value-creating activities for long-term business objectives. Long's definition is in agreement with the statement that transforming HR into business partners is a means to a strategic orientated end. Ulrich et al. (2009) state that to be considered as strategic partners, the objectives of HR should be part of the objectives of the business. The transformation needs to focus on improving HR's business position and promote accountability whilst ensuring flexibility in the delivery of services.

According to PWC (2012), human resources transformation in an organization should entail redefining the way human resource teams work together with the business to achieve business goals; as part of the transformation, HR departments need to undertake accountability for attainment of business objectives rather than HR objectives. HR transformation, according to PWC (2012):

• Exposes the human resources organization to the true business of a company.

To achieve success, it is important not only for HR leaders but also for the entire HR team to have an understanding of the nature of the business, the environment and the organization's executive strategies. To deliver value, every member of the HR team should be ingrained into the business

Assigns accountability to the human resources organization to achieve business goals.

Transformation entails changing HR accountabilities and focuses on enabling HR to take an active role in execution of business strategy. New accountabilities eliminate silo processes and necessitate frequent collaboration with business.

• Redefines the metrics of success.

Success metrics should change to meet transformation aspirations. HR should do away with metrics which focus on cost-efficiency measures that don't bring business benefits. The correct metrics should centre on business challenges, such as talent management and succession plan readiness.

Reconfigures human resources process and technology to contribute to strategy.

HR processes should be designed to enable, support and contribute to the business strategy. Technology has simplified streamlining of HR processes and processing of large volumes of data which can be used to make strategic decisions.

As indicated above, HR transformation goes beyond supporting the business strategy to enabling the strategy for business success. In executing the business strategy, HR enables organizations to address key business imperatives of today and the future, including growth, globalization, talent attraction, development, retention and various strategy issues. Deloitte's (2015) report on Human capital trends states that transformation efforts should shift focus on an organization's current and future business priorities, and centre on areas such as talent management, HR organization and emerging markets. This process, as Mercer (2008) observes, should focus on addressing all aspects of the HR function, including how it is organized, how processes are streamlined and how services are rendered.

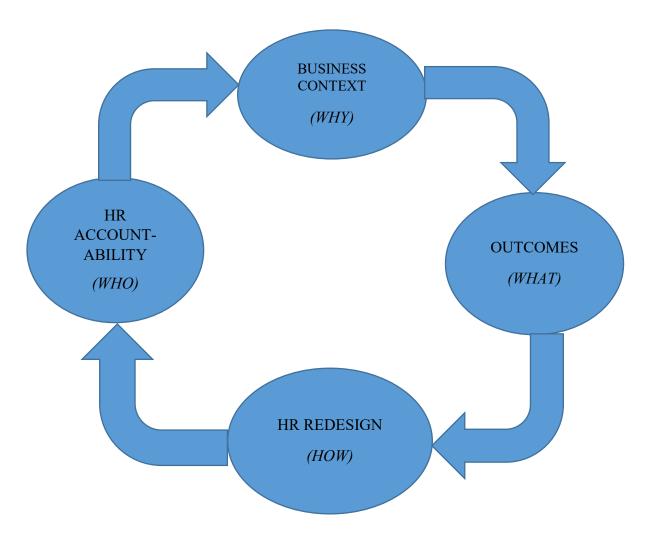
#### 2.5 Theoretical framework: Model for HR transformation

The biggest challenge faced by HR today is helping organizations to succeed. Sumit-Kumar (2014) states that the aim of HR transformation is to turn HR management into a force that can help organizations reach their business objectives and instil them in employees. Deloitte (2010), however, notes that too often HR organizations transform themselves in a strategic vacuum, responding to the day-to-day operations requirements of the business without a clear view of the big picture. HR professionals tend to focus internally on their own functions and roles rather than externally on what their outcomes should be (Ulrich, 2010; Deloitte, 2010). Ulrich (2010) warns that transformation efforts that focus exclusively on improving HR are bound to fail. For HR to be effective and successful, it must reconfigure to drive value through a system of performance that is specific to the organization. Weiss (2000) states that transforming HR entails changing the priorities of the department, including its accountabilities, roles and design. He adds that the process emphasizes strategic value, competitive mind-set and process outcomes.

Ulrich et al. (2009) propose a four-phase model of HR Transformation to ensure that HR drives business success. The model addresses four critical questions about HR transformation:

#### • *Why* transform HR?

- *What* are the outcomes of transformation?
- *How* do we transform HR?
- *Who* should be part of the HR transformation?



**Figure 2-3 Model of HR transformation.** Adapted from Ulrich, Allen, Brockbank, Younger & Nyman, M. (2009).

#### Phase 1: Building a Business case: Business context

Without an explicit mandate to transform, HR professionals are likely competing for the attention of leadership to gain necessary resources and funding to support transformation in HR rather than in other areas. (IMPA-HR)

Phase one of HR transformation entails building a business case for transformation. For HR leaders to build a solid case they must first know or understand the business context. Building a business case addresses the "why" of the transformation. Ulrich and Brockbank (2005) argue that the setting in which business is carried out offers the rationale for HR transformation, hence it has to be based on a strong understanding of the context within which the business operates. Similarly, Ulrich et al. (2009) adds that a well-planned HR transformation must first respond to general business conditions and specifically service the main stakeholders. The authors state that the business environment keeps changing in response to changing business conditions. These business conditions are either cyclical, such as growth and retraction cycles, or structural, such as changes in technology, globalization and demographics. Therefore, it is important that HR specialist who plan to contribute to strategy design and sustain transformation understand and become aware of these variations as they affect HR investments and management strategy.

Building a business case for HR transformation not only involves an understanding of general business conditions but also requires HR professionals to understand stakeholder expectations. Stakeholders, according to Ulrich et al. (2009), may include customers, regulators, investors, employees and suppliers. HR professionals must identify what their expectations are and ensure that these form the business case for the transformation. The general business conditions and the requirements of specific stakeholders shape an organization's strategy and define the reasons for transforming HR. Knowing and understanding who stakeholders are and advocating how best to deal with them ensures that HR transformation is aligned with issues that matter to the success of the organization. Creating a clear line of sight between HR transformation and stakeholders enables HR transformation to build a viable business case for transformation (Ulrich et al., 2009).

### **Phase 2: Define outcomes**

The second phase of a transformation program involves defining the expected outcomes of the transformation. To reiterate, HR transformation is not a single event and it's not about what is done within HR, but rather it's about the value that actions will create for key stakeholders. HR transformation must focus on changing the thinking about the role of HR in delivering value to stakeholders. It must change both behaviour and outputs, and such changes must improve the life of stakeholders (Ulrich & Brockbank, 2005).

When organizational leaders understand and acknowledge the significance of HR transformation in responding to changing business challenges, they inevitably become eager to understand how to measure the impact of the transformation. HR transformation has two types of outcomes: Stakeholder expectations and capabilities created by the organization. In addressing *stakeholder outcomes*, HR professionals ought to identify key/critical stakeholders thereafter deliberate and define what outcomes will appeal to them the most (Ulrich & Allen, 2009). Outcomes should be operationally defined, tracked and measured over time to quantify the progress of HR transformation. HR professionals must design systematic processes for collecting, distributing and monitoring data of stakeholder results. Stakeholder mapping provides the basis for measuring results.

In addressing *capabilities as outcomes*, HR transformation efforts should focus on improving the fundamental identity, culture or image of the organization. This form of transformation outcome defines and builds capabilities which frame people's views of the organization. Capabilities signify what organizations are known for, what they do best, the manner in which they organize activities to deliver value, how they define intangibles which stakeholders focus on, the brand that customers relate to and the culture that shapes employee behaviour. Ulrich & Allen (2009) argue that capabilities are significant in creating identity for organizations. These according to them become the identity of the organization and are key to implementing business strategy and enhancing the deliverables of HR practices. The authors propose that HR professionals need to undertake a capability audit and identify those capabilities which are critical to the future success of the organization given the business conditions and business strategy (Ulrich et al., 2009). Smallwood and Ulrich (2004) state that a capability audit enables an organization to monitor its intangible assets, highlights which ones are important given the history and strategy of the organization, measures how well the organization is delivering on these capabilities, and leads to a plan for improvement.

#### Phase 3: Redesign HR

The third phase of transformation addresses the "how" of the HR transformation. Any business has both strategy and structure, and HR transformation can therefore focus on redesigning both aspects of business to ensure that the HR department responds to the requirements of the business context and delivers value for the firm. The redesign phase has 3 components:

• Redesign of the HR function or department

According to Ulrich et al. (2009), transformation of the HR department requires redesigning the HR organization to resemble the business organization and strategy. The authors identify three overriding principles which guide redesigning of the HR department:

- (a) The HR organization adds value when its logic and structure reflects the logic and structure of the organization it serves. This implies that the HR strategy and structure should be a subset of the overall business strategy, and structure should not be something off to one side driven by a different HR agenda. Businesses are often organized along two dimensions/structures: centralised (to drive efficiency and control) and decentralised (to drive effectiveness and flexibility). The choice of structure is dependent on various factors such as size of the firm and geographic locations. The rule of thumb however is that the HR strategy and structure should mirror that of the company. As Amy Kates (2006) states, the design of HR department must parallel the many dimensions of business.
- (b) Continuous knowledge production. Knowledge production represents the collective information and insight of the field or profession. HR specialises in a body of knowledge about how people and organizations operate. Knowledge insights become productive when HR customers use that knowledge to improve their efficiency and effectiveness. The HR department operations, processes and organization should ensure valuable HR service delivery and enable stakeholders to reach their goals smoothly. Because high-tech organizations operate in dynamic environments, which require constant innovation, knowledge production is essential for organizational survival and growth (Collins, Smith, & Stevens, 2001).
- (c) The last principle involves differentiating and managing both strategic and transactional work. Clarifying what work is strategic and transactional is important in HR transformation. The business context and key capabilities provide the context for HR to understand HR work that should be strategic by identifying which work has the most business impact. Defining both strategic and transactional work ensures that both are done well and increases HR credibility and confidence in undertaking strategic functions (Ulrich et al., 2009).

### Transforming HR Practices

Transforming the work of HR involves revamping HR practices and systems to be more effective, aligned, integrated and creative. HR practices can be transformed based on two dimensions: content and processes.

*Content* involves the actual work of HR and can be synthesized into four domains:

- (a) Flow of people: This domain is concerned with what happens to the company's most valuable assets its employees. This involves how people enter and move through the organization and how they exit the organization. Flow of people within organizations also involves having talent pipelines, which requires an evaluation of internal and external talent pools to determine gaps between the talent the organization has and the needed talent, determining appropriate strategies for developing and acquiring the talent needed, and executing, monitoring and refining pipeline strategies (Oracle, 2012). It is critical that organizations pay attention to the flow of people to ensure availability and development of talent that the organization needs to accomplish its strategic intent.
- (b) Flow of performance management: The goal of performance management is to promote and improve the effectiveness of employees. It is a process in which supervisors/managers and employees collaborate in planning, monitoring and reviewing employees work, based on work expectations and goals of the organization. Performance management also provides the opportunity for identifying learning and development gaps to ensure employee effectiveness and accomplishment of business goals. Work standards, measures and rewards link people to work and promote accountability for performance.
- (c) Flow of information: Businesses today operate in a knowledge world driven by information and characterized by frequent coordination and collaboration between different stakeholders. Information flow has become an essential part of workflow. The type and amount of information employees need to get their work done and how they get it done are very important in ensuring that HR delivers and creates value for the organization. Mindfulness of information flow also ensures that employees know and understand what is happening within the organization.
- (d) Flow of work: Addressing workflow entails defining and clarifying who does what work, where and how it gets done. Coordination and support of workflow throughout the organization and operating processes combine individual efforts into organizational outputs. Proper workflow management therefore ensures governance, accountability and exceptional results.

**Processes** on the other hand focus on how HR work can be reengineered. Ulrich et al., 2009) list three ways in which HR practices can be transformed for maximum impact.

- (a) *Alignment*: For HR to deliver value, their practices have to be aligned to the organization's strategy to have high impact. As noted in previous sections, the HR organization adds value when its logic and structure reflect those of the organization it serves.
- (b) *Integration*: HR systems achieve high impact when they work together in a synergised strategic focus to achieve business goals. Integration implies that performance management, talent management remuneration and other HR practices present a consistent point of view and emphasize how the organization manages its human capital.
- (c) *Innovate*: To be innovative, HR has to stay ahead of changes in the environment. Keeping abreast of trends enables HR to understand what risk competitors are doing.

### • Upgrade HR professional's competencies

The changing demands of the business environment have undoubtedly raised the bar on HR. For transformation to be a success, HR professionals need to develop a new set of competencies which will support the capabilities organizations need to accomplish its strategic intent. This also requires them to develop a mind-set of a strategic partner to enable them to counter the demands of the changing business environment. Anh Van (2011) states that in the face of volatile business environments and an increasing need to consider human capital as a source of competitive advantage, organizations are reconsidering their human capital strategies and the contribution and capacities of their human resource functions. Ulrich et al. (2011) also maintain that HR professionals can respond better to business challenges and create sustainable value by upgrading their competencies. The authors list the following steps to upgrade HR competencies:

(i) Articulate a theory or set a standard: Setting standards addresses the question of "what is required for HR professionals to be successful?" The effectiveness of HR has been frequently defined by the roles and activities of HR. Having standards for future evaluation is critical for comparing actual performance of employees. The appropriate criteria enables assessing employees' performance as successful or unsuccessful in their respective roles, as well as their contribution to the accomplishment of objectives of the organization. Standards should be clear, understandable and measurable (Huselid 1995, Pulakos 2004, in Frixou & Charalambous, (2016).

Human Resource Competency Studies have however combined the work on HR roles and activities into a framework of HR competencies. Ulrich, Brockbank, Johnson, Sandholtz

and Younger (2008) presented a framework, Figure 2. 4 of HR competencies which suggests that to be successful, HR professionals should manage both People (be attuned to the human dimension of the company) and Business (mastering the requirements of the business). Managing these dimensions entails mastering six competencies that lead to HR effectiveness. These are: 1.Being a credible activist, 2. Managing Culture and Change, 3.Being a talent manager and organizational Designer, 4.Being a strategy architect, 5. providing operational excellence & 6. Being a business ally. The first tier, being credible activist relates to managing relationships, entails information sharing and delivering expected results. The second tier, entails being a business Ally and operational executor. In this regard, HR is expected to implement work policies and technology and also interpret the social context, articulate the value proposition and leverage technology. The last tier relates to organizational capabilities and entails being a talent manager/organization designer, culture and change steward and strategy architect. Here, HR is expected to manage talent flow, develop talent and design reward systems. HR should also facilitate change, craft and enact culture, and sustain strategic agility.



**Figure 2-4 Framework of HR competencies.** Adapted from Ulrich, Brockbank, Johnson, Sandholtz and Younger. (2008).

(ii) Assessment: The purpose of assessment is to determine whether HR professionals meet the set standards. During the planning stages of the transformation, a system for determining how well HR professionals do or do not meet the required standards need to be established. Unless performance is measured, HR professionals will not know whether

or not they are getting better. Assessing performance against standards can be done formally and informally. Informally, HR professionals continuously request feedback and ask for suggestions on how they can improve in particular areas. Formal ways involve organizational performance management reviews. A popular and effective way is the 360 degree review. HR professionals receive feedback from a range of stakeholders: managers, customers, subordinates and peers. These data enable them to learn how they are seen and perceived by others and what their strengths and weaknesses are. It is very important for HR professionals to identify patterns in feedback data and act on suggested improvements. This in turn encourages feedback givers to divulge information openly (Ulrich et al. 2009).

- (iii) *Investment*: Investing in HR personnel entails allocating resources and time to developing their skills. The quality of HR professionals determines how well or poorly employees work towards accomplishing organizational goals. Human resource investment equals production, growth and retention of staff. Investing in human capital, according to Pasban and Nojedeh (2016), is critical for nurturing the skills and knowledge of employees, stimulating innovation, adding value and increasing customer satisfaction.
- (iv) Measurement and follow-up: The final step involves measuring and following up on the quality of HR professionals. The old management adage of "you can't manage what you don't measure" still holds true. Measurement, however, should not only be about developing HR professionals; it also requires that HR developments be part of HR performance management. This is achieved by clearly defining and communicating the goals and processes of HR transformation and ensuring that HR works optimally to deliver value.

### Phase 4: Engage line managers & others

The last phase in the HR transformation model focuses on accountabilities. Several groups of stakeholders play a significant role in this stage and must be involved: HR, line management, customers, investors and consultants. Involving stakeholders ensures that their perspectives are considered in the transformation plan, confirms their commitment and support towards the controversial and difficult elements of the plan, and lessens resistance to the required changes and innovative problem-solving during the course of implementation.

• *Human resources:* The responsibility for the design and implementation of the transformation process lies with the HR department. HR executives should ensure that adequate funds, talent and time are allocated for the transformation. They are tasked with

initiating, taking lead in the design and monitoring of the transformation plan, and also ensuring that the plan is executed accordingly. The HR team is responsible for championing the transformation. With knowledge gained from experience in working with organizational business units and service centres, HR staff possess excellent understanding of how the business operates and makes money. They facilitate discussion on how to organize the HR department so that their service delivery units collaborate to deliver value and HR practices align with strategy, integrate with each other and address matters the organization genuinely needs to deal with. Success of HR transformation depends on the calibre of HR personnel and on their relationship with line management.

- Line Management: Line management has to ensure that the organization has the right people and the right organization in place to deliver to all stakeholders on the expected outcome of the transformation. It is essential for line management to work in collaboration with HR in implementing transformation and ensuring that it is aligned to business objectives. Line managers also have the responsibility to remain transparent and provide a clear business focus for the reengineering plan to ensure that the change agent's gains access to internal and external information. In addition, they must to see to it that the right people are involved in the process and must demand clear and measurable results. HR professionals can make use of the following tips in engaging with line management:
  - Demonstrate the benefits of transformation to the bottom line and the individual manager.
  - Involve them as members of the transformation task force and make them part of the process.
  - Build trust relationships by being a credible activist.
  - Be a coach who asks good questions.
  - Assist them resolve common misconceptions about HR.
  - Dare to deliver.
  - Stick around and support them, understand their challenges and clarify the importance of their involvement.

External customers and investors: The importance of understanding external business realities was elucidated in the first phase of the transformation. Often HR transformation is driven by, or comes from, internal business challenges such as improving administrative

efficiency and addressing employee needs. Clearly understanding business realities is essential because transformation is rooted in the expectations and experience of customers and investors. A truly strategic HR transformation focuses on the needs and expectations of customers. When HR practices are revamped, they should align in consistency with customer expectations. HR professionals can access data on customer expectations through their interactions and relationships that they build with the customers.

Like customers, investors influence HR transformation and are in turn influenced by transformation. Effective HR transformation increases the credibility of HR and develops capabilities that enable the organization to achieve its goals. This in turn increases investor confidence in future earnings and sustainable business success. HR leadership should engage key investors in their deliberations to access their perspectives and also to make sure that their values are incorporated in the organization's institutional infrastructure. HR leadership should collect customer and investor insights and information and synthesize the data to understand their expectations, spending trends, investment preferences and how they evaluate the company. Investors should also take note of critical moments in the organization-customer (or -investor) relationship (e.g. what influences customer brand loyalty?) and also of investor contact points (how they acquire information about the organization). Lastly, HR professionals need to ensure that they sustain customer and investor confidence in HR practices. Knowing customers and understanding why, when and where they buy their products, and what investors look for, greatly increases HR's ability to structure their systems and design their practices and policy in ways that improve customer experience and investor interest.

- Consultants and Advisors: Working with outside consultants can add enormous value to HR transformation. Independent consultants have a lot of experience and can be very helpful in previewing the transformation plan and avoiding common pitfalls during the implementation process. External consultants are not confined by internal politics and as a result they are able to explore and be innovative in providing suggestions and problem solving. Consultants can provide valuable contributions during the following steps in the transformation:
  - Assessing the need for the transformation: Designing the assessment process, and training of internal staff to conduct the assessment

- Setting goals: Facilitating goal-setting process by providing insight gained from experience with other clients in determining transformation goals and whether they are achievable.
- Planning for implementation: This involves determining the feasibility of the transformation and identifying potential pitfalls which can hinder transformation efforts, and also advising on how to get stakeholders on board to minimize resistance to the changes process.
- Evaluating the effectiveness of transformation: Consultants can be involved in facilitating or leading the evaluation process. This ensures the provision of an objective perspective on the process.

As indicated in previous sections, the first step in HR transformation requires organizations to have a clear understanding of the results or outcomes they want from the process. In implementation of the model it therefore follows that organizations will undertake HR transformation based on their needs and circumstances. The answers to the fundamental questions of why, what, how and who are addressed according to the impending needs and the anticipated transformation results. It is worth noting that HR transformation is not solely the responsibility of the HR department; rather, it involves a collaborative and well-co-ordinated effort by multiple stakeholders.

# 2.6 Technology and HR transformation

Research by Towers Watson (2014) revealed that organizations worldwide were preparing to increase their investment on HR technology; mostly by implementing software-as-a-service (SaaS) systems, talent management solutions, HR portals and mobile applications. Their research further discovered that a third of the companies studied plan to revamp their HR structure to improve service quality and efficiency. Deloitte, in their report on human capital trends for South Africa (2016) note that more than forty percent of all organizations are planning on changing core HR technology. Boroughs, Palmer & Hunter, (2008) argue that the development of HR is bound inextricably to the technology it serves. There is extensive well-documented research on how technology is impacting the way HR practices are designed, and how it has improved the skills of HR professionals. Successful HR leaders are prioritizing opportunities to make their organizations more agile and flexible by addressing technology, structural and process challenges (Towers Watson, 2014).

According to Casio and Montealegre (2016), technology today is moving towards a stage in which computing is ubiquitous – where digital technology permeates all organizational processes, allowing employees access and greater control of the environment around the clock and geographic space. The authors state that we live in a world where technology is changing the way businesses create and capture value, and the manner in which we do work and relate. Savvy leaders have to invest in technologies that will drive their businesses or else face disruptions by those who do so first. The author's further point out that technology not only enables people to work better and faster, but is also facilitating substantial changes in the manner that work is done in companies (Casio & Montealegre, 2016).

The application of technology in HR dates back to the industrial era and has undoubtedly changed the role of HR in businesses drastically. HR technology was initially developed to help eliminate manual processes and reduce the number of people required to perform jobs. During the 1980s and 1990s HR functions were focused on traditional HR duties: recruiting and rewarding employees and ensuring consistent application of policies. Application of HR technology for such purposes was mainframe-based and focused primarily on developing systems for record keeping, tracking employees and payroll processing (Bersin, as cited by Deloitte, 2016).

While the introduction of computers saw the development of PC-based HR applications and provided solutions via a range of reporting tools, they were still limited in their ability to share data and integrate with other HR systems. The need for data sharing and integrated systems, along with numerous other factors such as statutory provisions, forced organizations to develop automated personnel systems to comply with complex government reporting requirements. It was during this time that many HR organizations began investing in integrated systems to store and share data throughout the organization. This marked the emergence of human resources information systems (HRIS). Walker (1982, in Jain, 2014) defines HRIS as a systematic procedure for gathering, safe-keeping and retrieving information relating to human resource activities. Similarly, Weeks (2013) defines HRIS as computerised systems used to collect, record, store, analyse and retrieve data pertaining to an organization's human resources. The application of HRIS enabled organizations to automate and improve efficiency and effectiveness in record keeping, and ensured that HR data was readily available to management. Bulmash (2006) adds that the benefits of automation gained wide positive acceptance in HR and other business units and the focus then shifted to automating as many other transactions as possible to achieve service quality and efficiency.

The use of HR technology not only provided organizations with administrative efficiency and effectiveness, but it was also believed that automation would allow HR to focus more on strategic business issues of the organization and provide management with meaningful data metrics to support strategic decision making. Bulmash (2006) states that while HRIS provided the means for collecting and safe-keeping data, for data to be beneficial and valuable, it needed to be simplified into information that is meaningful to management. This was one of the major challenges for HR as it determined whether HR was able to deliver strategic value to the organization. HR systems did not provide the integrated analytic features needed for more sophisticated planning and decision making. The strategic value of HR was dependent on their ability to provide management with accurate data for decision making and ensure that recipients are able to interpret and make use of the data (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werner, 2004).

Studies by KPMG (2016) note however that even with the most connected of databases, HR still needs to translate information into actionable insights to engage stakeholders such that they want to do something about it. KPMG (2014; 2016) reported that HR functions find that they have technology that can provide data but are unable to translate that into insight. The report further notes that the issue is not about data but rather about how to gain the most insight from it – how to turn data into insights and insights into real business advantage. The Harvard Business Review (2014) suggests that for HR to lead they need both numerical acumen and a strong understanding of what makes the business successful, coupled with ability to link data about employee performance to business results. They argue that HR needs to understand critical employee metrics which greatly impact on business and be able to explain what these numbers mean for business. Grant, (2015) predicts that with advances in technology enabling the collection and analysis of live data, the challenge for HR going forward will be to hone the skills, and agility to handle and interpret data in real time.

Muthu, Kumar, & Muthukumar (2015) state that web-based technology has been a significant development; enabling HR professionals to reduce transactional activity, increase customer focus, strategic decision and ensure synergy and integration of data in organizations across different geographic locations. The authors mention that technology today goes beyond merely enhancing HR efficiency; it increases the user experience, adds value across the business and improves competitiveness. In a similar vein, Bulmash (2006) avers that the increased capability of HR to use data analytically and provide managers with accurate and reliable data to aid strategic decision-making has elevated HR into a decision-science and allowed them to

establish themselves as valuable partners, and show that HR can have substantial and measurable impact on a company's bottom line.

Research literature shows an increase in HR technical spending by companies. A survey by Sara Nolan (2014) indicated that 53% of companies surveyed were planning on maintaining their HR tech spend, whilst 27% said they would increase their HR technology investment. The world of work today requires HR leaders to be innovative and to create the opportunity for truly high impact HR. This new role, together with the demands and expectations of HR, has seen the emergence of various technological concepts such as SaaS, ESS/MSS, mobile and cloud services which have brought about major changes in the HR systems landscape and in the way that HR technology is used. Boroughs, Palmer and Hunter (2016) state that reporting tools, previously the domain of IT, are now required to be in the hands of the users, whether HR or business. These tools are expected to be flexible and simplify access to information. Managers with access to self-service applications are expected to be able to produce information for their own business units rather than requesting reports from HR. This requires reporting tools to be simple, flexible, user friendly and able to meet the needs of both HR professionals and line managers. Cloud-based services are increasingly enabling organizations to provide more efficient and effective HR processes, information and self-service. More importantly, they provide enhanced flexibility to HR and allow organizations to provide integrated solutions that align common HR practices and reporting functions across locations to ensure process and data consistency (Oracle, 2015).

As highlighted above, environmental trends in the past decade have shaped a "new world of work" in which employees are more connected and technology savvy, and expect services to be "always on" (Deloitte, 2015). These trends – emerging technologies, demographic changes and globalization – are critical developments which have transformed the practice of HR in organizations. Technology has not only enabled HR to access and distribute data but has also influenced its expectations. HRM and technology have great influences upon each other and it is important for HR professionals to invest in, and adopt technologies that facilitate transformation of the HR function, and be prepared to support proper management climate for innovative knowledge-based organizations (Muthu et al., 2015). When properly implemented, managed and used well, HR technology can be a key enabler for driving successful HR strategy and transforming HR into a core, strategic business function.

# 2.7 HR service delivery models and HR transformation

Improving HR service delivery is a critical step in transforming HR's business impact. The first step in the HR transformation process is to design the desired service delivery model for HR services in order to achieve the goals of the organization. Towers Watson (2014) adds that the first step in transforming HR service delivery is to clearly understand what the function is doing and what organizational leaders want HR to do to achieve strategic goals. Understanding the gaps between the current state and the desired future state enables HR to then create a service delivery model and reset priorities for both HR and organizational leaders. In a similar vein, Deloitte (2010) states that HR leaders need to understand the kind of services required by business and make decisions on how those services will be rendered. Transforming HR requires an array of strategic changes to the HR function to support the effective execution of people strategies. Such changes may include redesigning the HR organization, changes in the operating model, HR policies and process, and implementation of new HR technology. Confirming these points, Taylor and Woodman (2012) state that one of the key variables in achieving the aims of HRM is the way services are delivered. Approaches adopted by HR departments in structuring their service delivery have however been a subject for debate and discussions for many years.

In the past, HR service delivery models focused mainly on administrative efficiency and effectiveness and cost reduction. The mandate was for HR to cut administration costs and improve the pace and quality of service delivery. PricewaterhouseCoopers (2014) asserts that HR is based on three elements: innovation in the operational model, analytic capability that brings real value to the business, and technology to support reliable data. Today, as Deloitte (2014) notes, while the imperatives of cost reduction and efficiency are part of the mandate, HR should drive a new range of business initiatives which focus on growth and sustainability, penetrating into new markets and the demands of the new generation of employees. Similarly, Taylor and Woodman (2012) argue that improving HR service delivery requires a new approach to business; one that focuses on optimising people, processes and technology. Dave Ulrich's (1997) model of HR service delivery prompted many HR leaders to rethink and restructure their delivery of services to counter the challenges of the changing business conditions. A (2011) study by Bersin and Associates of high-impact HR organizations however indicated that less than one in five HR organizations believed that their models delivered a desired efficiency, value and service levels expected by their businesses (Mercer, 2012).

A survey report by Puetras and Tambe (2016) revealed that 92% of HR executives made significant adjustments to their operating model and 72% of them said that ensuring their operating model provides a competitive advantage was a major challenge. Considering the challenges faced by HR executives today in striving to be value adding-contributors and be more relevant to business, a more flexible and responsive HR model is necessary to help close the continuous gap between the requirements of business and how people fulfil those requirements (Puetras & Tambe, 2016). Deloitte (2015) notes that the delivery of services within organizations is far more complex than HR leaders can imagine, and that it is easy to overlook employee interactions that should be incorporated in HR service delivery.

According to Deloitte (2010), HR organizations focus on four major factors when designing and implementing a new service delivery model for HR services:

- Strategy: HR leaders target HR capabilities that fit the strategic needs of the business, including specialised programs and services to tackle issues such as talent management, emerging markets and total rewards. They position HR to influence business strategy through deep insights about workforce trends and other talent challenges.
- *Customers*: Achieving excellence requires improving HR services, its customers, including employees, managers and contractors.
- *HR structure*: HR staff need the right skills and training to fulfil HR's role. Also, they must be organized to support the business as efficiently and effectively.
- *Enablers*: To deliver exceptional services, HR requires appropriate policies, processes, vendors and systems. This includes improved HR integration and standardization across the organization, as well as performance measures that reflect HR's true business value.

When it comes to transforming HR, creating a grand vision and giving out new jobs isn't enough. HR leaders need to understand what services their business require and decide how those services should be delivered (Deloitte, 2010). Mercer (2012) identifies several obstacles that cause HR service delivery models to fail:

• *Not strategically driven:* Most often when organizations choose an HR model the focus is usually on cost reduction and service delivery issues as opposed to issues relating to what will be enabling the organization to meet its specific business needs.

- *Flawed implementation*: Following the implementation process, HR organizations often fail to clearly articulate how employees will support the transformed function. HR assign new jobs/titles while roles remain poorly defined.
- Limited HR Capability: In a 2010 HR transformation survey by Mercer, most organizations believed that they did not possess the required level of HR capability in critical areas such as, talent management, organizational development and partnering. HR service delivery models in the current work environment require specialised capabilities that will ensure that HR delivers value to the organization.
- Failure to provide exceptional transactional services: When the HR department fails to deliver baseline transactional services due to lack of technology, inferior data quality, poor processes and policies, and lack of system integration, the credibility of the entire function is undermined. HR should ensure a flawless delivery of administrative services to gain credibility in the organization.
- Lack of satisfaction in self-service technology by users: Lack of adequate emphasis on change management and ease of use during the rollout of new self-service technology sometimes results in managers and employees not being comfortable or satisfied with online HR transactions. User satisfaction is a critical factor in the application of online technology as it determines people's attitudes towards acceptance and using technology.
- Lack of support for line managers: HR service delivery models often understate the role of line managers in service delivery. Line managers are always at the forefront in HR program delivery and play critical role in the implementation of HR practices. Organizations who focus their investment on the selection, assessment and development of line manager's reap greater returns on their investments.
- Insufficient geographic focus: Today's global business operations require employees who possess specialist knowledge, and who are conversant with country-specific employment regulations and compliance, and service delivery model often fall short in accommodating such. Although some organizations have created centralised structures, some HR services are best provided by local or country-specific HR specialists.

Jim Scully, founder of HR Shared Services Institute, states that "A service delivery model is an essential part of HR service delivery performance and it is very important to get it right" (Sully, Lay, Schuler, Frisby, & Givan, 2018). The range of operational models are directionally similar, but vary according to business needs and what HR leaders know will work in their organizations. Organization savvy HR leaders who understand their organizations well, select

and transform models to iterations that makes sense for business. Several factors influence these iterations such as size and stage of the business (growth, transformation or decline), location of the business (local, regional or global) and availability of enabling technologies, organizational readiness and cost of implementation.

KPMG in their publication "The future belongs to the Bold" offer guidelines for a successful transformation:

- 1. *Begin with a concrete vision*: Transforming HR requires firms to have a clear vision of where they intend to go. To add value, the vision should not be based on current circumstances.
- 2. Success is not guaranteed: HR technology alone cannot achieve/deliver transformation goals. The process requires careful planning and including resources and time.
- 3. Change management is critical: New cloud technological solutions have enabled fast and far-reaching changes. As a result there is a need for strategic change management.
- 4. Data insights require expertise: Although data is easily accessible, interpreting and making meaning of it requires new sets of skill, roles and processes.
- 5. Pay attention to HR skills: Transforming HR brings about new roles and responsibilities and also necessitates reskilling the HR team. Learning and development requirements should not be neglected.
- 6. Collaboration is key: Strategic change management is necessary in adoption and adapting to new roles by line managers. HR should ensure that they collaborate with line managers to enable them easily adopt enhanced roles in relation to people management using the HCM solution.
- 7. Challenge the status quo: Adjusting to standardized, simplified HR process model requires challenging the status quo.
- 8. Be bold: Effective transformation can be a long and challenging process to the HR function. It is imperative for HR to keep focus and deliver tangible results that will keep the change process moving toward success.

### 2.8 Obstacles to HR Transformation

Among the challenges Ulrich (1997) described that have propelled news ways of thinking among HR departments and the need to transform are technology, globalization, the need for an organizational model for change and the attraction, retention and measurement of human capital competence. Transforming HR to deliver forward-thinking capabilities helps organizations to respond more timeously and effectively to changes in the business environment and increase revenue and margins (Deloitte, 2011). However, as HR transformation expert at KPMG, Robert Bolton states, "HR functions have tried to transform themselves into strategic players and earn a place at the leadership table. But they've done so with limited success". He points out that HR leaders have focused on implementing generic HR models and best practices, rather than focusing on tailored solutions that support the value drivers of the business (KPMG, 2012)

Surveys by Fidelity Investments (2005) and Rampat (2005) (cited in Rothwell et al., 2008) identified the following barriers to HR transformation.

- Lack of financial and human capital resources to complete the work
- Lack of appropriate support technology
- Poor planning and execution
- Resistance/ unwillingness to take risks or deal with complexity
- Inability to show immediate savings
- Lack of genuine management support
- Lack of employee by-in
- Failure in building a business case to support the change
- Difficulty in dealing with bureaucracy

For transformation to succeed, organizational leaders and HR professional need to work closely to discuss, share and understand the direction of the business and transformation requirements. Rothwell et al. (2008) note however that too often HR professional and organizational leaders do not question why HR exists and do not clarify what they want from it and how it can be achieved. There seems to be a divide between the work of HR and other business functions in organizations. PWC also states that transformation cannot be forced on managers; it has to be a collaborative and rewarding process for both sides. Many transformation efforts are stalled by business leaders who are not invested in the changes HR intends making. If transformation

is to be successful, business too has to change its ways. Transformation can only be effective once HR and business function leaders are all brought into the objectives and outcomes.

Moreover, without management support, HR transformation efforts will not succeed. Executive support is more than just a factor in transformation, it is also critical to securing necessary resources, be it money, technology or people (IPMA, 2009). Moreover, results from the study by IPMA also revealed that 66% of respondents ranked strong management support as a key enabler of HR transformation. Strong internal skills and funding were 55% and 3% respectively, followed by IT systems with 29% and outsourcing with 8%. These statistics prove how critical management support is to the success of transformation efforts.

#### 2.9 Conclusion

There is no doubt that the role of HR has been, and still is undergoing a major transformation driven by changes in the business environment. Research on the role of HR and place of HR in organizations has intensified because of changes in the business environment. Regardless of the industry, location or size, companies today face critical challenges that require them to rethink the way they do business. Like other organizational units, the HR department has had to transform itself to keep up with the changes in business operations. HR leaders are thus tasked with finding ways to re-engineer the HR function to be more value adding to meet the increased expectations of company executives.

The chapter has explored the background of the HR function and provided a detailed account of how the field has evolved over the years. Competitive forces and pressure to compete and remain relevant saw personnel management evolve into human resource management and strategic human resource management. However, with the continued economic, technological and demographic changes, HR organizations still find themselves facing new sets of challenges, which require them to transform to value-adding players in business. Transforming HR means HR should devise value-adding strategies and align their strategies with those of the business, leverage technology, and integrate and streamline their activities to support and drive the business strategy. Literature has indicated that the process of transformation should begin with clear vision and business case to ensure that it addresses business issues. Moreover, stakeholder involvement is very important to ensure to ensure buy-in, reduce resistance and diversity of perspectives. The next chapter examines the concepts of talent and talent

management and what they mean in organizations. Focus will be directed to the framework of talent management and the components involved in the process of TM in organizations.

#### **CHAPTER 3**

### TALENT AND TALENT MANAGEMENT

#### 3.1 Introduction

The previous chapter provided a review of literature on human resource management and how the field has evolved over the years. Focus was drawn to the process of transformation and how it should be conceptualised and implemented to ensure that it aligns with and serves all organizations stakeholders. With talent management at the centre of strategic human resource management activities, the current chapter explores the theory that underpins the concepts of talent and talent management. Talent management is not a new concept but over the past decade scholar and business executive still struggle with defining the concept let alone how to implement in organizations. The chapter therefore reviews literature relating to the conception and application of talent management in organizations. It looks at the talent management framework and why talent management has gained prominence as a strategic imperative in organizations. The components of talent management and how they can be integrated are discussed, including the success factors in implementing talent management programs.

#### 3.2 Talent

To fully understand the concept and application of talent management in organizations it is important to first clarify the meaning of *talent* and how it is conceptualised. Empirical studies reveal that an organization's conception of the term determines its approach or strategy towards talent management. Tansley (2011, in Baartvedt, 2013) mentions that for full understanding of the importance of TM, an organization first needs to agree on a definition that matches its business objectives, strategy, values and vision. The author goes on to state that the organizational context, including the nature of business, culture and leadership and management style, determines an organization's approach to talent.

Definition of the term talent can be traced back to ancient Greek and biblical times, meaning originally a measure of weight, then a unit for money, and later coming to mean an individual's value or innate abilities (Silzer & Dowell, 2010). Today various scholars assign different definitions or meanings to the term. Gallardo-Gallardo, Dries & Gonzalez-Cruz, 2013) argue that because there are so many theories about what talent is, talent management scholars are

seldom clear about what they precisely mean by term. Tansley (2011) states that "some definitions of talent are so vague that one is forced to ask what the point is of using the term talent at all". Some of the definitions provided by scholars and talent management practitioners are as follows:

- A person's recurring patterns of thought, feeling or behaviour that can be productively applied (Buckingham & Vosburgh, 2001).
- A person's holistic abilities, his or her embedded skills, knowledge, experience, intelligence, personality and motivation. (Michaels, Handfield-Jones, & Axelrod, 2001).
- Employees who are capable of contributing to organizational performance, either through their personal contribution or in the long term by displaying the highest level of potential (Tansley, Tutner, Foster, Harris, Stewart, Sempik & Williams, 2007),
- A select group of the workforce who rank at the top in terms of capacity and performance (Stahl, Bjorkman, Farndale, Morris, Paauwe, Stiles, Trevor & Wright, 2007).
- An individual's skills, abilities and what a person is capable of doing or contributing to the organization (Silzer & Dowell, 2010).
- Talent = *Competence* (knowledge, skills, values required for current and future jobs) X *Commitment* (employee's enthusiasm) X *Contribution* (finding essence in the job) (Ulrich & Smallwood, 2011).

Tansley (2011) notes that the way organizational talent is defined is a complex question with no practical agreement as to what such talent should be or is. The *Economist* (2006, in Tansley, 2011) notes likewise that some organizations do not know how to define the term, let alone manage it. Executives and business leaders often grapple with the question of what talent is, how to identify it and what to do with it. Drawing from the definitions above, talent, according to most scholars and business leaders, can mean whatever they want it to mean in relation to their business needs. Accordingly, Tansley et al. (2007) note that there are marked differences in the extent to which the term talent is in use in organizations. A study by CIPD (2007) also revealed that the definition of talent is:

- Organizationally specific and is influenced by the nature of work and type of industry
- Has group level implications
- Mainly focused on individuals,
- Dynamic and likely to change in accordance with organizational priorities.

### 3.2.1 Approaches to talent

Talent is a fluid concept and, as indicated above, is variously defined by scholars. The basic features of talent in the workplace relate to skills, knowledge, cognitive ability and potential for development (Garg & Rani, 2014). Definitions also vary from one organization to another. For some, talent entails personal ability and exceptional performance that enables employees to transition to top managerial positions. For others, talent is an all-encompassing term which refers to all employees. According to Ford et al. (2010, in Garg & Rani, 2014), talent in the context of the workplace is the difference between those employees who have the potential to make an impact and the rest of the employees.

The conceptualization of talent can thus be either subject focused or object focused. Various scholars concur that an organizations definition and approach to talent is dependent on the context. Defining context factors for talent include the goals of the organization, the labour market, the industry and that nature of work in the job – whether knowledge-focused or routine (Buttiens and Hondeghem, 2012).

### 3.2.1.1 The object approach to talent: Talent as characteristics of people

According to proponents of the object approach, talent entails exceptional characteristics and skills concerning knowledge and competencies of individual employees (Gallardo-Gallardo et al., 2013; Buttiens & Hondeghem, 2012). Talent, according to this approach, refers to characteristics of a person, rather than to the person as a whole. The object approach also subcategorizes talent as natural ability, commitment, mastery and high performance, metacompetencies, and high potential. HR practitioners and researchers consider talent to be innate: a combination of intelligence and levels of innovativeness. Dictionaries define talent as a "natural ability" – being exceptionally good at something (Businessdictionary.com), without the need to be taught. The conceptualization of talent as natural ability has significant implications for the way in which talent is managed. Buckingham and Vosburgh, (2001) state that unlike knowledge and skills, which can be easily taught and learned, talent is enduring ad pertains to unique attributes of an individual. According to these authors, talent, in view of its nature, is impossible to teach and learn and cannot be managed.

Talent is also conceptualized as *commitment* to one's work and organization (Ulrich & Smallwood, 2011). Proponents of this approach believe that talent entails a person's perseverance and commitment to projects and ensuring that they are completed. The construct of talent in this approach is seen as being aligned with a person's will, motivation, passion and interest. The commitment approach to talent is seen, however, as complementary to the natural ability approach rather than supplementary (Gallardo - Gallardo et al., 2013).

Talent as *mastery and high performance*, according to Gallardo-Gallardo et al. (2013), means that talent is a result of deliberate practice and learning from experience. Those who subscribe to this approach believe that talent is learned or made, not an in-born ability, and is developed through experience and effort. This approach also implies that talent can be identified through evidence of measurable and consistent exceptional performance (Ericsson, Roring & Nandagopal, 2007). De Hare (2010, in Gallardo-Gallardo et al., 2013) states that unavailability of evidence for exceptional achievement implies giftedness not talent, and that talented individuals should exhibit high performance that can be measured. Talent in this regard is also defined by realized outputs. Dries and Pepermans (2008) argue that because performance outputs can be measured it is common practice for companies to use performance appraisal as a tool for talent identification.

Talent as *meta-competencies* refers to observable behavioural aspects of talent; these are usually evaluated in the context of promotion decisions, leadership and development, and succession management (Campion, Fink, Ruggeberg, Carr, Phillips, & Odman, 2011; Meyers, Van Woerkom, & Dries, 2013). *Competencies* refers to measurable individual capacity needed for impactful performance. *Meta-competencies* are constructs that facilitate adaptability in learning and development, and are required in a variety of jobs.

Lastly, talent is conceptualized as *high potential*. Proponents of this approach conceptualise talent as an attribute of selected individuals who display high levels of potential. This approach emphasizes the conception that employees are able to perform at high levels and become more than what they currently are (Silzer & Church, 2009, in Meyers et al., 2013). The approach implies that potential has an innate element but also needs to be developed for it to become exceptional performance. High potentials are those employees who are believed to be capable of advancing quicker than their peers advance, have self-efficacy, and exhibit higher-level behaviours and motivations than regular employees (Pepermans, Vloeberghs & Perkisas, 2003).

### 3.2.1.2 The subject approach to talent: talent as people

The subject approach to talent views talent as persons. This approach is sub-divided into two approaches: the inclusive approach and the exclusive approach.

In-terms of the inclusive approach, talent includes all employees within an organization. This approach views all employees as having their individual strengths and the potential to add value to the organization (Buckingham & Vosburgh, 2001). Similarly, O'Reilly and Pfeffer (2000) state that organizational success is derived from capturing the value created by all employees rather than just a few individuals. Literature on the inclusive approach is further supported by the argument that in the current knowledge-based economy, organizations achieve competiveness through people, and without them they cannot succeed (Tulgan, 2012, in Gallardo-Gallardo et al., 2013). People have become key differentiators in today's knowledge-based based economy (Catalyst Consulting, 2013).

The inclusive approach implies an egalitarian distribution of resources across employees in the organization. In this way the organization avoids falling morale among loyal employees who are not considered high performers and creates a harmonious, collegial and motivating work environment. The inclusive approach is not without criticism however; various scholars (Garrow & Hirsh, 2008, Iles, Chuai et al., 2010, Silzer & Dowell, 2010, all in Gallardo-Gallardo et al., 2013) believe that this approach blurs the line between strategic human resource management (SHRM) and talent management. They argue that if talent is inclusive of the entire workforce, managing talent therefore implies planned management and development of people in the organization, which does not specify how TM differs from SHRM. Other scholars (Lewis & Hackman, 2006) take the position that in the inclusive approach talent management involves typical HR processes and perhaps doing them faster or better. Mangusho et al. (2015) argue that this approach merely substitutes talent management as another label for human resources management. Lin (2006) raises the issue of cost inherent in the application of this approach. He points out that the inclusive approach is not cost effective as it implies high cost in terms of HR investment.

The exclusive approach, on the other hand, is based on the notion of segmenting the workforce and views talent as a select group of individuals in the organization. According to this approach, talent involves high performance and potential of a selected number of employees earmarked for promotion to management positions (NHS, 2014). These employees possess exceptional abilities and skills, and are believed to have the potential to significantly influence an

organizations competitive advantage through their exceptional potential and performance (Tansley et al., 2007; Silzer & Dowell, 2010). Smart (2005, in Gallardo-Gallardo et al., 2013), adds that these high performers are considered to contribute more and work smarter, are creative and resourceful, take initiative, develop better business strategies, are adaptable, and are able to articulate their vision passionately. As a consequence, high performers are regarded as drivers of organizational success (Williams, 2000).

High potentials, as noted above, comprise an elite group of individuals who demonstrate high levels of potential to be more than what they currently are. The implication in this approach is that these employees have the capacity to develop and grow to some desired state since they exhibit the ability to advance faster whilst demonstrating motivations and behaviours different from those of regular employees (Pepermans et al., 2003). Allocation of resources for this approach is focused on improving performance and is believed to have higher returns on investments since resources are allocated where more returns can be expected (Bothner, Podolny, & Smith, 2011). Capelli and Keller (2014) add that the concept of segmentation or differentiation suggests that organizations should allocate scarce resources disproportionately to individuals and positions from which they expect more return on investment. Allocation of resources to employees based on their performance leads to motivation and willingness of employees to develop and apply their skills further.

Scholars such as Pepermans et al. (2003), however, point out the downside of the exclusive approach. They argue that the focus of potential identification and performance evaluations is usually not based on objective indicators alone, but rather reflects subjective judgements made by top and line management. They further argue that the causal relationship between the level of performance prior and after being recognized as talented may biased by the fact that such recognition leads to increased support for performance improvement. Similarly, McNatt (2000) has argued that identifying certain individuals as talent also leads to a self-fulfilling prophecy where performance expectation (high/low) determines effort, willingness and actual performance. With regard to allocation of organizational resources, the exclusive approach of focusing on reinforcing performance of an elite group leads to lowering of morale and loyalty and causes resentment among co-workers. Over-emphasizing individual performance discourages organization-wide development, diminishes teamwork and creates an atmosphere of destructive competition.

Ulrich and Smallwood (2011) provide a framework for segmenting an organization's workforce for facilitation of talent management. The framework is based on the assumption that all employees in an organization should be considered as talent and that all employees in different career stages and levels in the organization can be treated as talent, although different interventions would have to be applied for particular segments (NHS Leadership Academy, 2014). In this approach, the entire workforce comprises a collection of talent segments that actively create and apply knowledge. All employees are seen as having their own strengths and potentially able to add value for the organization (Guthridge, Komm, & Lawson, 2008; HRM Review, 2003). Workforce segments would include the following:

- *Executives*: This segment represents company executives, who are generally high performers and have demonstrated the ability to deliver consistent results (Ulrich & Smallwood, 2012). Interventions for the executive segment would require tailored learning experiences such as involvement in external groups and executive coaching and mentoring. Particular attention would also be given to succession planning processes.
- *Leadership cadre*: This segment, according the authors, includes the next generation of executives, who would require activity-oriented development in engaging today's talent, crafting the future, getting things done and building the next generation of talent (Ulrich & Smallwood, 2012).
- *High-potentials*: This segment includes employees in key positions at various levels throughout the organization. Most of these employees occupy front-line management positions or are technically proficient and have great prospects for future growth. Talent development practices for this group might include coaching and mentoring by executives and tailored skills training (Ulrich & Smallwood, 2012).
- *All employees*: A significant aspect for all employees is an organization-wide talent mindset. A talent culture should permeate throughout the organization and opportunities for development should be made available for all employees (Ulrich & Smallwood, 2012).

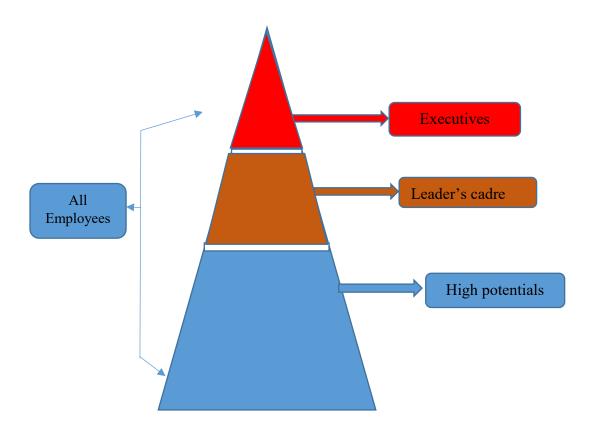


Figure 3-1 Talent pyramid and choices Adapted from Ulrich & Smallwood. (2012).

How talent is defined will have varying implications for what the term entails, ranging from personal development, succession management, performance enhancement and workforce planning. Consequently, an organization-wide buy-in to the particular definition of talent is essential for devising a talent strategy and determining allocation of organizational resources and efforts in the management of talent. An increasingly accepted viewpoint, according to NHS (2014), is that the changing nature of the workplace implies that choosing between the two approaches as extreme continuums is outdated. Instead, organizations should try to adopt both approaches simultaneously. This approach will mean having policies and practices that maximize the development of employees (NHS, 2014).

### 3.2.2 Talent and its implications for talent management

Since it is clear that there is no single correct definition of talent applicable to all organizations, talent strategy in any particular organization will therefore depend on the definition or approach that has been adopted (NHS, 2014). Tansley (2011) adds that consensus on the definition of talent needs to be based on the goals, values, strategy and vision of the organization. Like

*talent*, organizational *talent management* can be divided into two broad approaches: the inclusive approach and the exclusive approach.

### The inclusive approach to talent management

As mentioned earlier, the inclusive approach assumes that every person has the potential for talent and valuable qualities that can be beneficial to the organization. This approach implies that there is no discrimination between employees based on their performance. In this regard, all employees have an equal opportunity to make a visible contribution to the success of the organization. The focus of this approach is on talent activities such as training and development, acquiring experience and promotes learning, employee-well-being and activity by presenting employee with the opportunity to reach their full potential (Myers, 2015). The author further states that the objective of the inclusive approach is to highlight employee excellence and allow them to fully utilise their potential in the workplace. The inclusive approach in talent management also relates to the object view of talent itself in the assumption that the adopted TM strategy should support and develop peoples' talents and strengths. This approach, as Boseli (2010) points out, corresponds well with the "soft approach" to HRM although Boudreau and Ramstad (2005) critique the soft approach on the grounds that it distracts attention from return on investment. Buttiens & Hondeghem, (2012) argue that the inclusive approach to TM also provides a multi-dimensional view of performance in relation to the individual and societal level and the economic goals of the organization

### The exclusive approach to talent management

The exclusive approach is often referred to as a "top-grading" approach since it focuses on recruiting and developing only the best performers in the organization. This approach, as highlighted earlier, focuses only on particular segments of the workforce, prioritizing follow-up of strategic positions in the organization since they contribute to sustainable competitive advantage (Collings and Millahi, 2009). Gallardo-Gallardo (2011) and Buttiens and Hondeghem (2012) concluded that with regards to performance management goals, the exclusive approach to TM is oriented towards organizational effectiveness and that this is more applicable to organizations where performance is dependent on the abilities and results of all employees, such as consulting. Meyers and Van Woerkom (2014) suggest that the exclusive approach to TM would be better suited for organizations which have a competitive culture and where employees are compensated for exceptional performance.

Lewis and Hackman (2006) argue, on the other hand, that there are three distinct approaches to TM. They identify the first approach as focused on the usual collection of HR activities, practices and functional areas of recruitment, selection, development, succession management. Mangusho et al. (2015) see this as merely relabelling human resources management as talent management: doing what the HR department had always done, but rather faster or with greater agility. The second approach as identified by Lewis and Hackman (2006) focuses on optimizing talent pools. According to Burbach and Royle (2010), this entails a formal process designed to ensure adequate talent pools in an organization; the focus is on ensuring that the organization has people when needed and the goal is to maintain smooth flow of talent throughout the organization. The third approach identified by Lewis and Hackman (2006) is subdivided into two streams: managing employees according to performance levels, and a generic focus on all employees by virtue of their being part of the organization. The first stream focuses on highly competent employees and advocates seeking highly competent employees. This approach classifies employees by performance levels such as A, B or C levels to denote exceptional to poor performance, and encourages managing C performers out of the organization or top-grading the organization by hiring top (A) performers. The generic stream focuses on all employees as critical because it is the role of the HR department to ensure that everyone performs exceptionally in the organization – or because demographic and business trends make talent in general more valuable (Distiller, 2015).

Tansley (2011) also specifies three levels on which talent can be considered: organization level, group level and individual level. At the organizational level, she states that organizations need to formulate an organizational meaning of talent to facilitate the process of talent identification, development and nurturing. She notes that talent may be relative and context bound and that what is relevant in one environment may be irrelevant in another. The group level of talent may involve several elements in an organization. *Leadership talent* involves specialists, employees who possess leadership potential and individuals with novel skills. *Key talent* involves an elite group of high performers. These are regarded as A-players and are considered hard to find. *Core talent* includes the majority of the workforce who are central to business processes. Lastly, the individual talent level refers to individuals who possess behavioural aspects, exceptional knowledge, competencies and reasoning abilities (Tansley, 2011). These individuals are seen as special and unique.

# 3.3 Talent management

The concept of talent management has always been considered an important aspect of the HR function in organizations, however today's business environment demands that TM become an inseparable part of business priorities and, be managed optimally to support the achievement of organizational goals. Talent management, as Capelli and Keller (2014) note, has evaded standard definition and articles written on the subject often begin with handwringing over the conceptual limitations of the term. Distiller (2015) adds that because of the many assumptions made by authors who write about TM and the confusion regarding the definitions it is difficult to identify the precise meaning of TM. Like "talent", there are many ways to denote the concept of talent management. Some of the definitions that have been provided are as follows:

- Massie (2015) defines TM as a group of interconnected human resource processes which are designed to attract, develop, motivate and retain talented, engaged and committed employees.
- NHS (2014) defines TM as the systematic recruitment, development and retention of those individuals who add value to an organization, through their high potential for the future or by fulfilling business or operational critical roles.
- The Society for Human Resources Management (2006) defines TM as the implementation
  of integrated systems designed to enhance the processes of sourcing, nurturing and
  retaining employees who possess the necessary abilities, skills and competence to meet
  current and future organizational goals.
- Talent management is the science of applying strategic HR to improve business value and ensuring that organizations to reach their goals (Mangusho, Murei, & Nelima, 2015).

The definitions of TM not only underscore the significance of recruitment, engagement, development and retention, but also emphasize the importance of creating value by focusing on achieving organizational goals. The aim of TM is to promote a culture of high performance and ensure a sustainable organization that meets its operational and strategic goals and objectives. The CIPD (2009) alludes that the concept of talent management has evolved into an important management practice in such a way that what was once completely related to recruitment now incorporates a multitude of functional areas focusing on organisational capability, individual development, succession management and performance improvement. O'Leonard (2010) states however that despite the increasing significance of TM organizations still find it difficult to define TM. Talent, according to the Society for Human Resources

Management (2006), is seen as a scarce resource and only a handful of organizations have an adequate supply of talent.

Silzer and Dowell (2010) identified a number of factors which they see as having contributed to the critical significance of talent and talent management in organizations. These factors include:

- A great demand for talented leaders and executives
- A decreasing pool of talented and experienced leaders
- The fast paced and complex global business and the need to have agile and talented workforce that can quickly adapt and respond to changing business conditions
- Understanding that there are certain organizational capabilities crucial to achieve competitive advantage and that it is necessary to acquire and retain the leading talent with specialised expertise and competence to build that capability.
- The challenge of retaining talent in the face of power shifts in career management.

Talent is the type of resource that can leave whenever it desires. At the same time, in the knowledge-based economy, talent is very important as it can build brand equity that creates value in the long term (Schweyer, 2004).

## 3.4 Talent management framework

A talent management framework, established on a robust model of both technical and behavioural capabilities, underpins integrated interventions involved in the TM process (Pageuppeople, 2009). Silzer and Dowell (2010) state that TM does not just co-exist with other programs and systems within an organization, but also supports and coordinates with them. They further state that talent management should be driven by the business strategy and in turn assist in driving business results.

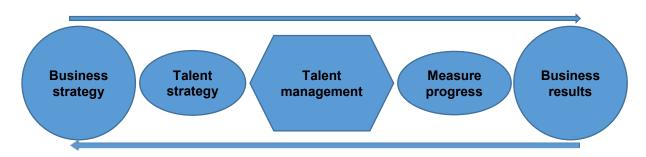


Figure 3-2 Talent management framework Adapted from Silzer, & Dowell, (2010).

The talent management framework (Figure 3.2) as presented by Silzer and Dowell (2010), implies that talent management begins with an understanding of the organization's business strategy. The talent strategy and actual implementation of talent management programs and practices thus focus on driving and supporting the business strategy. An organization's business strategy entails the manner in which an organization plans to compete for success against other organizations. It ensures effective competitive actions in the market. An organization's talent strategy therefore aims at assisting the organization to achieve its business goals through optimal utilization of human capital. Vatne (2016) states that aligning a talent management strategy begins with thorough analysis of the organization's operational and strategic goals and objectives. The author also contends that developing a talent strategy requires organizations to learn from best practices and understand the environment within which they operate, and adapt their strategy to the environmental circumstances and needs. Bersin, Harris, Lamoureux, Laurano and Mallon (2010) add that the first step in talent management is defining a talent strategy within the context of the business strategy. It is Distiller (2015) who also argues that organizational talent management begins with an awareness of the type of talent the organization will need to reach its goals. Consequently, in strategic planning both organizational and strategic HR perspectives are essential in ensuring that the talent management strategy is in accordance with the long-term business strategy.

The actual process of talent management entails implementation of the planned talent management strategy. This process involves putting the talent plans into action and includes talent identification and recruitment, talent assessment, training and development interventions, talent engagement and retention, and also having talent pools to facilitate succession management. Progress measurement follows an assessment of any deviations from what the business aims to achieve and the processes and progress towards the organization's goals and or business results. This entails evaluating whether the talent management practices implemented are leading to the desired outcomes. This process involves taking a closer look at the above components of talent management and scrutinizing each in-terms of its strategic impact or in accordance with the talent strategy and alignment with the business strategy.

As mentioned in previous sections, the ultimate goal of talent management is to help the organization achieve its strategic goals. From a talent management perspective, achievement of business results is dependent on the alignment of the talent strategy with the business strategy. The impact of talent management can however mean a number of things for different

organizations. As such Bethke-Langenegger, Mahler and Staffelbach (2011) note that business results maybe a conglomerate of (a) Financial outcomes, such as profits or market value, (b) organizational outcomes, such as productivity or customer service and (c) Human resource outcomes, such as job satisfaction or commitment.

Accordingly, company leaders consider three major factors to be important to business success:

1) Having a strong and feasible strategy, 2) Having the appropriate infrastructure and operations to implement the strategy and 3) Having talented people to drive the strategy and execute the operations (HR.com-Whitepaper, 2012). For any talent strategy to be a success it must follow the company's business strategy. Understanding where the company is headed will enable talent specialists to know what talent requirements are needed to drive the company strategy. Linking talent strategy to business strategy enables organizations to also forecast future challenges and opportunities for the organization and its employees. The Carlson group states that organizations looking at creating an enduring competitive advantage need to design a strong talent strategy. They note that to be a success the talent strategy must be aligned to the business strategy and create consistency in how talent is identified, developed and retained. In their (2011) report entitled "Take aim: be clear about your talent management goals", the Hay group also mention that the only way organizations can realize their investment in talent management is by linking talent strategy to the business strategy. They provide the following suggestions on how to make talent management a success:

- Understanding strategy and how it can affect talent demand
- Having a well-thought-out approach to TM that connects together business strategy, operating models, roles, development and rewards.
- Understanding the criteria used in the selection process and how emerging roles will be filled.
- Designing systems to enhance talent and assess the impact of leaders in the organization.
- Ensuring that talent is deployed effectively and reward strategies keep employees focused on organizational goals.

## 3.5 Components of talent management

Talent management, as defined earlier, involves a collection of interdependent human capital management activities designed to identify, attract, integrate, develop and retain key people in organizations. The major am of TM remains the recruitment and development of key talent for

the benefit of both the organization and the employee (Du Plessis, 2010). Talent management components are the activities or programs that benefit or focus on individuals, such as recruitment, performance management, development and retention. According to Silzer and Dowell (2010), there seems to be agreement among scholars to include these activities under talent management. The authors therefore suggest that organizations make use of these activities in ensuring that they have the required talent to drive business strategies. Lyria (2013) adds that these processes must be developed in such a way that they integrate with each other and support the strategic requirements of the business.

#### 3.5.1 Talent attraction and recruitment

Ability to attract and recruit the best talent to deliver the business strategy is critically important as a success factor in today's knowledge economy. Capabilities and merits of its people are an organization's most important assets. Talent attraction and recruitment is a long-term process, and it implies that organizations should employ techniques which reflect the culture and values of the organization. Attracting talent is one thing; recruiting and selecting is a different matter. Talent recruitment, according to the Hay group (2011), begins with comprehensive understanding of an organization's current and future role requirements and an assessment of the current workforce's skills to handle them. An understanding of future roles determines the strategy the organization will choose in sourcing the talent it needs: whether to grow talent internally or rope in external hires. According to Lyria (2013), employer branding and employee value proposition (EVP) are all elements of talent attraction. The Hay group (2011) notes also that attracting the best talent may require organizations to review their EVP and brand their organizations as the "best place to work".

Attraction of a place of work involves several critical issues, including developing a "talent magnet". Of utmost importance is also the reputation or employment brand of the organization. Clutterbuck et al. (2003, cited in Das & Ahmed, 2014) states that the perception of current and prospective employees about whether an organization is a great place to work is expressed by an employer brand. Employer branding, according to Lyria (2013), entails developing an organizational image that is good enough to attract employees. A well-established employer brand according to Das & Ahmed (2014) allures and retains the best talent and places an organization ahead of competitors. Carrington (2007) adds that the aim of employer branding is to enhance talent management and to establish an organization's uniqueness from its competitors. Employer branding has become a significant attraction and recruitment strategy

for organizations as it differentiates an organization from its competitors in the market. The perception of an employer brand in an organization is therefore quite eloquent, and its vital role in the enhancement of recruitment and selection is obvious (Das & Ahmed, 2014). Cook (2008, cited in Das & Ahmed, 2014) avers that organizations that want to retain high-fliers are those with well-established employer brands. Employer branding also translates to development of an employee value proposition.

An EVP can be defined as a continuous solution to talent attraction that supports and markets organizations and provides a valuable employment experience aligned to target applicants' experience (The European Research Council, 2008, in Bwowe, 2015). Lyria (2013) adds that an EVP determines how employees perceive the value of an employing organization. An EVP is measured according to the work environment, the work challenges, training opportunities, flexibility, reputation and other defining attributes. Manpower Services (2009) states that organizations cannot afford to underestimate the power of an EVP as it assists in attracting, motivating and retaining the company's most valuable assets –employees. They further mention that apart from appealing to external potential applicants, a strong EVP strengthens the general perception of the organizational culture, mission and vision, work practices, leadership style and employee opportunities, and provides organizations with three quantifiable benefits:

- Improved attractiveness: A strong EVP enables organizations to source candidates from a much deeper pool of talent in the labour market
- *Greater employee commitment:* Employees in organizations with a strong EVP exhibit higher levels of commitment and engagement.
- *Compensation savings:* A strong EVP reduces compensation premiums required to attract new employees in organizations.

The continuous global skill shortage has made recruiting and selecting talent a daunting challenge for many organizations. Organizations around the globe are battling with demographic changes and differing workforce expectations, which requires them to create strong employer brands and devise effective recruitment techniques to win the war for talent in the labour market. These unprecedented conditions of turbulence and competition have made it difficult for organizations to attract and retain employees and fill scarce positions. This has further compelled organizations to develop purposeful recruitment, engagement, development and retention strategies.

## 3.5.2 Performance Management

Managing and measuring performance is considered the best way to monitor and assess talent. Performance management – the process through which management ensures that employees' activities and outputs are compatible with the organization's goals – has become a critical part of talent management (Garg & Rani, 2014). Performance management entails exploring the performance achieved by employees in accordance with their areas of accountability and examining the levels of skills and competencies regarded as critical to current and future jobs and organizational success. Bwowe (2015) states that the term "performance management" is frequently used to describe various management activities designed to monitor and measure aspects of employee and organizational performance through various management. In relation to TM, performance management not only involves measuring performance but also focuses on forecasting potential training needs and development, career preferences and competency levels.

Garg and Rani, (2014) state that management of performance is a key factor in TM and in gaining a competitive advantage, and comprises definition of performance, measuring performance and providing feedback on performance. Performance management integrates both individual and organizational performance, and involves incorporating aspects of individual performance such as appraisal, personal development, and rewards (Mackie, 2008, in Bwowe, 2015). Too often the process of performance management is seen by management as a punitive measure. The inherent underlying problem with the process in organizations is that it is often used for reporting performance (post-control) and less for the purpose of planning (pre-control) and monitoring (concurrent control). To promote a performance culture, organizations need to be clear on the purpose and means to monitor progress towards goal attainment. Anguinis, Gottfredson and Joo (2012) offer recommendations on how to make performance management a success. They state that organizations need to ensure that work is interesting and challenging in order to motivate and keep employees engaged. Creating and maintaining individualised development plans is also important to ensure that training is targeted at specific individual weaknesses. Organizations should also provide clear growth and advancement opportunities, and also implement performance-based reward systems. Adopting an approach which portrays the process in a positive manner can elevate PM into an effective employee retention tool and prevent competitors from poaching the organization's source of competitive advantage.

### 3.5.3 Talent training and development

Massie (2015) asserts that if a company's' talent management strategy is to succeed, leaders and managers at all level of the organization need to be committed to talent development. Training within an organization involves systematic approaches to learning and development designed to enhance individual, group and organizational performance, while development entails activities which facilitate the process of acquiring new skills and knowledge for individual growth (Aguinis and Kraiger, 2009, in Bwowe, 2015).

Shrinking labour markets compel organizations to pay serious attention to the way they develop their key talent. Continuous development of talent enables organizations to be responsive to changes in the work environment. Talent management requires strong commitment from the training and development department, and learning and development has become a significant talent management initiative in many organization. Zheng et al. (2001, in Ahmed, 2016) conceptualize learning and development as an organizational approach to ensuring that people with the right qualifications and experience are available when needed. Learning or training and development also ensures that employees are empowered and motivated to grow in their careers. Employee training should focus on transferring job-related knowledge and skills and facilitate employee career development that enables employees to move within the organization through succession plans and promotions. Tailored development opportunities for talent are key in motivating and retaining employees. It is crucial for the success of any training and development program to undertake a training needs analysis. Arthur Jr and Bennet Jr, (2013) mentions that a needs analysis adopts a three step process which involves; (a) Organizational analysis, which focuses on organizational goals to be achieved, (b) Task analysis, which focuses on the aspects of the job that trainees should learn to improve performance and (c) Person analysis, which focuses on which individual require training and for what. In addition, development opportunities have a significant impact on job satisfaction and on commitment to the organization which, contributes to retention of productive employees. Various talent development strategies can be used to equip employees with new skills, such as in-house development, on-the-job training and coaching by line managers (CIPD, 2013).

#### 3.5.4 Talent engagement and retention

Talent engagement has become a new management mantra. Research literature indicates that employee engagement leads to high level of commitment, psychological attachment, increased performance and low employee turnover. According to Markos and Sridevi (2010), employee

engagement is founded upon concepts such as employee commitment, job satisfaction and organizational citizenship behaviour; these concepts they see as aspects of engagement that are most likely to drive positive employee behaviour. They add that employee engagement is a particularly strong predictor of positive organizational performance because engaged employees become highly involved and emotionally attached, and show more commitment and enthusiasm towards the success of the organization. Reily and Brown (2008, in Rani and Reddy, 2015) also state that the terms *motivation*, *job satisfaction* and *commitment* are now being replaced by "engagement" because it appears to have more force and face validity.

As with talent management, various authors define *employee engagement* differently. Robinson, Perryman and Hayday, (2004) define it as a positive attitude held by employees towards the organization and its values. Catteeuw, Flynn & Vonderhorst, (2007) define it as the degree to which employees are satisfied with their job, feel valued, and experience collaboration and trust. According to NHS (2007), employee engagement is a measure of how people connect in their work and feel committed to their organizations and its goals. Employee engagement is generally viewed as an attitude towards one's organization that leads to attachment and commitment to the organization. Organizations need to ensure that they keep up employees' engagement as it leads to increased involvement and productivity while reducing employee retention costs (Rani and Reddy, 2015, cited by Robertson-Smith & Markwick, 2009).

Talented people are an organization's survival factor in today's highly competitive and commoditized world of work. This means that organizations need to be retention savvy (The Ken Blanchard Companies, 2007). Talent retention, according to Oracle (2012), starts with hiring the right talent. In the recruitment process organizations need to identify potential talent at the outset by analysing the required skills, experience and fit, and match them with the talent profiles of external candidates. Similarly, Oladapo (2014) states that good hiring practices are the first step towards effective retention practices. Poorly planned recruitment may lead to staff attrition in two ways: disoriented and mismatched new employees, and increased frustration of old employees resulting from the revolving door of hires. Employing the right people makes developing the right skill sets easier and lays the foundation for all other talent management activities that follow.

Retaining good employees has become a critical strategic challenge for many organizations. When talent acquisition and retention are a problem, management often consult the HR

department for solutions (Patel, 2002, in Oladapo, 2014) and this becomes a daunting task for HR considering the traditional HR structure of silos of expertise. PWC's October 2015 HR quarterly reported that recruiting and retaining talent and simultaneously managing costs is a perennial challenge for many organizations of every size. They note that the reason for this is that many organizations lack the information to make informed decisions about investments in talent, return on investments, and employee productivity. The current unstable economic environment requires organizations to demonstrate tangible returns in their talent management investments. To ensure that talent management supports organizational goals and get management buy-in, HR professionals need to provide such information upfront.

Capelli and Keller (2014) argue that the increase in retention challenges is largely self-inflicted by organizations. Turnover has been perpetuated more by shifting employer preferences than by worker preferences, and since organizations no longer provide assurance of continued employment, employees have taken control of their careers and report being open to external opportunities even when not actively seeking them directly.

Farley (2005) states that forward-thinking organizations treat talent retention as a strategic priority; they devise strategic plans and follow best practices in managing employee issues. PWC (2015) states that in tackling human capital management issues, organizations should adopt a more strategic approach based on a powerful employer brand and further embed and integrate workforce planning into business planning from the start. This, they say, requires collaboration between HR and business and strong board support for talent sourcing and management. The challenge with many organizations, as noted in a report by The Ken Blanchard Companies (2005), is that the responsibility for talent retention is often pushed to the HR department and rarely included in the list of a manager's goals; managers, they argue, need to acknowledge their responsibility for motivating and retaining talented people, which involves understanding that their roles extend to two key areas for retaining talent: (1) Development of people in their current work and, (2) Career coaching for future work. PWC (2015) also mention that managing and capitalizing on human capital is no longer a role that should be left to the HR function alone. Talent and business strategy must go hand in hand, and line managers need to be at the forefront of talent retention.

Gering and Conner (2002) mention that a viable retention strategy must incorporate the following:

- The *business plan* should show whether the organization will achieve a return on investment.
- A *value proposition* demonstrates the organization's strength and differentiates it from its competitors.
- *Progress measures* facilitate steps towards meeting retention goals at certain intervals and assist in keeping an organization on track.
- *Management influences* involve rewarding employees for their performance and applying corrective acting where necessary.
- Retention ratio should be maintained at a level that will enhance achievement of competitive advantage in the market served.

It is also very important that retention is not influenced by any one factor in particular. There is a range of factors that organizations should focus on, including training and development, rewards and compensation, leadership and support, work environment, and availability of opportunities, to mention a few. Another cause for attrition of talented staff is the lack of transparency about the future professional growth of employees. The process of talent management must provide opportunities for inclusion and equality, promote and maintain standards regarding competitive rewards and opportunities for growth and development, and incorporate talent management in a system-wide approach to develop the skills of employees. Research literature confirms that people who are satisfied with their jobs, who feel valued by their companies and perceive great opportunities for growth tend to stay longer with their employers.

### 3.5.5 Succession planning

Succession planning is an aspect of succession management in which organizations form policies and procedures for replacing key members in the organization. According to Marants (2012) the process involves determining long-term organizational needs and nurturing a supply of internal talent to meet those future needs. Succession planning is an important part of the HR planning process and talent management. According to Estedadi, Shahhoseini and Hamidi (2015), succession planning, is not a new concept; companies have been applying the process for decades to close gaps by developing internal talent to fill potential leadership and administrative positions. To be effective, the process of succession planning should be based on the organization's strategic plans and vision, and also involve plans to create coordinated flows of leadership (Cadmus, 2006; Hargreaves & Fink, 2006, in Estedadi et al., 2015).

Redman (2006) notes that incorporating succession management in strategic goals provides an opportunities to develop talent and retain experienced employees, and it reduces new staff's learning curve errors and lengthy adjustment periods.

In today's fast-paced business environments, companies cannot afford to neglect the significance and benefits of succession management. Ohuabunwa (2015, cited in Unwuka, Ekwulugo, Dibua & Ezeanyim, 2017) notes that the success of the world's most prominent organizations is a direct result of effective succession management. These organizations according to the author plan for their exit strategies at the beginning of the recruitment process. Human capital is regarded as the greatest asset, often differentiating successful organizations from those that struggle. Yet in the continuing war for talent, many organizations focus on recruitment and neglect succession management, which is a crucial component in building organizational capacity to accomplish future strategic goals (Unwuka et al., 2017).

## 3.6 Integration of talent management processes

Integration of talent management and its implications are the overriding theme in conversations among industry executives. It has become the new currency in human resources and is regarded as one of the fastest growing and most significant trends in HR technology (Coy, 2012). Talent management, like any other business solution considered "strategic", should house all its critical data elements in a single system (Sumtotal Systems Inc, 2009). However, until a few years ago, integrated systems were non-existent. The HR department was structured to operate in silos with disconnected functions. Today, technology has enabled many HR activities to be streamlined and has provided effective, reliable and accurate means of access to data. Garr (2012) state that globalization of the workplace increases the need for connectivity between HR processes.

Sumtotal Systems Inc (2009) advise that in migrating to a fully integrated approach, the organization needs to create aligned processes, standardized competency models, job profiles, and complementary training programs so that all stakeholders are ready to use the integrated system. A complete coordinated talent management and development system that incorporates all elements involved in acquiring, assessing and developing talent enables organizations to take better control over their investment on talent. Garr (2012) state that integrated talent management provides organizations with a clear understanding of their talent, enabling them

to make adjustments to its current approach and giving them the necessary information to plan for the future.

Integrated talent management entails connecting the various processes of attracting, managing, developing, motivating and retaining key people through a common interface and data platform and cross-process reporting and analytics. It is an innovative and holistic approach to talent management that enables organizations to respond effectively and flexibly to changes in the business environment (Garr, 2012). Integration involves understanding how the components of talent management come together. Ashton and Morton (2005) state that integrating and aligning talent ensures that strategies for managing talent are aligned to organization's business goals and that all other functions relating to human capital management are integrated to create a talent mind-set.

Integration and alignment according to Stahl et al. (2012), involves instilling a mind-set in which TM is an ongoing process, and when implemented properly, it can assist organizations to develop an image that attracts and retains the best talent and bring to speed the productivity of new employees. Korn Ferry (2017) mention that a strong integrated talent management system includes processes for differentiating talent across several key capabilities. Coy, (2012) adds that the success of talent management does not reside within a single function or process; what is needed is a whole-system perspective. Accordingly, Dana Engorova (2013) states that various initiatives of talent management and HR activities, processes and systems need to be interconnected and are most effective if they are fully integrated.

Garr (2012) point out that although integration takes time and resources in the end it pays off in its impact on the business. They make the point that as companies' progress up the integration maturity ladder, employee turnover decreases, and as they move further up they become more effective at developing leaders, creating a talent pipeline of ready successors and establishing high employee engagement. Empirical research by the Association for Training and Development revealed that high performing organizations tend to integrate talent management components more than low performing organizations (Coy, 2012). Bersin & Associates also found a strong correlation between organizational performance and companies with mature integrated talent management systems. A survey of HR leaders by Softscape, (2010) revealed that organizations with fully integrated human resources and talent processes, systems and data tend to outperform organizations with less integration by 41% across a variety of HR business metrics. These organizations, as Garr (2012) notes, become adept at employee

development, career planning and hiring great talent. Ngozwana and Rugimbana (2011) also note that integrated talent management optimizes an organization's financial investment and the skills of its people. Moreover, it ensures that decisions about recruitment, motivation, development are taken with the best information. Softscape (2010) identifies the following benefits of integration:

- Improved internal talent mobility
- Lessened voluntary turnover
- Improved alignment of workforce to the overall business strategy
- Increased workforce productivity
- Faster on-boarding

Although talent integration has significant benefits for organizations, the reality is that most organizations still do not have integrated systems. HR functions in many organizations are fragmented. Garr (2012) note that talent integration is not an easy task and cannot be achieved overnight. They observe that about 60% of organization have two or more separate talent systems in addition to HRMS or employee data storage. Studies by Hewitt (2008, in Bwowe, 2015) revealed that, while executives attached great value to talent management, there was little or no alignment with business strategy, there were inconsistencies in execution, and integrated talent management efforts continued to fall apart. Their research revealed that only 21% of companies consistently integrated talent practices across the organization. The Project Management Institute (2014) also reported that talent deficiencies significantly hampered 40% of strategy implementation efforts.

Ringo et al. (2008, in Bwowe, 2015) argues that implementing and executing an integrated talent management system requires integration of metrics and analytics in all aspects of TM, providing mechanisms to support collaboration, accountability and placement strategies, and providing employees with better development opportunities. Accordingly, improving HR processes, data integration and technology to improve collaboration and cross-functional reporting and eliminate silos offers great benefits for business. Effective talent management solutions requires both comprehensive functionality and tight integration across functions.



Figure 3-3 Talent integration maturity levels. Source: Bersin 2015.

Figure 3.3 shows the levels in talent integration. As indicated in the preceding section, Level 1 represents silo HR functions. HR departments originally undertook a collection of disconnected talent processes with no talent strategy in place to direct the organization's talent management activities. This made it difficult for organizations to make holistic decisions regarding talent. Level 2 represents organizations which have made piecemeal attempts to integrate their systems through proactive management of talent relationships and a clear talent strategy to direct their talent management efforts. Level 3 represents organizations that have designated talent specialists to oversee talent issues who are responsible for systems integration and coordination and for ensuring that talent management goals were achieved. These organizations operate with a clear talent strategy based on careful analysis of their workforce. They are characterised by a strong culture of learning and inclusivity and succession planning. Level 4 represents a fully integrated talent management system aided by cutting edge technology. These organizations operate with a clear and well-communicated strategy and are characterized by a strong culture of diversity and inclusion. HR departments with a fully

integrated system are able to provide accurate holistic data on human capital issues. The statistics show that many organizations remain at the low maturity levels and are not realizing the business benefits of mature integrated systems. Comparison of global, Asian and South American markets indicates that most are struggling to achieve full integration of talent systems (Deloitte, 2014).

# 3.7 Role of TM in gaining competitive advantage

According to Chapman and Sandrin (2015), talent management leverages the capability and potential of employees to achieve an organization's strategy. Bersin & Associates (2011) and Aguirre and Hewlett (2009) argue that talent drives business results and when managed well can create value for organizations. The Society for Human Resources Management states further that the success of an organizational is directly linked to the talent it can access. The fight for talent among companies reflects a turning point in business where technological innovation, for example, can significantly change the way everyone approaches business. Good talent management has a huge impact on business performance. It helps organizations achieve longevity and sustainability. Empirical research shows that human capital has become a critical driver of organizational performance, and an organizations ability to source, nature and retain talent is a major competitive advantage that extends far in the future (Gove, 1999, in Silzer & Dowell, 2010). According to the Hay Group (2011), highly engaged and enabled employees perform 50% above expectations and this improves business results by as much as 30%. Getting the right people in critical positions has always been part of HR work, but approached differently, managing talent can create lasting organizational success (Ashton & Morton, 2005). A study by Ernst & Young (2016) concluded that HR organizations that make smart, targeted talent investment can position their organizations to achieve innovation objectives and seize a competitive edge. Literature indicates growing consensus among scholars and business leaders that talent management is essential in achieving business objectives and gaining a sustainable competitive advantage through provision of quality products and services by qualified personnel (Lawyer, 2005, Farley, 2005, Rose & Kumar, 2006, Ordonez de Pablos, 2004 & Kurgat 2016, all in Shrimali and Gidwani, 2012).

Competitive advantage is defined as an organization's ability to occupy a better position in an industry and outperform its competitors on the primary performance objective: namely profits (Moturi, 2013). Hitt, Miller and Colella (2015) provide a similar definition: they refer to it as the advantage enjoyed by an organization that shows superior performance of certain aspects

of its work better than other competing organizations, or in such a way that competing organizations cannot duplicate, such that the services or products it offers are valuable to customers. In seeking to survive, organizations strive to compete by designing strategies that enable them to out-perform their competitors. Two theories, the talent-based theory and the resource-based view, attempt to explain how organizations gain competitive advantage. The talent-based view holds that talent is the only source of competitive advantage in organizations. Rather than creating and acquiring talented people, an organization therefore needs to integrate and provide systems and structural arrangements for collaboration and coordination between talented people (Rabbi, Ahad, Kousar and Ali, 2015). The resource-based view, on the other hand, acknowledges that organizations have both tangible resources (technology, buildings) and intangible resources (knowledge, skills and competencies), and that these other internal organizational resources play a crucial role in the performance of an organization. According to the resource-based view, competitive advantage is determined by three key components: value, rareness, and difficult-to-imitate and non-substitutable resources. The degree to which human capital is useful for creating competitive advantage centres on its value and rareness and how difficult it is to imitate.

Value: Organizations resources are valuable if they provide value to the firm. Resources provide value if they help the organization to exploit market opportunities or help to reduce market threats (Madhani, 2010). Human capital value also involves the extent to which employees are capable of producing work that supports an organization's strategy for upstaging their competitors. A competitive advantage has to be able to generate value for the customer (Moturi, 2013). Barney (1991, in Madhani, 2010) states that valuable resources enable an organization to develop a high-performance culture that lead to profitability and customer satisfaction. The resource-based view of an organization emphasises the need for managers to understand the significance of managing human resources, why they should perceive them as important assets and how these assets can be best managed to improve business performance and gain competitive advantage (Madhani, 2010).

*Rareness*: The skills and talents of an organization's workforce must be rare or unique to offer a competitive advantage. Rareness of resources refers to the difficulty for existing and potential competitors of the organization in finding or acquiring the resources (Hitt et al., 2015).

*Non-imitability*: If an organization's workforce possess capabilities that are impossible to imitate it is guaranteed to outperform its competitors. Non-imitability of resources refers to the

extent to which competitors are unable to copy the skills and talents of an organization's employees.

*Non-substitutability*: Non-substitutable resources are resources that cannot be replaced by an alternative resource. Competitors can never reach the same level performance by replacing such resources with alternative resources (Madhani, 2010).

The strategic imperative of managing human capital for competitive advantage has become increasingly important in recent years. This is a consequence of the knowledge-based economy in which knowledge is a critical ingredient for gaining competitive advantage and resides in talented people. It is also worth noting that for organizations to have or manage a workforce that provides a competitive advantage they first have to create an enabling environment: one that promotes innovativeness, collaboration and cooperation, enhances motivation and engagement, and optimizes learning and development. An organizations ability to attain competitive advantage based on innovation, quality, efficiency and customer responsiveness is grounded in its capabilities, resources and competences. These capabilities and resources not only create competitive advantage but also provide a basis for overturning the competitive advantage of competitors (Moturi, 2013).

Carlucci et al. (2004, cited by Moturi, 2013) state that the role of talent in organizations is to execute strategy, create value, and improve business performance. They further state that effective talent management helps organizations to achieve these objectives by capturing the market's high potential employees through an understanding of their motivations, building an enabling and supportive environment, and establishing connections between product and employer branding. An organization's competitive advantage stems not just from its position in the market but also from the way its assets are managed. Development and structuring of talent management programs and practices therefore play a crucial role in articulating and optimizing use of knowledge assets, enhancing their value, and achieving the strategic intent of an organization. Having well-structured talent management strategies and programs also ensures that employees achieve their best individual potential whilst simultaneously helping the organization to respond to challenges, and achieve competitive advantage (Hejase, Hejase, Mikdashi and Bazeih, 2016). In addition, Ernst & Young (2016) suggests that organizations need to focus more attention on improving HR operations that support talent enablement, innovation, new product development and international expansion.

Talent management practices within an organization are a human resource strategy that seeks to acquire, deploy, develop and retain talented people and high potential employees. Ability to create an integrated system that yields a continual flow of talent ready to address specific strategic and operational opportunities provides an enduring competitive advantage for the organization (Silzer & Dowell, 2010). Shrimali and Gidwani (2012) add that strategically managing human resource practices and integrating them in the strategy of the business, as suggested by talent management literature, helps to create a competitive advantage. Organizations who intend to create competitive advantage through HR processes need to first define strategic differentiation and thereafter develop strategies for identifying and developing the same. In today's knowledge economy, leaders understand that competitive advantage is driven by human capital as employees are the only asset that innovates, and innovation is the major factor in sustaining a competitive advantage (PWC, 2009).

### 3.8 Success factors for talent management in organizations: the DIME model

The concept of talent management is not new and its significance in organizations is widely accepted across all business sectors globally. Organization leaders understand that they not only need the best possible talent but they also need the right strategy and the right support structures and infrastructure for optimal talent management. Along with understanding the need to acquire, develop, deploy and retain talented people, organizations are aware that they must nurture talent as a critical resource to gain competitive advantage in the market. The significance of talent management and return on investment hardly needs to be emphasized considering that companies spend over a third of their revenues on salaries and employee benefits (Smith, Wellins and Pease, 2016).

Silzer and Dowell (2010) point out that for many years HR departments have been hard at work building HR functions, programs and system that support business goals. This has been done with varying results. While some HR departments have managed to achieve their talent goals and assist their organizations achieve sustainability, others have had little success for various reasons. Today's tumultuous business environment requires high-level performance and organizations need to have synergised and strategic talent management systems which enables them to apply a holistic approach in dealing with human capital issues. Based on extensive experience and literature reports, Silzer and Dowell (2010) identified the following factors which they regard as vital for success of any talent management efforts in organizations:

#### • Talent management must be driven by business strategy

Korn Ferry (2014) state that a sound business strategy clearly articulates the direction the business will pursue and the steps it will take to achieve its goals. Arguably, human capital is the key to unlocking a company's strategy. HR programs therefore must mirror the business strategy and be able to outline clearly how it directly supports the company strategy. Like other organizational activities, HR practices, including talent management, have to be strategic to support and drive the achievement of an organization's goal. It follows that HR strategy should be driven by and aligned to the overall business strategy of an organization to ensure that all resources are channelled towards one common goal. Various scholars concur that talent strategy should be driven by the business strategy of the organization. Silzer and Dowell (2010) state that for a talent management system to be of value, it must be strongly rooted in the short and long-term needs of the business. In this way organizations ensure that talent management forms part of the business planning process and that talent management strategy is aligned, monitored and measured throughout the business cycle.

### • Talent management strategy must be integrated with other processes.

Talent management initiatives are most effective when they are fully integrated with other HR activities and systems. Barkhuizen (2015) points out that integrated talent management accordingly needs an organization's HR strategy to be in line with its business strategy. Heinen and O'Neill (2004) also state that successful organizations see talent management as an ongoing strategic priority; without a clear strategy that is in line with the strategy of the organization talent management will not be a success. Talent management has to be integrated into the overall strategy of an organization and has to be evident in the HR management goals (Heinen & O'Neill, 2004). The Hay Group (2011) asserts that if organizations are to fully achieve return on investment in talent management, they must link the process to the organizations strategy.

Many organizations have some form of talent strategy (Naik, 2012; Korn Ferry, 2014); however, a sound business strategy has become a central differentiator for companies to compete successfully in the current business landscape. Korn Ferry (2014) also note that having a good talent strategy on paper does not guarantee successful implementation; the capabilities and competencies of talented individuals need to be leveraged to secure a competitive position in the market. Strategy integration can take two forms: vertical and horizontal. Vertical integration, also referred to as strategic integration, entails connection

of employees with the organization in separate components (NGAHR, 2013). This form of alignment focuses on connecting business needs and individual performance and it follows that an organization's HRM practices must develop individual skills and knowledge in order to enable the implementation of strategy (Korn Ferry, 2014). Horizontal alignment, on the other hand, is the extent to which talent management practices are integrated to serve the same talent management goals. This type of alignment is referred to as "integrated talent management" and ensures that talent management practices work coherently towards a common goal (Korn Ferry, 2014). By integrating talent strategy with business strategy, organizations place the right people, with the appropriate skills, focused on the right initiatives, to drive the organization's strategy and fast-track achievement of goals (Korn Ferry, 2014).

#### • Talent management strategy must be managed as a core business practice

Capelli (2008) states that although business leaders acknowledge the importance of talent in theory, in practice they often ignore the management of human capital; most fail to make the link between HR practices and business issues such as the business strategy that define the direction of the organization and how it competes. The management of talent has proven to be a major challenge for organizations. In the past, as Silzer and Dowell (2010) point out, business leaders had little or no contact with talent programs and processes. However, the centrality of human capital for business success in the current business landscape requires company executives to be hands-on in the management of talent and to see talent management as a core business priority. Talent planning and management processes must become a core business practice, driven by business strategy and talent strategy (Silzer & Dowell, 2010).

Various scholars and business leaders have long advocated for HR to be a full strategic partner, an integral part of the management team, and involved in strategy development. HR as business partners adds value by focusing on the "business" rather than "HR Business". They are best able to support their organization's business goals related to human capital if they are regarded as partner and owner in decisions and are more able to align their work with the organization. Another critical issue in the management of talent is ownership and accountability. For talent management to be managed as a core business, executives must take ultimate ownership of the process. They need to be responsible and accountable for business planning and development. Working in collaboration with senior

and line managers, executives need to ensure that organizational talent management is tailored into the organization's goals, strategy and future needs.

#### • *Talent management strategy must be engrained as a talent mind-set.*

Talent management as a mind-set is based on the cultural perspective in which talent is perceived as a source of competitive advantage. As described by Aguirre and Hewett (2009), a talent culture comprises of the beliefs, values, behaviours and a conducive environment for attracting and retaining highly committed and talented staff. Michaels, Hartfield-Jones and Axelrod (2001) define talent mind-set as deep belief that having better talent enables an organization to outperform its competitors and that superior talent can provide an organization with competitive advantage over its competitor. Guthridge et al. (2008) describe talent mind-set as an embedded commitment to talent throughout the organization, starting from the top and cascading down to lower level management. The authors suggest that instilling a talent mind-set and a culture to manage talent effectively enables consistency and provides sustainability for organizations. A talent culture has to be led from the top and can be achieved and sustained only if it is hardwired into the processes of the company (Aguirre & Hewlett, 2009).

Organizations that are considered to be high-performers make talent management a strategic priority that is central to the corporate agenda. They impart a talent mind-set by designing a clearly described talent strategy that managers at all levels understand and believe in, and that highlights the importance of their contribution in its delivery (www.talentinstitute.co.za). Michaels, Hartfield-Jones and Axelrod (2001) state that what differentiates high-performing companies from mediocre performing ones is not exceptional HR processes but rather a fundamental belief in the centrality of talent in the company's success. Kekgonegile (2014) states that successful talent management is driven by a mind-set in which all levels of management in the organization regard talent management as their responsibility rather than that of the HR department.

Talent management has become a critical and essential part of executive leadership in organizations. It is essential that a talent management mind-set permeates the entire organization, from the CEO down to line managers, and is not confined to HR (Khehinde, 2012). Silzer and Dowell (210) state that to make talent management a central focus across business units there is a need to engage all managers and leaders in talent management activities.

# 3.9 Talent management responsibilities

Along with the expanding responsibility and sophistication of the HR function, talent management has evolved to the point where it is incorporated into the strategic goals of the organization. As Silzer and Dowell (2010) put it, talent management is now more than just "a desirable HR program: it is a leadership imperative". It has become a strategic imperative that brings together various essential HR and management initiatives. Talent specialists thus agree that it can no longer be relegated to the HR department alone. The centrality of talent management in the success of business requires active participation of various stakeholders in the organization, with leadership buy-in and cooperation from all other stakeholders. Key role players in talent management include company leaders, HR personnel, line managers and employees.

### Company leaders

Talent management has become a critical part of company leaders' responsibilities. Executives set the strategic direction for the organization and establish the relevant goals and objectives that people need to achieve (Barkhuizen, Welby-Cooke, Schutte and Stanz, 2014). Strategic initiatives set the scene and provide direction to HR leadership regarding alignment of talent strategies and tactics with that of the business (Mathafena, 2015). As highlighted in the talent management framework, a talent strategy is crafted to support and achieve the business goals of the organization. According to the Economist Intelligence Unit (2006), CEOs agree that talent management is too significant to be left to the HR department alone. Lawler (2008) states that in human-capital-centric organizations, senior managers should spend at least 30% to 50% of their time managing talent. Cheese et al. (2008, in Barkhuizen et al., 2014) maintain that leaders need to identify and invest both time and resources in the critical talent that can contribute to the growth and success of the business. The time spent by CEOs on talent management is a crucial element in an organization's success. Moreover, organization leaders also have the responsibility for adapting and infusing a talent mind-set in the organization and ensuring that all stakeholders in talent management are held responsible and accountable for delivery of talent management initiatives (Barkhuizen et al. 2014).

It should however, be noted that although CEOs acknowledge the strategic importance and centrality of talent management in the success of business some seem uncertain about the approach for their companies or simply do not devote the resources and necessary attention to the process. Smith et al. (2016) point out that the turbulent economic landscape might be the

cause for this uncertainty. They further note that CEOs do not always take full measure of what talent management requires of their organizations and of them personally. Research by McKinsey Consulting revealed that leaders had a negative attitude towards the application of TM practices in the organization and as a result did not spend quality time on talent management initiatives. Similarly, Barkhuizen et al. (2014) found that executives lacked training in best practices and techniques to develop, mentor, coach and nurture talent.

## Human resources department

The increasing demand by company leaders for HR to provide value-adding services has required HR to take an introspective review of their function. HR today needs to have a deep understanding of business and how people are key drivers in achieving business goals. The current business environment requires HR to be strategic business partners and play an active role in accomplishing the strategic intent of organizations. This means HR must assist the organization acquire the necessary human capital to improve processes through-out the organization.

HR professionals are regarded as custodians of talent management. In essence, they are the owners and architects of talent management strategies and initiatives. HR professionals have a crucial role in ensuring that TM strategies are aligned with business strategy. Among their varying roles and responsibilities in talent management a critical success factor is ensuring operational and process excellence. HR professionals have the responsibility for day-to-day driving of talent management excellence throughout the organization. They also assume the roles of effective trainer, coach, credible advisor and facilitator in the talent management process.

Naik (2012) states that in fulfilling the role of business partner HR collaborates with leaders and line managers to ensure their commitment to talent management. Similarly, Smith, et al. (2016) state that HR drives initiatives most successfully when there is active and enthusiastic support from the CEOs and other senior leaders. (Mathafena, 2015) adds that along with the responsibility of crafting a talent strategy in alignment with the business strategy, HR professionals are responsible for guiding management in applying tools, techniques and implementing the systems for managing talent. Moreover, along with the responsibility of owning and putting in place professional talent management processes and systems, HR professionals are also responsible for facilitating a talent mind-set and monitoring how the organizational culture supports talent. HR has to take centre stage in driving the integration of

all talent management practices in the organization. According to Naik (2012), HR leaders adopt a holistic approach to talent management, establish clear expectations, and openly communicate the process to stakeholders. Chapman and Sandrin (2015) maintain that for talent management to be successful and truly effective, HR must focus on facilitation of the talent management system, including its promotion and maintenance among the organization's leaders and culture.

### Line managers

Like HR professionals, line mangers have various roles to play in the success of talent management. It is believed that line managers are closer to employees and therefore in a better position to identify and nurture talented employees. IEBC reported that the line manager's role is critical in the success of talent management because they know and understand the strengths and areas for potential and improvement in their subordinates. Line managers must be able to identify the "can do" attitudes and behaviours that set talented people apart from others. Line managers are involved at every stage of an employee's work-life cycle. They are directly responsible for identifying, selecting and recommending high performing and high potential employees. It is also the responsibility of line managers to ensure smooth on-boarding and induction of new employees, performance management, learning and development, and retention of talent.

Line managers also function as mentors, coaches, career advisors and developers. Silverman (2004) maintains that how an organization balances the soft and hard sides of people management will determines whether it retains and sustains its competitive advantage. He argues in addition that these roles are not limited just to short-term development of employees in their current jobs. Effective talent management, according to Smith et al. (2016), requires development of people for their current role, but also preparing them and getting them ready for their next transition. Wendy Hirsh (2015) notes that career aspirations can be seen in terms of grade or level and also in terms of direction and timing. Line managers therefore have a crucial role in helping employees to survey their career aspirations and explore whether their aspirations align with opportunities offered by the organization. Managers facilitate career advice through open dialogue and career discussion. Research indicated that effective career advice leads to practical actions and can be highly motivating for employees (Silverman, 2004).

### **Employees**

According to Silzer and Dowell (2010), talent management has to be a partnership between employees and the organization, and both parties need to be committed to the success or the process. The major responsibility for employees in the talent management process is to take ownership of their career management and development. Employees need to understand their career development needs and take the initiative of working towards achieving their career goals. It is very important for employees and their line managers to be in frequent communication regarding the career paths available within the organization.

#### 3.10 Conclusion

Intense competition in the business environment puts pressure on organizations to perform better than ever before. Creation and management of knowledge is now key to accelerating competitiveness, enhancing organizational capabilities, and responding to market demands (Mangusho et al. 2015). This requires the recruitment, deployment, engagement and retention of talent to optimize performance, which has proven to be an uphill struggle for most organizations. The dynamics of talent have become a key differentiator for most businesses, and companies must not only attract the right people but must also align their talent strategies with business demands for optimal productivity. The next chapter presents the methodology to be used in the process of the research.

#### **CHAPTER 4**

## RESEARCH METHODOLOGY

#### 4.1 Introduction

The previous chapters reviewed theoretical underpinnings of the study. This chapter documents and discusses the methodology used in the study. A research methodology, according to Quinlan (2011), must not only facilitate the achievement of the research objectives but must also be able to justify the research. The methodology is an important aspect of any research as it sets out the roadmap to be followed in pursuing the research objectives. This chapter therefore provides the research approach chosen for the current study including the research strategy to be employed. The last sections of the chapter explains the statistical procedures employed in data manipulation and the ethical consideration to be observed.

# 4.2 Research Philosophy

All research According to Thomas (2010) is based on some underlying philosophical assumption about what constitutes acceptable research and which research strategies are suitable for the development of knowledge in given study. Saunders, Lewis and Thornhill (2009) define a research philosophy as a system of beliefs and assumptions about the development of knowledge which shape how one understands research questions, methods to use and how to interpret results. According to the authors a credible research philosophy represents a well-structured and consistent set of assumptions and underpins the methodological choice, research strategy and data collection techniques and analysis procedures. The current study is based on two major philosophies: the Positivist (quantitative) and Interpretive (qualitative) philosophies.

### 4.2.1 Positivist (Quantitative approach)

A positivist approach can be described as research which applies empirical methods, make use of quantitative methods of enquiry and/or develop logical calculi to build formal explanatory theory (Fox & Miller, 1998, in Al-Habil, 2001). In terms of this paradigm, the best ways to understanding human behaviour is through observation and reason (Thomas, 2010). Positivist thinkers use scientific methods and organize the process of knowledge generation with use of quantification to enhance accuracy in the description of variables and the relationship among

them. Walshman (1995, in Thomas, 2010) states that the positivist view is that scientific knowledge comprises of facts while its ontology (the assumptions about the nature of reality) considers the reality as independent of social construction. The goal of quantitative research is to describe the trends or explain the relationship between variables (De Vos, Strydom, Fouche and Delport, 2011). Quantitative studies are associated with two major types of design, experimental design and non-experimental design. Experimental designs are carried out in laboratory settings and specify an experimental group and control group. Non-experimental designs are carried out using survey methods.

### 4.2.2 Interpretive (Qualitative approach)

The interpretive paradigm is associated with qualitative approaches and is premised on the belief that there is no objective reality. This approach focuses on the meaning that people attach to the values that govern their interactions including norms and rules. Based on the assumption that knowledge and meaning are acts of interpretation, interpretists believe that no knowledge is objective and free of human reasoning (Gephart, 1999 in Thomas, 2010). The focus of this paradigm is not on what people say about the reasons for their beliefs and behaviour but on the social practices that underlie them (Al-Habil, 2001).

Qualitative approaches are underpinned by observations and interpretations; thus observations entail gathering information, while interpretation entails making meaning of the information by making implications or by judging the match between the information and some abstract pattern (Aikenhead, 1997 in Antwi & Kasim, 2015). Qualitative research in its broadest sense, according to De Vos et al. (2011), is research that elicits participants' account of meaning, experience or perceptions. The study of phenomena in their naturalistic environment is key in qualitative research, together with the acknowledgement that scientists cannot avoid affecting these phenomena. In addition, qualitative studies are concerned with non-statistical methods and small samples, and most often use non-probability sampling techniques which do not allow for generalizability.

#### 4.2.3 Mixed method (quantitative and qualitative approaches)

A mixed method combines both quantitative and qualitative approaches in research design. Ivankova et al. (2007, cited in De Vos et al., 2011) define mixed methods as a procedure for gathering, analysing and integrating both quantitative and qualitative data in order to gain a complete and deeper understanding of a research problem. Creswell and Plano (2007), who are

advocates of the mixed-method approach, argue that the world is changing and has become complex, requiring a research method that goes beyond the limits of both quantitative and qualitative methods. In this approach, the researcher collects both numeric and text information. Creswell and Plano identify the following points of scientific value in mixed methods:

- The use of quantitative and qualitative methods enables researchers to address explanatory and confirmatory issues simultaneously in a single study.
- Mixed methods approach provides more holistic evidence for investigating research problem than either qualitative or quantitative research alone.
- Mixed methods approach combines the strengths of both approaches which complements
  the weaknesses of both quantitative and qualitative research and increases the validity and
  reliability of inferences.
- Mixed methods research enhances validity and quality criteria by reducing different kinds
  of bias and clarifying the true nature of a phenomenon under investigation.

## 4.2.4 Choice of research approach

After careful analysis and deliberation on the various research approaches, the researcher decided that the mixed method approach was most appropriate for the study. Based on the advantage in this approach of flexibility in combining the qualitative and quantitative approaches, the researcher believed that mixed method would provide more substance, not only in the collection and analysis of data but also in addressing the research objectives and questions and enhancing the validity and reliability of the results. Although the qualitative approach can be time consuming, it was not considered much of an issue as the sample for qualitative data collection was small and available at the headquarters of the company. Moreover, quantitative and qualitative methods, when used in combination in mixed method complement each other and allow for a more complete analysis of the research. The mixed method study therefore enabled the researcher to undertake an in-depth exploration of the variables under investigation through qualitative methods and also ascertain relationships between variables with the quantitative strategies. The study adopted a concurrent strategy of inquiry. Data was integrated during the discussion and interpretation phase of the study. Figure 4.1 below shows the concurrent strategy for triangulation. With this approach, both quantitative

and qualitative data is gathered concurrently. Analysis of data was also performed simultaneously and results were compared and integrated at a later stage.

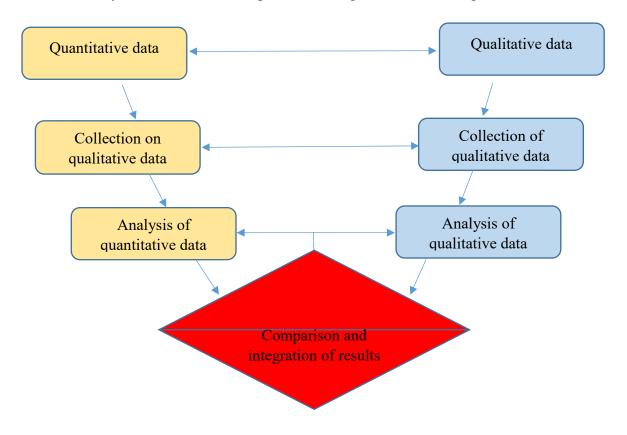


Figure 4-1 Concurrent strategy for triangulation. Adapted from Creswell, W. J. (2003)

### 4.3 Research design

Trochim (2001) defines research design as the overall plan chosen by the researcher, which details how the various components of the research interlink in an attempt to address the research and problems. The author goes on to describe a research design as "a glue that holds the research project together". Cooper and Schindler (2006) mention that a research design constitutes a blueprint for the collection, measurement and analysis of data. Another definition of a research design is provided by De Vos et al. (2011), who state that a research design is the systematic plan which specifics how the researcher will carry out the research including how observations will be made which, also entails the collection, processing and analysis and interpretation of data.

Considering the different definitions and descriptions of the research design, it becomes clear that the purpose of a research design is to articulate what data is needed, what means will be used to collect and analyse the data, and how all of this is going to answer the research questions. Accordingly Saunders, Lewis, & Thornhill (2007) state that the research design contains clear objectives derived from the research questions and specifies data sources including the limitations to the study. Research design also ensures that the evidence obtained enables the researcher to address the research problem logically and as unambiguously as possible. Research designs include; exploratory studies which focuses on new research areas with the aim of developing a clear understanding of problems (Saunders et al., 2003). Explanatory studies, which, are mainly concerned with establishing relationships between variables. Causal studies, which, investigate the dependency between two variables by analysing how a change in one impacts on the other (Cooper and Schindler, 2003). Descriptive studies, which according to Saunders et al. (2003), are used to demonstrate people's perceptions and conditions. The design chosen for this study was both exploratory research, carried out through a comprehensive literature review and qualitative survey and descriptive research carried out using quantitative surveys.

### 4.3.1 Descriptive research design

The study employed a descriptive mixed method approach. The choice of design followed extensive consideration of the research objectives and examination of other factors such as time dimension and the location of the study. According to Saunders et al., (2007) descriptive studies are used to show the exact summary of people, incidences or circumstances. Jankowicz (2005) states that the goal of descriptive studies is to describe the features of an organization or situation under investigation and describe the features and issues that arise as accurately as possible.

#### 4.4 Research strategy

Research strategy involves the plan of action that the researcher will follow in choosing research participants, collecting data, and answering the research questions. Saunders et al. (2007) state that choosing a research strategy is guided by the research objectives and questions, the extent of existing knowledge, and the amount of time and other resources available. Among the several strategies that can used in research are:

- Experiments
- Ethnography
- Case studies

- Surveys
- Grounded theory

## 4.4.1 The survey method

After deliberating on the various strategies, the researcher felt the survey method was the most appropriate considering the methodology and design chosen for the study. Survey research can be conducted by means of questionnaires and interviews. According to Jankowicz (2005) in a survey method, the researcher explores issues in the present by directing questions to large groups of people who represent the larger population. Surveys are conducted in order to establish people's views about what they think, believe, value or feel in order to support an argument which is presented. Surveys are particularly useful when researchers want to reach large numbers of people to obtain data on the same issues (Jankowicz, 2005).

Concurring with the above, Saunders et al. (2007) state that surveys allow the collection of large quantities of data from large populations in a very economical way, often by using a questionnaire administered to a sample. They further add that the survey strategy allows the researcher to collect both qualitative and quantitative data. Using the survey method gives the researcher control over the research, and generates findings that are representative of the whole population (Saunders et al., 2007).

### 4.5 Research population

A population, according to Banerjee and Chaudhry (2010), is an entire group about which some data is required to be ascertained. This may comprise a collection of events, a group of people, or other things which the investigator wishes to study. De Vos et al. (2011) state that *population* is a term that sets boundaries on the study in that it refers to individuals or events that possess specific characteristics. According to SEC's Annual Integrated Report (2014/2015) and HR records, the total employee headcount was 702, comprising the following employment categories: executive committee (7), senior management and middle management (76) and general employees (619). The target population for the study included all employees who are permanently employed by the company. Since the study was carried out using the mixed method approach, the population was divided in three segments: executive committee, management and general employees. Quantitative data was collected from management and end general employees whilst qualitative data was gathered from Executive committee members.

## 4.6 Sampling

Maree (2007) states that because of factors such as time, costs and the size of the population, it usually becomes impossible to include the entire population in a study. Consequently, researchers have to study the population by including in the study a representative segment of the population through a process called sampling. Sampling, according to Matthew and Ross (2010), is the selection of some cases or elements from a group of potential cases (the population). A sampling element therefore is the unit of analysis (a case) in the population.

The goal of sampling is to use the sample to study the population; hence it is important for the sample to be drawn in such a way that it is representative of the population so that it is possible to generalize results to the population. De Vos et al. (2011) also mention that the major reason for using a sample is feasibility. They point out that the use of samples may result in more accurate information, because with samples time, money and effort can be concentrated to produce better quality research, better instruments and more in-depth information.

#### 4.6.1 4.7.1 Sampling technique

Saunders et al. (2007) states that sampling techniques provide a number of methods that enable researchers to reduce the amount of data to be collected by considering data just from subgroups rather than from all cases or elements. Hair, Money, Samouel & Page (2007) point out that a number of theoretical and practical issues such as the nature of the study, objectives of the study and other available resources play a significant role in the selection of the sampling technique.

There are two categories of sampling technique: *probability sampling* and *non-probability sampling*. Probability sampling is based on the premise that each element within the population has a known chance of being selected from the population (Hair et al., 2007). This form of sampling is mostly used with survey-based research methods where the researcher make implications about the population based on the sample in order to answer research questions or to achieve research objectives (Saunders, et al., 2007). The following are examples of probability sampling techniques:

• **Simple random sample**: With simple random sampling every element within the population has an equal chance of being selected for the study. The sample is selected randomly from the sample frame either using random numbers table or other methods

- (Saunders et al., 2007). Simple random sample, according to (Hair et al., 2007), helps researchers overcome researcher bias.
- Stratified random sampling: With stratified random sampling the population is first divided into strata based on a number of variables. Subsequent to the separation of the population, the researcher then draws a random sample from each strata (Saunders et al., 2007). When done properly, stratified sampling increases the accuracy of the sample information (Hair et al., 2007). A stratified sample can be selected either proportionately, where the number of element chosen from each strata is proportionate to the size of a particular strata relative to the overall sample size, or disproportionately, where the sample elements are chosen in one of two ways: one which involves choosing elements from each stratum according to its relative importance and the other which involves choosing elements based on their relative variability (Hair et al., 2007). Sample elements for this study will be chosen proportionately.
- Systematic sampling: Systematic sampling method involves drawing every *n*th element from the population starting with a random chosen element (Sekeran & Bougie, 2009). Systematic sampling involves selecting the sample of at regular intervals from the population in the following sequence of steps:
  - 1) Number each case in the sampling frame with a unique number
  - 2) Select the first case randomly
  - 3) Select subsequent cases systematically using the sampling fraction to determine the frequency of selection (Sample fraction is the number of population elements between each elements and is calculated as follows: SF = (N/n)
- Cluster sampling: Cluster sampling, also known as area/multi-stage sampling, is often used where the population is too large for random sampling (De Vos et al., 2011). Cluster sampling is similar to stratified sampling where the population is divided into discrete groups prior to sampling (Henry, 1990, in Saunders et al., 2007). In cluster sampling the target population is viewed as made up of heterogeneous groups called clusters, such as, households, ethnic groups and geographic areas.

Selection of sample elements for non-probability samples is not usually aimed at statistical representability of the population (Hair et al., 2007). In this approach, the probability of cases being selected is not certain; as a result it becomes impossible to answer research questions or address objectives that need inferences to be made about the attributes of the population, which

makes the findings ungeneralizable to the population (Saunders et al., 2007; Sekeran & Bougie 2009). The following are examples of non-probability sampling techniques:

- Convenience sampling: This form of sampling entail collecting data from participants who are readily available to provide it (Sekeran & Bougie, 2009). Researchers using this form of sampling haphazardly select those cases that are easiest to obtain for the sample.
- Purposive sampling: Purposive sampling, also known as judgemental sampling, is based on the judgement of the researcher (De Vos et al., 2011). This form of sampling enables researchers to use judgement in selecting cases that will best enable answering the research questions to meet objectives, and is particularly used when working with small samples and when the researcher selects cases that are particularly informative (Saunders et al., 2007). Purposive sampling is also considered to be a form of convenience sample in which the researcher selects subjects which he/she believes represents the target population (Hair et al., 2007).
- Quota sampling: Quota sampling is similar to stratified sampling. The objective of quota sampling is for the total sample to have proportional representation of the population (Hair et al., 2007). Quota sampling according to Saunders to al. (2007) is based on the idea that the sample will be representative to the population as the differences in the sample for various quota variables is the same as that in the population. Quota sampling is considered to be a form of proportionate stratified sampling in which predetermined proportions of participants are sampled from different groups, but on a convenient basis.
- Snowball sampling: This form of sampling is mostly used when there is little knowledge and limited access to research participants for the intended study (De Vos et al., 2011). It is also called referral sampling, as the researcher uses initial participants to help identify other participants in the population (Hair et al., 2007). The process is continued until the sample size is reached. Snowball sampling is commonly used when it is difficult to identify members of the desired population.
- *Census sampling:* A census studies every unit or element in a population. In this technique, all units of a population are selected for data collection. A census method is also referred to complete enumeration technique.

Two types of sampling methods were used in the study. Since the study employed a mixed method approach, for quantitative data, stratified simple random sampling was used while census sampling was used for qualitative methods. The population was divided into two strata;

management and employees. A probability sample in the form of simple random sampling was used to sample participants from the management and from the general employees. The rationale for choosing stratified simple random sampling was that the population was to be divided into two categories; management and general employees. Moreover, the use of random sampling within the categories allowed every member of staff an equal chance of being part of the study. This method of sampling also enabled the researcher to reach a large number of respondents, which also increased the validity and credibility of the results. Census sampling was deemed appropriate for sampling the executive team since there were only a handful of them.

## 4.6.2 Sample size

For a sample to be reliable it must enable the researcher to make generalizations about the study's findings from the sample to the population being studied. Sample statistics, according to Sekeran and Bougie (2009), should be reliable estimates and reflect the population attributes as closely as possible within a small margin of error. According to Saunders et al. (2007), a large sample size lowers the likely error in generalising results to the population. Determining the sample size is complex because of the many factors that need to be taken into account simultaneously. However, as Hair et al. (2007) points out, regardless of how the size of the sample is determined what is most significant is that it should be of a sufficient size and quality to produce results that are seen to be credible in terms of the accuracy and consistency. For this study, the sample size was determined using the sampling table, (Table 4.1) provided by Sekeran and Bougie (2009). Taking into consideration the population of each strata and the numbers provide provided by the authors, the following sample sizes were determined: Management (65) and general employee (250). Since census sampling was used for qualitative data, all six Executive Members were target for interviews.

Table for Determining Sample Size of a Known Population									
N	S	N	S	N	S	N	s	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

**Table 4.1. Table for determining sample size:** Adapted from Sekeran and Bougie (2009).

#### 4.7 Data collection methods

Collecting data is crucial and very sensitive part of the research process. The methods of collecting data are a fundamental aspect of the research design. There are several possible data collection methods, including interviewing, administering questionnaires, and observation (Sekeran, 2006). The nature and objectives of the study provide a guide for researchers regarding the type and amount of data to be collected (Hair et al., 2007). Du Plooy-Cilliers et al. (2014) mention that researchers need to take great care when they collect data because if it is collected incorrectly it leads to invalid results and findings.

Since the study used a mixed methods approach, questionnaires and interview data collection methods were used for collection of quantitative and qualitative data respectively. The concurrent mixed method procedure was used in collecting data. Both qualitative and quantitative data was collected simultaneously and analysed at the concurrently. With the

concurrent procedure, the data is converged in order to provide a comprehensive analysis of the research problem.

#### 4.7.1 Questionnaires

Sekeran (2006) defines a questionnaire as a pre-formulated written set of questions to which respondents record their answers, usually within a closely defined set of alternatives. Questionnaires are commonplace in surveys and are most useful when collecting data from large samples. They are also an effective and efficient way of gathering data in instances where the researcher understands precisely what is required and how to go about measuring the variables under investigation (Sekeran, 2006; Sekeran & Bougie, 2009).

Two sets of questionnaires were prepared for data collection, one intended for management and the other for general employees. The management questionnaire focused on HR transformation and talent management practices. It investigated issues of HR involvement in strategy, performance management, HR service delivery, and managers' views on various talent management practices. The employee questionnaire on the other hand focused on employees' views and/or opinions on talent management practices and investigated factors which form part of the employee value proposition. The questionnaire survey was ideal because it allowed the researcher to reach a large number of subjects and collect a large volume of data. The primary objective was to gather information that would give a picture of the state of HR transformation and HR practices and thereafter enable inferences to be drawn about the impact they have on talent management. Moreover, the researcher needed to gather information on the opinions of employees regarding aspects of company practices which form part of the employee value proposition.

### 4.7.1.1 Questionnaire development and administration

The internal validity and reliability of research data depends to a great extent on the design, structure and the rigour of the pre-study (Saunders et al., 2007). Questionnaires need to be well thought out and designed correctly to yield the required information. The questionnaires for the study were developed, based on the research objectives, to answer research questions and to invite recommendations regarding talent-driven HR transformation and improving the employee value proposition. The literature review was also significant in determining the questions and structure of the questionnaire. Questionnaire contained closed-ended questions and used the Likert-scale rating which requires respondents to state the extent to which they

agree or disagree with provided statements on a five-point scale. Space for additional comments was also provided at the end of each section to enable respondents to elaborate if they wished to. Questionnaires were self-administered by the researcher to both management and general employees. 250 questionnaires were distributed to general employees whilst 60 were distributed to management. Self-administered questionnaires allow the researcher to introduce the research topic and motivate the respondents to offer honest answers (Sekeran, 2003). In addition, self-administered questionnaires also allow the researcher to create rapport with research subjects and clarify any doubts that respondents might have.

#### 4.7.2 Interviews

Interviews are a common method of collecting data in survey research (Sekeran & Bougie, 2009). This type of data collection is mainly used to uncover people's attitude and opinions and also provides useful insight on participants' expert knowledge. Qualitative data was collected by means of semi-structured interviews. This form of interview requires the researcher to use a guide with a predetermined list of questions which act as a guide for process of the interview.

An advantage of semi-structured interviews is that they provide researchers with control over the interview process and the sequence of questions are asked. In addition, semi-structured interviews enable researchers to probe issues which they feel will add value to the investigation and also provide participants with freedom to elaborate to avoid being misquoted. With this form of interview participants are at liberty to provide detailed responses based on their expert knowledge and opinions.

#### 4.7.2.1 The interview process

The interview technique, as indicated above, takes the form of personal conversation between the researcher and the research participants (Kolb, 2008). Interviews were conducted with four executive board members. The rationale for interviewing executive management was based on virtue of their positions. Executive members in the organizations are responsible for overseeing the various divisions within the company. Senior managers are accountable to the executive management for operations in their divisions. The researcher therefore felt that senior executive management was better place to provide valuable information on the variables of interest to the study considering the fact that they are responsible for strategic direction the company takes. Interviews were conducted in person at the participants' offices. Participants' involvement was

requested telephonically through their personal assistants, and once they consented an interview appointment was fixed confirming date, time and venue. Interview sessions ranged between 15 and 26 minutes. The process began with introductions and the researcher thanking interviewees for their involvement in the study and providing an overview of the purpose of the study. The researcher then proceeded to ask questions as prepared in the interview guide. Responses were recorded with the permission of interviewees and written in shorthand. Upon completion of each interview, the researcher thanked the participant for taking time to be part of the study. After the interview, the research would take some time reflecting on the interview, expanding on the notes taken during the interview, and transferring all recorded material to a safe storage system.

## 4.8 Validity and reliability

#### 4.8.1 Validity of quantitative data

For a study to be trustworthy, it requires a test of validity and reliability. Validity refers to extent to which a study's findings accurately and adequately reflect real meaning of the concept under consideration (Collis & Hussey, 2003; Babbie & Mouton, 2009). It determines the extent to which a test measures what it is intended to measure and the degree to which a research design is suitably conducted and it suggests the ways a researcher conceptualises and operationalise ideas to mesh with each other. The greater the fit, the greater the validity.

The principal types of validity measures are as follows:

Face Validity: This type of validity refers to the extent to which an instrument looks valid (Maree, (2007). Face validity indicates whether the items presented are clear and understandable to research subjects. It implies that the method of researching will appear valid even to non-researchers or the layperson. Face validity is important in encouraging participation in surveys (Greener, 2008).

Content Validity: This type of validity refers to the extent to which the research instrument covers the complete content of the particular construct that it is set out to measure. It ensures that measures include an adequate and representative set of items that tap the concept (Leedy and Ormrod, 2005).

Construct Validity: According to Leedy and Ormrod (2005), construct validity is the extent to which an instrument measures attributes that are unobservable but are assumed to exist based on people's behaviour and characteristics. For this study, construct validity was assessed through factor analysis.

#### 4.8.1.1 Factor analysis

Factor analysis was used to establish the validity of the measuring instruments. Factor analysis is a statistical procedure used to identify a small number of factors that can be used to present relationships among sets of interrelated variables. It enables the identification of empirical relationships among several indicators to reveal a common hypothetical construct. Factor analysis technique is aimed at data reduction and is generally used in surveys which present large numbers of questions with a smaller number of hypothetical factors. It attempts to represent a set of observed variables in terms of a number of common factors (Taylor, 2004). In an attempt to satisfy all aspects of validity, the measuring instruments were submitted for expert judgement to academics who are custodians of HR to validate the structure, wording and content of data the collection instruments.

### 4.8.1.2 Pilot study

It is important that data collection instruments are appropriate and easily understandable. This can be achieved through a pilot study, which enables the researcher to disseminate the questionnaires to a small number of people who resemble the target population of the study before conducting the actual study. This exercise is conducted to determine issues of feasibility, testing the understanding of the research instrument and identifying obstacles, which might be problematic for the study. As Sekeran and Bougie (2009) mention; pre-testing eliminates the possibility of ambiguity within the questionnaire and provides clarity of comprehension of questions. Similarly Saunders et al. (2007) mention that preliminary analysis of the questionnaire through pilot testing can be undertaken to ensure that the data collected will enable the investigative questions to be answered, and also to ensure that the researcher is able to obtain some assessment of the question's validity and the likely reliability of the data to be collected. As such, to address the issues of validity and reliability discussed in 4.81, a pilot study was undertaken to address the possibility of the issues and ensure validity of the research instrument. Ten questionnaires were given to respondents in management position whilst fifteen were distributed to general employees. Upon receipt of the questionnaires from

respondents, several issues were addressed including layout and rephrasing certain parts of the questionnaires.

### 4.8.2 Reliability of quantitative data

Reliability of research is achieved when the same results are obtained if the study is repeated or carried out by another researcher (Collis & Hussey, 2003). It implies consistency, and refers to the extent to which a test consistently measures what is it is intended to measure (Tavakol & Dennick, 2011). Put another way, if the same situation recurs under similar or identical circumstances, it will produces the same or identical results. Reliability of questionnaires was established using Cronbach's alpha. Cronbach's alpha determines the internal consistency or average of items in a survey instrument to gauge its reliability (Santos, 1999, in Beato, 2011). The test indicates whether the results of a study will be consistent and replicable. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability (Sekeran, 2009).

#### 4.8.3 Trustworthiness of qualitative data

Credibility, transferability, dependability and conformability are used ascertain the trustworthiness of qualitative research (Lietz & Zayas, 2010). *Credibility* refers to the extent to which research findings denote the actual meanings of the information provided by research subjects (Lincoln & Guba 1985, as cited in Lietz & Zayas, 2010). Put another way, credibility ascertains whether research findings represent the plausible information provided by research subjects and whether it is an accurate interpretation of subject's views (Graneheim & Lundman, 204; Lincoln & Guba, 1985, cited in Anney, 2014). For this study, credibility was ascertained by ensuring that data and findings obtained from the study is linked, and reflects back to participants' own insights and experiences. To ascertain this, the researcher pursued understandings by participants of the various aspects of HR transformation and talent management. For example, participants were asked to describe the meaning of HR transformation and talent management and the value of HR transformation, and to comment on how HR transformation would impact on talent management. Development of themes for discussion was based on the data provided by participants.

Babbie and Mouton (2009) refer to *transferability* as the extent and applicability of a study's results to other settings, contexts or participants. Bitsch (2005, cited in Anney, 2014) states that researchers facilitate transferability through a detailed description of the research context and participants selected for the study. The findings of this study and recommendations made from

them focussed not only on how HR transformation impacts on talent management at SEC but also on the general transformation of the HR function, and are transferrable to other sectors in general. Shenton (2004) states that *dependability* is about presenting evidence that if the study was conducted under similar settings, applying the same strategies and using the same participants, similar findings would be achieved. It refers to the stability of the findings over time (Bitsch, 2005, cited in Anney, 2014). For this purpose, the researcher provided a full description of the techniques used in collecting and analysing data including research subjects.

Confirmability refers to the extent to which the findings of a study are not influenced by the researcher's own attributes and choices but rather based on the experiences, insights and ideas of research participants (Shenton, 2004). Baxter & Eyles (1997, cited in Anney, 2014) refer to confirmability as the extent to which a study could be confirmed and corroborated by other investigators. It is concerned with establishing whether data and interpretation of the findings are not figments of the investigators imagination (Anney, 2014). For this study, confirmability was enhanced by keeping together and connecting all forms of data set on which the findings were based. These included personal notes taken during interviews and actual recordings from interviews, data analysis notes, and compilations of themes that emerged from the data. Moreover, to reduce the researcher's bias, interviews data was triangulated with literature review and quantitative data.

## 4.9 Analysis of data

Various statistical procedure were used in analysing data. Statistics is concerned with the scientific method by which data is collected, organized, analysed and interpreted for purposes of description and decision-making. Compared with one another, quantitative and qualitative research employ different philosophical underpinnings, research strategies, data collection methods and analysis and interpretation (Creswell, 2009). Data analysis involves drawing meaning from raw data that is collected. It is a way to process qualitative and quantitative data for purposes of communicating research results. Analysis entails organizing and scrutinizing data in a manner that enables researchers to identify patterns, relationships and themes and develop explanations and interpretations. Sekeran (2006) points out that analysing data involves three main objectives: (1) Getting the feel of data, (2) Testing the goodness of data, and (3) Testing the hypothesis developed for the research. Figure 5.1 depicts the flow of data analysis, from data collection to answering the research questions for a study.

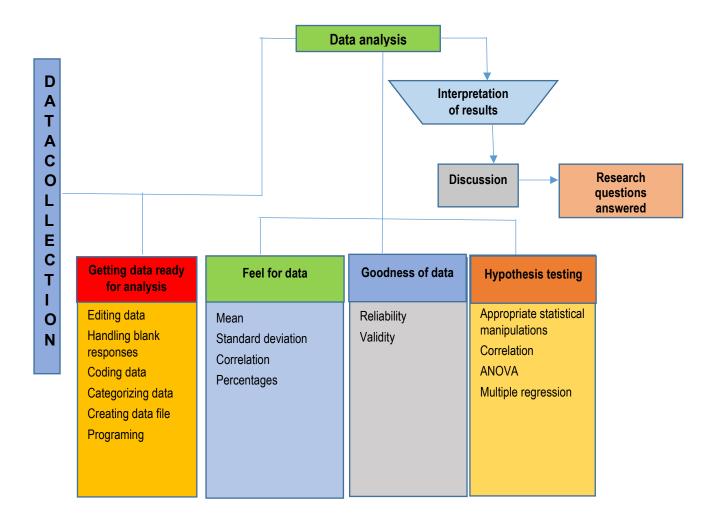


Figure 4-2 Flow of data analysis process. Adapted from Sekaran, U. (2006).

## 4.9.1 Quantitative data analysis: Descriptive statistics

Descriptive statistics deal with the presentation of numerical facts or data in the form of tables or graphs. Descriptive statistics provide the characteristics of the location, spread and shape of data. Descriptive statistics are used to describe the basic features of the data and provide simple summaries about the sample and the measures (Trochim, 2001). Descriptive statistics involve the analysis of data by means of measures of central tendency, frequencies and measures of dispersion.

## 4.9.1.1 Frequencies

Frequencies refers to the number of times a particular phenomenon occurs, from which the percentage and cumulative percentage of their occurrence can be calculated. The purpose is to illustrate the number of responses related with each value of the variable. Frequencies are

usually displayed by bar graphs, pie charts or histograms, which enable ease of interpretation. Sections A of the questionnaires will be presented in the form of graphs.

## 4.9.1.2 Measures of central tendency

Measures of central tendency are very useful when working with large data set in that they represent the entire data set with a single value that describes the spread or shape of the entire data set. There are three basic measures of central tendency; the mean, the median and the mode. These measures are considered to be representatives of data.

Mean. This is the average and it is calculated as a sum of all observed outcomes from the sample divided by the total number of events. The mean offers a general picture of the data (Sekeran, 2006). The mean is susceptible, however, to the influence of outliners and can misrepresent the true characteristics of the data if extreme values occur. In such cases, the median and mode are considered. Section B of the questionnaire will be presented using mean score and percentages.

*Median*. The median is the middle value below which the values in a distribution fall. Unlike the mean, the median is not susceptible to extreme values.

*Mode*. The mode represents the value that appears the most frequently in a series of data. It represents the highest peak in the distribution of data.

## 4.9.1.3 Measures of dispersion

Measures of dispersion are used to determine how far the scores are scattered or clustered around the measures of tendency (Oodith, 2012). Similar to the measure of tendency, the measure of dispersion is also unique to nominal and interval data (Sekeran & Bougie, 2009).

*Range*. The range is the difference between the smallest and largest scores. The range defines the actual spread of data and the distance between the highest and the lowest values of a sample frequency distribution.

*Variance*. The variance measures the dispersion about the mean. It provides an indication of how dispersed data are in a data set.

Standard deviation. Standard deviation describes the average distance of the distribution values from the mean. It offers an index of the spread of a dispersion of variability in the data.

## 4.9.2 Quantitative data analysis: Inferential statistics

The aim of research is to test theories about the nature of the world in general or some part of it, based on samples of subjects taken from the world. Inferential statistics is the mathematics and logic of how generalizations from a sample to population can be made. The intent of inferential statistics is to generalize from the samples back to the population from which the samples were taken. They determine the probability of characteristics of the population based on the sample. The types of inferential statistics used in the study are as follows:

## 4.9.2.1 Analysis of variance (ANOVA)

The ANOVA is a statistical measure used to assess the statistical differences between the means of two or more groups in order to make inferences about the population. ANOVA tests the assumption that the means of several independent populations are equal. ANOVA allows the researcher to determine the degree of variation among the sample means. In this study, ANOVA was used to determine whether the means of the various groups (management staff varying in age, qualification, marital status and tenure) are significantly different regarding the sub-dimensions of HR transformation and talent management. ANOVA was also used to determine differences in various groups (non-management staff varying in age, marital status, qualification, tenure and nature of job) regarding talent management practices, employee engagement and employee value proposition factors.

## 4.9.2.2 Multiple regression

Multiple Regression is a statistical tool that is used to examine how multiple independent variables are related to a dependent variable. Identification of the relationship between these multiple variables and independent variables enables researchers to use the information about the independent variables to make accurate predictions about why things are the way they are.

#### 4.9.2.3 Correlation

Correlation analysis measures the degree of relationships between the variables under investigation. Correlation analysis enables the researcher to have an idea about the degree and direction of the relationship between two variables under.

#### 4.9.2.4 Post-Hoc Scheffe's test

The post hoc test was undertaken to determine the difference among the categorical groups in relation to the research variables. The outcomes reveal which amongst the groups have statistical variance and those which have none. For purposes of this study, the test was conducted to determine where the differences lies between groups.

## 4.9.3 Qualitative data analysis

*NVivo*: Qualitative data was collected through interviews and analysed using a non-quantifying approach. NVivo 10 system, in which the researcher moved from an extensive reading of raw data to identifying patterns and developing themes, was the primary analysis package for qualitative data. According to Patton (2002), who refers to this process as inductive analysis and creative synthesis, data analysis involves transforming raw data by searching, evaluating, coding, mapping, exploring and describing trends, patterns, themes and categories in the data for purposes of interpreting them and providing their underlying meaning. A theme, according to Braun and Clark (2006), reflects a pattern, or meaning, that emerges from the research data set, which embodies critical aspects responding to a research question.

Interview responses were transcribed verbatim and analysed so that the salient findings could be highlighted and documented. As indicated above, the transcripts were analysed and codes were developed which determined possible themes in relation to issues such as the significance of HR transformation, HR strategy and HR value-add.

#### 4.10 Ethical consideration

Accessibility, timing, funding and other factors may pose problems in conducting research. Consequently there are bound to be ethical concerns during the research process. Ethics are concerned with the manner in which researchers go about in conducting the research process. They are concerned with the researcher's responsibilities regarding conceptualization of the research topic, data collection and storage and presentation of research findings and reports (Saunders et al., 2007). Ethical consideration requires researchers to be knowledgeable about what should be done, how to use reasoning when making decisions, be truthful and intellectual in approach and reporting, and consider the consequences of the research.

Three basic ethical principles were identified by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research in the Belmont Report (1979) for research involving human subjects:

- Respect for persons
- Beneficence
- Justice

For the study, ethical aspects taken into consideration were based on the ethical requirements of the University of KwaZulu-Natal. Respondents were issued with a letter of consent that explained the purpose and objective of the study and also covered issues of voluntary participation in the study, anonymity and confidentiality.

#### 4.11 Conclusion

The chapter outlined the research tools and procedures used in the study. The methodology section is important as it sets out how the researcher plans to achieve the research objectives. The chapter has explained and identified the approach, design and method to be used in the study. Mixed method approach was deemed most appropriate for the study as it has the advantage of combining both quantitative and qualitative methods of investigation and provides more validity and reliability to the study results. The study employed a survey method of data collection in the form of questionnaires and semi-structured interviews. The population and procedures used in selecting research participants from the population was discussed. Ethical procedures were outlined explaining how the data collected was to be safeguarded as per the ethical requirements and procedures of the University of KwaZulu-Natal. The last section of the chapter looked at how data was to be manipulated to achieve the objectives of the study. Both descriptive and inferential statistical methods were applied in the analysis of quantitative data. Qualitative data was processed using Nvivo analysis. With all these factors taken into account the researcher made sure that the methodology possessed the necessary qualities and requirements to allow other researchers to undertake a similar study. The next chapter presents the results of the study.

### **CHAPTER 5**

## PRESENTATION OF RESULTS

### 5.1 Introduction

Chapter four presented the research methodology and design chosen for the study. This chapter presents analysis, interpretation and report on the responses obtained from questionnaires and interviews. Hair et al. (2007) point out that analysis entails breaking down and ordering of data into meaningful groups as well as searching for patterns of relationships among the data. Quantitative and qualitative responses were computed using statistical package for social sciences (SPSS) and Nvivo analysis respectively. Since data was collected from management and from general employees using two different sets of questionnaires, the first part of presentation focuses on data collected from management on HR transformation, talent management practices and subsequently the qualitative data form interviews. The second part of the presentation focuses on data generated from employees on talent management, engagement and employee value proposition factors. Presentation of data is in the form of frequency tables, bar graphs and pie charts.

## 5.2 Descriptive statistics results: Management responses

According to Trochim (2001), descriptive statistics are used to describe the basic features of the data in a study. Vetter (2017) states that descriptive statistics are specific methods used to calculate, describe and summarize collected data in a logical, meaningful and efficient way. They provide simple summaries about the sample and the measures. Together with simple graphical analysis, they form the basis of practically every quantitative analysis of data. Descriptive statistics enable us to understand the data set in detail and tell us everything we need to put the data in perspective (Trochim, 2001). The next section provides descriptive data analysis of responses on HR transformation.

## 5.2.1 HR Transformation

The purpose of this section was to obtain management's perspective on HR transformation and talent management in the company. Transforming HR involves various changes in the way HR gets on with its duties. It entails implementing business processes that change and expand the

involvement of HR professionals in strategic business activities, constantly seeking new ways to streamline and align human capital functions with broader business objectives and ensuring that the organization has the necessary resources to achieve those objectives. Factors examined under HR transformation include involvement of HR in strategic issues, HR accountabilities, HR capabilities, HR technology, recruitment and selection processes, and management's perceptions on HR functional areas that are often used to measure HR effectiveness.

Table 5-1 HR strategy and involvement of HR in corporate and business strategy

Statement		Strongly disagree		Disagree		Not Sure		Agree			ongly ree
Category	Mean	N	%	N	%	N	%	N	%	N	%
HR is fully involved in strategy formulation and implementation in company	3.71	1	3.6	3	10.7	3	10.7	17	60.7	4	14.3
HR understands and speaks the language of business (Vision, Mission & Strategy)	3.50	0	0.0	4	14.3	10	35.7	10	35.7	4	14.3
HR forms partnerships with line/divisional managers in addressing talent issues	3.68	1	3.6	2	7.1	4	14.3	19	67.9	2	7.1
HR implications are not considered in major strategic decisions	2.79	1	3.6	12	42.9	9	32.1	4	14.3	2	7.1
HR lacks valuable contributions in strategy decisions.	2.89	2	7.1	9	32.1	8	28.6	6	21.4	2	7.1
The involvement of HR in strategy decisions has had great effect in addressing human capital issues in the company.	3.30	2	7.1	3	10.7	10	35.7	9	32.1	3	10.7
HR does not have meaningful strategic plans which ensure support and growth of the business	2.93	3	10.7	7	25.0	7	25.0	9	32.1	1	3.6
HR service delivery strategy is aligned with the company's business strategy.	3.43	1	3.6	4	14.3	8	28.6	12	42.9	3	10.7
Organizational issues, such as mission and vision are considered in HR strategy	3.40	0	0.0	7	25.0	7	25.0	10	35.7	4	14.3

Table 5.1 sets out the results on dimensions that determine the strategic involvement and contribution of HR in the organization on a five-point rating scale. The results indicate that most of the management staff (75%), with a mean score of 3.71, felt that the HR department is involved and contributes to strategic activities in the organization. Fifty-four percent of respondents agreed that HR service delivery is aligned with the company's business strategy, and 50% felt that HR understands and speaks the language of business. Accordingly, the lowest mean score of 2.79 was associated with those who disagreed that HR implications are not considered in major strategic decisions. It was however worth noting that although management felt HR is involved in strategic processes in the company, an equal portion of respondents (35.7%) both agree and disagree felt that HR has meaningful plans to ensure the support and growth of business. It was worth noting that there was also a high percentage (35.7%) of respondents who were uncertain regarding HR's understanding of the vision and

strategy of the company, and whether their involvement in strategy has an effect in their understanding of strategic human capital issues. The implications of the results are therefore that, even though HR has a seat at the strategy table, they are struggling to come up with feasible strategies to support business. The overall scores indicate a moderate (Mean = 3.29) level of satisfaction and perceived involvement of HR in strategic decisions; 35% of respondents agreed and disagreed respectively that HR lacks the meaningful plans to ensure growth and support of the business.

Table 5-2 HR capabilities

Statement			ngly agree	Disa	gree	Not	Sure	Agree	e		rongly gree
Category	Mean	N	%	N	%	N	%	N	%	N	%
HR lacks the competence to be a strategic partner	2.61	5	17.9	7	25.0	10	35.7	6	21.4	0	0.0
The HR department is adequately staffed to meet business needs	3.14	3	10.7	6	21.4	4	14.3	14	50.0	1	3.6
HR takes the lead in integrating talent management issues with change initiatives/processes	2.96	3	10.7	8	28.6	5	17.9	9	32.1	2	7.1
HR has the capability to develop talent strategies aligned to business strategies	3.46	0	0.0	6	21.4	7	25.0	11	39.3	4	14.3
Managers capitalise on the expertise of HR in dealing with talent management	3.15	0	0.0	10	35.7	5	17.9	10	35.7	2	3.6
HR does not demonstrate a clear understanding of organizational and customer needs	2.86	3	10.7	8	28.6	8	28.6	8	28.6	1	3.6
The HR department personnel are cross-trained to perform duties outside their major areas of responsibility	2.79	1	3.6	10	35.7	12	42.9	4	14.3	1	3.6
HR services and functions are not aligned and prioritized to organizational needs	2.54	2	7.1	13	46.4	9	32.1	4	14.3	0	0.0

Table 5.2 presents analyses of the responses provided by the company's management regarding the capabilities of the HR department. The purpose of this section was to determine the perceptions of management staff on the capabilities of the HR department. The results show that 42.9% of respondents disagreed that HR lacks the competence to be a strategic partner and 53.6% believed HR has the capability to develop and align their talent strategies with the business strategy. More than half (53.5%) refuted the statement that HR services are not aligned to company needs and 39.3% disagreed that HR does not demonstrates an understanding of its customer needs, compared with 34.2% who felt that they do. Over 50% of respondents said that the HR department is adequately staffed to meet business requirements. Although most respondents (39.3%) agreed that they capitalize on HR expertise in dealing with TM issues, a substantial proportion (35.7%) disagreed with the statement. Regarding the understanding of customer needs, 39.3% of management felt that HR does demonstrate knowledge of

organizational and customer needs, compared with 32.2% who felt they do not. It was however worth noting that management was somehow not content with the manner in which HR assumes responsibility in integrating TM issues with change initiatives, as 39.2% of respondents in each case disagreed and agreed with the statement, whilst 17.9% were not sure. The results indicate that HR capability scored a mean score of 2.93 against a maximum attainable score of five. HR capabilities define what HR can do and are very important in service delivery and crucial in restoring and enhancing the credibility of the HR department. The results indicate that management believes in the capabilities of the HR department. An important aspect however for HR in restoring and enhancing credibility is to take lead in the implementation of best practices. As indicated in the results managers are not content with HR regarding spearheading talent and changes initiatives.

Table 5-3 HR reporting & accountability

Statement		Strongly Disagree		Disag	Disagree Not		Not sure		ee	Stro	ngly ee
Category	Mean	N	%	N	%	N	%	N	%	N	%
I have confidence in the information provided in HR reports	3.41	0	0.0	4	14.3	12	42.9	7	25.0	4	14.3
HR leads in showing management how its data can be used to inform strategic talent management decisions.	3.00	2	7.1	8	28.6	7	25	8	28.6	2	7.1
HR data and people analytics are used to predict workforce performance and improvement	2.77	5	19.7	8	28.6	3	10.7	8	28.6	2	7.1
The HR department does not provide innovative solutions and programs to deal with talent management issues	2.89	2	7.1	7	25.0	10	35.7	8	28.6	0	0.0
HR metrics are used to provide valuable input into talent management and workforce strategic planning decision	2.82	5	17.9	4	14.3	11	39.3	7	25.0	1	3.6
HR does not clearly communicate its strategy to all stakeholders	2.37	3	10.7	16	57.1	3	10.7	5	17.9	0	0.0
Management consistently uses and requests HR data / metrics to support strategic decisions	2.85	3	10.7	6	21.4	11	39.3	6	21.4	1	3.6
HR data and people analytics are easily linked with business performance	2.81	4	14.3	6	21.4	9	32.1	7	25.0	1	3.6

Table 5.3 sets out respondents' views on HR reporting and the use of HR data in management decisions. The results reveal that the largest proportion of respondents (42.9%), with the highest mean score of 3.41, were uncertain about the reliability of HR data/reports, as opposed to 39.3% and 14.3% who agreed and disagreed respectively that they have confidence in HR data. A further 48.3% said that HR data and people analytics were not used to predict workforce performance and improvement compared to 35.7% who believe they were and 10.7% who were

not sure. In addition, 39.3% of respondents were uncertain about the use of HR metrics in providing valuable input to TM and workforce strategic planning sessions; 32.2% said they are not used and 28.6% felt that they are used. On clarity in communicating HR strategy to company stakeholders, a majority of respondents (67.8%) said HR does clearly communicate its strategy, with only 17.9% saying they do not. Correspondingly, 35.7% respondents in each case agreed and disagreed that HR leads in demonstrating how its data could be used to inform strategic TM decisions, with 25% being uncertain. The overall mean score under reporting and accountability was 2.86, which indicates a low level of satisfaction. The implication of the results is that HR needs to improve their reporting processes and ensure that management have access to HR data and understand how to interpret and make use of it for strategic and operational purposes. In today's modern organizations, the use of data metrics for reporting and decision making is considered standard practice.

Table 5-4 HR technology

Statement		Strongly disagree Disagree		Not Sure		Agree		Strongly agree			
Category	Mean	N	%	N	%	N	%	N	%	N	%
The HR department is well equipped in HR technology.	3.29	0	0.0	6	21.4	10	35.7	10	35.7	2	7.1
HR technology is used to facilitate talent management in the company.	3.00	3	10.7	7	25	7	25.0	9	32.1	2	7.1
HR technology is too complicated and not easy to work with.	2.75	2	7.1	9	32.1	11	39.3	6	21.4	0	0.0
HR technology has improved the efficiency of the HR admin processes.	3.36	1	3.6	2	7.1	12	42.9	12	42.9	1	3.6

Table 5.4 illustrates participants' responses on HR technology and its use in the company. The results show that 42.8% of respondents, with a mean score of 3.29, believe that the HR department is well equipped in HR technology, whilst 35.7% were uncertain and 21.4% disagreed with the statement. On whether HR technology facilitates TM, 39.2% of respondents were affirmative of the statement, with 35.7% refuting the statement and 25% being uncertain. On the complexity of using HR tech, 39.3% of respondents were neutral whilst 39.2% were content with it and 21.4% felt it was complicated to use. A majority of respondents, with the highest mean score of 3.36, felt that HR technology has improved efficiency and effectiveness of HR administration processes. It is however worth noting that a high portion of respondents (42.9%) were uncertain of the efficiency brought by HR technology. Efficiency in technology is enjoyed when the interface is simple and the system is user friendly. Considering that a high percentage (39.3%) of respondents were also neutral regarding ease of use, this also may also

affect the efficiency benefit of the HR technology. The overall score (Mean 3.1 against a maximum attainable score of 5) indicates a moderate level of satisfaction with the availability and use of HR technology. The implication of the results is that management is content with HR technology in the company. However, taking a closer look at the results, and in relation to the variables of interest, it can be noted that the HR department is not taking full advantage of the benefits of technology in managing human capital.

Table 5-5 Recruitment & selection

Statement			Strongly disagree Disagree		Not Sure Ag			_		Strongly agree	
Category	Mean	N	%	N	%	N	%	N	%	N	%
The organization is able to recruit desired employees in a timely and consistent manner	3.10	1	3.6	8	28.6	9	32.1	7	25.0	3	10.7
The involvement of HR in strategy decisions ensures that the right people to drive strategy are recruited.	3.43	0	0.0	3	10.7	14	50.0	7	25.0	4	14.3
Recruitment strategies are not informed by future business needs and strategy.	2.96	2	7.1	7	25.0	10	35.7	8	28.6	1	3.6
Recruitment and selection in the company is focused on employee-job-fit	3.36	1	3.6	4	14.3	11	39.3	8	28.6	4	14.3

Identifying and recruiting the best talent has become the differentiator in today's knowledge economy. The results presented in Table 5.5 show management's views on recruitment and selection practices in the company. A majority of respondents, with a mean score of 3.43, were uncertain on whether the involvement of HR in strategic decisions has had positive impact in terms of recruiting the right talent to drive the business strategy; 50% said they were not sure, whilst 29.3% concurred with the statement and 10.7% refuted it. The results indicate however that 35.7% of respondents believe that the desired employees are recruited in a timely manner, with 32.2% disagreeing. Moreover, most respondents also felt that recruitment and selection in the company is focused on employee—job fit, with the second highest mean score of 3.36 and a percentage of 42.9%, compared to 17.9% who refuted the statement. It is worth noting, however, that the largest proportion of respondents (35.7%) were uncertain whether recruitment strategies are informed by future business needs, compared to 32.1% who believe recruitment strategies are informed by future business needs and strategy. The results also reflect a moderate overall mean score of 3.21 against a maximum attainable score of 5.

Table 5-6 HR functional areas

Statement		Po	or	Unsat	isfactory	Fair		Go	od	Exc	ellent
Category	Mean	N	%	N	%	N	%	N	%	N	%
Managing costs	3.07	1	3.6	6	21.4	13	46.4	6	21.4	2	7.1
Retaining key talent	2.21	7	25.0	11	39.3	7	25.0	3	10.7	0	0.0
Collaborating with management on Human Capital Management	2.67	3	10.7	9	32.1	11	39.3	2	7.1	2	7.1
Implementing Coaching and Mentoring programs	2.43	4	14.3	13	46.4	6	21.4	5	17.9	0	0.0
Achieving operational excellence	3.04	1	3.6	5	17.9	16	57.1	4	14.3	2	7.1
Sourcing key talent	3.21	1	3.6	4	14.3	13	46.4	8	28.6	2	7.1
Providing workforce analytics for strategic decisions	2.61	3	10.7	10	35.7	10	35.7	5	17.9	0	0.0
Supporting and enabling strategic decisions	2.96	1	3.6	6	21.4	15	53.6	5	17.9	1	3.6

Table 5.6 indicates that the highest mean score of 3.21 was associated with recruiting talented people, whilst the lowest score of 2.21 was associated with retaining key talent. Implementing coaching and mentoring programs also recorded low, with a mean score of 2.43. This may be the cause of staff perceptions that the company is not doing a good job in retaining its talent. Coaching and mentoring are critical aspects in career development; consequently, if the company does not have exceptional mentoring and coaching programs in place it risks losing its talent. The results also show that management feels the HR department is only doing a fair job in managing cost and achieving operational excellence. However, regarding the department's collaboration with management on human capital issues and provision of workforce analytics for strategic decisions, management felt HR was not doing a satisfactory job.

## 5.2.2 Talent management: Management respondents

This section investigated management's views on TM practices in the company. Managers at all levels need to be part of the TM process and must have an understanding of the connection and importance of TM in achieving organizational goals. The sub-dimensions of TM were grouped into seven categories in terms of their relation to the components and activities of talent management and presented in statistical graphs and pie charts.

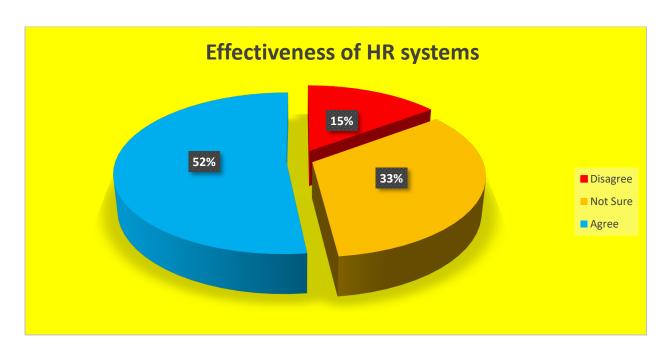


Figure 5-1 Perceptions of the significance and responsibility for talent management

Figure 5.1 indicates the perceptions of management on the effectiveness of HR systems in the company. The results indicate that 52% of respondents believe that the company has effective people management systems, while 33% were not sure and only 15% disagreed. Based on the results, although some respondents are not certain about the effectiveness of HR systems, most seem to be satisfied with the systems used by the HR department in the company. Uncertainty and lack of satisfaction with systems may be a result of complexity of systems or infrequent use or understanding of systems.



Figure 5-2 Perceptions of significance and responsibility for talent management

Three items were selected in relation to the significance of, and responsibility for, talent management in the organization. Figure 5.2 indicates that respondents believe that talent management is important in achieving organizational goals. More than 67% of respondents believe the process is essential in achieving objectives, whilst 18% were uncertain and 14.3% feel it is not important. On whether the company had a budget for talent management initiatives, 39.2% said there is a budget for TM initiatives, whilst 25% were uncertain and 35.7% said there was none. Regarding the responsibility for talent management in the company, 46.4% of respondents disagreed that TM is the responsibility of HR. Only 18% were uncertain while 32.1% felt TM is the responsibility of HR. Based on the results it can be deduced that respondents value and acknowledge talent management as a driver for organizational goals, and believe they have a role to play in the process. It is worth noting that although most respondents believe there is a budget for talent management purposes, quite a large number of respondents were not happy with allocation of budget for talent management purposes.

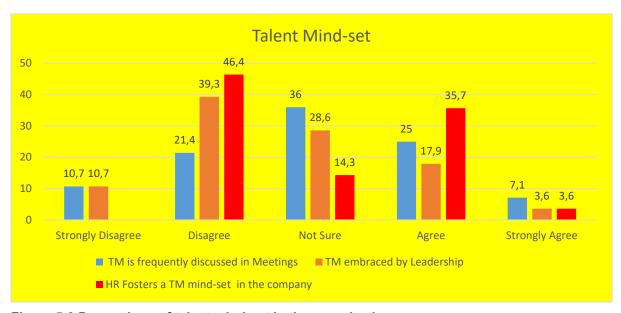


Figure 5-3 Perceptions of talent mind-set in the organization

In regard to talent mind-set three items were selected. As shown in Figure 5.3, in relation to discussing TM issues in management meetings, 32.1% felt TM issues were not frequently discussed during management meetings, whilst 36% were uncertain and 32.1% said TM issues form part of management discussions. On whether TM is embraced by the company's leadership, 50% of respondents agreed to the statement while 28.6% were uncertain and 21.5% agreed. On whether HR fosters a TM mind-set in the company, 46% of respondents disagreed, 39% agreed and 14.3 were uncertain. The results indicate dissatisfaction with the talent mind-

set in the organization, as management believes the company's leadership and HR and are not sufficiently devoted to ensuring that a talent mind-set permeates the organization.

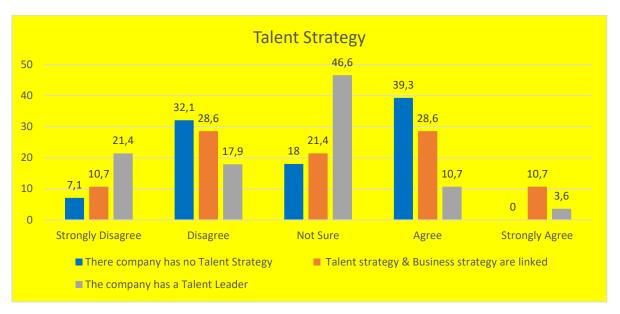


Figure 5-4 Perceptions of talent strategy

Existence of talent strategy, the link between talent strategy and business strategy, and presence of a talent leader to drive the talent management were the three items selected under this category. As shown in Figure 5.4, an equal number of respondents (39.3%) agreed and disagreed respectively that the company has a talent strategy, whilst 18% were uncertain. Regarding the link between the talent strategy and business strategy, a similar percentage of 39.3% agreed and disagreed, while 21% were uncertain. On whether there company has a talent leader, 39.3% disagreed, whilst 46.6% were uncertain and 14.3% agreed with the statement. The main finding in this section is that management is unclear about the talent strategy and whether it is aligned with the business strategy in the company.

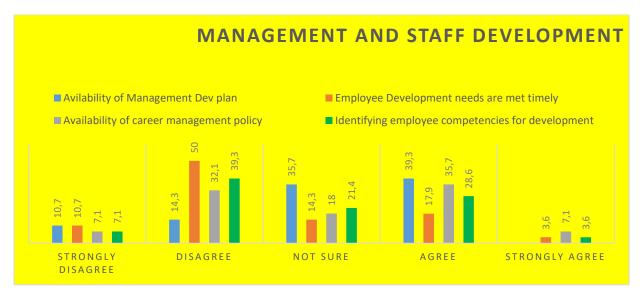


Figure 5-5 Perceptions of Management & staff development

In relation to staff development issues, four items were chosen; Availability of management development plans, addressing of employee development needs in a timely manner, availability of career planning policy, and identification of competencies for development (Figure 5.5). Twenty five percent of respondents disagreed that the company has management development plans in place, 39.3% agreed, and 35.7% were uncertain. On timely addressing of employee development needs, 60.7% of respondents disagreed with the statement and 21.5% believed employee development needs are addressed in a timely and consistent manner. Respondents agreed that the company has a formal career planning and development, with 42% percent responding with agree, and 39.2% disagreeing, while 18% said they were uncertain. On identification of employee competencies in development, 46.4% of respondents disagreed, 21.4% were uncertain and 32.2% agreed. Clearly, the results show that there is a lot of dissatisfaction regarding development issues in the company. Staff development is one of the central issues in talent management and if neglected can result in failure of talent management initiatives.

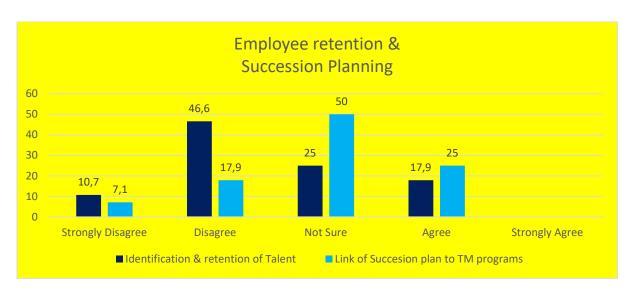


Figure 5-6 Perceptions of employee retention and succession planning

Regarding employee retention and succession planning, two items were selected: identification and retention of key talent, and link between succession plans and talent management programs. Figure 5.6 shows that 57.3% disagreed that the company identifies and has programs to retain high potential employees, 25% were uncertain and 17.9% agreed. On the link between succession plans and talent management programs, half (50%) of the respondents were uncertain and the remainder were evenly divided (25% for each) between agreeing and disagreeing. Talent retention and succession planning are critical not only in preserving institutional knowledge but also in ensuring the availability of key employees and future leaders for the company. The results clearly indicate that the company is not doing enough to ensure that key talent is retained in the organization.

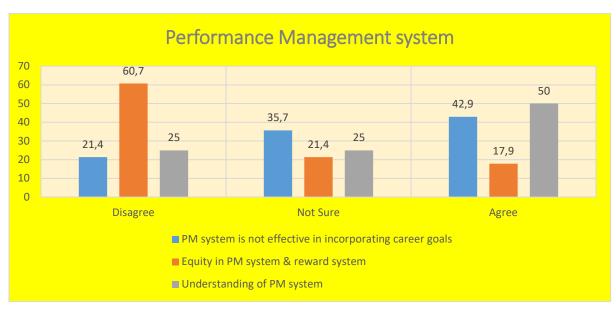


Figure 5-7 Perceptions of performance management

Regarding performance management, three items were selected: effectiveness of PM system in incorporation of employee career goals, whether there is equity in the PM system and reward systems, and whether management staff understands the PM system. The results in Figure 5.7 indicate that 42.9% of respondents agreed that the PM system is not effective in incorporating career goals, whilst 21.5% who disagreed believe the PM system is effective in incorporating their career goals and 35.7% were uncertain. On equity in the PM system and reward system, 60.7% of respondents disagreed that there is equity, whilst 17.9% agreed. About 21.4% of respondents were uncertain. The last item was on the comprehension of the PM system. Half (50%) of the respondents said they understand the system, whilst 25% in each case were uncertain or disagreed. The implication of the results is that management is not entirely happy with the PM system. As much as most of them understand its applicability, most were not satisfied with its focus on career enhancement and link with rewards.

#### 5.3 Inferential Statistics

Tests from inferential analysis are aimed at extending generalizations made from a sample to the entire population from which it was selected. Inferential statistics were performed to validate relationships between the variables of the study and to determine the differences between group means. Correlation analysis was performed to ascertain the relationship between HR transformation and talent management whilst regression analysis was undertaken to examine the impact of the dimensions of HR transformation in addressing TM challenges. ANOVA and post hoc Scheffe's test were computed to determine if there were any differences between group means and where exactly the differences lay.

## 5.3.1 Correlation Analysis: Relationships among key variables of the study

Table 5-7 Inter-correlation of key variables: HR transformation and talent management practices

		Involvement of HR in Strategy Planning		HR Reporting & Accountability	0,	HR Recruitment & Selection
HR Talent	Pearson Correlation	.455*	.464*	.521**	.530**	.412*
Management Practices	Sig. (2-tailed)	.015	.013	.004	.004	.029
Flactices	N	28	28	28	28	28
		e 0.01 level (2-tailed). 0.05 level (2-tailed).				

Table 5.7 indicates the following significant relationships;

Involvement of HR in strategy planning and talent management practices at P < 0.015 level of significance;

HR capabilities and Talent Management at P < 0.013 level of significance;

HR reporting and accountability and Talent Management at the P < 0.004 level of significance;

HR Technology and Talent Management at P < 0.004 level of significance; and

Recruitment and Selection, talent management practices at P < 0.029 level of significance.

The results indicate that all the dimensions of HR transformation are positively correlated with Talent Management.

## 5.3.2 Regression Analysis: Impact of HR Transformation on talent management

Table 5-8 Regression Analysis: Impact of HR Transformation on talent management

Model	R		R Squ	are	A	ljusted R Squa	re		Error of the mate	!
1	.988a		.977		.9 <sup>-</sup>	70		4.25	5754	
ANOVA	<b>\</b> a									
Model		Sum of Squ	ares	df	Me	ean Squares	F		Sig	
1 Regre	ession Residual	38	36.019 30.660 36.679	6 21 27		2681.003 18.127	147.9	04		.000b
Coeffic	cients <sup>a</sup>									
		Unstanda	ardized	Coefficients		Standardized Coefficients				
Model		В		Std. Error		Beta	t		Sig.	
1	(Constant)	3.144		8.690			.362	)	.721	
	HR Strategy	1.185		.304		.170	3.89	6	.001	
	HR Capabilities	.487		.323		.069	1.50	6	.147	
	HR Reporting	1.209		.292		.268	4.14	5	.000	
	HR Technology	1.784		.624		.164	2.86	0	.009	
	Recruit & Select	1.292		.482		.111	2.67	9	.014	
	TM Practices	1.101	_	.099		.464	11.0	72	.000	

The results indicate that the model was a significant predictor of improvement in talent management. Table 5.8 shows that the dimensions of HR transformation significantly account for 98% of variants in improving talent management, though in varying degrees. Figure 5.8 shows the beta analysis of the results. The results indicate that the dimensions of HR transformation have an impact on talent management.

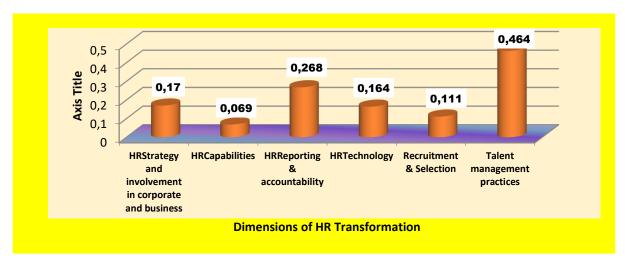


Figure 5-8 Beta analysis

# 5.4 Statistical analysis of the questionnaires

The psychometric properties of reliability and validity were assessed using factor analysis and Cronbach Coefficient Alpha.

## 5.4.1 Validity: Factor analysis

**Table 5-9 Factor analysis** 

				Component			
	1	2	3	4	5	6	7
B1	.610	305	421	.434			
B2	.751						
B3	.311		405	385	571		
B4	399	.682	.362				
B5	624	.622	.319				
B6	.705	363					
B7	739	.478					
B8	.701	.316		336			
B9	.800						
C10		.518		.603			
C11		.350					379
C12	.594			437	365		
C13	.602					454	
C14	.643			421		.520	
C15	483			.527			.464
C16	.721						336
C17	683						
D18	.580				663		
D19	.656	.308		481			
D20	.828						
D21	509		421			.590	
D22	.496	.537					
D23		.566		.472	.519		
D24	.605		.489				
D25	.657	.454		386			
E26	.492		.350		.318	349	

			C	omponent			
E27	.760	.462					
E28			646			.348	.357
E29	.334	442		416	.357		
F30	.546		465		.321		.368
F31	.725		336	320	-		.300
F32	661		.498				
F33	.550		447	.454			
G34	.589		462	.330			
G35	639						
G36	599		.474				.368
G37	.738			.376	.357		.000
G38	.716		.508	.070	.001		
G39	.819		.000	.373			
G40	.317	.588	+	.512		+	
G41	.548	586		.012	.348		
G42	.040	849			.040		
G42 G43	.720	.043		.435		+	
G44	.678	317		.314	.358	+	
G45		347	.623	.314	.556	.337	
G45 G46	.418	383				.337	
	.530	303	.521				
G47	.582		.721	524	204		24/
G48	.451	207	.367	531	.301		.344
G49	687	327	.345				
G50		.363	.552			100	
G51	588	.419			320	.438	
G52	.565	502				.428	
G53	.791				338		
G54	.699		.463		318		
G55	.775		.326				
G56	.448	.401	433		.339		356
G57	459		714				
G58	.515	.410		.384			
H1	.392	.326				691	
H2		663					
Н3	.542	618				340	
H4	.626	475					375
H5	.614		361	.489		343	
H6	.462		418	353	356		
H7	.839						
H8	.491			.437		372	
Eigenvalue	22.691	8.061	7.219	5.743	3.796	3.635	2.741
% of total							
variance	34.380	12.213	10.938	8.702	5.752	5.508	4.153
			l l	Extraction	Method: Princ	inal Campanan	t Analysis

Table 5.9 shows significant factor loading as follows:

• Thirty seven items load significantly on factor 1 and account for 34.4% of the total variance. Based on the highest factor loading on this factor which relate to strategic HR and talent management practices, factor 1 will be labelled strategic HR and talent management.

- Five items load significantly on factor 2 and account for 12.2% of the total variance. Most items relate to value-adding HR practices. Based on the highest factor loading, factor 2 is labelled value-adding HR practices.
- Four items load significantly on factor 3 and account for 10.9% of the total variance. Based on the highest factor loadings which relate to career planning and development, factor 3 is labelled career planning and development.
- Two items load significantly on factor 4 and account for 8.7% of the total variance. Based on the factor loadings, factor 4 is labelled HR competency.
- One item loads significantly on factor 5 and accounts for 5.7% of the total variance. Based on the factor loading, factor 5 is labelled HR communication.
- Two items load significantly on factor 4 and account for 5.5% of the total variance. Based on the factor loadings, factor 6 is labelled HR expertise.

## 5.4.2 Reliability Tests: Cronbach Alpha

Table 5-10 Cronbach's Alpha

Management questionnaire	
Cronbach's Alpha	Number of Items
.890	66
Employee Questionnaire	
Cronbach's Alpha	Number of Items
.947	88

As noted by Tavakol and Dennick (2011) the concept of Alpha is important in the evaluation of assessments and questionnaires. For purposes of enhancing the validity and credibility to the analysis and interpretation of data, it is essential that evaluators and researchers undertake the estimate this quantity. Table 5.10 shows the results of reliability test *Cronbach's Alpha Analysis for management and employee questionnaires*. The analysis indicates that the research instruments had a high degree of reliability and that the items had a high level of inter-item internal consistency. Cronbach Coefficient Alpha is .890 for the management questionnaire and .947 for the employee questionnaire. These values were above the usual acceptable range of 0.70 or above, which indicates high internal validity.

## 5.5 Employee data analysis

The purpose of the employee (non-management staff) questionnaire was to collect data on the views of staff on talent management practices to determine their satisfaction with the HR function and talent management practices in the company. With the company faced with

retention challenges, this questionnaire sought to uncover aspects which could be improved to better the employment value chain. The last sections of the questionnaire focused on employee engagement factors and employee value proposition factors, which plays a significant role in talent management. Similar to the previous section, the list of items under TM practices and EVP factors were categorized in terms of their relatedness and presented in graphs. This section presents the outcomes of both descriptive statistics (frequencies) and inferential statistics (ANOVA and post hoc Scheffe's test) performed for the study.

#### Perception of the HR department 50,0 41,3 40.0 29,3 30,9 29,8 30,0 21,9 17,8 16,4 20,0 13,8 11,3 9,9 10.0 0,0 Strongly Disagree Disagree **Not Sure** Agree Strongly Agree ■ Confidence in HR department ■ Attending to employee queries ■ HR works well as a team ■ Satisfaction with HR support

## 5.5.1 HR department and talent management practices

Figure 5-9 Perception of the HR department

Regarding the perception of the HR department, four items were selected to determine employees' satisfaction with the HR function in the company. Table 5.9 indicates that a majority (55.3%) of employees reported that they have confidence in their HR department, compared to 13.8% who have no confidence in the HR function. A similar percentage (56.5%) also reported satisfaction with the manner in which HR attends to their issues, whilst 25.9% were not satisfied with it. The results also show that respondents were happy with the support they get from HR: 41.1% refuted the statement that they are not satisfied with HR support, whilst 37.1% confirmed the statement. Interestingly though, employees believe their HR does not work well as a team: 44% and 41.3% disagreed and were not sure respectively that HR works well as a team, and only 14.6% agreed that there is good teamwork in the HR department. Clearly the implication of the results is that employees are happy with the HR function in the company. The results are consistent with responses from management respondents. Managers

believed that the company has good HR systems, as such it is understandable for most employees to be content with the support they receive from the HR department.

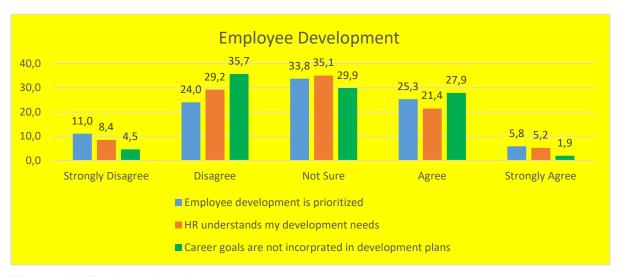


Figure 5-10 Employee development

Regarding employee development issues and the HR department, three items were selected to investigate employees' perceptions and satisfaction. As shown in Figure 5.10, the largest proportion of respondents (35%) were not satisfied with the manner in which employee development issues are considered in the company; only 31.1% felt that development issues are a priority in the company and 33.8% were neutral. The results also indicate that 37.6% of respondents believe that the HR department does not understand their development needs, whilst the opposite is true for 26.6% of respondents, and 35% were uncertain. It was worth noting though that despite the dissatisfaction with the above items, 40.2% of employees believe that their career goals are incorporated in development plans, whilst about 30% believe they are not incorporated.

Table 5-11 ANOVA. Nature of job and talent management practices

-	_	Sum of	df	Mean	F	Sig.
		Squares		Square		
B3 Employee development issues are	Between Groups	4.616	1	4.616	3.944	.049
taken seriously by the HR department and	Within Groups	170.864	146	1.170		
Management.	Total	175.480	147			

Table 5-12 Post hoc Scheffe's test: Nature of job and talent management practices

Consideration of employee development issues					
Nature of the job	Mean	Std. Deviation			
Administrative	3.1250	.89570			
Technical	2.7609	1.18014			

ANOVA results (Table 5.11) revealed a significant difference in employees' perceptions on the consideration of employee development issues based on the nature of their jobs. To determine where the differences lay, the post hoc Scheffe's test was computed (Table 5.12).

The results indicate that employees in administrative positions were not satisfied with consideration of their development needs.

Table 5-13 ANOVA. Tenure and talent management practices

		Sum of Squares	df	Mean Square	F	Sig.
B12 My careers goals are not incorporated in my	Between Groups	10.170	4	2.542	3.025	.020
development plans.	Within Groups	125.233	149	.840		
	Total	135.403	153			

Table 5-14 Post hoc Scheffe's test: Tenure and talent management

Incorporating employee career goals in development plans					
Tenure	Mean	Std. Deviation			
0-3 Years	2.7358	.94362			
4-7 Years	2.8261	.87697			
8-11 Years	3.7000	.82327			
12-15 Years	2.4444	1.01379			
> 15 Years	3.0000	.92582			

ANOVA output (Table 5.13) also indicated that there is a significant difference in employees' perceptions regarding the incorporation of their career goals in development plans based on their tenure with the company. Results of the post hoc Scheffe's test (Table 5.14) indicate that employees who have been with the company for a period between 8-11 years had strong opinions regarding integration of their career goals in development plans.

Interestingly though, Figure 5.11 below presents a somewhat contradictory perception of the HR department regarding development issues. Despite the dissatisfaction with some of the employee development issues, 40.9% of employees believed the HR department is an advocate for employee development and 39.2% believed that the HR department is good at developing employees.

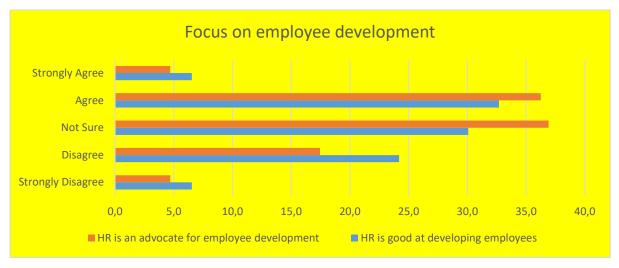


Figure 5-11 Focus on employee development

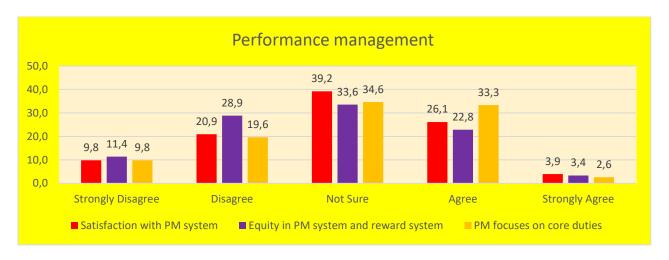


Figure 5-12 Performance management

Three items were selected regarding perceptions of performance management in the company. The results in Figure 5.12 indicate that most of respondents (39.2%) were neutral regarding their satisfaction with the performance management system in the company, while about 30% were satisfied and 30.7% dissatisfied. Regarding the perceived equity in the PM system and reward system, the largest proportion of employees (40.3%) reported dissatisfaction with the equity of the system, while 33.6% were uncertain and 26.2% agreed. Thirty five per cent of respondents were uncertain whether the PM system focuses on their core duties, while 30% in each case disagreed and agreed that the PM system focuses on their core duties. No significant differences were discovered regarding employees' perceptions of the PM system. Similar to management respondents, employees show dissatisfaction with certain aspects of the PM system in the company.

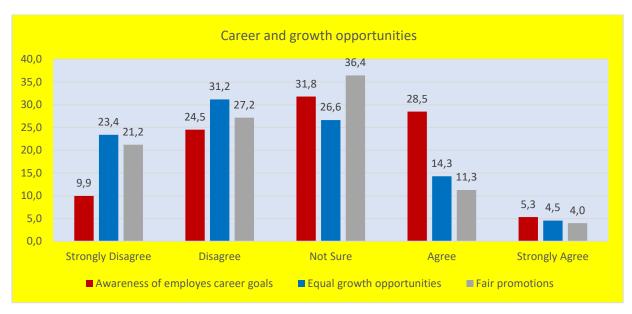


Figure 5-13 Career and growth opportunities

Regarding career and growth opportunities, three items were selected to determine employees' perceptions and satisfaction: awareness of employees' career goals by HR and line managers, availability of equal growth opportunities in the company, and fairness of promotions within the company. Figure 5.13 indicates that 34.4% of respondents disagreed, 33.8% agreed and 31.8% were uncertain that HR is aware of their career goals. Regarding the provision of equal growth opportunities, respondents reported dissatisfaction with the item, with 55% disagreeing with the statement, 26% being uncertain and 19% agreeing with it. Moreover, 48% felt that promotions are not carried out fairly in the company, while 36% were uncertain and 15% agreed.

Table 5-15 ANOVA: Age and Talent management practices

		Sum of Squares		Mean Square	F	Sig.
B18 Promotions are carried out fairly in the company	Between Groups	17.977	4	4.494	4.267	.003
	Within Groups	153.771	146	1.053		
	Total	171.748	150			

Table 5-16 Post hoc Scheffe's test: Age and talent management practices

Fair promotions						
Age Group <20	Mean	Std. Deviation				
<20	3.3333	.57735				
21-30	2.8889	1.05806				
31-40	2.3333	1.04611				
41-50	2.1714	.98476				
50-60	1.8000	.83666				

Table 5-17 ANOVA. Tenure and talent management practices

		Sum of Squares	df	Mean Square	F	Sig.
B18 Promotions are carried out fairly in the	Between Groups	19.575	4	4.894	4.695	.001
company	Within Groups	152.173	146	1.042		
	Total	171.748	150			

Table 5-18 Post hoc Scheffe's test: Tenure and talent management practices

Fair promotions					
A6	Mean	Std. Deviation			
0-3 Years	2.9412	.90359			
4-7 Years	2.4783	1.20626			
8-11 Years	2.1000	.56765			
12-15 Years	2.3333	1.22474			
> 15 Years	2.0286	.95442			

ANOVA results (Tables 5.15 and 5.16) revealed a significant difference in the perceptions of respondents by age and tenure regarding the manner in which promotions are carried out in the company. The post hoc Scheffe's test reveal that employees who are less than the age of 20 years (Table 5.17) and employees who have been with the company for a period of 0 to 3 years (Table 5.18) believe there is no fairness in promotions in the company. Research literature has shown that the younger generation of workers are only loyal to their careers and if they feel frustrated they are more likely to change employers. The results indicate that the younger generation of employees and those who have recently joined the company have a negative perception regarding career and growth opportunities in the company.



Figure 5-14 Link between training and organizations goals

As shown in Figure 5.14, most employees reported that there is a link between the training they receive and the organization's goals: 51% agreed, 28% were unsure and 21% disagreed. Table

5.19 below indicates that there is a significant difference in respondents' perception of the link between the training they receive and the organization's goals based on tenure. According to the post hoc Scheffe's results in Table 5.20 below, employees who have been with the company between 0-3 years had strong opinions about the link between the training they received and the goals of the company. When employees perceive that they are valued and feel part of the future of the company, they are become better engaged and committed to the company. Linking employee training and the goals of the organization is one way of assuring employees that they are important in the success of the company. Most often as the results also imply, organizations tend to focus their training efforts on new employees and provide refresher training in later years of the employee's career.

Table 5-19 ANOVA. Tenure and Talent management practices

		Sum of Squares	df	Mean Square	F	Sig.
B6 There is a link between the training I receive and	Between Groups	10.948	4	2.737	3.005	.020
the goals of the company.	Within Groups	133.868	147	.911		
	Total	144.816	151			

Table 5-20 Post hoc Scheffe's test: Tenure and talent management

Link between training and organizational goals						
Length of Service	Mean	Std. Deviation				
0-3 Years	3.6275	.97900				
4-7 Years	3.4130	.90863				
8-11 Years	2.8000	.91894				
12-15 Years	3.4444	1.13039				
> 15 Years	3.0278	.94070				

## 5.5.2 Employee engagement and employee value proposition

The following section investigated employees' perceptions of the psychological contract and their perception of the importance and level of satisfaction with the fulfilment of the employee value proposition factors. The graphical presentation of EVP factors depicts the level of importance on the left and the perceived fulfilment on the right.

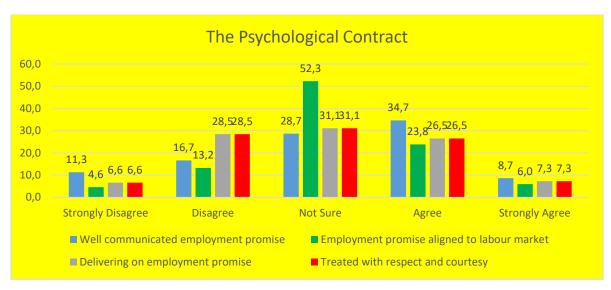


Figure 5-15 The Psychological Contract

As shown in Figure 5.15, 43.4% of respondents believe that the company does a good job in communicating employment promises, whilst 28.7% were uncertain and 28% disagreed. More than half of the respondents (52.3%) reported uncertainty regarding the alignment of employment promises with labour market, with 29.3% agreeing and 17.8% disagreeing with the statement. On whether the company delivers on the employment promise, the largest proportion of respondents (35.1%) believe the company does deliver, while 33.8% feel it does not deliver on its employment promises. Regarding employee treatment by their managers, most respondents, although with a marginal difference, felt their managers do not treat them with respect and courtesy with 35.1% disagreeing, 33.8% agreeing and 31.1% being neutral. Based on the results, the implication is that employees are not happy with fulfilment of the psychological contract by the company. Perceptions of unfulfilled promises are likely to lead to disengaged staff and higher possibility of attrition by employees. To determine differences in employees' perception of the psychological contract and where exactly they lay, ANOVA and the post hoc Scheffe's test were computed.

Table 5-21 ANOVA. Age and employee engagement

		Sum of Squares		Mean Square	F	Sig.
C1. The Company does a good job in	Between Groups	21.588	4	5.397	4.523	.002
communicating employment promises	Within Groups	173.006	145	1.193		
	Total	194.593	149			

Table 5-22 ANOVA: Tenure and Employee Engagement

		Sum of Squares	df	Mean Square	F	Sig.
C1. The Company does a good job in	Between Groups	17.362	4	4.341	3.551	.009
communicating employment promises	Within Groups	177.231	145	1.222		
	Total	194.593	149			

Table 5-23 Post hoc Scheffe's test: Age and employee engagement

Communication of employment promises						
Age Group	Mean	Std. Deviation				
<20	3.3333	1.15470				
21-30	3.3519	1.04894				
31-40	3.1091	1.13321				
41-50	3.0606	1.14399				
50-60	1.2000	.44721				

Table 5-24 Post hoc Scheffe's test: Tenure and employee engagement

Communication of employment promises			
Tenure	Mean	Std. Deviation	
0-3 Years	3.4038	.93431	
4-7 Years	3.2391	1.19601	
8-11 Years	3.3000	1.05935	
12-15 Years	3.0000	1.22474	
> 15 Years	2.5152	1.20211	

ANOVA results (Tables 5.21 and 5.22) revealed statistical differences in respondents perceptions by age and tenure on the sub-dimension of communicating the employment promise by the organization. Results of the post hoc Scheffe's test indicated that employees between the ages of 21 and 30 years (Table 5.23) and those who have been in employment for a period between 0 and 3 years (Table 5.24) had strong opinions about the communication of employment promises. No significant differences were discovered on the other items. The implication of the results is that the company does well in attracting new employees to join the company, however employees are not happy with the reality of the communicated possibilities.

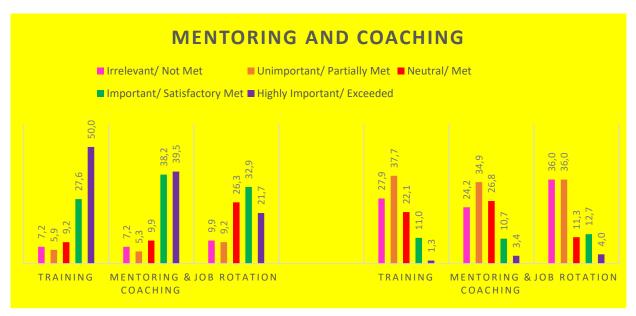


Figure 5-16 Mentoring and coaching

The category training and development (Figure 5.19) included employees' perceptions of: training, mentoring and coaching, and job rotation. Regarding the perceived importance of training, 50% and 27.6% rated training as highly important and important respectively. However, regarding the perceived expectation, most respondents (37.7%) reported that their expectations were partially met and 27.9% felt they were not met. Only 12.3% were satisfied with training, while 22.1% were neutral. In relation to mentoring and coaching, employees rated this as highly important and important at 39.5% and 38.2% respectively; only 14.1% of respondents were satisfied with the mentoring and coaching, with most (34.9%) saying their expectations of coaching and mentoring were partially met. Regarding job rotation practices, 54.6% of respondents rated job rotation as important, while 16.7% reported satisfaction with the fulfilment of their expectations regarding job rotation; 36% in each case felt their expectations were not met or partially met.

Table 5-25 ANOVA. Age and training & development (factor expectation)

		Sum of Squares	df	Mean Square	F	Sig.
FE1 Training	Between Groups	11.037	4	2.759	2.821	.027
	Within Groups	145.723	149	.978		
	Total	156.760	153			

Table 5-26 Post hoc Scheffe's test: Age and training & development (factor expectation)

Training and development				
Age Group	Mean	Std. Deviation		
<20	4.0000	.00000		

21-30	2.2222	1.02178
31-40	2.1964	.96143
41-50	2.0833	.96732
50-60	1.8000	1.30384

ANOVA results in Table 5.25 indicate significant difference in respondents' perception of training expectations based on age. Employees younger than 20 years felt their training expectations were not met (Table 5.26). Younger employees in organizations have the desire to be trained and developed in readiness for greater responsibilities and opportunities. If these employees feel their development is neglected by the organization, they are more likely to disengage. Moreover, training and development is critical in talent management and organizational growth.

Table 5-27 ANOVA: Tenure and job rotation (factor expectation)

		Sum of Squares	df	Mean Square	F	Sig.
FE6 Job rotation	Between Groups	12.889	4	3.222	2.516	.044
	Within Groups	185.704	145	1.281		
	Total	198.593	149			

Table 5-28 Post hoc Scheffe's test: Tenure and job rotation (factor expectation)

Job rotation				
Tenure	Mean	Std. Deviation		
0-3 Years	2.5000	1.39326		
4-7 Years	1.8889	1.02740		
8-11 Years	1.6000	.51640		
12-15 Years	2.1111	1.05409		
> 15 Years	2.0294	.93696		

ANOVA output (Table 5.27) revealed a significant difference in respondents' perceptions by tenure in relation to their expectation of job rotation. Employees who have been with the company between 0 and 3 years had strong opinions on fulfilment of their expectation on job rotation practices (Table 5.28). Job rotation is an important developmental initiative which increases employee versatility. The implication of the results is that new staff members have the desire to acquaint themselves with other aspects or areas within the organization however these opportunities are not presented to their satisfaction.

Table 5-29 ANOVA. Age and mentoring and coaching (factor importance)

		Sum of Squares	df	Mean Square	F	Sig.
FI10 Mentoring & Coaching	Between Groups	14.435	4	3.609	2.771	.029

Within Groups	191.460	147	1.302	
Total	205.895	151		

Table 5-30 Post hoc Scheffe's test: Age and mentoring and coaching (factor importance)

Mentoring and coaching				
Age Group	Mean	Std. Deviation		
<20	4.6667	.57735		
21-30	4.0370	1.18103		
31-40	4.2182	.93672		
41-50	3.5429	1.35783		
50-60	3.2000	1.30384		

ANOVA results (Table 5.29) revealed a significant relationship in employees' perceptions by age on the importance of coaching and mentoring. The post hoc Scheffe's test (Table 5.30) indicates that employees younger than 20 years have strong opinions about mentoring and coaching in the company. The results clearly indicate that younger employees value the guidance of mentors and coaches. Mentoring and coaching enables young and inexperienced employees to learn and adapt quickly to the processes of the organization.

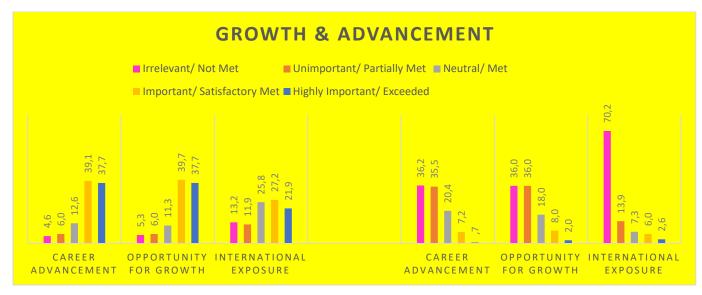


Figure 5-17 Growth and advancement

For growth and career advancement, three items were chosen. As shown in Figure 5.17, 76.8% of respondents felt career advancement is important, 14.2% were well satisfied with their career advancement and 20.4% believed they are ordinarily met; 35.5% felt they were partially met and 36.2% believe they are not met. Regarding opportunity for growth, 77.4% rated it important, 10% were satisfied and 18% felt they are ordinarily met, while 36% felt they were

partially met. 36% felt they are not met at all. On the last item, international exposure, 49.1% rated it important 13.2% felt it was irrelevant, 11.9% felt it was not important, 70.2% felt it was not met and 8.6% felt it was satisfactory met. Growth and advancement has been cited in research as one of the main attraction and retention factors for employees (Weng and McElroy, 2012). Employees today are loyal to their careers and those organizations which provide them with opportunities to grow and progress in their careers stand a better chance at retaining and keeping their talent engaged.

Table 5-31 ANOVA: Qualification and career advancement & opportunity for growth (factor importance)

		Sum of Squares	df	Mean Square	F	Sig.
FI2 Career Advancement	Between Groups	12.865	4	3.216	2.896	.024
	Within Groups	162.129	146	1.110		
	Total	174.993	150			
FI3 Opportunity for Growth	Between Groups	30.167	4	7.542	7.253	.000
	Within Groups	151.807	146	1.040		
	Total	181.974	150			

Table 5-32 Post hoc Scheffe's test: Qualification and opportunity for growth (factor importance)

Opportunity for growth					
Qualification	Mean	Std. Deviation			
Matric (High School)	3.0000	1.34840			
Diploma	4.0943	.99070			
Bachelor's Degree	4.5000	.73030			
Honours degree	4.2500	.50000			
Master's Degree	5.0000	.00000			

Table 5-33 Post hoc Scheffe's test: Qualification and career advancement (factor importance)

Career advancement					
Qualification	Mean	Std. Deviation			
Matric (High School)	3.3636	1.59001			
Diploma	4.0374	.96079			
Bachelor's Degree	4.4375	.81394			
Honours degree	4.2500	.50000			
Master's Degree	4.5000	.70711			

ANOVA results in Table 5.31 reveal that there is a significant difference in the perceptions of employees by qualifications on the importance of career advancement and opportunity for growth. The post hoc Scheffe's test (Tables 5.32 and 5.33) indicates that employees who hold a Bachelor's degree or a Master's degree attached greater importance to both items respectively, than other employees. The results imply that employees value personal growth, and the more educated they are, the greater significance they place on growth.

Table 0-34 ANOVA: Age and opportunity for growth (factor expectation)

		Sum of Squares	df	Mean Square	F	Sig.
FE3 Opportunity for growth	Between Groups	22.386	4	5.596	6.084	.000
	Within Groups	133.374	145	.920		
	Total	155.760	149			

Table 5-35 Post hoc Scheffe's test: Age and opportunity for growth (factor expectation)

Opportunity for growth					
Age Group	Mean	Std. Deviation			
<20	4.6667	.57735			
21-30	2.0755	1.03495			
31-40	1.9636	.90192			
41-50	1.9412	.88561			
50-60	1.6000	1.34164			

Table 5.34 also indicates significant difference in respondents' perceptions on the fulfilment of growth opportunities based on their age. The post hoc Scheffe's test (Table 5.35) shows that employees younger than 20 years had strong opinions regarding the fulfilment of their expectations of opportunities for growth. The results imply that the younger generation of workers desire more growth and advancement than do older workers. With the current shifts in demographics in the labour market, organizations should brace themselves for demands of the new and young entrants in the workplace.

Table 5-36 ANOVA: Nature of job and international exposure (factor importance)

		Sum of Squares	-	Mean Square	F	Sig.
FI4 International Exposure	Between Groups	12.459	1	12.459	7.957	.005
	Within Groups	223.913	143	1.566		
	Total	236.372	144			

Table 5-37 ANOVA. Age and international exposure (factor importance)

		Sum of Squares	df	Mean Square	F	Sig.
FI4 International Exposure	Between Groups	17.048	4	4.262	2.614	.038
	Within Groups	238.051	146	1.630		
	Total	255.099	150			

Table 5-38 Post hoc Scheffe's test: Nature of job & international exposure (factor importance)

International exposure				
Nature of the job	Mean	Std. Deviation		
Administrative	3.0000	1.25576		

Technical	3.6087	1.24879

Table 5-39 Post hoc Scheffe's test: Age and International exposure (factor importance)

International exposure				
Age Group	Mean	Std. Deviation		
Age Group <20	5.0000	.00000		
21-30	4.2407	.97003		
31-40	4.1636	1.03214		
41-50	4.1143	.99325		
50-60	4.0000	1.22474		

Table 5.36 and Table 5.37 indicate significant differences in respondents' perceptions of the importance of international exposure by nature of job and by age respectively. Results of the post hoc Scheffe's tests show that employees in technical jobs had strong opinions regarding the importance of international exposure (Table 5.38), whilst it was mostly employees younger than 20 years who had strong opinions regarding the importance international exposure (Table 5.39). International exposure not only equips employees with the technical skills needed in their immediate jobs but it also enables them to function in diverse and multi-cultural environments. Literature indicates that organizations today value agility and adaptability of employees and younger generation of workers desire exposure and experience. It is therefore not surprising that these group of employees place great importance to the factor.

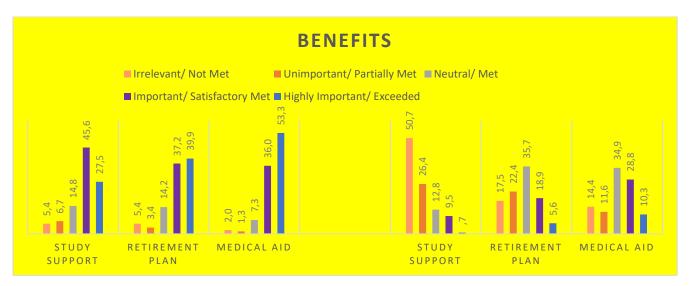


Figure 5-18 Benefits

Three items were selected under the category of benefits: study support, retirement plan and medical aid (Figure 5.18). Regarding study support, 73.1% rated it important, while 5.4% felt it was irrelevant to them and 6.7% said it was unimportant; 50.7% reported that their

expectations of study support are not met, while 10.2% were satisfied with the support. 26.4% and 12.8% felt it was partially met and ordinarily met respectively. Regarding retirement plan, 77.1% rated it as important and 5.4% and 3.4% felt it was irrelevant and unimportant respectively; 35.7% felt their expectations on retirement plan are met and 24.5% reported satisfaction with the plan; 22% and 17.5% felt it is partially met and irrelevant respectively. On the last item, medical aid, 89.3% of respondents said it is important and about 40% reported satisfaction with it; 34.9% said it was ordinarily met, while 14.4% said it as irrelevant and 11.6% felt it was partially met. No significant difference were discovered in relation to the perceptions of retirement plan.

Table 5-40 ANOVA: Qualification and study support (factor importance)

Su		Sum of	df	Mean	F	Sig.
		Squares		Square		
FI5 Study Support	Between Groups	13.120	4	3.280	2.995	.021
	Within Groups	157.686	144	1.095		
	Total	170.805	148			

Table 5-41 Post hoc Scheffe's test: Qualification and study support (factor importance)

Study support					
Qualification	Mean	Std. Deviation			
Matric (High School)	3.1364	1.28343			
Diploma	3.9429	1.00794			
Bachelor's Degree	3.9375	1.06262			
Honours Degree	4.0000	.00000			
Master's Degree	4.5000	.70711			

Table 5.40 reveals a significant difference in respondents perceptions of the importance of study support based on their education. The post hoc Scheffe's test (Table 5.41) revealed that employees who have a Masters or Honours degrees had strong opinions regarding study support. Similar to the results on growth and advancement, the more educated the employees, the more opportunities for personal growth they desire.

Table 5-42 ANOVA: Qualification and Medical Aid (factor importance)

		Sum of Squares	-	Mean Square	F	Sig.
FI23 Medical Aid	Between Groups	9.756	4	2.439	3.710	.007
	Within Groups	95.337	145	.657		
	Total	105.093	149			

Table 5-43 Post hoc Scheffe's test: Qualification and medical aid (factor importance)

Medical aid

Qualification	Mean	Std. Deviation
Matric (High School)	3.8696	1.35862
Diploma	4.5143	.69496
Bachelor's Degree	4.1250	.50000
Honours degree	4.2500	.50000
Master's Degree	5.0000	.00000

ANOVA results in Table 5.42 reveal a significant difference in employees perceptions on the importance of medical aid based on their qualifications. The post hoc Scheffe's test results in Table 5.43 indicate that employees who have a Master's degree had strong opinions regarding medical aid.



Figure 5-19 Motivation

For the category relating to motivational issues, two items were selected: challenging work and recognition. As shown in Figure 5.19, close to 60% of respondents rated challenging work important, while 25.9% were neutral and 6.1% and 8.2% felt it was irrelevant and not important respectively; 21.5% and 22.9% said their expectations were not met and partially met, while 38.2% felt they were ordinarily met and 17.4% were satisfied with it. Regarding recognition, 70% of respondents rated it important, while 16.1% were neutral about it. Most respondents (34%) felt their expectations on recognition were partially met, while 24.8% said they were ordinarily met and 23.4% said they were not met at all. Only 17.4% were satisfied with it. No significant differences were discovered in relation to recognition.

Table 5-44 ANOVA: Age and challenging work (Factor Expectation)

		Sum of Squares	df	Mean Square	F	Sig.
FE7 Challenging Work	Between Groups	14.993	4	3.748	3.413	.011
	Within Groups	152.666	139	1.098		

Table 5-45 ANOVA: Tenure and challenging work (factor expectation)

		Sum of Squares		Mean Square	F	Sig.
FE7 Challenging work	Between Groups	13.704	4	3.426	3.093	.018
	Within Groups	153.956	139	1.108		
	Total	167.660	143			

Table 5-46 Post hoc Scheffe's test: Age and challenging work (factor expectation)

Challenging work				
Age Group	Mean	Std. Deviation		
<20	4.6667	.57735		
21-30	2.5294	.98697		
31-40	2.4364	1.03214		
41-50	2.6333	1.15917		
50-60	2.2000	1.30384		

Table 5-47 Post hoc Scheffe's test: Tenure and challenging work (factor expectation)

Challenging work			
Tenure	Mean	Std. Deviation	
0-3 Years	2.9020	1.02479	
4-7 Years	2.2093	.98942	
8-11 Years	2.8889	1.36423	
12-15 Years	2.5556	1.01379	
> 15 Years	2.3438	1.09572	

ANOVA results (Tables 5.44 and 5.45) revealed significant differences in the perceptions of respondents on the expectations of challenging work by age and tenure respectively. The post hoc Scheffe's test results in Table 5.47 indicate that employees younger than twenty years had stronger opinions than other age groups on the fulfilment of their expectations of challenging work (Table 5.46), whilst those who have been with the company between 0-3 years held stronger opinions on the fulfilment of expectations of challenging work (Table 5.47). The main finding of the results is that young and new employees desire challenges. Challenging work has been cited as a great motivator and retention factor for employees. It is therefore important that employers provide employees with challenging and stimulating work that challenges their expertise to ensure that they are motivated and engaged.

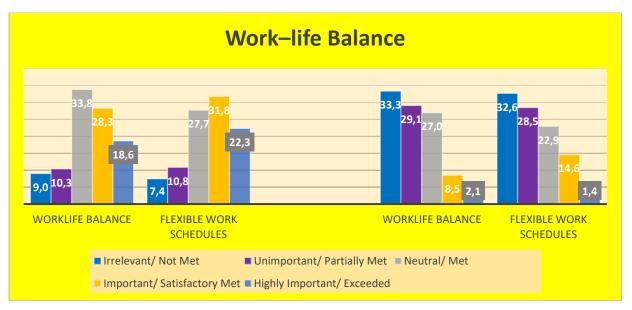


Figure 5-20 Work-life balance

Figure 5.20 shows the items selected for work-life balance. A substantial proportion of respondents rated work-life balance as important or highly important (28.3% and 18.6%), while 33.8% were neutral about it, 9% said it was irrelevant, and 10.3% felt it was unimportant to them. One third (33.3%) of respondents reported that their expectations of work-life balance were not met, while 29.1% said they were partially met and 27% felt they were ordinarily met. Only 10.6% reported satisfaction regarding work-life balance. Regarding flexible work schedules, 54% of respondents rated the item important, while 27.7% were neutral. 7.4% and 10.8% respectively felt it was irrelevant or unimportant. Almost a third (32%) of respondents felt their expectations of flexible work schedules were not met, while 28% said they are partially met; 16% were satisfied with the work schedules.

Table 5-48 ANOVA. Tenure and work-life balance (factor Expectations)

		Sum of Squares	df	Mean Square	F	Sig.
FE8 Work life Balance	Between Groups	17.459	4	4.365	4.287	.003
	Within Groups	138.456	136	1.018		
	Total	155.915	140			

Table 5-49 Post hoc Scheffe's test: Tenure and Work-life balance (factor expectation)

Work-life balance			
Tenure	Mean	Std. Deviation	
0-3 Years	2.4468	1.09958	
4-7 Years	1.8182	.92190	
8-11 Years	1.7000	.67495	
12-15 Years	3.0000	1.41421	
> 15 Years	2.1613	.93441	

ANOVA results (Table 5.48) revealed significant differences in employees' perceptions on fulfilment of their expectation of work-life balance based on tenure. The post hoc Scheffe's test (Table 5.49) shows that employees who have been with the company between 12 and 15 years had strong opinions regarding the fulfilment of work-life balance expectations.

Table 5-50 ANOVA. Qualification and flexible work schedules (factor expectation)

		Sum of Squares	-	Mean Square	F	Sig.
FE20 Flexible work schedule	Between Groups	13.699	4	3.425	2.970	.022
	Within Groups	160.274	139	1.153		
	Total	173.972	143			

Table 5-51 ANOVA. Tenure and flexible work schedules (factor Expectations)

		Sum of Squares	df	Mean Square	F	Sig.
FE20 Flexible work schedules	Between Groups	16.546	4	4.137	3.652	.007
	Within Groups	157.426	139	1.133		
	Total	173.972	143			

Table 5-52 Post hoc Scheffe's test: Qualification and flexible work schedules (factor expectation)

Flexible work schedules				
Qualification	Mean	Std. Deviation		
Matric (High School)	2.4500	1.23438		
Diploma	2.3235	1.02602		
Bachelor's Degree	1.5000	1.03280		
Honours degree	1.5000	.57735		
Master's Degree	3.0000	2.82843		

Table 5-53 Post hoc Scheffe's test: Tenure and flexible work schedules (factor expectation)

Flexible work schedule				
Tenure	Mean	Std. Deviation		
0-3 Years	2.6275	1.23225		
4-7 Years	1.8140	.98212		
8-11 Years	1.8750	.64087		
12-15 Years	2.2500	1.03510		
> 15 Years	2.2647	.96323		

ANOVA results (Tables 5.50 and 5.51) reveal significant differences in perceptions of respondents by qualification and tenure respectively on their expectations of flexible work schedules. Results of the post hoc Scheffe's test in Table 5.52 indicate that employees who have a Master's degree had strong opinions regarding the expectations of flexible work schedules compared with other employees, whilst it was employees who have been with the company between 0 and 3 years who had strong opinions regarding expectations on flexible work schedule (Table 5.53).

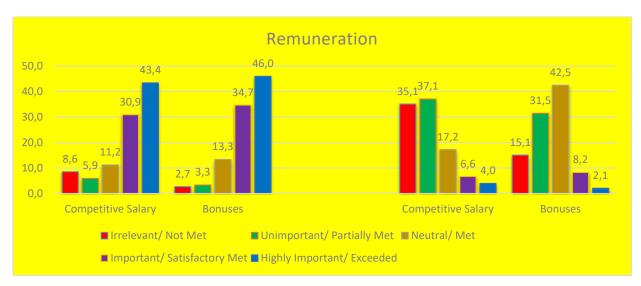


Figure 5-21 Remuneration

Regarding remuneration, two items were selected: competitive salary and bonuses. Figure 5.21 shows that 74.3% of respondents rated salary as important, 11.2% were neutral about it, 8.6% felt it was irrelevant, and 5.9% said it was unimportant. Regarding their expectation of salary, 37.1% said it was partially met and 35.1% said it was not met at all. Only 4% said their expectations were exceeded, while 6.6% said they were satisfactorily met. Regarding bonuses, 80.7% rated bonuses important and only 2.7% and 3.3% felt they were irrelevant or unimportant. On the perceived expectation on bonuses, 42.5% were neutral about it and 31.5% said it was partially met; 10.3% were satisfied and 15.1% felt it they were not met at all.

Table 5-54 ANOVA. Qualification and competitive salary (factor importance)

		Sum of Squares	-	Mean Square	F	Sig.
FI12 Competitive Salary	Between Groups	15.043	4	3.761	2.507	.045
	Within Groups	220.536	147	1.500		
	Total	235.579	151			

Table 5-55 ANOVA. Qualification and competitive salary (factor expectation)

		Sum of Squares		Mean Square	F	Sig.
FE12 Competitive salary	Between Groups	11.465	4	2.866	2.603	.038
	Within Groups	160.734	146	1.101		
	Total	172.199	150			

Table 5-56 Post hoc Scheffe's test: Qualification and competitive salary (factor importance

Competitive salary			
Qualification	Mean	Std. Deviation	
Matric (High School)	3.2609	1.38883	
Diploma	4.0561	1.21183	
Bachelor's Degree	4.3125	.94648	
Honours degree	3.5000	1.73205	
Master's Degree	4.0000	.00000	

Table 5-57 Post hoc Scheffe's test: Qualification and competitive salary (factor expectation)

Competitive salary						
Qualification	Mean	Std. Deviation				
Matric (High School)	2.0909	1.15095				
Diploma	1.9720	1.02293				
Bachelor's Degree	2.7500	.93095				
Honours degree	1.5000	.57735				
Master's Degree	3.0000	2.82843				

ANOVA results in Tables 5.54 and 5.55 reveal significant differences in respondents' perceptions regarding the importance and expectations of competitive salary based on their qualifications. The post hoc Scheffe's test indicates that employees who have a Bachelor's degree had strong opinions regarding the importance of salary (Table 5.56), while those who have a Master's degree had strong opinions regarding expectations of competitive salary (Table 5.57).

Table 5-58 ANOVA. Age and bonuses (factor expectation)

		Sum of Squares	df	Mean Square	F	Sig.
FE9 Bonuses	Between Groups	8.684	4	2.171	2.690	.034
	Within Groups	113.809	141	.807		
	Total	122.493	145			

Table 5-59 ANOVA. Qualification and bonuses (factor importance)

		Sum of		Mean	F	Sig.
		Squares		Square		
FI9 Bonuses	Between Groups	10.672	4	2.668	2.988	.021
	Within Groups	129.468	145	.893		
	Total	140.140	149			

Table 5-60 Post hoc Scheffe's test: Age and Bonuses (factor expectation)

Bonuses				
Age Group	Mean	Std. Deviation		
<20	1.0000	.00000		
21-30	3.0192	4.34534		
31-40	2.6182	.99053		
41-50	2.5000	.67202		
50-60	3.0000	.00000		

Table 0-61 Post hoc Scheffe's test: Qualification and bonuses (factor importance)

Bonuses						
Qualification	Mean	Std. Deviation				
Matric (High School)	3.5652	1.40861				
Diploma	4.3143	.86951				
Bachelor's Degree	4.1875	.65511				
Honours degree	4.2500	.50000				
Master's Degree	4.0000	.00000				

ANOVA outputs also revealed significant differences in employees' perceptions on the fulfilment of their expectations of bonus pay based on age (Table 5.58) and on the importance they attach to bonuses based on their qualifications (Table 5.59). Results of the post hoc Scheffe's test indicate that employees between 21 and 30 years had strong opinions regarding expectations on bonuses (Table 5.60), while employees who have a Diploma had strong opinions regarding the importance of bonuses (Table 5.61).

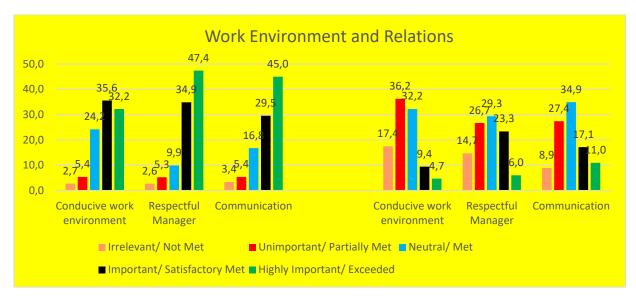


Figure 5-22 Work environment and relations

Regarding work environment and relations, three items were selected: conducive work environment, respectful manager, and communication (Figure 5.22). A 68% majority of subjects rated work environment as important and 24.2% were neutral about it; 36.2 % and 32.2% said their expectations of a conducive work environment were partially met and ordinarily met respectively, 14% were satisfied, and 17.4% felt they were not satisfied at all about the work environment. For the second item, respectful manager, more than 80% rated the item important and only 2.6% and 5.3% felt it was irrelevant or unimportant respectively. Regarding their expectations, 14.7% felt they were not respected by managers, while 29.3% were satisfied with their relationship with their managers. On communication. 74.5% regarded communication as important, 3.4% and 5.4 felt it was irrelevant or unimportant, and 16.8% were neutral. On expectations about communication, 34.9% said they were ordinarily met, 28.1% said they were satisfied with communication in the company, and 27.4% and 8.8% said it was partially met or not met at all.

Table 5-62 ANOVA. Qualification and conducive work environment (factor importance)

		Sum of Squares		Mean Square	F	Sig.
FI11 Conducive Work Environment	_	9.901		- 1	2.539	.042
	Within Groups	140.381	144	.975		
	Total	150.282	148			

Table 5-63 Post hoc Scheffe's test: Qualification and conducive work environment (factor importance)

Conducive work environment					
Qualification	Mean	Std. Deviation			
Matric (High School)	3.3478	1.40158			
Diploma	4.0288	.90797			
Bachelor's Degree	3.7500	.85635			
Honours degree	3.7500	.50000			
Master's Degree	4.5000	.70711			

In the ANOVA results in Table 5.62 there is a significant difference in employees' perceptions of the importance of the work environment based on their qualification. The post hoc Scheffe's test (Table 5.63) indicates that employees who have a Master's degree had strong opinions regarding the importance of a conducive work environment than other categories.

Table 5-64 ANOVA. Tenure and communication (factor importance)

		Sum of Squares	-	Mean Square	F	Sig.
FI32 Communication	Between Groups	10.935	4	2.734	2.503	.045
	Within Groups	157.253	144	1.092		
	Total	168.188	148			

Table 5-65 ANOVA. Tenure and communication (factor Expectations)

		Sum of Squares		Mean Square	F	Sig.
FE32 Communication	Between Groups	12.348	4	3.087	2.533	.043
	Within Groups	171.823	141	1.219		
	Total	184.171	145			

Table 5-66 Post hoc Scheffe's test: Tenure and communication (factor importance)

Communication			
Tenure	Mean	Std. Deviation	
0-3 Years	4.3922	.96080	
4-7 Years	3.9783	1.02174	
8-11 Years	3.6667	1.50000	
12-15 Years	4.3333	.70711	
> 15 Years	3.7647	1.12973	

Table 5-67 Post hoc Scheffe's test: Tenure and communication (factor expectation)

Communication					
Tenure	Mean	Std. Deviation			
0-3 Years	3.2308	1.18181			
4-7 Years	2.8140	1.09666			
8-11 Years	3.4444	3.24465			
12-15 Years	3.2222	.83333			
> 15 Years	2.6970	1.13150			

ANOVA results also indicated significant differences in employees' perceptions of the importance and the fulfilment of their expectations of communication based on their tenure (Table 5.64 and Table 5.65). In the post hoc Scheffe's test, employees who have been with the company between 0 and 3 years had stronger opinions regarding the importance of communication than other age categories (Table 5.66), whilst those who have been with the company between 8 and 11 years had strong opinions on the fulfilment of communication expectations (Table 5.67).

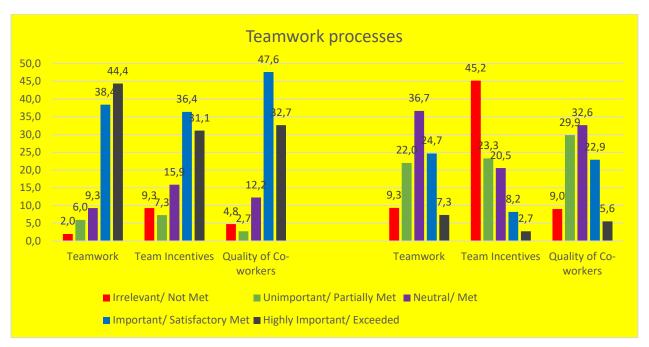


Figure 5-23 Teamwork

Teamwork, team incentives and quality of co-workers were selected to investigate employees' perceptions on teamwork. Figure 5.23 shows that 83% of respondents regard teamwork as important, while 2% and 6% consider it to be irrelevant or unimportant; 32% reported satisfaction with teamwork while 36.7% and 22% said it was ordinarily met or partially met respectively. Regarding expectations, 9.6% said their expectations on team work were not met at all. On team incentives, 66% of respondents attach high importance to team incentives, whilst 15.9% were neutral, 7.3% said it was unimportant, and 9.3% of respondents said it was irrelevant. In terms of expectations, 45.2% of respondents said their expectations on team incentives were not met at all, 10.9% were satisfied with their expectations, and respectively 23.3% and 20.5% of respondents said their expectations were partially met or ordinarily met. Regarding quality of co-workers, 80.3% of respondents attach high importance to the quality of co-workers, whilst only 2.7% and 4.8% respectively feel it is unimportant or irrelevant.

Regarding fulfilment of their expectations on the quality of co-workers, 28.5% were satisfied and 9% were not satisfied; 29.9% and 32.6% respectively felt they were partially met or ordinarily met.

Table 5-68 ANOVA. Age and Team incentives & quality of co-workers (factor importance)

		Sum of Squares	df	Mean Square	F	Sig.
FI17 Team Incentives	Between Groups	16.950	4	4.238	2.906	.024
	Within Groups	212.917	146	1.458		
	Total	229.868	150			
FI26 Quality Of Co-	Between Groups	9.669	4	2.417	2.537	.043
Workers	Within Groups	135.324	142	.953		
	Total	144.993	146			

Table 5-69 Post hoc Scheffe's test: Age and team incentives (factor importance)

Team Incentives					
Age Group	Mean	Std. Deviation			
<20	5.0000	.00000			
21-30	3.8491	1.09888			
31-40	3.8182	1.24857			
41-50	3.4857	1.29186			
50-60	2.4000	1.51658			

Table 5-70 Post hoc Scheffe's test: Age and quality of co-workers (factors Importance)

Quality of Co-workers					
Age Group	Mean	Std. Deviation			
<20	4.0000	.00000			
21-30	4.1698	1.03284			
31-40	4.0556	.95989			
41-50	3.8437	.88388			
50-60	2.8000	1.30384			

ANOVA results (Table 5.68) revealed significant differences in respondents perceptions on the importance of team incentives and quality of co-workers based on age differences. Results of the post hoc Scheffe's test show that employees who are younger than 20 had strong opinions regarding the importance of team incentives (Table 5.69), whilst those between the ages of 21 and 30 years had strong opinions regarding the importance of quality of co-workers (Table 5.70).

Table 5-71 ANOVA. Age and team incentives (factor expectations)

		Sum of Squares	df	Mean Square	F	Sig.
FE17 Team incentives	Between Groups	13.948	4	3.487	2.961	.022
	Within Groups	166.052	141	1.178		
	Total	180.000	145			

Table 5-72 ANOVA. Tenure and team incentives (factor expectations)

		Sum of Squares	df	Mean Square	F	Sig.
FE17Team incentives	Between Groups	25.191	4	6.298	5.736	.000
	Within Groups	154.809	141	1.098		
	Total	180.000	145			

Table 5-73 Post hoc Scheffe's test: Age and team incentive (factor expectations)

Team Incentives					
Age Group	Mean	Std. Deviation			
<20	2.3333	2.30940			
21-30	2.3725	1.16552			
31-40	1.9091	1.07622			
41-50	1.5938	.83702			
50-60	1.6000	.89443			

Table 5-74 Post hoc Scheffe's test: Tenure and team incentives (factor expectations)

Team incentives					
Tenure	Mean	Std. Deviation			
0-3 Years	2.4800	1.28158			
4-7 Years	1.9091	.98402			
8-11 Years	1.4444	.72648			
12-15 Years	2.3333	1.22474			
> 15 Years	1.4706	.70648			

Table 5.71 and Table 5.72 indicate significant difference in employees' expectations of team incentives based on age and tenure respectively. The post hoc Scheffe's test result (Table 5.73) shows that employees between the ages of 21 and 30 had strong opinions regarding fulfilment of expectations on team incentives, while employees who have been with the company for less than three years had strong opinions regarding fulfilment of expectations on team incentives (Table 5.74).

# 5.6 Qualitative Data Analysis

Data was also collected using interviews with four Executive Committee members. The aim in conducting interviews was to get an understanding of the perspective of the company's leadership regarding the variables of interest in the study. An interview schedule was prepared

incorporating the role of HR, HR transformation and talent management and the value add of HR.

The following themes emerged during the analysis of interview data:

## Theme 1: Changes and challenges in the role of HR

Changing business conditions have put a lot of pressure on business operations, and HR departments have also had to evolve to remain relevant to current business requirements. What emerged from the interviews is that participants acknowledge the changes in the role of HR and state that their HR department has made efforts to move along with the change wave. Three illustrative excerpts from the interview responses are given below.

"The role of HR has become that of a consultant agent as opposed to an operational agent".

"Well I think HR in itself as a profession has changed and I think that it helps that we have a very young and dynamic team.... We collaborate with business, we make decisions with business, we advise on best practice and we are more out there".

"The role of HR has drastically changed even though there is still room for improvement. HR use to be a stand-alone department, now we have human resource business partners".

Interviewees highlighted that the role of HR has evolved from that of an administrative department to a strategic function. The introduction of the business partner model has seen HR collaborate with, and become closer to, business and being involved in strategic planning. One respondent added, "HR is now closer to business and adds more value than the previous standalone department which found it difficult to integrate to the operations of the company". The HR department has partners in the various divisions of the company, which provide consultancy services to the divisions. The introduction of the model, according to respondents, was a strategic move intended to strengthen the department's strategic intent and ensure that HR remains relevant and adds value to business. Accordingly, Mitsakis (2014) maintained that fostering strategic partnerships with business is crucial for the success of strategically integrated HR processes.

Respondents noted that the changes in the role also brought changes in the scope of HR responsibilities. The HR department has had to re-look at the entire employment value chain, as it is critical in attracting and retaining talent. Moreover, rather than the usual focus on training and development of employees, the HR department has introduced initiatives and

systems and reviewed certain policies aimed at transforming the company into a learning organization for the improvement of general operations. These initiatives include spearheading development programs in partnership with government and identifying talent employees to attend developmental courses.

On the challenges faced by HR, respondents mentioned that the major challenge involves understanding business operations. Respondents felt that HR has to be more in touch with business to understand issues on the ground. Ulrich and Brockbank (2005) maintain that understanding the business context within which an organization operates offers the rationale for HR transformation. Ulrich et al. (2009) adds that adds that a well-planned HR transformation must first respond to general business conditions. Other challenges included attracting and retaining talent, aligning organizational culture with internal and external changes, staff motivation, and managing succession planning. It emerged from the interviews that HR needs to ensure that they acquire the required skills to drive the business strategy and see to it that they have the initiatives to retain such skills. Respondents mentioned, however that HR first needs to have an understanding of business operations so that they know what skills are required by business. Remuneration was cited as the major issue leading to staff demotivation, disengagement and attrition. Respondents felt that the economic climate, coupled with government regulation of salaries for public enterprises, was making it difficult for the company to compete for talent in the market. Public enterprises are either fully owned by the government or government has majority control; as such these enterprises are largely reliant upon government subventions for their financial support (Mkhonta, 2015). Such dependency hinders the company's financial muscle for retaining or competing for skilled employees.

The issue of succession management also emerged from the interviews. Participants mentioned that HR needs to effectively drive succession management as it is critical in retaining future leaders, ensuring a viable talent pipeline and preserving institutional knowledge. On culture and change, what emerged were difficulties in terms of transitioning from the previous SEB system and ways of doing things, as some employees were still holding on to the old mind-set and slowing down the change process. One respondent mentioned, "The engineering industry requires organizations to be relevant to the wider external environment and the internal mechanism of the organization has to move at the same pace as the requirements of the environment". With environmental changes taking place at alarming rates in the business arena,

organizations that fails to keep abreast of such changes risk losing their competitive advantage to competitors.

# Theme 2: HR Transformation

According to Kates (2006), redefining the work of HR is intended to permit HR to focus on the value-adding aspects of their work such as TM and organizational capacity while cutting down on the cost of transactional work. She notes however that little formal consideration is given to how these new complex HR organization should be configured to best achieve these goals. With HR transformation being one of the main issues of interest, interviewees were expected to show their understanding of the concept and the impact it has on talent management. Participants certainly believe that transforming HR has a positive impact on talent management. Responses given focused on various issues ranging from improved recruitment practices to strategy alignment, performance management, engagement, and understanding the business and where it is going. One participant mentioned that, if well positioned, HR transformation should enable an organization to be continuously recruiting the correct skill set, with the future of the organization in mind to inform them what the required skill sets are. Another participant mentioned that transforming HR would enable alignment of HR strategy with that of the organization and also facilitate talent development and inculcate a highperformance culture. The statements made by participants align with the views of Silzer and Dowell (2010) that transformation should be informed by business priorities. Moreover, transformation has to begin with a clear business case and be positioned and directed at specific problems. Similar views are shared by John Hansen, Vice president, HCM product management at Oracle who states that HR must understand its role and priorities from the perspective of business goals (Peoplematters, 2016). Understanding the business direction is very important as it informs the investments in human capital that are a priority to the organization. Contributing to efficiency and productivity was also highlighted as a benefit of HR transformation. According to one respondent, a transformed HR department means better management of talent, thereby leading to increased engagement, commitment and adaptability, and an opportunity to venture into new markets.

#### Theme 3: HR value-add

In light of the economic volatility and uncertainty, many aspects of business have been reexamined for their value in creating sustainable growth. An HR function that is capable of driving and improving business results becomes a critical component in the growth and sustainability of an organization. The question of whether HR adds value to business has increased the pressure on HR to rethink their operations. Regarding the value-add of HR, key areas that were highlighted by respondents included involvement and contribution to strategy planning, ensuring a healthy and harmonious work environment, complying with legal requirements, consistency in policy application, conflict management, and being effective business enablers. One respondent mentioned that "if HR does not participate at the level of decision making and strategic planning, then HR has no business being in the business". Although respondents believe that HR is at the heart of business and is key in the sense that for business to survive their systems should be relevant, it was nonetheless notable that most responses focused on transactional activities relating to compliance rather than strategic activities. Ulrich and Brockbank (2005) suggest that rather than focusing on what they do, HR needs to concentrate on deliverables, aligning their mandate and developing integrated valueadding practices and capabilities geared toward attainment of organizational goals. Although HR transformation seeks to add value and drive business success, success for a business may have various different meanings, such as cutting costs, penetrating new market, expanding global markets or developing new products (Ulrich et al., 2009). It is therefore critical that HR and business executives agree on the value-add aspects expected from HR in order to ensure that HR efforts are geared towards enhancing business success.

## Theme 4: HR strategy and Business strategy

For HR to be effective in driving business results and add value, its strategy must align with that of the business. In relation to the link between HR strategy and business strategy, interviewees mentioned that it is important that HR remains relevant to the core business of the company and that it must be mindful of what is happening in the core operations of the business to ensure optimal support and availability of human capital. One respondent lamented, "The HR strategy is crafted in such a way that it enables the development of individuals to meet the needs of the business, not only focusing on the core business but also on the support functions of the business."

Another respondent mentioned that the "HR strategy is positioned in such a way that it efficiently services the business in its three segments of generating, transmitting and distributing energy." HR strategy also looks at educating and empowering employees; investing in human capital to provide the skills needed for organizational strategy. In line with the business strategy, HR is also actively involved in learning and growth, which deals with

human capital development, industrial relations, policies and other HR initiatives. The HR strategy integrates with the business strategy by ensuring that HR principles and policies surrounding business are uniform throughout the organization. It was also established that HR has an important role in supporting the business strategy by cascading it down to the lower levels of the organization. Seyyedjavadin and Zadeh (2009) highlights that integration or "fit" of HR strategy with business strategy has been an important part of the HR strategy debate. The authors state that after formulating the business strategy, an HR strategy is implemented to support the chosen competitive strategy. For HR to be in sync with business, they have to ensure that that their policies and initiatives are integrated with the business strategy.

#### Theme 4: Talent Management

Talent management has become a strategic imperative in organizations, and many scholars agree that for TM programs to be a success they must have the full support and buy-in of business leaders. Responses provided by interviewees reflected aspects of a holistic TM program that involves identifying and acquiring talented individuals, deploying them in the right positions, assessing their performance, addressing performance deficiencies, and ensuring that they are retained in the organization. One respondent made the point that "When you talk about TM you talk about the whole employment value chain from recruitment to ensuring that employees are retained". Another respondent mentioned that talent management is "when you identify a skill set and match those skills to a particular position, and thereafter train that particular employee if there is a gap in what he/she possesses and what is required or expected".

Contrary to management responses is that interview subjects mentioned that talent management for the company focuses on creating talent pools to ensure viable talent flow within the company. As such, the company has talent pools for the various operations, including support units where they recruit staff. It also emerged from the interviews that the company invests in growing its own talent through forming partnerships with institutions of higher education, where they sponsor students in the engineering field and take in graduates for in-service training programmes with a view to giving them permanent employment should a vacancy occur. Knowledge management was also another important aspect of TM which emerged from the interviews. One respondent mentioned that retention of experienced staff is critical in preserving institutional knowledge and facilitates knowledge sharing with new members of the organization.

## 5.7 Conclusion

This chapter presented the findings from the data collected for the study. It was noted that most respondents did not provide additional information on the open written section of the questionnaires. Quantitative responses were analysed using descriptive and inferential statistic and presented using graphs, pie charts and tables. Inferential statistics in the form of ANOVA, T-test, and Post Hocs Scheffes test were used to further manipulate data to obtain differences in the responses of research subjects. These tests provided the much-needed detail to enable the researcher to ascertain the perspectives of respondents and further make inferences in relation to the objectives of the study. Qualitative data was analysed using the NVIVO system and presented in the form of themes. Based on the literature and the main variables of the study, the researcher was able to form themes that would complement quantitative data and enhance the reliability of the findings. The next chapter presents a discussion of the results.

# **CHAPTER 6**

# **DISCUSSION OF RESULTS**

#### 6.1 Introduction

After having analysed and presented the data in the previous chapter, this chapter provides a discussion of the results based on the objectives developed for the study. The discussion of results merges both the quantitative and qualitative data and contrast the results with findings of other researchers. The main aim of the study was to explore HR transformation and its impact on talent management. The discussion will therefore also focus on the link between HR transformation and talent management. The last section of the chapter focusses on the psychological contract and employee value proposition, and the implications based on the responses of employees.

# 6.2 Relationships and impact of HR transformation on talent management

Investigation of relationships and impact among the key variables of the study was carried out through correlation and regression analysis. Based on the inferential statistical analysis, the study results found that there were statistically significant relationships between the sub-dimension of HR transformation and talent management and that these dimensions impact on talent management though at varying degrees. These are discussed below:

## 6.2.1 Involvement of HR in strategy and talent management

The findings indicated that there was a significant relationship between 'involvement of HR in business strategy' and talent management at the 5% level of significance. Khan (2014), who states that one of the ways HR can add value is to improve business decision making about human capital, supports the findings. Khan states that by providing insights about the link between talent and strategy, and by identifying key leverage points where talent makes the most contributions to strategy issues, HR can improve its strategic decision making. The South African Board for Personnel Practitioners (2016/17) states that HR professionals must also be business savvy and link talent initiatives to organizational affordability while building a business case for investing in talent in the future. They further state that HR must plan their talent forecast in line with the business strategy and talent strategy with bottom-line contribution. The strategic role of HR in organizations entails aligning human resources with

the organization's strategic goals and objectives to improve business performance and develop organizational culture that nature creativity (Bagga & Srivastava, 2014). Developing an effective HR strategy that is aligned with and supports the business strategy has however been cited as a major challenge facing HR professionals. The involvement of HR in strategic decision-making is therefore believed to ensure that human capital issues are prioritised in strategy discussions.

## 6.2.2 HR capability and talent management

The results of the study indicated that there was a significant relationship between HR capabilities and talent management at the 5% level of significance. Ulrich et al. (2011), who state that being an effective HR professional does not only entail being conversant with the HR body of knowledge but rather being able to apply that knowledge to solve business challenges supports this finding. The success of any TM program is very much dependent on the capabilities and competencies of all involved. Ulrich et al. (2011) maintain that HR professionals can respond better to business challenges and create sustainable value by upgrading their competencies. Long (2013) states that competent HR professionals have the personal credibility and knowledge and behaviours to ensure that HR practices align with and accomplishes business outcomes. Business knowledge, strategic contribution, and personal credibility are critical competencies which enable HR professionals to understand how business considerations unique to an organization can create value.

## 6.2.3 HR reporting and talent management

The research findings indicated a significant relationship between HR reporting and talent management at the 1% level of significance. The processes of talent management generate massive loads of data; as a result, to make informed decisions, HR practitioners and managers need access to HR reports and visualisation of critical talent management data. Although studies reveal that HR lacks the ability to have meaningful interactions with data, the use of HR analytics has been positively correlated with effective management of human capital and organizational improvement. IBM (2009, in Sant, 2016) found that there was a strong agreement on the significance of analytics in the effective management of talent and employee performance. Davenport, Harris and Shapiro (2010) also state that high-performing organizations apply people analytics to align their human capital strategies with their business strategies.

# 6.2.4 HR technology and talent management

The results showed that there was a significant relationship between HR technology and talent management at the 1% level of significance. Jain (2014) who states that the increased use of technology in human resources has significantly improved the efficiency of human resource management activities and processes, together with their spending and cost reduction, validates the findings. She further points out that the use of technology has improved the efficiency and effectiveness of communication systems, performance management, talent management, employee engagement including training and development interventions. According to Hunt (2014), talent management requires digitization and leveraging technologies that promote and enhance communication, collaboration and engagement. Farley (2005) states in addition that managing talent and measuring success are difficult without data and technological systems. He mentions that organizations today make use of a variety of systems to store information, which enables effective management of talent. Company executives realise that better systems equal better data, which also enables HR to generate productive analytics which also enables business and HR in making strategic decisions. According to research by KPMG, talent technology market is rapidly changing as about 80% of companies are planning to change or upgrade their talent platforms. The effective application of HR technology facilitates a move by the HR function to a more evidence-based, agile and collaborative model of managing HR, thus enabling HR to demonstrate its impact on business performance (Parry, 2015).

## 6.2.5 Recruitment, selection, and talent management

The findings of the study indicate a significant relationship between recruitment and selection, and talent management at the 5% level of significance. Supporting the findings, is research by Abodollahbeigi, Salehi and Jayashree (2017) which reported that there was a positive relationship between recruitment and selection techniques used and talent management. Talent identification, recruitment and selection are the first components of the talent management process; consequently the success of a talent plan depends heavily on application of the right recruitment techniques. Moreover, the focus of talent management is on addressing current and future needs of an organization; hence recruitment and selection strategy and methods play a crucial role in acquiring top quality talent to drive growth and sustainability. It is very important for organizations to approach recruitment with a clear perspective on both current and future

talent requirements and devise recruitment strategies that are aligned with business and focus on the holistic human resource requirements of the organization.

#### 6.3 HR transformation

HR transformation was assessed in terms of the strategic role of HR, HR capabilities, HR technology, HR accountability, and recruitment and selection.

# 6.3.1 HR strategy and involvement of HR in strategic planning

The findings of the study indicate a moderate satisfaction level (mean 3.29) for overall perception of management on HR strategy and involvement of HR in strategic decisions. The findings were based on management's perception of HR understanding of the vision and mission of the company, HR involvement and contribution in strategy formulation and implementation, incorporation of vision and mission and talent issues in HR strategy, and alignment of HR strategy with the business strategy.

Looking in detail at the sub-dimensions of the strategic role of HR, the study found that management reported that HR is fully involved in strategy formulation and implementation in the company. Interview participants felt, however, that HR should improve their knowledge of business operations in order to contribute meaningfully to strategy and add value. Research by Fulmer and Genson (2006) reported that business considered HR to be an important partner in either the formulation or implementation of corporate strategy. The authors mention that what is critical to HR participation in strategic planning is their understanding of business needs. The findings are also in alignment with research by Khan (2014) who states that the strategic role of HR is part of recent evolution in the roles of HR where HR executives are involved in strategy formulation with the executive management. Rather than implementing and supporting strategic activities, HR executives are engaged in strategy formulation decision-making. The results from interviews also indicated that HR is now closer to business and involved in strategy planning.

Scholars such as Ulrich and Brockbank (2005) argue that HR should be measured by results and the value it creates for stakeholders. Storey et al. and Ball (both in Boateng, 2007) also state that the increasing pressure to add value and drive strategic objectives, coupled with an increased focus on shareholder value, has led to changes in both job content and expectations of HR professionals. In relation to management's perceptions of the value-add of HR, although

a substantial number of respondents felt HR brings valuable contributions to the strategy table, it is also striking that some managers feel HR does not add value to strategy decisions even though they are part and parcel of the process. Research by Pieterse and Rothmann (2009) noted that executives believed that the HR function did not meet their expectations in relation to strategic contributions. They dismissed the potential of the HR department to implement "progressive people management" initiatives. Research by Mercer of HR professionals also reported that only 15% of functions performed by HR are exclusively strategic interventions. Their study further reported that while respondents wanted to improve their future strategic contribution, the difference between reality and perception indicated that HR still has a long way to go in transforming themselves to accountable and measurable strategic business partners (Sowetan, 2012).

According to Lambert (2002, in Baldwin, 2007) senior management's vision of focusing on the strategic role of HR does not tie with reality, as line managers commonly perceive HR as a functional partner suffering from a "lack of business orientation". Similarly, research on perceptions of the relevance of the HR function (Ofori, Sekyere-Abankwa & Borquaye, 2012) reported that management believed HR delivered less on strategic roles as opposed to other transactional services. Ulrich (1998) states that for HR to contribute value to business they need to understand each of the business functions well enough to propose and debate the merits of an array of solutions to any issues or problems that arise. Understanding the business is a ticket of admission for HR professionals into business discussions. Jayathilake (2014) also states that HR professionals with a sound knowledge of business operations will be able to provide solutions and add value to business.

In regard to alignment of HR service delivery strategy with the company's business strategy and formation of partnerships with management in addressing talent issues, respondents agreed that HR strategy is aligned with that of business. The findings correspond with findings by Seyyedjavadin and Zadeh (2009) who reported that integration or "fit" of HR strategy with business strategy has been an important part of the HR strategy debate. The authors state that after formulating the business strategy, an HR strategy is implemented to support the chosen competitive strategy. Deloitte (2010) advise that rather than transforming themselves in a strategic vacuum and responding to the day-to-day operating needs of the company, HR needs to align its strategy with the company's business strategy to be effective. Respondents also agreed that HR forms partnerships with them in addressing talent issues. The findings are supported by Naznin and Hussain (2016), who state that building partnerships provides line

managers with a better understanding of their responsibility in the specific HR issues such as team development, induction, human capital development and performance management. This also enhances employee engagement and communication flow, reduces turnover and heightens morale.

For HR to successfully enable or support an organization's strategy they must have a clear understanding of the goals and direction the company wishes to take – i.e., the vision and mission of the company. In regard to perceptions by management of HR's comprehension of the company's vision and mission and its incorporation in HR strategy, 50% of respondents agreed that HR understands the vision and mission of the company – although the other 50% disagreed or were uncertain that HR understood the vision and mission. Similar results were obtained in relation to vision and mission in HR strategy. An organization's vision and mission is very important as it informs strategy development, communicates the purpose of the organization to stakeholders, and develops measurable goals and objectives to gauge success of the organization's strategy. Laakso-Manninen and Viitala (2007) state that the vison and strategic choices of an organization determines the wider framework with which its HR is given direction and parameters. The authors add that HR needs to have a precise understanding of the direction the organization intends to take if they are to fully address its future operations, and this is specified in its vision and mission.

The study reported that management believe that the involvement of HR in strategy decisions has had positive effect in addressing human capital issues. Interestingly though, the findings also show some variation among respondents who feel that the HR department does not have meaningful strategic plans to ensure support and growth of the business. In this regard, studies by Deloitte (2010) reported that all too often HR develops new services and capabilities only to find that they are not what the business really needs. Their study further reported that a survey by Deloitte and Touche, Tohmatsu and the Economist Intelligence unit found that only 4% of senior business executives surveyed believed that their HR function was highly effective in addressing the needs of the business. They state that for HR to develop the necessary strategies and capabilities, they need to work with the business to understand its strategic priorities and then develop an HR transformation vision and strategy that align with those priorities.

# 6.3.2 HR capabilities

Amit & Schoemaker (1993 in Gilbert, De Winne and Sels, 2010) defined capability as an organizations capability to deploy its assets, tangible or intangible, to perform a task or activity to improve performance. Business understanding, cross-functional experience and strategic planning are fundamental in enhancing the credibility and capability of HR to participate in business decisions and deliver strategic value. For HR to have an impact in business strategy, they must possess the right capabilities, skills and competencies to enable them to deliver on the value drivers of the organization. These must centre on the processes leading from changing business conditions to achieving growth and sustainable competitive advantage. Higgins (2007, in Schultz, 2010) maintains that HR value can be determined in three ways: 1) HR value to the organization at large, 2) the value and impact of HR practices and, 3) their contributions to strategic decision-making. The current business environment puts huge emphases on agility and flexibility, and calls for HR professionals who can lead and function at various levels. This requires HR professionals to be knowledgeable about the business, collaborate with business managers, and be able to provide comprehensive, integrated HR solutions to critical business issues (Lui and Lee, 2015).

Regarding the overall capabilities of HR, the findings of the study indicate a low overall mean score of 2.93 on management perception of HR capabilities. The findings were based on management perception of HR's competence in functioning as a strategic partner, integration of TM issues with change initiatives, development of aligned talent strategies, use of HR expertise by management, comprehension of organizational and customer needs, training, and alignment of HR functions with organizational needs.

Looking at the sub-dimensions of HR capabilities, the study found that management believe HR possesses the competence to function as strategic partners. Khan (2014) states that business partner skills are highly associated with the role of HR in strategy. Accordingly, findings by Schultz (2010) revealed a mean score of 3.31 in staff satisfaction with the business knowledge of HR. As per research by Naznin and Hussain (2016), a move from a transactional role to a more strategic role contributes to the re-engineering of the HR function. Boudreau and Lawler (2009, in Khan, 2014) argue that referring to HR as a strategic partner and getting to understand the capabilities required and efforts needed to perform at that level are two different things. Research by Khan (2014) revealed that the role of HR is much more meaningful and value-

adding when they develop talent strategy and determine areas where talent and organization design features make strategic impact.

Contrary to the findings, Pieterse and Rothmann (2009) reported that executives felt the HR did not meet their expectations regarding strategic contributions. They refuted the potential of HR to implement progressive strategic initiatives. Research by Ofori, Sekyere-Abankwa and Borquaye (2012) also revealed that HR delivers more fully on less strategic roles. Ulrich (2001, in Pieterse & Rothmann, 2009) also noted that business managers were sceptical about the ability of HR practitioners to influence the bottom-line success of the company. In their study on the perception of HR roles, Pieterse and Rothmann (2009) reported that line managers regarded the strategic role of HR to be important with a mean score of 4.39 on a scale of 1 to 5. However, the perceived performance of HR as strategic partner scored a lower mean score of 3.28.

With regard to integrating talent issues with change initiatives, the study found that an equal proportion of respondents agreed and disagreed with the statement. One of the strategic roles of HR is to act as agents for change. Studies of HR professionals in Asia revealed that HR is still lagging behind as change agents compared to their western counterparts (Long, 2013). Long (2013) states that HR professionals as change agents are responsible for the smooth transition of human capital during the period of change; this entails facilitating the impact of changes in the organization and safe-guarding the interest of employees during the periods of change. HR should be able to align different projects and forecast their impact on employees. In research findings by CIPD (2015), HR professionals also reported that they are unable to influence change in their organization's people management approach in response to economic change. NHS (2014) states that the change challenge faced by organizations raises questions on how to use talent management in support of the change process. They suggest that HR professionals should put in place a compelling business case for continuing with the focus on talent, coupled with a strategy that fits talent to the requirements of the changing environment.

In regard to the sub-dimensions of developing talent strategies aligned to business strategy, management reported that HR is capable of developing talent strategies aligned with business strategies. Supporting these findings, The Talent Institute states that talent strategy needs to focus on desired business outcomes that talk to strategic priorities and should articulate the capabilities that are needed to deliver the business strategy. The Korn Ferry institute (2014) also reported that aligning talent strategies with business strategies enables achievement of

strategic objectives, better market performance, and engagement and retention of talented employees. Research also shows that when companies align their talent strategy with business strategy, it leads to higher customer satisfaction, lower turnover, improved morale, increased ability to be innovative, and increased discretionary effort. Findings by Khan (2014) also indicate that the HR function plays a stronger strategic role in strategy to the extent that it is able to develop and align human capital to strategy and determine areas where talent and organizational design has strategic impact strategic.

In addition, respondents reported that HR services and functions are aligned and prioritized to organizational needs. The findings correspond with findings by Silverstone, Tambe and Cantrell (2015) who reported that as companies reconfigure their business to make agility a top priority, these processes will create a new role and a new set of priorities for HR. This in turn will require HR to reshape and restructure the way TM and HR services are delivered. An HR outlook survey by CIPD (2015) reported that HR professionals feel that their team's activities are somewhat aligned to achieving the organization's current and future priorities. However, for HR to have a business impact, they need to focus on the critical factors that drive business success, and in so doing HR must transform its service delivery strategy and develop essential capabilities that translate HR services to business value.

Regarding HR's understanding organizational and customer needs, management in the study reported that HR shows a clear understanding of organizational and customer needs. Giving support to the findings, the Hirsh, Carter, Strebler, Gifford & Baldwin (2008) suggested that HR should engage more seriously with understanding what the needs of their customers are, and their experiences of the current HR services. They add that this provides insights and helps HR to focus its efforts on areas that add value to the business. In addition, management reported that they capitalise on HR expertise in dealing with TM issues. Creswell (2016) states that senior HR leaders are in a unique position to be coach, mentor and sounding board to CEOs. Farley (2005) argued that HR must drive of talent excellence throughout the organization through effective training, coaching and facilitation for line managers. Research by Walsh (2010) on the devolution of HR responsibilities to line managers reported that HR must provide advice and guidance to line managers. In addition, the role of HR as centres of expertise requires HR to focus on design of HR programs and policies, design and development of programs that drive performance, and provision of in-house expertise on areas such as TM, recruitment organizational effectiveness and total rewards (Walsh, 2010).

# 6.3.3 HR reporting and accountability

Transforming HR means changing the way HR does things. This involves their accountability and the nature of their reports. Metrics have become an important aspect of HR and HR service delivery, enabling companies to measure HR programs performance while providing actionable insights and information on the function's efficiency and effectiveness. Transforming the way HR reports provides companies with accurate, reliable and integrated data that can be used in making strategic business decisions (Deloitte, 2016).

On the dimension of HR reporting and accountability in the company, the findings of the study indicates a low mean score of 2.9 on management's perceptions of HR reporting and accountability. The findings were based on the following sub-dimensions of HR reporting: credibility of HR data, usage of HR data and people analytics in performance improvement, provision of innovative solutions for TM matter, use of metrics in strategic workforce planning, and linking of HR data with business performance.

In regard to the credibility of HR data, the study found that respondents were uncertain about the credibility of HR reports. The results correspond with Deloitte's (2017) report on human capital trends, which states that the quality of data in HR continues to be a challenge. Amy Stuart from HRMS Solutions (2017) emphasises that the quality of the data that managers can access is of fundamental importance, and that for HR to be an integral part of the senior management team they must have good, clean, accurate and reliable data. Dana Minbaeva (2016) argues that the quality of data is a serious impediment to the development of credibility in human capital analytics. She states that most organizations are uncertain about the kind of data available to them and the form in which such data is presented, including the pros and cons of the data set. Research by Van Niekerk (2016) also reported that failure by HR to provide relevant and accurate data that demonstrate their business value, will result in management side-lining them in strategic planning.

On the sub-dimension of HR data/people analytics being used to predict workforce performance and improvement, the findings indicated that managers disagreed that HR data is used to predict future performance and find means for improvement. In addition, the findings indicate that managers were uncertain about the use of HR metrics in TM and strategic workforce planning. The findings of the study are supported by research by Angrave, Charwood, Kirkpatrick, and Stuart (2016) who reported that even though many organizations are engaging HR data and analytics, most of them are only using it for operational reporting.

There is little strategic evidence of strategic use of HR analytics. Levenson (2011) also states that despite the progress in the use of HR analytics, there is still much uncertainty regarding the best ways to design, apply and integrate analytics into daily workings of the HR function. He further points out that the challenge facing HR is understanding the types of analytics and the accuracy in their application, including the time and resources needed to achieve true insights. A CIPD (2013) research report mentions that although the idea of data as a business prediction tool is not new or novel, the intensity and sophistication with which it is being used is overwhelming. Their research also revealed that only 21% of business leaders draw insight from data to stimulate change and improvement in organizations. Studies by Infor also revealed that less than 44% of HR professionals used objective data regarding talent performance to guide business decisions, and only 14% of HR professionals were currently using data analytics (Infor, 2017). Various studies have also indicated that HR professionals lack the aptitude to engage with analytics. There is a significant gap in their ability to be data-driven and evidence-based in their decisions.

Regarding the sub-dimension of HR taking lead in showing management how its data can be used in strategic decisions, the study found that management had differing opinions. An equal proportion of respondents agreed and disagreed, while about 25% were uncertain. In addition, respondents indicated uncertainty on whether HR provides innovative solutions in dealing with talent management issues. Studies by EY (2014) reported that the challenge in usage of data is being able to interpret the huge amount of data collected from various sources. KPMG (2015) further reported that only 49% of non-HR leaders agreed that HR leaders are able to demonstrate tangible correlations between human capital management initiatives and business outcomes. The scepticism, they point out, is not about the data but rather about HR's ability to use it effectively. The Human Capital Institute (2015) points out that the use of big data in HR is still in its informative stage and that HR professionals feel overwhelmed or unprepared about where to start. Their research also revealed that HR still struggles with making decisions that are data driven, and about 80% of leaders surveyed reported that they still use gut feel and personal opinions in making decisions that affect talent practices. Concurring with these findings is research by Bersin (2013) which reported that 86% of 480 organizations surveyed were focused on primary reporting and about 10% had taken the next level towards advanced analytics: helping their business leaders solve talent challenges through empirical statistical analysis. Only 4% were using predictive analytics to forecast future talent outcomes (Society for Human Resource Management, 2016).

On the sub-dimension of linking HR analytics with business performance, the study found that respondents disagreed that HR analytics are linked with business performance. As indicated in the preceding discussion, a majority of non-HR leaders feel that HR professionals are not able to demonstrate tangible correlations between human capital management initiatives and business outcomes. Accordingly, studies by Visier (2014) also reported that unclear connection between workforce analytics and results was the greatest barrier to successful implementation of workforce analytics. Alec Levenson, Senior Research Scientist at the University of Southern California's Marshal School of Business, also laments that many organizations are not yet linking workforce analytics to business outcomes (Society for Human Resource Management, 2016).

Regarding the application of HR analytics, the study indicated that they are not used in the organization. Review of literature also indicates that few organizations use advanced people analytics, while many are still in their infancy, and others only use simple reporting methods. Drawing from the findings, the company is still in its infancy regarding the application/ use of HR analytics.

# 6.3.4 HR technology

HR technology is a large and increasingly significant driver for HR effectiveness and efficiency. The unprecedented changes in the work environment have compelled organizations to transform the way they deliver and manage HR. Part of this transformation involves increasing investments in new HR technology. However, investment efforts would be futile without a comprehensive HR technology strategy, which should state specifically how such technology will be of benefit to the organization. HR technology strategy should also include a systems environment that is highly configurable, creates a positive user experience, includes analysis that enable insights to business outcomes, and provides on-going creativity (Card, & Cadigan, 2015). With management being one of the end users of HR tech, this section sought to determine their perceptions of HR technology in the company.

On whether the company's HR department is well equipped in HR technology, the findings of the study indicated that management agreed that the HR department has good technology. HR technology has received heightened attention in organizations recently. Bersin (2016) reported that companies who do not embrace technology and analytics would be left behind. Research reports also show that companies are increasingly buying and implementing new HR technology (Card & Cadigan, 2015; Deloitte, 2015). Bersin (2016) reveals in his report that

there was a 60% increase in HR technology spending in 2015. Muthu et al. (2015) also point out that with developments in technology set to transform the practice of human resources, HR leaders are increasingly incorporating technology as a management resource.

Regarding the use of technology for talent management purposes in the company, the study found that majority of respondents believed HR technology was indeed used to enhance talent management in the company. It was however worth noting that a substantial number of respondents had differing opinions on the use of HR technology in TM practices. Studies have shown that HR technology has played a significant role especially in integrating and streamlining of HR processes. Developments in HR technology have transformed the HR function from one that operates in silos, and has changed these silos into coordinated programs that makes it easier for HR to have integrated systems and a more comprehensive view of the workforce. Accenture (2014) reported that HR technology investments are often made to streamline processes and improve data accuracy. They pointed out that companies use such platforms to support a full range of processes, including talent strategy and planning, sourcing and recruitment, performance management, learning and development, talent reviews and succession planning.

Regarding the "user experience" of HR technology, in the study findings respondents were neutral on the ease of use of HR technology. Similar to studies by Deloitte on HR transformation (2016), 50% of respondents rated user friendliness of HR technology as moderate, about 31% rated it as "very high", and only 26% were very satisfied with their current HR technology. The Society for Human Resources Management (2006) note that ease of use and simplicity continues to be a challenge for providers to offer. In an article on Bloomberg, Martin Berman-Gorvine mentions that user friendliness is very important in any kind of technology. He states, "If it is not easy, HR personnel won't want to use it, managers will be slow to adopt it and the organization will not see the full benefits of its investment". In their research report, the Society for Human Resources Management (2006) also states that HR technology can open up to new audiences, managers and employees if it is user friendly. Research by the Consumer Electronics Association revealed that 87% of respondents rate ease of use as the most important attribute of new technologies (The Society for Human Resources Management, 2006). ISG research on industry trends in HR technology and service delivery (Card, & Cadigan, 2015) also indicated that 90% of ranked ease of use second after data security on the importance of features in selecting new HR technology.

#### 6.3.5 Recruitment and selection

Talent management entails having the right people in the right jobs at the right time to meet current and future business needs. Acquiring quality talent is one of the most critical success factors in talent management. Talent scarcity, uncertain economic conditions and increased costs mean that companies have to ensure that they recruit the right talent to drive success of the business. Managers have an important role to play in the process of talent management. Van Zyl, Mathafena and Ras (2017) point out that line management has direct responsibility for recruitment, on-boarding and induction, performance management, and identification of learning and development needs. They maintain that line management has to take responsibility and be accountable for talent management outcomes in their respective departments or units.

Focusing on the sub-dimension of recruiting the right people in a timely and consistent manner, the study found that managers were satisfied with the time taken to fill positions in the company. Contrary to research reports, "time to fill" has risen in the past few years. Bersin (2015) reported that the time to fill a positions rose from 48 days in 2011 to 52 days in 2015. Accenture (2014) reported that 34% of employers worldwide were having difficulty filling open positions. Similarly, a white paper on recruitment trends by the Institute of Finance Management (2014) also reported that 73% of recruiters have difficulty in finding top quality job candidates. The challenge in filling up job openings has been attributed to the increased demand for highly skilled people and the power shift from employers to employees. Research further shows that 90% of recruiters in 2015 said the market is candidate driven compared to 54% in 2011. More positions are available and candidates have more options to be selective about the position and company they intend working for (The Stewart Group, 2016). Oracle (2013) maintain that organizations can increase recruiter efficiency and find the right talent needed to drive business strategy and reduce time to hire by 50% and cost of hire by 70% by implementing recruiting best practices and supporting technology.

The Hay Group (2011) state that leading talent management programs begin with a sound strategy. Understanding the business strategy and linking talent programs such as recruitment and selection to it ensures that organizations understand future HR requirements to drive the business strategy. The process of recruitment and selection lies at the heart of how the business perceives the human resources required to gain and sustain a competitive advantage; recruitment and selection decisions consequently play a critical role in the future success of any organization. It is therefore important for organizations to be able to attract the best talent

to meet their current and future needs. In regard to the sub-dimension of acquiring the right talent to drive business strategy, the study found that management was uncertain on the quality of hires in the organization. In addition, the study found that managers were also uncertain on whether recruitment strategies are informed by future business requirements. The old adage "people are your most important assets" has been refuted by many researchers who, believe instead that "the right people are your most valuable assets". Research by LinkenIn Talent Solutions (2016) on global recruiting trends reported that quality of hire has become the most important performance KPI. Lermusiaux and Snell (2005) state that the quality of employee performance begins with the quality of hire. Accordingly, Millmore (2003, in Argue, 2015) argued that to be categorized as strategic, recruitment and selection processes must display three features: strategic integration, long-term focus and a method for interpreting strategic demands into suitable recruitment and selection design.

The Hay Group (2011) suggests that organizations should take a holistic approach to TM, which involves understanding strategy and the effect it will have on the demand for talent. Drawing from their research, they suggest that the first step should be to define the type of talent required by the organization to deliver its strategy. This should also include the current and future roles and skills needed. Building a workforce is a collaborative responsibility of HR and managers. Management needs to understand what skills the business needs and forecast them for the future. They must further understand that the way in which they run the business has an impact on HR's ability to fill positions with the right talent.

On the sub-dimension of having recruitment practices based on person—job fit (p-j fit), the study found that managers agreed that recruitment is based on candidate compatibility with the job requirements. Research by Kristof-Brown (Lauver & Kristof-Brown, 2001) on recruiter's perceptions of person—job fit found a high correlation between p-j fit and its contribution to predicting hiring decisions. Review of literature also reveal considerable evidence on the positive effect p-j fit has on job stress, motivation, retention, and attendance. The p-j fit approach has been criticized, however, for its inability to take into consideration changes in the work environment. The frequency of changes in organizations implies that the job which people are recruited for often changes. As a result, organizations may be interested in people who have potential beyond their immediate job and have capacity to influence the organization's performance beyond the confines of their own jobs.

#### 6.3.6 HR functional areas

HR transformation forces and the requirements of talent management create numerous expectations for the HR department, which demonstrates how HR contributes and supports the achievement of organizational goals. This section of the study sought to investigate the opinions of management on the general performance of certain functions associated with the effectiveness of HR. Respondents were required to rate their level of satisfaction on eight HR deliverables on scale of 1 to 5, with 1 being poor and 5 being excellent. Notably, no respondent showed satisfaction with any of the functions listed. The results indicated a low average mean score of 2.77 out of 5. As noted in previous sections, today's HR departments are measured by the value they add to the organization, and too often transformation efforts are directed at managing costs, assuming strategic initiatives and rolling out programs in an attempt to be valuable contributors to the organization. Empirical literature shows that many HR departments have not been successful in their transformation efforts. From the interview data, it was discovered that the organization needs to improve in terms of sourcing key talent and retention. It also emerged that the company's HR department needs to gain a deeper understanding of the business operations. In terms of achieving operational excellence and supporting and enabling strategic decisions, the HR department was perceived to be doing well, with room for improvement suggested.

#### 6.4 Talent management practices

Talent management delivers benefit and succeeds through partnership and collaboration between HR and business managers and through the support of company executives. The HR department is the custodian of talent management in any organization. They are responsible for setting the talent management stage and inculcating a talent mind-set throughout the organization. Managers, on the other hand, have the responsibility for nurturing and developing their teams. Hirsh (2015) states that the role of managers in talent management may be subtle and thought-provoking but should not be confusing and frustrating. HR should refrain from portraying TM as a set of procedures for managers to adhere to (CIPD, 2014, in Hirsh, 2015). Effective implementation of TM practices is heavily dependent on line managers' capabilities and commitment to the processes. In this regard managers, as crucial role players in the TM process, ought to be knowledgeable about, and committed to, the TM process (Azmi & Mushtaq, 2015.

## 6.4.1 Effectiveness of HR systems

The study revealed that management believe the company has effective HR systems. HR systems consist of HR practices, policies and processes that are linked to performance at an employee and organizational level. Bowen and Ostroff (2004, in Monks, K., Kelly, G., Conway, E., Flood, P., Truss, K., & Hannon, E. 2013) argue that the strength of HR systems is a linking mechanism that creates shared, collective perspectives and attitudes and behaviours among employees. Research by Kinnie, Hutchinson, Purcell, Rayton and Swart (2005) found that commitment levels of managers, professionals and workers are linked to satisfaction with HR practices such as communication, work-life balance, rewards and recognition, and career opportunities. Huselid (1995) states that there is a growing consensus that HR systems, if properly configured, can provide direct economically significant contribution to an organization's success. Rodriguez & Ventura (2003, cited in Mansour, 2015) investigated the relationship between HRM system and organization performance of Spanish companies. Their findings revealed a positive effect of HR systems on employee turnover. Similarly results were found by Richard and Johnson (2001) in their study of US banks. Their findings revealed that HR effectiveness significantly reduces turnover and increases overall market performance (Mansour, 2015). Different organizational members – managers, employees and HR personnel - have different frames for HRM systems which include different assumptions, knowledge and expectations about the systems.

### 6.4.2 Significance and responsibility for talent management

Form the study it was found that respondents believe that TM is influential in achieving organizational goals. They also reported that the company does have a budget for TM initiatives. Moreover, respondents said that TM is not the responsibility of the HR department alone. The importance of talent management in organizations can never be over emphasized. There is growing consensus among scholars and business leaders that talent management is essential in achieving business objectives and gaining a sustainable competitive advantage by providing quality products and services through qualified personnel (Lawyer, 2005, Farley, 2005, Rose & Kumar, 2006, Ordonez de Pablos, 2004 & Kurgat, 2016, all in Shrimali and Gidwani, 2012). The RBV theory of organizations maintains that human resources are the primary source of competitive advantage. Snell (2004, in Ahmed, 2016) found that creation of differentiating strategic capabilities signifies the relationship between human resources and business strategy. Supporting the above, Lawler (2008, in Ahmed, 2016) mentions that for

companies to create a competitive advantage through HR processes, they need to define strategic differentiating capabilities and further develop processes for identifying and developing same. This, he states empowers the HR function to create an impact on the organizational strategy and provides a link between TM and strategy

A survey by HR Zone (2004) reported that about 66% of HR leaders at the time admitted that their organizations had no budget for the retention of key employees. Oosthuizen and Nienaber (2010), in their research on the perspectives of TM in the engineering sector, found however that most companies had a budget for TM initiatives, with a large proportion allocated for training and development. Regarding the responsibility for talent management, the study found that respondents believed that responsibility for the process of TM is not confined to the HR department. As noted above, the success of TM process is dependent on collaboration, coordination and cooperation between various role players in the organization. The results presented in table 5.1 also indicated that 75% of managers agreed that HR partners with them in addressing talent management issues. According to Vermeulen (2008), the secret in a successful TM programme is collaboration and communication among all departments and managers, driven and supported by senior management. Farley (2005) states HR must drive talent management excellence the organizations. He points out that that does not mean that HR must do the processes but rather that it must be an effective facilitator, coach and trainer for line managers to promote talent management excellence is part of the organization's core business. In addition, Accenture (2017) maintains that the traditional approach of relegating HR management to the HR department alone is no longer equal to the challenges of today's workforce and organizations.

## 6.4.3 Talent mind-set

In the findings on talent mind-set in the company, respondents felt that members of the company do not have a talent mind-set. Most respondents felt that TM issues are not adequately discussed in management meetings. Over the years TM has become highly significant in organizations. Silzer and Dowell (2010) state that talent management has become more than just a desirable HR program, rather it is now a strategic leadership imperative. Lubitsh and Smith (2007) state that talent management is becoming a strategic conversation. They authors argue that leading organizations view TM as a strategic priority and a long-term investment that needs refining, reviewing and reinvention. They state that TM is not a one-off, quick-fix intervention, but rather that effective TM requires a system-wide approach, requiring deep

conversations. For an organization to have a talent culture, talent management issues should form part of management discussions.

In the findings on whether the company's leadership embraces a talent management, management felt that TM is not embraced by the company's leadership. Moreover, they disagreed that HR fosters a talent mind-set in the company. According to Aguirre and Hewlett (2009), a talent culture has to be led from the top and can be achieved and sustained only if it is hardwired into the processes of the company. Michaels, Handfield-Jones, and Axelrod (2001) argue that better talent management comes not from having HR processes but from having managers and leaders who embrace a talent mind-set. They also mention that leaders who embrace a talent mind-set make talent management a priority and also devote a great amount of their time to strengthening their talent pools and help others strengthen theirs.

The findings also indicated that the HR department does not take a lead in fostering a talent mind-set in the company. As primary owners of the talent management process, HR has the responsibility of instilling a talent mind-set throughout the company. Shulka (2009) states that workforce challenges are consequently forcing HR to evolve from cost reduction, policy creation and process efficiency to driving a new talent mind-set in organizations. Talent management has become a critical and essential part of executive leadership in organizations. Creelman (2004, cited in Welby-Cooke, 2010) states that the role of HR is not to manage talent but rather to foster a talent mind-set and support manager's frameworks and tools for decision making. It is essential that a talent management mind-set permeate the entire organization from the CEO down to line managers and not be confined to HR (www.talentinstitute.co.za). Moreover, Welby-Cooke (2010) points out that the challenge is that organizations are not clear about how to measure their talent mind-set and the distinction between mind-set at organizational talent management is not clear.

#### 6.4.4 Talent strategy

Regarding talent strategy, the study found that respondents were uncertain whether the company has a talent strategy and whether the strategy is linked to the business strategy. Every organization has some form of talent strategy. Understanding what constitutes an effective, actionable strategy and how to execute it is the first step towards implementing a successful talent management strategy (Naik, 2012). An organization is as good as its talent, and an organization's talent is as good as its talent strategy. A talent strategy should focus on management of the entire organization and development of the workforce with the purpose of

achieving the organization's goals. Studies by Deloitte (2010, cited in Engorova, 2013) found that only 20% of executives and HR specialists said that they had carefully worked out a talent management programme. Moreover, most respondents said it was necessary to rethink their talent strategy as a result of the economic conditions (Engorova, 2013). A talent strategy should be reviewed regularly to ensure that it is still aligned with the business strategy and to ascertain that there are contingency plans to ensure enough capability to meet the demands of the business environment.

A talent strategy provides a road map for HR and line managers on how to go about implementing talent management practices. Moreover, talent management is a form of business strategy which needs to be fully integrated with all people-related activities in the organization. Consequently, a talent strategy should also be aligned with the overall business strategy to ensure that all talent management efforts are directed towards attainment of the organization's overall strategic objectives. Vatne (2016) argues that aligning a talent management strategy begins with thorough analysis of the organization's operational and strategic goals and objectives. She adds that developing a talent strategy requires organizations to learn from best practices, understand the environment within which they operate, and adapt their strategy to the environmental circumstances and needs.

# 6.4.5 Management and Employee Development

Research has proven without doubt that developing managers and employees has a positive effect on performance, engagement, motivation and retention. The study found that the company has management development plans and career management policy in place. It was confirmed from the interviews that the company forms partnerships with government and tertiary institutions that provide development programs for their staff. According to Carbery and Garavan (2012), organizational capability at management level in an organization is considered essential to improve competitiveness and ensure future growth. Mullins (2002) mentions that quality of management is one of the most important factors in the success of organizations. Consequently there is a continual need for management development, and organizations should ensure that there is development of both present and future managers. Carbery and Garavan (2012) state that organizations that assume a proactive and systematic approach towards management and leadership development normally have more leadership talent and are recognised by the ability and strength of their management and leadership development interventions.

For management and employee development to be a success it should focus not only on the needs of the organization but also on the career aspirations of the employees. Organizations have a significant role to play in developing employee careers. Availability of career management policies is the first step in ensuring that employee careers are taken seriously. Khan, Rajasekar and Al Asfour (2015) argue that organizations need to design career development programs based on their needs and on the competencies and aspirations of their employees. Career management policies are usually associated with cost saving in talent acquisition and retention, and improvement in employee morale and career satisfaction. Organizations with career planning and development policies understand the significant role it plays in crafting their human capital element.

According to a study by CIPD (2017), identifying and addressing development needs of the workforce should be an ongoing process which involves assessment of staff capabilities alongside an understanding of current and anticipated gaps in skills and knowledge. Furthermore, organizations should ensure that the identification and development of staff knowledge, skills and abilities should be a vigorous and cost effective exercise. In the present study, respondents felt that employee development needs are not addressed in a timely manner, and that there is no competency-based development of the workforce. Employee development includes various development interventions to address talent skills gaps, including performance management and current development. In another study by CIPD (2006), 94% of participants confirmed that well-structured TM development practices have positive effects on the organization's bottom line. Moreover, respondents said that developing high-potential individuals and growing future senior leaders are the main objective for talent management (CIPD, 2006). Rothwell (2011) states that knowledge of competences and competency modelling is increasingly important for the staff learning professionals who are responsible for training and development. He states that if developing talent is essential for organizational success, the understanding and use of competencies to create a more talented pool of employees is key to maintaining a competitive advantage. Competency-based development is very important as it lays out the performance expectations and also provides means to discuss career paths for employees and articulate specific ways to develop them and leverage their strengths.

### 6.4.6 Retention and succession management

The success of an organization is largely dependent on the capability of its leadership. However, organizations are struggling to maintain a stable workforce and face the harsh realities of talent attrition and changing talent markets. The study found that management disagreed that the company identifies potential talent and has programs to retain them. Managers were also not sure of the link between succession planning and talent programs. Similar results were found by Pandey & Sharma (2014) who studied the succession planning practices and challenges of Indian companies. Their findings indicated that most of the process of succession planning in companies are not linked to other talent management activities. The authors stress that succession planning is dependent on integration with other processes to give efficient results. They add that succession planning is not one exclusive process, and for the process to be wholesome and efficient, it needs to be linked with other processes such as personal development plans and career aspiration plans. The issue of succession management was also emphasized in by interview participants. Interviewees felt that HR should improve in terms of managing succession and creation of talent pools in the organization. They emphasised that succession management plays a critical role in retention of talented individuals and preserving institutional knowledge. By definition, talent management and succession planning are processes directed at managing the projected workforce and leadership needs of the organization. These strategic programs are the most appropriate solutions to counter the impending shortage of skilled senior managers and workers, and can enable organizations to achieve long-term stability, enhance performance, and strategic objectives.

Retention and succession management are critical processes in any organization. Considering the changing talent market and shifting demographics (e.g. retirement of baby boomers), organization must act swiftly in identifying and retaining potential successors. Research by Taylor and McGraw (2004) found that 80% of HR managers surveyed believed that succession planning was critical; however, less than half of the companies surveyed had a succession plan in place. The Talent Institute points out that although organizations realise the importance of growing leaders from within for organizational competitiveness, they struggle in deciding who to entrust with their investment efforts. Similarly, research by Korn Ferry (2014) on succession management found that two thirds of respondents said less than 10% of potential leadership were identified for key positions within their organizations. The above statistics indicate that organizations are either battling to run successful succession planning programs or are reluctant to even put the plans in place despite understanding the benefits of the process.

Muslim, Haron & Hashim (2012) argue that success in the current work environments is dependent on the continuous supply of competent, experienced and well-trained leaders. The authors however note that in spite of this reality, such leaders cannot be developed overnight,

the process takes time and requires careful planning. For succession management to succeed organizations should develop a succession culture in which executives focus on continually identifying and developing employees by giving them opportunities to grow and advance to higher positions. Pageuppeople (2009) state that for best practice in succession management, the focus should be, *inter alia*, on developing large talent pools rather than a few key individuals. Pandey and Sharma (2014) found however that creating talent pools was a major challenge in succession planning. Zani et al. (2009, cited in Muslim et al., 2012) stresses that creating talent pools is crucial to the success of succession planning. Byham, Smith & Pease (2002, cited by Muslim et al., 2012) add that apart from the need to improve succession planning processes by creating a pipeline for future roles, talent pools contribute to increased commitment, cross organizational support and tailoring of growth opportunities.

## 6.4.7 Performance management

For employees to know their level of performance or how well or badly they are performing their duties, they require constant feedback from their managers/supervisors. The process of performance management plays a crucial role in shaping employees' careers. Employees use performance feedback to strengthen their weak areas and improve on current performance levels. The study found that managers disagreed that the performance management system effectively incorporates their career aspirations. According to Anguinis et al. (2012), a performance management system should include creating and maintaining individualised development plans and providing clear advancement opportunities and a contingent reward system. Bouachie-Mensah and Seidu (2012) found that 44% of research subjects see performance management as important to their career goals and development, and 18% said the process was highly important for their career goals and aspirations. These employees, according to the researchers, believed that the feedback they receive from the process enables them to pinpoint their strengths and weaknesses and establish direction in their job performance. The process of performance management should take into account how employee performance can be improved by forecasting on potential training needs and development, career aspirations, and competency levels.

When designed to meet the specific needs of the organization and its reward system, performance management systems can enhance employee performance, motivation and retention. Research by Gungor (2011) found that rewarding employees fairly has positive results for performance and retention. The current study found that respondents believe there

is no equity between performance exerted and rewards received. With reference to the equity theory, if employees do not perceive fairness in performance and rewards, it will impact their level of satisfaction. An effective performance management system is most effective when it creates a true pay-for-performance principle, which in turn develops talent engagement and retention. In addition, such systems should enable effective use of rewards and performance.

Various strategies and techniques can be used in evaluating employee behaviour and performance (Boachie-Mensah & Seidu, 2012); as a result managers tend to be confused and frustrated with the process. The study results indicate that respondents understand the performance management system used in the company. Evaluators, as reported by Boachie-Mensah and Seidu (2012), mention that their biggest challenge is that they are not given sufficient guidelines to assess employees. For performance management to be a success, it must be completely explained and agreed upon by all parties involved. Evaluators should also be trained on an ongoing basis on the importance of the process and its implementation to derive the appropriate knowledge, behaviours and skill for engaging their teams in assessment activities. Moreover, performance management systems should be simple, comprehensive and easy to use. Complex systems tend to be costly and deliver little value, and can have negative impact on employee engagement.

# 6.5 Discussion of employee responses

The focus of talent management is ensuring that organizations have the right people with the right skills in the right positions and when needed. For employees, talent management ensures that they acquire the right skills and knowledge to be able to perform their duties in a satisfactory manner, and to also grow in their careers. There are various interventions which an organization can apply in the process of talent management. The next section will therefore provide a discussion on employees' perceptions of their HR department and the talent management practices.

### 6.5.1 Talent management

### 6.5.1.1 Perception of the HR department

According to Gilbert et al. (2010) high quality service by the HR department has a positive effect on employees' affective commitment. In a similar vein Momemi, Marjani and Saadat (2012) as cited by Steyn, Bezuidenhout & Globler (2017) suggest that, modern HR

practitioners need to understand the significance of HR practices and the impact they have on the employee's job satisfaction, commitment, performance and retention. In this study it was found that employees have confidence in their HR department and were happy with the support they are getting from the HR department. Rahman, Akhter, Chowdhury, Islam and Haque (2013) state that proper HR practices can ensure a satisfied and efficient workforce to continue the pace of growth. Considering the above findings by Gilbert et al. (2010), and that management said the company department has good HR systems, it can be assumed that the company provides good services to employees. Wayne et al. (1997, cited in Gould-Williams & Davies, 2005) state that positive employee attitude is dependent on the employees' perception of how committed to them the employing organization is. Bowen & Ostroff, 2004; Nishii, Lepak & Scheeider, 2008; Wright & Nishii, 2006, cited in Gilbert et al. (2010) note that recent theoretical frameworks emphasize that employee's perceptions of the manner in which human resource management is implemented through-out the organization is important in steering attitudinal and behavioural outcomes. The authors make reference to the social exchange theory which states that there is a "norm of reciprocity". Applied to the HRM space, this means that if employees perceive that the organization cares and values them, they will react with behaviours and attitudes that are beneficial to the organization. Consistent with social exchange theory, it would be reasonable to conclude that employees also gain confidence in their HR department if they perceive that it is committed to serving their needs.

Modern HR management requires excellent skills in the field of teamwork. HR departments are often organized by HR teams to provide a range of programs and services. For these to succeed, they require collaboration and coordination between various teams. Teamwork is very important in accomplishing HR and organizational objectives. The study results reveal that respondents said HR does not work well as a team. Teamwork implies clear division of labour, mutual complementation between the members and coordination based on the goals of the organization. Unlike previous personnel department which were structured to operate in silos, the work of today's HR departments is tightly knit and requires exceptional collaboration not only within HR teams but also with other units in the organization.

### 6.5.1.2 Employee development

Employee development is perhaps the most important aspect of talent management. Deloitte (2015) state that it is the most critical business and talent issue to be addressed. The study found that employees are not happy with development issues in the company. Respondents reported

that their development issues are not taken seriously. Moreover, employees feel that their career goals are not incorporated in development plans and that HR and management do not understand their development needs. The findings indicated that it was mostly employees occupying administrative rather than technical positions who felt their development needs are not taken seriously. Employees who have been with the company for eight years or more felt that their career goals are not incorporated in development plans. The bias towards technical staff in training may be attributed to the fact that most of the company's workforce and its bulk and core operations are of a technical nature.

Khan et al. (2015) mentions that building talent requires an organization to design the right kind of development practices so that there is opportunity for employees to learn and grow. Training and development ensures that employees are motivated and empowered to grow in their careers, and the focus should be on transferring job-related knowledge and skills and facilitating employee career development plans so that employees can move within the organization through succession planning and promotions. For organizations to precisely understand the training required for both organizational and employee growth they have to undertake a training needs analysis. According to Mozael (2015), assessing training needs is a vital process, which should be undertaken regularly to determine the type of training that would assist employees to achieve their career goals, and enable the organization achieve its objectives. A systematic needs analysis according to Arthur Jr and Bennet Jr, (2013) determines an organization's training needs and seeks to address the question of whether the organization's goals and individual development needs can be addressed by training. Moreover, analysis of training needs also provides the organization with information on the skills and knowledge of its workforce that enables it to identify individual career needs of employees and design and implement appropriate training activities to support career growth of its workforce.

#### 6.5.1.3 Performance management

Performance management is a critical and indispensable part of any organization. Regarding satisfaction with performance management in the company, the study found that respondents were neutral on the process. However, like management, respondents felt that there is a lack of equity in the performance management system and reward system. Smither, (1998 cited in Shrivastava & Purang, 2011) note that distributive justice (evaluation of outcomes), procedural justice (procedures used to reach outcomes) and the manner in which decisions are communicated give rise to issues of fairness and satisfaction with performance management.

As a result, success and effectiveness of the PM system largely depends on employees' reactions to certain aspects of the appraisal process. Perceptions of fairness of the performance system influences positive affective reactions such as satisfaction with the system (Bernadin & Beatty, 1984; Cardy & Dobbins, 1994; Bies & Shapiro 1987; Thurston 2001 & Cossman 2004, all in Shrivastava & Purang, 2011).

The starting point for a performance management system is identification of specific objectives. The performance appraisal process should be designed to focus on the core duties and competences of employees; this enables the organization to set and communicate clear expectations, identify learning and development interventions, and effectively manage employees. Ahmad (2004) and Fletcher (2001), as cited in Ramamoorthy, Flood, MacCurtain, Gupta and Kulkarni (2012), argue that effective performance management presupposes a performance appraisal process that measures individual performance accurately and rewards individuals based on their performance. A performance appraisal system should provide influential input to an effective reward system, resulting in an effective performance management system.

## 6.5.1.4 Career and growth opportunities

Once left exclusively in the hands of the organizations, employees are now taking a proactive role in their' careers. The study found that employees are not happy with career and growth opportunities in the company. Regarding awareness of their career goals by HR and line managers, an equal portion of respondents (34%) agreed and disagreed on the issue. Moreover, employees showed great dissatisfaction regarding equal growth opportunities and fairness in promotions. Younger employees, below 30 years of age, and those who had been employed for less than eight years were most dissatisfied with promotions. Employees today are more vigilant about their careers and demand personal growth and development. Research has shown that career growth is among the major factors mentioned by job applicants in their decision to accept a job (Hu, Weng & Yang, 2008 cited in Weng, McElroy, Morrow & Liu, 2010). Weng et al. (2010) studied the relationship between career growth and organizational commitment and measured career growth on the dimensions of career progress, professional ability development, promotion speed and pay growth. Their study found that affective and normative commitment positively correlated to the all the dimensions of career growth. It is crucial for organizations to place high value on career development as it allows employees to fulfil their career needs and facilitate retention of talent.

Promotions and transfers are an important part of career development interventions in organizations. The perceived fairness of these processes is instrumental in retaining employees. Adebayo (2005 cited Odeku, 2013) revealed that when fairness is observed in the workplace by the leadership, employees are motivated as opposed to when there are perception of injustice. Employee growth, advancement and promotions opportunities are sensitive issues which organizations should treat with utmost professionalism. Organization justice and job satisfaction are greatly affected by the employees' perceptions of promotions and advancement opportunities. If the system of promotions is perceived as fair by employees, they are more likely to stay with the organization.

# 6.5.1.5 Link between training and organizational goals

Although training is a serious and important matter in most organizations, one aspect that is often side-lined is the link between the training and the goals of the organization. This makes training and development programs lose their purpose, and drains resources as well as waste time could be used for other matters. Too often training departments design training programs without proper understanding of the strategic goals of the organization. The study found that the training provided to employees is linked to organizational goals. Employees who had been with company for a period not exceeding seven years mostly believed that the training they get is linked to the organization's goals. According to Bagga and Srivastava (2014), strategic positioning of training is about designing and delivering training programs, which enable employees to deliver in accordance with the business strategy. To ensure that training is aligned to organizational goals, organizations need to develop a line of sight between goals and training programs, and identify the business goals that the training will support and design or buy and implement accordingly.

# 6.5.2 Employee engagement and employee value proposition

The theory of expectation states that people's attitudes and behaviours result from the degree to which their expectations are met by the organization. Empirical evidence supports the notion that fulfilment of the psychological contract is related to employee engagement (Moore, 2014). Breaches of the psychological contract may lead to disengagement, which can be very detrimental to the organization. On the other hand, Manpower Services (2009) state that the power of the employee value proposition cannot be underestimated. They state that although the notion of the EVP is new, many companies have still to realise its importance. A good EVP

enables organizations to attract and retain the most talented people, and it balances reward, benefits, policies and work practices experienced by employees in return for their work. For organizations to be able to realise the benefits of an EVP, they should make it an integral part of their talent management strategy. The following section discusses the results presented in section 5.5.2 regarding engagement of employees and the perceived importance of EVP factors, and the level to which the expectations of these issues have been fulfilled by the organization.

# 6.5.2.1 The psychological contract

The degree of fairness which employees perceive in regard to the organization fulfilling their obligations above and beyond the written contract determines the strength of the psychological contract (Moore, 2014). A psychological contract breach, according to Morrison and Robinson (1997, in Ahmed, D'Netto, Chelliah & Fein, 2016), is the cognitive perception that an employee has not received what was promised formally or informally by the organization. The authors mention that the notion of "promise" is a significant part of the contract, as some of the employees' expectations are formally or informally confirmed by the organization. The findings of this study revealed that employees feel that the company does not deliver on the employment promise and that they are uncertain about the alignment with the labour market. Research has shown that unfulfilled employment promises have a negative effect on employee loyalty, job performance and intention to leave (Fu & Cheng, 2014). Research by De Wet Joubert (2012) found strong correlation between the alignment of the psychological contract and organizational commitment. The study also found that the level of alignment accounted for 15.7% of the variance in the level of commitment employee's show towards the organization. The results have important implications for alignment of the psychological contract to employee behaviour.

### 6.5.2.2 Mentoring and Coaching

Training, coaching and mentoring, and job rotation were selected under this category. The study found that majority of respondent's rate training as important. However, respondents said their expectations of training were only partially fulfilled by their employer. Respondents also rated coaching and mentoring as important and, as with training, employees felt their expectations of coaching and mentoring were partially fulfilled. Notably, a large proportion of respondents also felt their expectations of both factors were not met. The study further shows that it was the younger employees who felt their expectations of training and mentoring and

coaching were partially met. Similar results were obtained by PWC (2011). Their survey indicated that the young workforce is committed to their personal development. This generation of workers value career development and advancement, and continuous training and development provides them with the flexibility to manoeuvre and adapt in different positions. The survey also indicated that training and development was an important factor which influenced their decisions to accept their current jobs. Regarding coaching and mentoring, the PWC survey (2011) found similar results which revealed that the younger generation of employee's value working with strong coaches and mentors. They appreciate the opportunity to engage and learn from their seniors. Mentoring and coaching not only imparts knowledge to mentees but is also a confidence booster to mentees. When young employees work with experienced senior staff they feel wanted and part of the organizations future.

Ladyshewsky, (2010, cited in McCarthy and Milner, 2013) notes that managers who have not been mentored or coached tend to be reluctant or sceptical about coaching their team members. Similarly Knights and Poppleton, (2007) states that if managers have been exposed to positive coaching experiences, they in-turn are more likely to coach their team members, and also develop their own coaching skills. McCarthy and Milner, (2013) propose that organizations should create a culture supportive of coaching to ensure the ongoing application and role modelling of coaching skills. Developing a coaching culture encourages managers to apply their coaching in developing their team members, but also encourages employees to be keen on being coached. The authors also add that manager training, which should also focus on personal attributes and exploring manager's perspectives on their role in employee development is crucial in developing managers coaching skills. Coaching and mentoring is beneficial for both organization and employee growth. Geissler, 2009; Olivero et al. 1997 in McCarthy & Milner, (2013) mention that coaching has been found to greatly increase the transfer and application of learning in the workplace.

Regarding job rotation, the current study found that employees' rated the factor as important. A substantial number of respondents felt, however, that their expectations of job rotation were not met (36%) or partially met (36%). It was mostly employees who had been with the company for less than 3 years who greatly felt that their expectations were not met. According to Davies et al. (2005, cited in Mohan and Gomathi, 2015), challenging new assignments motivate and improve employee morale in the workplace. New employees desire to learn as much as they can and adapt to the organizational culture. Job rotation thus enables them to diversify learning of skills in various departments in the organization. Diversification of skills also helps

employees to prepare for promotions or lateral movements within the company. Although job rotation may cause anxiety and raise concerns of job insecurity, research has shown that it is quite beneficial to both employer and employee (Ajusa & Atambo, 2016). Job rotation is a great approach to employee training, motivation and engagement. Ajusa & Atambo (2016) found that the practice of job rotation also enhances employee and organizational productivity. Job rotation results in increased individual knowledge and experience and decreased burnout and exhaustion thus leading to intellectual development and motivation.

#### 6.5.2.3 Growth and advancement

Employees often hope to grow in their professions and achieve outstanding careers. Career growth prospects are arguably one of the greatest motivators in the workplace. Career advancement, opportunity for growth and international exposure were selected for this category. The study found that an equal number of respondents (76% in each case) rated career advancement and growth opportunities as important. An equal number of respondents also felt that their expectations of career advancement and opportunities for growth were not met or partially met. Weng and McElroy (2012), in a study of organizational career growth, occupational affective commitment and turnover intentions, state that career and growth opportunities are an important determinant of the employee—organization relationship. Their study suggests that when the organization provides opportunities for employees to meet their career goals and acquire skills, they will be less likely to think about leaving the organization.

The current study found that the more educated employees are, the more value they attach to career advancement and growth opportunities. Similar results were obtained by Okurame (2014), who studied the factors influencing career growth prospects in contexts of radical organizational change. His study found a significant relationship between educational attainment and growth prospects. It would therefore be logical for highly educated employees to attach significant value to career advancement and growth opportunities in the company. The current study also found that younger employees felt their expectations of career advancement were not met. Age, as highlighted in Okurame (2014), is a significant factor in career attitude, and studies have also show that the younger generation of workers want quick career advancement and mostly will change employers if they are they are not given enough opportunities to grow and advance in their careers. Lack of career advancement and growth opportunities is one of the leading causes of staff attrition in organizations. It is of utmost

importance for organizations to give priority to career needs of employees if they are to curb staff turnover.

International exposure was not rated as highly as the two other factors. Most employees did however regard it as important (49%), while about 25% were neutral and 25% were not concerned about it. It was mostly the younger employees below the age of thirty and those in technical jobs who attached great value to international exposure. Researchers and business leaders agree that the younger generation of workers, often criticized as entitled and spoiled, crave for exposure with various projects and require streams of feedback (Ng, Schweitzer & Lyons 2010). According to the authors, these employees, also known as millennials, seek opportunities to broaden their horizons through job mobility and international assignments. A PWC survey (2011) also found that 71% of millennials want to do an international assignment during their careers. Shaffer, Kraimer, Chen & Bolino (2012) state that work experience that transcends national boundaries provide employees with a global outlook on work practices and are significant for the development of employees global skills and necessary for carrying out critical tasks. Expatriate work according to judge et al. 1995; Ng et al. 2005 cited in Shaffer et al. 2012) leads to both intrinsic and extrinsic career success for employees. Intrinsic career outcomes may include personal growth, job or career satisfaction and an enhanced well-being of employees. Extrinsic career outcomes involve observable indicators of career progression such as promotions and pay increments. Studies, as indicated by Shaffer et al. (2012) have shown that expatriates who work in organizations that are supportive through-out the expatriation process tend to be more engaged and satisfied, and more likely to stay with their organization.

### 6.5.2.4 Benefits

Employee benefits play a critical role in talent retention, Shawn and Buckey (2008, in Achieng, 2011), indicate that while benefits are important for attracting employees they are even more important in retaining them. Research by Glassdoor revealed that 57% of respondents said benefits play a significant role in their decision to pursue a particular job. The current study found that employees place high value on benefits. For study support, a total of 73% said it was important to them. The results also reveal that the more educated employees place higher value on study support. Employee respondents said, however, that their expectations of study support were not met. Achieng (2011) investigated the perceived effects of employee benefits on employee retention. His findings indicated that respondents placed high value on sabbatical

leave for knowledge enhancement, stress reduction, monotony reduction and retention. Similarly, Němečková (2017), who investigated the role of benefits in employee motivation and retention, found that benefits associated with increasing skills and expertise attracted relatively significant interest.

The study also found that respondents place high value on retirement plan. A total of 77% of respondents said it was important or highly important. However, a large percentage of respondents felt their expectations were not met. Achieng (2011) found that employees felt positive about the benefits of pension schemes and their influence on retention. Medical aid was also rated high by employees, with a total of 89% respondents saying it is important. Similar results were found by Achieng (2011) which indicated that employees attached great significance to healthcare insurance. The current study also indicates that more educated employees attach greater significance to medical aid. Similarly, Němečková (2017) found that respondents with university education showed stronger preference for contributions to health care insurance compared to respondents with secondary education.

#### 6.5.2.5 Motivation

Theories of motivation attempt to explain why people are motivated by and satisfied with a certain type of work environment and other factors. Challenging work and recognition were the factors selected under motivation. The study found that employees attached high importance to challenging work. A high number of employees, mostly those below the age of twenty and those who have been with the company for less than three years, said their expectations of challenging work were met. Research shows that younger generations of employees seek challenging work or assignments. With the changing demographics and millennials flooding the workplace, managers should ensure that they design jobs in such a way that they test employees' full potential, offer them the opportunity to use their skills, and provide opportunities for personal growth. According to Samuel and Chipunza (2009), challenging and interesting work is a great motivator and significantly influences employees' decisions not to leave their employers.

The study found that employees attach high importance to recognition. According to Samuel and Chipunza (2009), employees who are motivated by self-actualization and esteem want to be appreciated and rewarded not necessarily with money but rather by acknowledgement of their effort and contribution to the achievement of organizational goals. Their study found that recognition significantly influences employee retention. Research by Koketso and Rust (2012)

on the perceived challenges to talent management concluded that the lack of recognition, among other factors, is connected to turnover, organizational commitment, employee engagement and motivation. Most respondents in the current study felt that their expectations of recognition are partially met.

#### 6.5.2.6 Work-life balance

Employees sometimes experience conflict between their personal life and their work life. Research has shown that personal issues can impact on employee performance. The study found that employees rate WLB as important, with a total of 47% saying it is important or highly important. A large number of respondents were neutral about it however. Concerning their expectations of the factor, a majority of respondents said they were not met. According to Kim and Kyoung (2015), environmental shifts and changes in values have heightened employees' desire for work–life balance. A study by Lowe (2005, cited in Meenakshi, Subramanyam & Rivichandran, 2013), found that 1 in 4 employees experience high levels of conflict between work-life and family, based on work-to-family interference and caregiver strain. Meenakshi et al. (2013) also maintain that technological innovations have blurred the line between work and family time. They noted that information can now be accessed anywhere and anytime, and employees can communicate and complete tasks even if apart from each other.

Concerning flexible work schedules, the study found that employees rate the factor as important. Research by PWC (2011) revealed that flexible work hours was ranked second out of more than ten factors on the benefits that millennials value from employers. Studies on work–life balance indicates that flexible working practices improve work morale (Shagualiyeva and Yazdanifard, 2014). The Roffey Park Institute (2004, cited in Downes & Koekemoer, 2011) found that 38% of employees said they would consider leaving their employer to get better work–life balance, even if it means they take a pay cut. Clutterback (2004, in Downes and Koekemoer, 2011) also mentions that work–life balance is one of the top employee concerns and is a frequently discussed topic in the recruitment process.

#### 6.5.2.7 Remuneration

Competitive salary and bonuses were the two factors under this category. In the study, 73% of respondents said it was important. Most employees felt, however, that their expectations of competitive salary were only partially met. In particular, employees who had bachelor's

degrees and diplomas attached high importance to competitive salary. However, employees who had a Master's degree, followed by those with a Bachelor's degree, felt their expectations were not met. Various studies have found pay not to be the major factor in employee attraction and retention, though this is not to say it does not influence employees' decisions. According to Rynes, Gerhart and Minette (2004), pay is more important in people's neutral choices and behaviours than it is in their self-report of what motivates them.

As with salaries, respondents again attached high importance to bonuses. Eighty percent of respondents, especially those who have a diploma, said it was important, and only 6% said it did not matter or was irrelevant. The results also reveal that a majority of respondents, mostly those between the ages of 20 and 20, were neutral about the fulfilment of their expectations of bonuses. Only 10% were satisfied. Literature on compensation reveals that pay-for-performance can influence employee performance. However, there is little research which differentiates the efforts of various forms of pay-for-performance (Park and Sturman, 2009). A survey by PWC (2011) found that millennials rated competitive wages and other financial incentives second out of 13 factors that make an attractive employer.

#### 6.5.2.8 Work environment and relations

Regarding the work environment, the study found that employees value a conducive work environment. More than 65% of employees rated it as important, and it was mostly those who had a master's degree. The results also reveal that most respondents feel their expectations of the work environment were only partially met. Only 14% said they were satisfied. According to Raziq and Maulabasksh (2015), the workforce today has become more challenging as employees are highly educated and aware of their rights. They further postulate that it is important for organizations to identify employees' needs and satisfy them to ensure the attainment of results: "A good work environment leads to heightened loyalty, commitment, and increased productivity". Research by Markey, Ravenswood and Webber (2012, in Raziq and Maulabasksh, 2015) found that the work environment has a significant impact on job satisfaction and intention to quit. This suggests that employers need to give high priority to the factors of the work environment.

An important aspect of work relations is the manager–employee relationship. The study reveals that 82% of employees rated having a respectful manager as important. A majority of those employees, according to the study, were neutral on the fulfilment of their expectations of the factor, and only 14% were satisfied. The relationship between manager and employee is very

important in achieving organizational goals and building a good organization. Studies have confirmed that, amongst other factors, employees tend to leave their employers because of dissatisfaction with their managers. According to a study by the Harvard Business Review, employees rated respect from leaders as number one factor in increasing commitment and engagement. Being treated with respect was more important to employees than recognition, appreciation and opportunity for growth. Their research further reported that leaders often struggle to demonstrate respect (HBR, 2015). Issues of harmonious work relations were also cited during interviews as an area where HR adds more value. Respondents mentioned that ensuring consistent application of policies and compliance with regulations was critical in creating an environment where managers and employees and employees work freely.

Communication is the life-blood of organizations. Organizational communication plays a vital role in employment relations. The current study found that 75% of employees rated communication as important and only 9% said it did not matter. Most employees felt their expectations of communication were met, and about 28% said they were satisfied with it. In particular, it was employees with low tenure who attached high importance to communication. This may be because they are still new and require guidance and direction to learn the processes in the organization. Lack of communication skills also emerged as an issue from the interviews. One particular interviewee suggested that HR should send staff for communication courses to ensure that they are able to communicate properly and understand the challenges that people encounter on a day to day basis. De Ridder (2004), who studied organizational communication and supportive employees, found that the quality of task-related communication is important in creating commitment. Quality communication is key for training and also for general day-to-day collaboration in the organization.

#### 6.5.2.9 Teamwork

In the study 83% of employees rated teamwork as important to them. Most employees were neutral on the fulfilment of their expectations of teamwork. A large proportion of employees also said, however, that they were satisfied with teamwork in the organization. Research shows that the use of teams in organizations has gained popularity in the past decade. According to Bishop and Mahajan (2005), the use of teams has become a popular strategy for enhancing productivity and worker flexibility. Teams not only have positive results for organizations but employees also stand to gain a wealth of skills and knowledge by being part of a work team. Teams provide employees with plenty of learning opportunities. According to Harris (1992,

cited in Bishop and Mahajan, 2005), organizations that use teams experience increased performance, less absenteeism and reduced employee turnover. Confirming these points, Hanaysha and Tahir (2016) also affirm that effective teamwork is necessary for developing employee satisfaction and that it can motivate an organization's workforce and increase self-efficacy.

Regarding team incentives, 67% of respondents said they were important. In particular, the younger employees attached high importance to team incentives. According to Wallace, Tolley-Stokes, and Estep (2011), the younger generation of workers is more tolerant, having grown up in a more culturally diversity environment with less segregation. They are participative in decision-making and enjoy teamwork on projects. These employees also want meaningful feedback and rewards for their efforts. Forty percent of those employees also said their expectations of team incentives were not met, and only sixteen were satisfied with them. Rewarding employees is one way of encouraging them to improve their performance. Lawler (2003, in Jiang, 2010) points out the power and impact of rewarding employees. He argues that reward systems can support change and motivate people to accept change and gain skills that fit the changing nature of business. Incentivising teams for good performance can motivate employees and encourage them to assume more responsibility.

Respondents also rated quality of co-workers as important. Again, it was the younger employees that attached high importance to the quality of co-workers. Research shows that co-worker relationship has a positive effect on job satisfaction and engagement (Lin and Lin, 2011). Employees feel motivated and comfortable when they work alongside co-workers who are skilled and knowledgeable and whom they can relate to and learn from.

### 6.6 Conclusion

The effectiveness of the HR function in organizations can be evaluated in various ways. One is to solicit the perceptions of staff on HR practices such as training and development, communication, rewards, performance management, motivation, health and safety and others. Another way is to investigate the perceptions of HR effectiveness based on its roles in the company. Accordingly, the chapter has provided a discussion of the results presented in chapter five based on the perceptions of both employees and management and an investigation of the role of HR and HR practices. As mentioned earlier, the findings were contrasted with findings from other researchers where possible. This was intended to enable the researcher to draw

conclusions and make valuable recommendations based on the findings. With the unprecedented changes in the environment, transforming HR has become an inevitable process for organizations. HR professionals are focusing on, and performing, more strategic duties in an attempt to add value and help their companies gain competitive advantage. Upgrading HR competencies, leveraging technology and improving the quality of HR data have become critical factors for present-day HR. It should however be noted that good HR systems do not equal successful talent management. The success of talent management is therefore very much dependent on the capability of the HR department – how they conceptualise the process, align their strategies with that of business, integrate their activities and leverage their resources to drive business growth.

#### **CHAPTER 7**

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Introduction

The preceding chapter provided a discussion of the study's results based on the objectives and themes developed in the presentations. The results were contrasted with empirical literature and findings of other scholars to validate the study's findings. This chapter provides a summary of the study and establishes how HR transformation can be instrumental in addressing talent management challenges by drawing on key points from the literature reviewed and from findings of the study. The chapter also provides conclusions and recommendations, based on the objectives which practitioners and stakeholders may implement to overcome the challenges and barriers that have been identified. The last section of the chapter outlines the contribution of the study and highlights the limitations of the study, and makes suggestions for further research.

# 7.2 Summary of the study

Throughout the study, the emphasis has been on the role of HR and talent management. The interest in the study was triggered by the fact that many organizations are still facing challenges and most are failing to win the talent war. This may be the result of a number of factors, including structure, service delivery model, capability and the internal and external work environment. Changes in the external work environment present numerous challenges relating to technological advancement, economic change, social values, and political and legal measure that impact on structure and service delivery in organizations. As a result, organizational capability and readiness are tested when these organizations have to reengineer their operations to align with the changing organizational strategy, and integrate their human capital strategies to support it. Companies need to embrace these changes and reinvent themselves to counter the demands of the new business environments.

Chapter 1 outlined the background to the study and presented the research problem and objectives. There is considerable documented research on the concept of talent management in organizations and its importance in gaining a competitive advantage. Scholars and business leaders acknowledge that proper management of talent brings direct economic gains for

organizations. Consequently, the call is on HR professionals to play their role in ensuring that they have proper structures and viable programs to support and maximize human capital productivity. It has been suggested that the HR department as custodians of talent management must transform themselves from being administratively orientated to being strategic partners with business and thereby ensure that critical HR practices such as talent management that add value are given strategic priority. Studies have shown, however, that HR departments have attempted to transform themselves in the past but with little or no success. The chapter therefore concluded that there is a strong need for HR to continue reinventing themselves and that effective transformation would enable organizations to overcome talent management challenges and be able to gain a competitive advantage in the market. In addition, the background also highlights the gaps inherent in literature on the conception and implementation of talent management in organization. In this regard, the researcher sought a deeper exploration into the concept.

As highlighted by Ulrich et al. (2009), a critical component in a winning business is an HR function that drives and improves business results. The modern business environment presents organizations with a new mandate for HR – one that requires them to drive the talent agenda and assist their organizations to attract the best talent in the market, drive alignment of culture and performance, leverage technology and analytics, and build a sustainable leadership pipeline. In this regard, Chapter 2 looked at the concept of HR transformation: what it entails and what gains organizations can get from transforming the HR function. With the looming pressure on HR to deliver value-adding services, the transformation of the HR function becomes a necessary evil. The review of literature indicated that there is no single formula for HR transformation. Organizations engage in the process based on their business needs. As highlighted by Mercer (2008), transformation focuses on business priorities, concentrating on areas such as talent management, emerging markets and HR organization.

Literature on the origins and evolution of HRM revealed that the field gained prominence in the late 70s and the 80s in response to the substantial increase in competitive pressures on organizations. The principles of HRM were rooted in managing the workforce as a source of competitive advantage and focused on line managers devising strategies for managing and developing people. The strategic imperatives of HRM required HR to engage in evidence-based HRM by providing data that could be used in strategy discussions. The transitioning of the HR function later saw new classification by scholars and field experts of roles that HR should fulfil. The identified roles are (a) Strategic Partner role (b) Change Agent role (c) Functional Expert

Role and (d) Employee Champion role. The strategic partner and change agent roles represent the strategic aspects of the HR function, whilst the functional expert and employee champion roles represent the operational aspects of the HR function. It has been argued that for HR to be fully functional and add value, they need to fulfil both aspects of their roles.

Chapter 2 also looked at the HR transformation framework proposed by Ulrich (2009). The model emphasizes the fundamental why, what, how and who questions that form the backbone of the transformation process. Before engaging in transformation, HR should make a business case for the transformation (why), define outcomes (what), redesign HR (how) and engage other stakeholders (who). Addressing these questions will enable HR to have a clear roadmap of the process. The impact of technology on HR transformation was also discussed. The researcher felt that technology is a prerequisite for transformation and central in HR work. Studies reveal that investment in HR technology has increased in recent years. This is evidence that organizations are improving their processes through investment in cutting-edge technology. Among the challenges identified in HR transformation is the use of generic HR service delivery models and best practices rather than focusing on customised solutions that support the value drivers of business. Transformation goes beyond simply altering service delivery models. The focus should be on a holistically, emphasizing areas which add strategic value to the organization.

Chapter 3 examined the concept of talent and talent management. The meaning of talent and how it is conceptualised in organizations was established. The literature revealed that organizations adopt differing meanings of talent, and this is manifested in the application of talent management. An organization's conception of talent determines its approach or strategy in talent management. This is also evident in the differing definitions and meanings of talent management provided by scholars. Many of these scholars and business leaders agree that there is no universal definition of the term, since it may mean whatever each organization decides in relation to the nature of their business and needs (Garg & Rani, 2014). The basic features of talent in the workplace relate to skill, knowledge, cognitive ability and potential for development.

The framework for talent management provided by Silzer and Dowell (2010) which depicts the steps in the talent management process was discussed in the third chapter three. As shown in the framework, there is wide consensus among scholars and business leaders that the talent management process begins with a clear understanding of the business strategy and the

direction the organization wants to take. Understanding the business strategy puts HR in a better position to devise appropriate talent management strategies for driving and supporting the business strategy, and also to put in place measurement and evaluation mechanisms to ensure minimal deviation from the plan. The components involved in the process of talent management, which include five traditional practices of HR, were also examined in the chapter. Based on the definition of talent management, the researcher was of the opinion that these practices form the core of talent management practices in organizations. Talent management succeeds when an organization has a viable recruitment strategy, recruits the right talent, has proper assessment and evaluation mechanisms to assess their needs, provides them with proper training and development, strives to keep them engaged through proper retention systems and provides opportunities for growth through succession management, development of talent pools and pipelines, and creation of a conducive work environment that encourages growth. Most important to the success of the process, though, is the integration and streamlining of these practices. Unlike previous HR departments that were structured to operate in silos with disconnected functions, modern HR requires integration of activities to provide a holistic coordinated system of HR practices.

Empirical literature indicates that an organization's success is directly linked to the talent it possesses. In this regard the researcher felt it was important to explore the role talent management plays in achieving competitive advantage in organizations and also the success factors crucial to the process. Silzer and Dowell (2010) identify four factors that organizations should consider in managing talent. Firstly, talent management should be driven by the business strategy. As highlighted earlier, the talent management strategy should mirror that of the organization. Secondly, talent management should be integrated with other processes and organizational initiatives such as changes to ensure relevance and value-add. Thirdly, talent management should be management as a core business practice. There is growing consensus among business leaders that talent management should be given strategic priority. Lastly, talent management should be engrained as a talent mind-set that permeates the organization from top management down to the lower levels.

The research plan was elucidated in Chapter 4. After examining the objectives of the study and other factors pertaining to its feasibility the researcher felt that the mixed method approach was the most appropriate for the study. The advantage of triangulation and integration of results was believed to be significant, as it would increase the validity and reliability of the study.

Presentation of the results in Chapter 5 was in the form of tables, bar graphs and pie charts. The researcher used both inferential and descriptive statistics in the analysis and presentation of the quantitative data results. Themes were developed in the presentation of qualitative data. These were based on the subject's responses and in relation to the variables of interest.

Discussions of results were presented in Chapter 6. Quantitative and qualitative data were combined in the discussion to provide more credibility to the findings of the study. The discussion focused on contrasting the findings of the study with previous research findings to come up with valid conclusions.

## 7.3 Conclusions of the study in relation to the objectives

Objective 1. To establish the extent to which HR transformation addresses talent management challenges.

The first objective sought to establish the extent to which HR transformation addresses talent management challenges. Statistically, the results of the study indicated that there is a strong correlation between HR transformation and talent management and that the dimensions of HR transformation impact on talent management, though in varying degrees. The study was able to establish the role and impact of HR transformation on talent management. While HR transformation focuses on improving HR operations to add more value to business, such as changing the service delivery model, upgrading technology and re-skilling personnel, strategic HR activities such as talent management should be at the centre of transformation efforts. Improving these aspects of the HR function is crucial for the success of talent management. HR technology today enables organizations to streamline their activities and provide accurate, reliable talent data that can be used in making strategic decisions. HR technology also ensures that the HR department provides reports in a timely and consistent manner and enhances the credibility of HR and the confidence of company leaders in the HR department. Upgrading the competencies of the HR department is also critical in the success of talent management. A capable HR team is able to counter and rise above the challenges presented by the changing work environment and deliver innovative programmes that drives business results. Although the results of the study indicated management's satisfaction with the capabilities of HR, it was worth noting that they had serious reservations on the how HR assumes responsibility regarding talent and change issues including their reporting and use of data metric and analytics. Restructuring of the HR department means repositioning HR to deliver more value to the organization. As such, it is crucial to organizational success that HR implements best practices to ensure utmost support to business.

With people at the core of competitive advantage, this process should ensure that they are deployed in the right positions and have the necessary resources to function to the best of their abilities. With regards to this objective, the study was able to establish the role and impact of HR transformation on talent management. Based on the review of literature the study was able to establish that transformation of the HR departments' activities and operations has a positive impact on talent management in that it enables the HR department to be closer to business and understand business operations rather than functioning as a standalone department. This also facilitates alignment of human capital strategies with business strategies. However, based on the findings the study concluded that although the company has taken strides in transforming the HR department to become strategic partners with business by having HR partners in the various divisions of operations, there is a lack of understanding of the business operations on the part of HR professional. In addition, the study concluded that the company is not taking advantage of the benefits of HR technology and data analytics in modern TM, as a result transformation efforts are not producing the best outcomes.

## Objective 2: Ascertain the role of HR in the company's strategy enactment.

The second objective was to ascertain the role of HR in the strategic process of the organization. The role or function of HR in organizations has been the principal focus of discussion in the study. The literature review indicated that the role of HR in organizations has evolved in response to changes in the business environment. The HR function has been transforming in an attempt to align with business demands and add value to business. The study revealed that previous HR departments were predominantly focused on transactional, routine activities, and only intervened when called upon by management to solve a problem. HR ensured that HR-related issues did not impede on business operations such as production and sales.

Today's business environment has raised the expectations for HR departments. HR is no longer just expected to support the implementation of the organization's strategy; they now play a crucial role in strategy planning. The findings indicated that the role of HR has transformed from that of paper pusher or policy watchdog to a more value-adding role of strategic business partner. The strategic aspects of the HR role requires HR to be strategic partners and change agents, and the strategic partner role requires HR leaders to position themselves as such in board meetings and engage actively in, and be meaningful contributors to, strategy planning.

As change agents, HR needs to have a deep understanding of the business strategy and be able to integrate human capital issues with change initiatives. Moreover, HR needs to enforce an organizational culture that supports change initiatives and motivates staff to participate in the change initiatives. The study also found that the strategic requirements of the HR role requires them to change accountabilities. Business leaders agree that HR has to report to the chief executive officer. Unlike previous HR departments which operated in silos, current HR is part of the wider operations of business. The expectation is that HR should provide clear metrics and data analytics that can be used in making strategic decisions. Drawing from the literature and findings, it can be concluded that the role of HR has generally changed and although HR professionals in the company understand what is expected of them, they are still lagging behind and not moving at the same pace with business.

Objective 3. Propose ways in which the company can build a strong employee value proposition to attract and retain staff.

The third objective was to propose ways in which the company can build a strong employee value proposition to attract and retain talent. A good EVP implies a proper balance of benefits, rewards, work policies and practices experienced by employees in their work. It describes and distinguishes the total work experience between organizations and is very important for attracting and retaining quality employees. The challenge of finding quality people with the right skills, knowledge, experience and values continues to haunt organizations. People, on the other hand, decide to accept or stay in positions based on the best value on offer. Therefore articulating a strong employee value proposition and delivering on it remains crucial in attracting and retaining talent. Based on the findings of the study it can be concluded that employees feel that the company lacks in delivering on their employment promise. Moreover, employees showed dissatisfaction with fulfilment of most of the value proposition factors. With the company battling with staff retention, building a strong EVP and holding all stakeholders responsible for its delivery accountable for staff engagement and retention would greatly minimize the pace of the revolving door and significantly lower turnover rates.

Objective 4: Determine ways in which the company can improve existing strategies on talent management.

The fourth objective sought to find ways in which the company can improve existing talent management strategies. Respondents reported uncertainty on the link between talent strategy and business strategy, and about deliberations on talent strategy in management meetings. A

talent management strategy should focus on the whole employee work-life cycle and the human capital requirements of the organization, as such, all aspects of the process should be treated as critical for both employee and organization growth. Such strategy should also address issues and practices pertaining to the management of talent in the organization. The findings of the study however revealed deficiencies in various TM activities such as performance management, training and development, succession planning and retention practices. Talent management, as mentioned in previous sections, begins with a strategy for identifying and recruiting the needed talent, and such strategy should be aligned with and driven by the business strategy. The findings also indicated that a talent-mind set does not permeate the company. It is the responsibility of HR and management to instil a talent mind-set in the company. If a talent mind-set does not permeate the company, and managers feel the company's leadership does not embrace talent management, they will not buy in to a talent strategy that is imposed on them. Conclusion that can be drawn under this objective are that stakeholders are not fully engaged regarding talent strategy in the company. Moreover, the lack of a talent mind-set may be another contributing factor to the lack of awareness on talent strategies. As such, the findings also indicated a lot of dissatisfaction about the talent management practices in the company. The lack of stakeholder engagement in the conception of TM strategies and activities leads lowered commitment to the process and thus dissatisfaction of the workforce towards TM practices.

Objective 5: To propose ways in which the company can increase employee engagement.

The last objective was to find ways in which employee engagement can be increased. Engagement entails employee satisfaction with, and commitment to, the job as a result of being valued and appreciated by their employers. Employee engagement is a great predictor of turnover and retention in organizations. The attitudes people have towards the organization lead to attachment and commitment. Based on the results, it can be concluded that employee engagement is low in the organization. For the organization to ensure that engagement levels are high among employees it is important to restore the trust that the company is the best place to work. This ca be achieve through rebranding the organization by delivering on, and fulfilling the employment contract. Employee engagement can also be enhanced through visible leadership. Closing the gap between leadership and employees, involving employees in important decisions and keeping the lines of communication open goes a long way in enhancing employee morale and engagement.

Employee's perception of how management values their contribution is also a great predictor of engagement. Studies show that if employees feel valued they are most likely to be more engaged and committed to the organization. Managers and supervisors have a crucial role in ensuring high engagement levels among employees. The company should weave engagement into the performance management of managers and hold them accountable for employee engagement in their units. In addition, the company needs to ensure that reward systems, performance benefits and incentives programs and procedures are clearly communicated to employees.

#### 7.4 Recommendations

Based on the review of literature, the results and the findings of the study, the following recommendations are offered.

• Conclusions drawn in relation to the first objective was that that there is a lack of understanding of business operation by HR professional in the company and that the HR department lacks in application of people analytics in their human capital management activities. It is therefore recommended that HR familiarises themselves with the core operations of the business to understand the direction of business and determine where they need to add the most value. For transformation to have a lasting impact on talent management, organizations need to be clear from the onset about the outcomes. In building a transformation case, it is crucial for organizations to have a clear vision of the company and what they intend to achieve including the human capital implications of the transformation. HR transformations should be based on sound understanding of the business context. Without such, re-engineering efforts will fall short of the fundamental aspect of a "business case" for transformation. Successful transformation should have purpose, focus on outcomes and be able to measure the impact of the change.

In addition, the process of transformation requires a holistic scrutiny of the department, which includes upgrading HR technology and personnel competencies. The literature indicated that a talent-focused transformation goes a long way towards ensuring the smooth execution of talent activities. In this regard, it is recommended that the company invest more in HR technology and employees, and take advantage of the benefits of such. HR

- technology and data analytics are at the centre of modern talent management. Without accurate human capital data it would be difficult if not impossible to drive a successful talent management process.
- Tough economic climates have seen the role of HR evolve into a strategic role that requires alignment of human resources with the strategic goals of the organization. Based on the conclusions under the second objective, it can be recommended that HR should actively engage with business in order to understand issues on the ground. As their partner and primary customer, HR needs prioritize their core activities related to business and strategic human capital management to ensure that business needs are catered for in a satisfactory manner. Moreover it is also important to upgrade those competencies of HR personnel which enable them to function even outside of the HR domain. The strategic role of HR requires them to be proactive, prioritise value-adding activities and take lead in initiating strategic human capital management initiatives. By so doing, HR professional not only ensure a seat at the strategy table but also enhance their credibility as value-adding players in business growth and sustainability.
- Based on the findings of the study and in relation to the third objective, it is recommended that in articulating and delivering a strong employee value proposition the organization should consider the critical and central aspects that employees' value in their work-life cycle. Factors to be considered include issues of compensation, people, opportunities, and the work environment as a whole. The findings of the study have provided an indication of the level of importance which employees attach to the employee value proposition factors. It is however also particularly important for the organization to undertake extensive research in order to benchmark its value proposition with industry standards. In addition, the organization should focus on the attributes that are more important to employees. A strong value proposition needs to be employee-centred and relevant to employee needs. Most often, organizations find themselves restricted by their policies and tend to invest in the attributes that are less important to employees. It is important that the company ensures that its policies support both business and employee growth. Perception surveys are an essential feature in understanding the feelings and values of employees. They uncover underlying problems and expectations, provide management with an understanding of what employee's value, and enable them to find ways to remedy shortcomings. Moreover, organizations need to focus on building a strong employee value proposition by

understanding not only the general needs of employees, but also considering the demographic profiles and environmental trends which drive those needs. Studies have shown that delivering on an employee value proposition substantially increases employee commitment, performance, engagement and retention. Transparency is another critical factor in building trust in the organization. Open communication and transparent processes regarding opportunities and employee-related activities can help to build employee trust and confidence in the company. It is also equally important for the organization to take a holistic view of the employment value chain. This could enable them to understand the different needs of employee through-out their career with the organization. Delivery of the EVP is very important for employee retention. The HR department needs to ascertain that basic employee development requirements are met in order to ensure that they feel valued and part of the organizations future plans.

Without a talent strategy any talent management efforts will be futile. For talent management to be a success, the company's talent leaders needs to ensure that all stakeholders are involved and pull in the same direction in managing talent in the company. This can be achieved by clearly articulating a talent strategy, driving a talent mind-set in the organization and holding managers accountable for talent management in their respective divisions. In particular, the company needs to ensure that the talent strategy is clear and well communicated to all stakeholders. HR has to ensure that management is fully on-board regarding talent-related issues as they are the ones responsible for the day-to-day execution of talent strategy. Today's business environment is driven by information, knowledge and flexibility. The shifts in demographics mean that organizations are flooding with a young and diverse generation of employees who are ambitious, knowledge hungry, and loyal to no employer. Career growth and advancement is very important to these employees. Strategies encompassing talent management practices should therefore focus on enhancing the employee's career rather than being used as a promotion tool. If employees feel that their career goals are neglected, they will leave the organization. In addition, talent strategies should not be one sided and focus only on organizational gains. It is important to design talent strategies that strike a balance between employee needs and organizational needs.

A well-crafted talent strategy clearly demonstrates to all stakeholders the company's approach towards TM, the link between TM practices, including the use of TM data,

creation of talent pools and their responsibilities and accountabilities in the process of talent management. In addition, a talent strategy should also spell-out how the strategy will be implemented including the supporting resources required. Successful talent strategies require buy-in and commitment from stakeholders, financial and technological resources and most importantly a capable and competent team to implement the strategy. With the company facing high levels of staff turnover, a clear talent strategy adopted by all stakeholders is a necessity. A talent strategy not only validates the company's commitment to employees but also motivates and instils a talent mind-set amongst managers and supervisors within the organization. As indicated in the literature, managers have great influence in the success of talent management programs in organizations. As such, adoption of a talent strategy by managers not only leads to the fulfilment of employees' development and growth needs but also ensures the success of programs such as succession management, employee retention and, places the company at an advantage than its competitors through attraction and retention of top talent.

To improve engagement it is recommended that HR strives to understand what employees value the most and ensure that it delivers on those aspects. Employees are motivated by various activities depending on a number of factors, including demographic profiles. It is important that employers understand the relationship between these factors and understand the role they play in employee motivation and engagement. Although it may be impractical to cater for the needs of every individual in the organization, attempts can be made to prioritise those aspects that most employees value. Moreover, employees value open communication and transparency. The organization therefore needs to provide employees with information, good or bad, to prevent issues from becoming major problems. In a study by Mishra, Boynton and Mishra (2014) on the role of internal communication for employee engagement, executives believed that the purpose of internal communication is to drive employee engagement. Their finding revealed that executives strive to build and promote trust through a two-way communication with their employees and other stakeholders. What organizations communicate to prospective and current employees should promote good faith between the parties.

#### It is also recommended that HR;

 Provide line managers with talent analytics to aid in making informed decisions about talent management.

- Take lead and engage with line managers in driving talent initiatives and strategies
- Focus on building talent pools for key positions and align these with succession plans
- Design effective long-term retention strategies which focus on key and core positions
- Hold managers responsible and foster delivery of employee value proposition by managers to improve employee engagement.

# 7.5 Limitations of the study

As mentioned previously, the major limitations of the research were location and reluctance to participate in the study. The researcher had to travel to various locations where the company has depots to deliver and collect questionnaires. As these locations were very far apart, the researcher had to find alternative ways to ensure that questionnaires were distributed and collected without problems. Regarding the reluctance to participate in the study, the researcher took the time to explain expediently the purpose of the study and assure all respondents of anonymity at all times. Another concern was that some respondents complained about the length of the questionnaire. This was overcome by allowing them enough time to complete the questionnaire.

# 7.6 Significance of the study

The significance and contribution of the study can be categorized into two parts, namely: managerial and academic contribution.

(i) Managerial contribution: The study not only underscores the importance of HR transformation and talent management in the achievement of organizational goals, but also highlights the connection between HR transformation and successful talent management. TM today has become a central and strategic aspect in the achievement of a firms objectives. As such, managers being key role players in the process, and HR professionals as drivers of the process, it remains crucial that they possess in-depth knowledge on the nitty-gritties of the implementation of TM activities and what the requirements of their roles are. Moreover, the study provides HR professionals with an understanding of how to go about in preparing for a transformation by highlighting the importance of having a solid purpose, envisaged outcomes and measurable impact. The study also adds to the body of knowledge on

the gaps identified and serve as a point of reference for organizations planning to transform.

(ii) Academic contribution: It is anticipated that the research will contribute and expand the frontiers of knowledge in the human capital management field. The dynamic nature of the business environments and human capital necessitates frequent knowledge generation in order to assist businesses in positioning themselves in addressing talent management needs.

# 7.7 Suggestion for Future Research

The findings of the study indicated that there is a strong correlation between HR transformation and talent management, and that the dimensions of HR transformation have an impact on talent management. Future research in relation to the study may focus on enlarging the scope to include different organizations in various sectors of the economy. Research could also stretch the concept of HR transformation by not only focusing on the rationale and phases of implementation but also on the detailed implementation process and the challenges faced during the process in both private and public sectors. In addition, the literature revealed that organizations define talent and adopt talent management strategies based on the nature and operations of business. In the mist of the forth industrial revolution and the changes in the manner in which organizations conduct business, it would also be interesting to investigate the impact on culture changes, talent management and HR transformation.

#### 7.8 Conclusion

The chapter has provided a recap of the study, detailing the main focal points of each chapter and their importance to the research. Conclusions were discussed based on the objectives of the study and the main themes presented in the preceding chapter. Business environments are ever-changing and very disruptive. As such, processes within organizations need to be transformed to move at the same pace with business trends. Organizations who fails to embrace change risk losing talented employees and competitive advantage to their competition. Moreover, static organizations are less attractive to prospective employees in todays' knowledge environments.

Recommendations emanating from the main objectives and findings were provided in the chapter. These focused on the issues revealed in the finding in relation to the main variables of

the study. Effective HR transformation and talent management requires more than just changing service delivery models, recruiting people, having talent pools or introducing new systems. These should be planned processes which are guided and driven by the strategic intent of the organization. Moreover, these processes should focus on repositioning the HR department to add more value to business. Noted in the discussion was that lack of planning and stakeholder engagement has proven to be a major challenge in the success of these processes.

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## **APPENDICES**

# Contents

- Appendix A: AManagement Questionnaire
- Appendix B: Employee Questionnaire
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- Appendix D: Gatekeepers letter
- Appendix E: Ethical Clearance, elagance

#### **APPENDIX A**

#### **MANAGEMENT QUESTIONNAIRE**



#### **COLLEGE OF LAW & MANAGEMENT STUDIES**

Researcher: Trevor Mtetwa: Cell +27 71 086 3100, Tel 031 260 7484 mtetwan@ukzn.ac.za,

Supervisor: Dr Emmanuel Mutambara: 031 260 8129, Mutambarae@ukzn.ac.za

Research Office: Ms P Ximba: 031 260 3587, ximbap@ukzn.ac.za

#### Title of the Study

# Human resource Transformation as a strategy in addressing Talent Management challenges at Swaziland Electricity Company

# **Dear Respondent**

I would like to invite you to participate in an academic research I am carrying out. The research is part of my doctoral dissertation towards a PhD in Leadership at the Graduate School of Business and Leadership in the University of KwaZulu Natal, Durban, South Africa. The study aims to determine the impact HR transformation has on talent management and how it can be used as a strategy to enhance talent management. It will further investigate and suggest ways of improving the employee value proposition in organizations. The study results will be used for academic purposes only and may be published in an academic journal.

If you decide to participate in this study, you will be asked to fill out the attached anonymous survey/Questionnaire. Whilst your participation is critically important towards the completion of this study, should you wish to withdraw at any point for any reasons whatsoever, you may do so without any negative consequences. Your participation is completely voluntary, and it is your right to ask for more information, raise any concerns or complaints, and point out any issues that are of importance to you. Since your confidentiality is a primary concern to us, your

identity, responses and results will remain confidential. In compliance with the Data Protection Act for protection of participants' rights and privacy access to data will only be authorized to myself, my supervisors and a select few who will aid in data analysis.

Please answer the questions in the attached survey instrument as honestly and completely as possible. This should take not more than 25 minutes of your time.

For any further information, questions or comments regarding the study, please do not hesitate to contact the researcher on the above contact details or my supervisor Dr E Mutambara on mutambarae@ukzn.ac.za.

I have read and understood the information provided above. I am aware of my rights and I give
my consent to participate in this study on a voluntary basis by checking or ticking the box
below.

☐ (Yes, I give my consent)	Date

#### **TOPIC**

# HUMAN RESOURCE TRANSFORMATION AS A STRATEGY IN ADDRESSING TALENT MANAGEMENT CHALLENGES AT SWAZILAND ELECTRICITY COMPANY

#### **INSTRUCTIONS**

This questionnaire consists of two sections. Please complete every section. Section A requires general, personal information about you and your job. Section B is concerned with various organizational and HR transformation practices and their relation to talent management, *Please* evaluate each statement in terms of the extent to which you agree or disagree with it by marking with a cross (X) in the appropriate box.

Herewith an example when completing the questionnaire:

#### Gender:

Should you be male, please cross "X" the appropriate block as follows:

Male	Female
	2

# **SECTION A: BIOGRAPHICAL DATA**

Please indicate your response by making a cross (X) in the appropriate box

# 1. Gender?

Male	Female
1	2

# 2. Age group?

Under 20	1
21-30	2
31-40	3
41-50	4
50-60	5
Above 60	6

# 3. Marital status?

Single	1
Married	2
Divorced	3
Widowed	4

# 4. What is your highest Qualification?

Matric (High School)	1
Diploma	2
Bachelor's Degree	3
<b>Honors Degree</b>	4
Master's Degree	5
Doctorate/PHD	6

# 5. How long have you been with the company?

0-3 Years	1
4 – 7 Years	2
8 – 11 Years	3
12 - 15 Years	4
Above 15 Years	5

# **SECTION B: HR TRANSFORMATION:**

- The following statements ask for your opinion with regard to various organizational and HR transformation practices and their focus on talent management.
- ➤ Please indicate the extent to which you Agree or Disagree with each statement by placing a cross (X) on the number that corresponds to your opinion.
- > **SD**=Strongly Disagree, **D**=Disagree, **NS**= Not Sure, **A**=Agree, **SA**=Strongly Agree

		SD	D	NS	A	SA
		1	2	3	4	5
	STRATEGY AND INVOLVEMENT OF HR IN COL RATEGY	RPORA'	TE ANI	) BUSIN	ESS	
1	HR is fully involved in strategy formulation and implementation in company	1	2	3	4	5
2	HR understands and speaks the language of business (Vision, Mission & Strategy)	1	2	3	4	5
3	HR forms partnerships with line/divisional managers in addressing talent issues.	1	2	3	4	5
4	HR implications are not considered in major strategic decisions.	1	2	3	4	5
5	HR lacks valuable contributions in strategy decisions.	1	2	3	4	5
6	The involvement of HR in strategy decisions has had great effect in addressing human capital issues in the company.	1	2	3	4	5
7	HR does not have meaningful strategic plans which ensure support and growth of the business.	1	2	3	4	5
8	HR service delivery strategy is aligned with the company's business strategy.	1	2	3	4	5
9	Organizational issues, such as mission and vision are considered in HR strategy.	1	2	3	4	5
Any	additional comments on the involvement of HR in corpo	orate and	busines	s strategy	7.	

	CAPABILITIES	1	2	2	1	
0	HR lacks the competence to be a strategic partner.	1	2	3	4	5
1	The HR department is adequately staffed to meet business needs.	1	2	3	4	5
2	HR takes the lead in integrating talent management issues with change initiatives/processes.	1	2	3	4	5
3	HR has the capability to develop talent strategies aligned to business strategies.	1	2	3	4	5
4	Managers capitalise on the expertise of HR in dealing with talent management.	1	2	3	4	5
5	HR does not demonstrate a clear understanding of organizational and customer needs.	1	2	3	4	5
6	The HR department personnel are cross-trained to perform duties outside their major areas of responsibility.	1	2	3	4	5
7	HR services and functions are not aligned and prioritized to organizational needs.	1	2	3	4	5
	HR REPORTING & ACCOUNTABILITY					
8	HR REPORTING & ACCOUNTABILITY I have confidence in the information provided in HR reports	1	2	3	4	5
8	I have confidence in the information provided in HR reports.  HR leads in showing Management how its data can be	1 1	2 2	3 3	4 4	5 5
	I have confidence in the information provided in HR reports.	1 1 1				

22	HR Metrics are used to provide valuable input into	1	2	3	4	5
	talent management and strategic workforce planning					
22	decisions.	1	2	2	4	E
23	HR does not clearly communicate its strategy to all stakeholders.	1	2	3	4	5
24	Management consistently uses and requests HR data /	1	2	3	4	5
	metrics to support strategic decisions.		_	_		_
25	HR data and people analytics are easily linked with	1	2	3	4	5
	business performance.					
Any	additional comments on HR Reporting and Accountabil	ity				
HR	TECHNOLOGY					
HR 26	TECHNOLOGY  The HR department is well equipped in HR	1	2	3	4	5
		1	2	3	4	5
	The HR department is well equipped in HR	1 1	2 2	3	4 4	5
<ul><li>26</li><li>27</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.	1 1	2	3	4	5
26	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to	1 1 1				
<ul><li>26</li><li>27</li><li>28</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.	1	2	3	4	5
<ul><li>26</li><li>27</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the	1 1 1	2	3	4	5
<ul><li>26</li><li>27</li><li>28</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.	1	2	3	4	5
<ul><li>26</li><li>27</li><li>28</li><li>29</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the HR admin processes.	1	2	3	4	5
<ul><li>26</li><li>27</li><li>28</li><li>29</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the	1	2	3	4	5
<ul><li>26</li><li>27</li><li>28</li><li>29</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the HR admin processes.	1	2	3	4	5
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<ul><li>26</li><li>27</li><li>28</li><li>29</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the HR admin processes.	1	2	3	4	5
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<ul><li>26</li><li>27</li><li>28</li><li>29</li></ul>	The HR department is well equipped in HR technology.  HR technology is used to facilitate talent management in the company.  HR technology is too complicated and not easy to work with.  HR technology has improved the efficiency of the HR admin processes.	1	2	3	4	5

REC	CRUITMENT & SELECTION					
30	The organization is able to recruit desired employees in a timely and consistent manner	1	2	3	4	5
31	The involvement of HR in strategy decisions ensures that the right people to drive strategy are recruited.	1	2			5
32	Recruitment strategies are not informed by future business needs and strategy.	1	2	3	4	5
33	Recruitment and selection in the company is focused on employee-job-fit	1	2	3	4	5

# TALENT MANAGEMENT PRACTICES

		SD	D	NS	A	SA
	STATEMENTS	1	2	3	4	5
34	The company's HR department has effective people	1	2	3	4	5
	management systems.					
35	There is no formal talent strategy in place in the	1	2	3	4	5
	company.					
36	Talent management is not considered important in	1	2	3	4	5
	achieving business objectives in the company.					
37	There is a direct link between talent management	1	2	3	4	5
	strategy and business strategy.					
38	The company has a formal policy for career planning	1	2	3	4	5
	and development.					
39	The HR department has a formal procedure for	1	2	3	4	5
	potential appraisal.					
40	Talent management is viewed as responsibility of	1	2	3	4	5
	HR in the company.					
41	The organization identifies high potential and key	1	2	3	4	5
	employees and has programs to retain them.					
42	Talent management issues are frequently discussed	1	2	3	4	5
	in management meetings					

43	Talent management issues form part of HRs and the company's long term strategic plans.	1	2	3	4	5
44	The company's succession planning is liked with talent programs.	1	2	3	4	5
45	The company has a systematic plan for developing managers within human resources and within the overall organization.	1	2	3	4	5
46	Talent pools for key roles are part of the succession planning.	1	2	3	4	5
47	The organization identifies and uses competencies to develop the workforce.	1	2	3	4	5
48	Employee development needs are identified and met in an effective and timely manner	1	2	3	4	5
49	The company's performance management process is not effective in incorporating employee career development needs.	1	2	3	4	5
50	There is equity in the company's performance management system and rewards system.	1	2	3	4	5
51	I am not satisfied with the HR processes and the time it takes to fill a position in this company.	1	2	3	4	5
52	Talent management is considered a priority and is embraced by the company's' leadership.	1	2	3	4	5
53	The HR department does a great job in fostering a talent mind-set throughout the company.	1	2	3	4	5
54	The HR department frequently trains and engages with line management concerning talent management issues.	1	2	3	4	5
55	Talent management programs are anchored to focus on capabilities and skills the organization needs to succeed in the future.	1	2	3	4	5
56	I fully understand the performance management system used in the company	1	2	3	4	5
57	The company has no formal budget for talent management initiatives (Recruitment, Development & Retention).	1	2	3	4	5
58	The company has a designated talent leader to champion the organizations talent management strategy					

1. Rate the extent to which you think the company's HR performs the following functions. (1=poor, 2=unsatisfactory, 3=fair, 4=good 5=excellent)

	Functional Areas	Ratin	g			
1	Managing costs	1	2	3	4	5
2	Retaining key talent	1	2	3	4	5
3	Collaborating with management on Human Capital Management	1	2	3	4	5
4	Implementing Coaching and Mentoring programs	1	2	3	4	5
5	Achieving operational excellence	1	2	3	4	5
6	Sourcing key talent	1	2	3	4	5
7	Providing workforce analytics for strategic decisions	1	2	3	4	5
8	Supporting & enabling strategic decisions	1	2	3	4	5

		•			•			•	talent	management
practice	es/prog	grams	in the co	mpany	and hov	w they c	an be	improved.		

# END OF QUESTIONNAIRE \*\*\*THANK YOU FOR PARTICIPATING IN THE STUDY\*\*\*

#### APPENDIX B

#### **EMPLOYEE QUESTIONNAIRE**



#### **COLLEGE OF LAW & MANAGEMENT STUDIES**

Researcher: Trevor Mtetwa: +27 71 086 3100, 031 2 7484 mtetwan@ukzn.ac.za,

Supervisor: Dr Emmanuel Mutambara: 031 260 8129, Mutambarae@ukzn.ac.za

Research Office: Ms P Ximba: 031 260 3587, ximbap@ukzn.ac.za

# Title of the Study

# Human Resource Transformation as a strategy in addressing Talent Management challenges at Swaziland Electricity Company

### **Dear Respondent**

I would like to invite you to participate in an academic research I am carrying out. The research is part of my doctoral dissertation towards a PhD in Leadership at the Graduate School of Business and Leadership in the University of KwaZulu Natal, Durban, South Africa. The study aims to determine the impact HR transformation has on talent management and how it can be used as a strategy to enhance talent management. It will further investigate and suggest ways of improving the employee value proposition in organizations. The study results will be used for academic purposes only and may be published in an academic journal.

If you decide to participate in this study, you will be asked to fill out the attached anonymous survey/Questionnaire. Whilst your participation is critically important towards the completion of this study, should you wish to withdraw at any point for any reasons whatsoever, you may do so without any negative consequences. Your participation is completely voluntary, and it is your right to ask for more information, raise any concerns or complaints, and point out any issues that are of importance to you. Since your confidentiality is a primary concern to us, your identity, responses and results will remain confidential. In compliance with the Data Protection

Act for protection of participants' rights and privacy access to data will only be authorized to myself, my supervisors and a select few who will aid in data analysis.

Please answer the questions in the attached survey instrument as honestly and completely as possible. This should take not more than 25 minutes of your time.

For any further information, questions or comments regarding the study, please do not hesitate to contact the researcher on the above contact details or my supervisor <u>Dr Emmanuel</u> Mutambara.

I have read and understood the information provided above. I am aware of my rights and I give
my consent to participate in this study on a voluntary basis by checking or ticking the box
below.

☐ (Yes, I give my consent)	Date

# **TOPIC**

# HUMAN RESOURCE TRANSFORMATION AS A STRATEGY IN ADDRESSING TALENT MANAGEMENT CHALLENGES AT SWAZILAND ELECTRICITY COMPANY

# **INSTRUCTIONS**

This questionnaire consists of three sections. Please complete all questions in both sections. **Section A** requires general, personal information about you and your job. **Section B** is concerned with various practices in relation to talent management, such as performance management system and employee development. **Section C** is concerned with statements which evaluate the employee value proposition/engagement in the company.

Please mark with a cross in the appropriate box for your responses.

Herewith an example when completing the questionnaire:

#### Gender:

Should you be male, please cross "X" the appropriate block as follows:

Male	Female
	2

# **SECTION A: BIOGRAPHICAL DATA**

Please indicate your response by making a cross (X) in the appropriate box

# 1. Gender?

Male	Female
1	2

# 2. Age Group?

Under 20	1
21-30	2
31-40	3
41-50	4
50-60	5
Above 60	6

# 3. Marital status?

Single	1
Married	2
Divorced	3
Widowed	4

# 4. Qualification?

Matric (High School)	1
Diploma	2
Bachelor's Degree	3
Honors Degree	4
Master's Degree	5
Doctorate/PHD	6

# 5. What is your position in the company?

# 6. How long have you been with the company?

0-3 Years	1
4 – 7 Years	2
8 – 11 Years	3
12 – 15 Years	4
Above 15 Years	5

# 7. What is the nature of your job?

Administrative	1
Technical	2

# **SECTION B: TALENT MANAGEMENT PRACTICES**

Please evaluate each statement in terms of the extent to which you agree or disagree with it by marking with a cross (X) in the appropriate box.

➤ **SD**=Strongly Disagree, **D**=Disagree, **NS**= Not Sure, **A**=Agree, **SA**=Strongly Agree

		SD	D	NS	A	SA
	STATEMENTS	1	2	3	4	5
1	I have confidence in the HR department.	1	2	3	4	5
2	There is equity in my performance and the rewards I get.	1	2	3	4	5
3	Employee development issues are taken seriously by the HR department and Management.	1	2	3	4	5
4	I am satisfied with the performance management system in the company.	1	2	3	4	5
5	There are equal growth opportunities for all employees in the company.	1	2	3	4	5
6	There is a link between the training I receive and the goals of the company.	1	2	3	4	5
7	Job rotation/placement decisions are focused on my development needs.	1	2	3	4	5
8	The HR department does a great job in developing employees.	1	2	3	4	5
9	The HR department understands my development needs.	1	2	3	4	5
10	The company's HR department is an advocate for employee development.	1	2	3	4	5
11	HR & my Manager are aware of my career goals.	1	2	3	4	5
12	My careers goals are not incorporated in my development plans.	1	2	3	4	5
13	I am not satisfied with the support I get from the HR department.	1	2	3	4	5
14	Performance appraisal does not apply to all members of the organization/company.	1	2	3	4	5
15	I know who to contact for specific HR related questions and inquiries.	1	2	3	4	5
16	When I contact HR, my first contact person answers my questions or finds the answers for me.	1	2	3	4	5
17	The HR department does not work well as a team in this company.	1	2	3	4	5
18	Promotions are carried out fairly in the company	1	2	3	4	5
19	Employees are only trained when a need arises.	1	2	3	4	5
20	The performance appraisal system focuses on my core duties.	1	2	3	4	5

Any additional comments			
	·	•	

#### SECTION C: EMPLOYEE VALUE PROPOSITION & EMPLOYEE ENGAGEMENT

		SD 1	D 2	NS 3	A 4	SA 5
1	The company does a good job in communicating	1	2	3	4	5
	employment promises to employees.					
2	The company's employment promises are clearly	1	2	3	4	5
	aligned to labour market trends.					
3	The company does not deliver on their employment	1	2	3	4	5
	promises.					
4	As an employee I am treated with respect and	1	2	3	4	5
	courtesy in the company.					

# NB: Please read the instructions carefully before responding

Rate the following factors in order of importance in your current position & when considering other positions, where 1= Irrelevant, 2= Unimportant, 3= Neutral, 4=Important 5= Highly Important.

On the far right columns (EXPECTATIONS) please indicate the extent to which these factors are met by the company where 1=Not Met, 2 = partially Met, 3=Met, 4= satisfactory Met 5= Exceeded

# Mark the relevant box with a cross (X)

	FACTOR	IMPORTANCE				EXPECTATIONS MET					
		I	U	N	Ι	HI	NM	PM	M	S M	E
1	TRAINING	1	2	3	4	5	1	2	3	4	5
2	CAREER ADVANCEMENT	1	2	3	4	5	1	2	3	4	5
3	OPORTUNITY FOR GROWTH	1	2	3	4	5	1	2	3	4	5
4	INTERNATIONAL EXPOSURE	1	2	3	4	5	1	2	3	4	5
5	STUDY SUPPORT	1	2	3	4	5	1	2	3	4	5
6	JOB ROTATION	1	2	3	4	5	1	2	3	4	5
7	CHALLENGING WORK	1	2	3	4	5	1	2	3	4	5
8	WORKLIFE BALANCE	1	2	3	4	5	1	2	3	4	5
9	BONUSES	1	2	3	4	5	1	2	3	4	5
10	MENTORING & COACHING	1	2	3	4	5	1	2	3	4	5
11	CONDUCIVE WORK ENVIRONMENT	1	2	3	4	5	1	2	3	4	5
12	COMPETITIVE SALARY	1	2	3	4	5	1	2	3	4	5
13	YEARLY INCREASE	1	2	3	4	5	1	2	3	4	5
14	RESPECTFUL MANAGER	1	2	3	4	5	1	2	3	4	5
15	CHILDCARE FACILITIES	1	2	3	4	5	1	2	3	4	5
16	TEAM WORK	1	2	3	4	5	1	2	3	4	5
17	TEAM INCENTIVES	1	2	3	4	5	1	2	3	4	5
18	GOOD TECHNOLOGY	1	2	3	4	5	1	2	3	4	5
19	JOB SECURITY	1	2	3	4	5	1	2	3	4	5
20	FLEXIBLE WORK SCHEDULES	1	2	3	4	5	1	2	3	4	5
21	REDUCED WORK HOURS	1	2	3	4	5	1	2	3	4	5
22	RETIREMENT PLAN	1	2	3	4	5	1	2	3	4	5
23	MEDICAL AID	1	2	3	4	5	1	2	3	4	5
24	CAR ALLOWANCE	1	2	3	4	5	1	2	3	4	5
25	PROFFESIONALISM	1	2	3	4	5	1	2	3	4	5
26	QUALITY OF CO-WORKERS	1	2	3	4	5	1	2	3	4	5
27	COMPANY REPUTATION	1	2	3	4	5	1	2	3	4	5
28	EXEPTIONAL LEADERSHIP	1	2	3	4	5	1	2	3	4	5
29	COMPANY'S APPROACH TO ETHICS	1	2	3	4	5	1	2	3	4	5
30	RECOGNITON	1	2	3	4	5	1	2	3	4	5
31	EMPLOYEE EMPOWERMENT	1	2	3	4	5	1	2	3	4	5
32	COMMUNICATION	1	2	3	4	5	1	2	3	4	5

# END OF QUESTIONNAIRE

# \*\*\*THANK YOU FOR PARTICIPATING IN THE STUDY\*\*\*

#### APPENDIX C: INTERVIEW GUIDE



#### **COLLEGE OF LAW & MANAGEMENT STUDIES**

Researcher: Trevor Mtetwa: +27 71 086 3100, 031 260 7484 mtetwan@ukzn.ac.za,

Supervisor: Dr Emmanuel Mutambara: 031 260 8129, Mutambarae@ukzn.ac.za

Dear Respondent

My name is Trevor Ncamiso Mtetwa, I am pursuing a PhD in Leadership & Management studies at the Graduate School of Business & Leadership at UKZN. My research topic is: 

HUMAN RESOURCE TRANSFORMATION AS A STRATEGY IN ADDRESSING 
TALENT MANAGEMENT CHALLENGES AT SEC. The aim of the study is to determine the impact HR transformation has on talent management (TM) and how it can be used as a strategy to enhance talent management. It will further investigate employee's perceptions of TM and suggest ways of improving the employee value proposition in organizations. As part of my research, I need to collect primary data from various sources. This includes the opinions of both management and employees of the company.

Through your participation I hope to get an understanding of HR transformation and talent management in the company. I would like your permission to tape record this interview, so I may accurately document the information you convey. If at any time during the interview you wish to discontinue the use of the recorder or the interview itself, please feel free to let me know. Your responses will remain confidential and will be used to develop a better understanding of the perceived role of HR and talent management in the company and how it can be improved. Confidentiality and anonymity of records which may identify you as a participant will be monitored by the Graduate School of Business of UKZN.

Your participation in this study/ interview is completely voluntary. You May withdraw your participation at any time with no consequences. There will be no monetary gains from your participation in the study. If at any time you need to stop or take a break, please let me know. The session will take about 30 minutes and will include 8 questions. Do you have any questions or concerns before we begin? Then with your permission we will begin the interview.

Sincerely

Trevor Ncamiso Mtetwa

(This page is to be retained by the participant)

#### **Interview Guide**

- 1. What do you think are the most eminent issues of HR in the company?
- 2. In the past 3 years, how has the role of HR changed in the company?
- 3. What is your understanding of HR transformation and Talent management (TM)?
  - > HR Transformation:
  - > Talent Management:
- 4. What Impact do you think transforming HR would have on Talent Management?
- 5. In-terms of managing Talent, what do you think the HR department should do differently?
- 6. To what extent does the HR department add value to the company?
- 7. Could you please outline the link between the company's Human Capital Strategy and Business strategy?
- 8. Are there any additional comments you would like to share on the role of HR and talent management in the company?

#### **END OF INTERVIEW**

\*\*\*THANK YOU FOR PARTICIPATING IN THE STUDY\*\*\*

### **APPENDIX D:**

#### **GATEKEEPER'S LETTER**



Swaziland Electricity Company (SEC)

Head Office, Eluvatsini House Mhlambanyatsi Road P O Box 258 Mbabane H100 Tef. +268 2409 4000 Fax. +268 2404 2335

08 July 2016

The Humanities & Social Science Ethic Committee Westville Campus Govan Mbeki Building

Dear Sir/Madam,

#### RE: PERMISSION TO CARRY OUT RESEARCH STUDY

This letter serves to confirm that Mr Trevor Mthethwa has been granted the permission to carry out a study in the Swaziland Electricity Company (SEC) as part of his studies towards his Doctorate degree.

Yours Sincerely,

THULANI MCHUNU

MANAGER - HUMAN RESOURCES

#### **APPENDIX E:**

#### ETHICAL CLEARANCE



07 September 2016

Mr Trevor Neamiso Mtetwa (215081615) Graduate School of Business & Leadership Westville Campus

Dear Mr Mtetwa,

Protocol reference number: HSS/1225/016D

Project title: Human Resource Transformation as a strategy for addressing Talent Management Challenges at Swaziland Electricity Company

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 05 September 2016 has now been approved as follows:

· Change to Research Instrument

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for period of 3 years from the date of original issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol.

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Emmanuel Mutambara

Cc Academic Leader Research: Dr Muhammad Hogue

Co School Administrator: Ms Zarina Bullyraj / Ms Eileen Mohamed

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

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Website: www.ukzn.ac.za

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