Talent Management by the East London IDZ to Lever the Competitive Edge

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Submitted in partial fulfilment of the requirements for the degree of Master in Business Administration in the Faculty of Business and Economic Sciences at the Nelson Mandela Metropolitan University

SUPERVISOR: PROF D. M. BERRY

30 NOVEMBER 2011
DECLARATION

This work has not been previously accepted in substance for a degree and is not being currently submitted in candidature for any other degree.

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**ABSTRACT**

Talent in the field of attraction of Foreign Direct Investment (FDI) is scarce in South Africa, especially in the Eastern Cape, due to the history of exclusion of South Africa from world economic participation, prior to 1994. In order for the ELIDZ to achieve its mandate of FDI attraction, job creation and economic growth, talent management has to be a key aspect in the boardroom discussions and strategic planning sessions.

The purpose of this study is to investigate the effective use of talent management by the East London IDZ to leverage the competitive edge of the ELIDZ in the business of attracting Foreign Direct Investment into South Africa, and also of competing against the world’s Economic Processing Zones (EPZ’s) and Free Trade Zones (FTZ’s).

According to Holbeche (2009:166), talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution, or, in the longer term, by demonstrating the highest level of potential. For the purpose of this study, talent management is defined as the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organisation.

The literature reviewed pointed out very clearly that organisations that have properly developed, implemented and managed talent management strategies enjoy high levels of motivation, innovation and creativity, lesser levels of staff turn-over, high employee performance, superior productivity and mostly a competitive advantage in their league.

The East London IDZ study response enjoyed a rate of 40 out of 54 employees who received questionnaires and returned them by the due date. The responses represented a total of 74.1%, and this level of response is attributed to the fact that by the end of May 2011, the ELIDZ had just undergone an Organisational Re-structuring.

The current status quo of the ELIDZ, based on the views as reflected in this study, is very compromising for an organisation that aims to compete in the global space for the attraction and retention of foreign direct investment (FDI’s), and the global competitiveness based on the talent available. The overall picture depicted by the empirical results suggests that there are critical gaps for which the ELIDZ Executive Management and Board need to craft solutions, if competitiveness is going to be taken seriously in the near and long-term future.
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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Employee shortages, skills gaps and the rapid pace of change have made it impossible to recruit and secure the talent necessary to stay competitive. Trying to solve this problem means that companies have to invest in a comprehensive talent management system and programmes aimed at not just recruiting good employees, but also retaining them and continuing to develop their skills and competencies in alignment with strategic business goals and objectives.

Brewster, Carey, Grobler, Holland and Warnich (2009:128) point out that at the core of strategic resourcing to create high performance organisations, there are challenges posed by the knowledge of economy, namely;

- There are not enough skilled workers to go around;
- Workers’ attitudes and expectations have shifted permanently;
- New employment options continuously lure the best and brightest;
- Finding a new job has seldom been easier;
- The cost of losing talent is high;
- The risk of losing talent during, or following, restructuring is especially high;
- In the new economy, talent is used as a key differentiator.

Du Toit, Erasmus and Strydom (2009:201) suggest that competitive advantage through people is what separates top performing companies from their competitors and is reinforced by the way they treat their workforces. Companies that invest in their employees create long-lasting competitive advantages that are difficult for other companies to duplicate,

Given the global shortage of high-level talent, the difficulties of identifying that talent, and the problems associated with selection, it is imperative that any organisation which seeks to be competitive should position itself effectively in order to attract the best talent available. (Boninelli & Meyer, 2004:158).
There are visible challenges of talent management or strategic resourcing that are facing organisations, namely: retirements, generational gaps and employment equity. John Moalusi, Chief Executive Officer of Bridging the Gap, the management search company, believes that, “in the current environment, employers shouldn’t really expect their workers, especially the young, ambitious ones, to stay much longer than 3 or 4 years, unless they are continually growing”, (Candy, 2005:35).

At the Succession Planning and Talent Management Conference in 2007, Jenny Greyling in her talent management presentation, cited a statement by Bradford Smart that says, “if the playing field is all level except for talent, your superior talent will ensure you win”, (Greyling, 2007:3).

1.1.1 The Industrial Development Zones in South Africa

The South African government saw the need to develop economic stimulating entities in strategic places in the country that would assist the nation in fighting unemployment, in investment attraction and in growing of the economy in specific regions. The Minister of the Department of Trade and Industry (DTI) established an Industrial Development Zone programme under section 10(1) of the Manufacturing Development Act No. 187 of 1993.

- An IDZ is defined as:

  - … a **purpose-built** industrial estate **linked to an international port or airport** which encourages and supports investment in **export-oriented** manufacturing industries.”

- Other key characteristics of an IDZ are:

  - A **Customs Controlled area** which allows for duty and VAT suspension for inputs procured in South Africa and duty free production of exports - a **specific incentive for export** oriented industries.

  - A **government services window** allowing for **streamlined access** to government regulations and services that are critical for manufacturing industries.
The designation of the Industrial Development Zones was aimed at the following:

- Facilitate the creation of an industrial complex having strategic economic advantage;
- Provide the location for the establishment of strategic investments;
- Enable the exploitation of resource-incentive industries;
- Take advantage of existing industrial capacity, promote integration with local industry and develop linkages between domestic and zone-based industries to optimize infrastructure, technology & skills transfer;
- Promoting competitiveness of South African enterprises through export of value added manufactured products with linkages to South Africa’s economy and natural resources; and
- Select and attract advanced foreign production and technology methods in order to gain experience in global manufacturing and production networks.

1.1.2 The East London Industrial Development Zone (Pty) Ltd

The East London Industrial Development Zone (ELIDZ), was designated by the DTI in 2002 and granted the IDZ operator permit in 2007 (ELIDZ Annual Report 2009/2010:4)

- A private company owned by government;
- The company receives its funding from the provincial Department of Economic Development and Environmental Affairs, and the national Department of Trade and Industry; and
- The East London IDZ is governed by a board of directors representative of key stakeholders that are integral to the successful functioning of the organization.
The East London IDZ was designated as one of the first IDZs in the country in September 2002 and began its infrastructure development in 2003. The company is now in full operation.

Based on the ELIDZ Annual Report (2009/2010:3), the Vision of the East London Industrial Development Zone (Pty) Limited is:

*World class Operator of a prestigious industrial complex where highly competitive organisations thrive on streamlined business benefits and stimulate regional economic growth.*

The Mission is:
*To provide investor solutions and to attract and develop strategic industries that strengthen South African export competitiveness through the development and operation of a thriving, specialized industrial complex.*

**ELIDZ Value Proposition**

- **Cost-reduction** (infrastructure, logistics and services) matched to the requirements, potentials and opportunities of specific sectors and clusters of industry;

- **Business streamlining and support** that offer quality, value-for-money business services to business enterprises in the Zone;

- **Productivity Enhancement** within the Zone community through the localization of key, shared amenities and the provision of convenient access, employee-related services;

- **Market Intelligence and support**, especially for African markets; and

- **Soft landing and support**.

The East London Industrial Development Zone (ELIDZ) is one of the three front runners and flagships of the Industrial Development Zone (IDZ) initiative by the South African government. The Industrial Development Zone concept is crafted to take advantage of the Regional Economic Trade Integration and World Trade Integration through globalisation of markets. Also of significance is the goal of
attracting Foreign Direct Investment (FDI) as a primary objective of the IDZ programme and the existence of similar programmes around the world in the form of Export Processing Zones (EPZs) and Free Trade Zones (FTZs).

Talent in the field of attraction of FDI is scarce in South Africa, especially in the Eastern Cape, due to the history of exclusion of South Africa from world economic participation prior to 1994. In order for the ELIDZ to achieve its mandate of FDI attraction, job creation and economic growth, talent management has to be a key aspect in the boardroom discussions and strategic planning sessions.

The Chairman of the ELIDZ in his opening statement of the ELIDZ Annual Performance Plan for 2011/2012 (2010) indicated that the IDZ project implementations currently have no statutorily assigned Executive Authority in terms of the prescriptions of the IDZ programme legislation, due to legislative deficiencies within the Programme Regulations (issued under the Manufacturing Development Act). However, in terms of the Public Finance Management Act (PFMA) legislation the ELIDZ is listed as a Section 3D provincial public entity.

As the PFMA-recognised oversight authority, the Department of Economic Development and Environmental Affairs (DEDEA) is responsible for assisting the ELIDZ to develop performance targets for the present budget year, that are consistent with its mandate and government policy, in relation to the development and deployment of IDZs.

Priorities that have guided development of the plan ensue from the entity’s principal mandate, as recognised and expressed within the ELIDZ Strategic Plan. This mandate contemplates activities that seek to secure the attraction of strategic investments for purposes of:

- Promoting the **export competitiveness** of South African manufactured products/services;
- Strengthening, **expanding and diversifying** the local and regional economy;
- Enabling **exploitation** (via beneficiation) of regional natural resources;
- Securing **advanced foreign production and technology** methods; and
- Encouraging **skills transfer** and local intellectual capital development.
This study explores the problem statement, sets research objectives, outline talent management processes and benefits, reviews literature on talent management, details the research methodology and tools utilised, outlines findings/results of the research and makes conclusions and recommendations for consideration by the East London Industrial Development Zone Executive Management and Board.

1.2 PROBLEM STATEMENT AND MOTIVATION FOR THE STUDY

Organisations are at war in attracting, recruiting and retaining talented and knowledgeable employees. In South Africa, talent management is increasingly more competitive because it includes race, gender and equity.

Talent Management is key to the competitiveness and success of the East London Industrial Development Zone (ELIDZ) in the attraction of Foreign Direct Investment (FDI) and a significant growth contribution in the Buffalo City area.

Highly mobile employees are always targeted by markets or competitors, therefore the approval of other Industrial Development Zones (IDZs) by the Department of Trade and Industry (DTI), such as Coega IDZ, Richards Bay, Mafikeng IDZ, OR Tambo International IDZ, etc pose a threat to the availability of talent and retention of same by the ELIDZ.

Foreign Direct Investment skill is scarce in South Africa, especially in the Eastern Cape and Buffalo City area, therefore any lost talent in the area is costly to the objectives of ELIDZ and the economic growth of this region.

Previously failed Industrial Parks in the BCM area and surrounding e.g. Dimbaza Industrial, Berlin Industrial, Fort Jackson Industrial, Butterworth Industrial, etc, pose a threat to the success of the new initiative, if critical talent is not well managed.

Boninelli and Meyer (2004:167) list critical arguments for investing in effective strategic resourcing processes as follows:

- Investor Confidence – Companies in which depth and breadth of leadership are demonstrated and sound principles of corporate governance and
transparent leadership style are practised, greater confidence for investment decisions is offered;

- The cost of wrong appointments – The wrong person in a key position can result in a lack of strategic focus, bad business decisions, operational ineffectiveness and potential loss of customers and further loss of talent;
- Cost of external recruitment – No matter how rigorous the selection process, there is always a risk that appointment will be unsuccessful due to lack of ability, or, more likely, lack of cultural “fit”, or that the individual will become a victim of internal politics associated with an external appointment;
- Effective management of change or transformation – Leadership capacity to implement change and the risk of losing millions of dollars.

Brewster, Carey, Grobler, Holland & Warnich (2009:130) argued for a new paradigm in order to make talent the source of competitive advantage, these are:

- Embrace a talent mindset;
- Craft a winning employee value proposition (EVP);
- Rebuild recruitment strategy;
- Weave development into your organisation; and
- Differentiate and affirm your people.

In lieu of the above discussion, the main problem can be identified as the effect of the loss of talent by the ELIDZ in the attraction and retention of investment and economic growth in the Buffalo City area.

1.3 PURPOSE OF THE STUDY

How effectively is the talent managed in the East London IDZ in order to lever the competitive advantage?

1.3.1 Primary objective
The purpose of the study is to investigate the effective use of talent management by the East London IDZ to leverage the competitive edge of the ELIDZ in the business of attracting Foreign Direct Investment to South Africa, and also of competing against the world’s Economic Processing Zones (EPZ’s) and Free Trade Zones (FTZ’s). The study is an attempt to find out: “How can the ELIDZ position itself in attracting and retaining great talent to exploit the opportunities presented by the
FDI’s prospectus in South Africa and leverage its competitive advantage and remain in the lead in the competition”?

### 1.3.2 Secondary objectives

As a means to unearth the status quo of the use of talent management, and consistency in the measurement of current practice, and to allow for room to make concise recommendations for improvement, the following five key areas were investigated:

- Investigate the workforce planning processes in the ELIDZ to observe the alignment to the organisational goals and core competencies needed;
- Investigate the recruitment and selection practices of the ELIDZ in the war for the attraction of the best talent;
- Investigate the retention strategies targeted at critical competencies for business continuity;
- Investigate development strategies of core competencies in the ELIDZ in line with the strategic fit of the organisation; and
- Investigate the succession planning strategies.

### 1.4 METHODOLOGY OF THE STUDY

#### 1.4.1 The Paradigm

There are basically two research paradigms that the research attempted to briefly highlight, namely, positivistic paradigm and interpretivism (phenomenological) paradigm.

Positivistic paradigm is a research paradigm that originated in the natural sciences. It rests on the assumption that social reality is singular and objective, and is affected by the act of investigating it. The research involves a deductive process with a view to providing explanatory theories to understand social phenomena (Collis & Hussey, 2009:56). According to Collis and Hussey (2009:58), positivistic paradigm rests on approaches that are quantitative, objective, scientific and traditionalist in nature.

Interpretivism paradigm is a research paradigm that emerged in response to criticisms of positivism. It rests on the assumption that social reality is in our minds,
and is subjective and multiple. Therefore, social reality is affected by the act of investigating it. The research involves an inductive process with a view to providing interpretive understanding of social phenomena within a particular context (Collis & Hussey, 2009:57). Collis and Hussey (2009:58) identify key approaches that underpin the interpretivism such as quantitative, subjective, humanist and phenomenological in nature.

According to Willis (2007:6), interpretivists favour qualitative methods such as case studies, interviews, and observation, because those methods are better ways of finding how humans interpret the world around them.

Willis (2007:238), stated that another form of the qualitative research method is a case study. He further cited a statement made by Merriam (1998) where he argued that, “a case study is an examination of a specific phenomenon such as a programme, an event, a person, a process, an institution, or a social group”. Willis (2007:239), further suggested that case studies are particularistic, since they focus on a particular context such as one person, a family, an office, a company, a classroom, or an apartment building.

The research paradigm selected for this particular study of the use of talent management to leverage the competitive edge of the ELIDZ in the business of attraction of Foreign Direct Investment in South Africa is the interpretivism/phenomenological paradigm. The research methodology was deemed very suitable since qualitative research is more applicable to case study research, i.e a specific company, department, unit, etc. Also very supportive of this approach is the fact that the research concentrated on people’s knowledge, experiences, emotions, feelings and mostly perceptions and views on how talent was being used by the ELIDZ.

1.4.2 The sample

According to Leedy (1993:200), sampling is getting the right size of the operation for research that looks carefully at the nature of, the characteristics of and the quality of the data. He further argues that sampling can be divided into two major categories:
• Non-probability sampling – there is no way of forecasting, estimating, or guaranteeing that each element in the population will be represented in the sample. Examples are Convenience Sampling and Quota Sampling;
• Probability sampling – the researcher can specify in advance that each segment of the population will be represented in the sample. Random sampling is then prevalent and can be split into simple random sampling, simple stratified sampling, proportional stratified sampling and cluster sampling.

Collis and Hussey (2009:209) outline a sampling frame as a record of population from which a sample can be drawn. They also define a sample as an unbiased subset that represents the population, which is the body of people, or collection of items, under consideration for statistical purposes. Collis and Hussey further suggest that, if the population is small, you can select the whole population; otherwise you will need to select a random sample. Accordingly, a random sample is one where every member of the population has a chance of being chosen.

The selected organisation for this research project falls into the category of small organisations, therefore a census of 60 permanent staff of the company were wholly selected for the research.

1.4.3 Measuring instruments

Collis and Hussey (2009:144), list interviews as the main method for collecting data in a qualitative research in which selected participants are asked questions to find out what they do, think or feel. Under interpretive paradigm, interviews are concerned with exploring data on understandings, opinions, what people remember doing, attitudes, feelings and the like, that people have in common, and will be unstructured. Collis and Hussey also cited a suggestion by Easterby-Smith, Thorpe and Lowe (1991), that unstructured or semi-structured interviews are appropriate when:

• It is necessary to understand the construct that the interviewee uses as a basis for his or her opinions and beliefs about a particular matter or situation;
One aim of the interview is to develop an understanding of the respondent’s ‘world’ so that the researcher might influence it, either independently or collaboratively;

- The step-by-step logic of a situation is not clear;
- The subject matter is highly confidential or commercially sensitive; and
- The interviewee may be reluctant to be truthful about this issue, other than confidentially in a one-to-one situation.

Collis and Hussey (2009:148), list a number of data collection methods in qualitative method, as follows:

- Protocol analysis – used to identify mental processes in problem solving;
- Repertory grid technique – a form of structured interview during which a matrix is developed that contains of a mathematical representation of perceptions and constructs a person uses to understand and manage his or her own world;
- Diary – a record of events or thoughts that is typically used to capture and record what people do, think and feel. Diaries can be used under both an interpretive and a positivistic methodology;
- Observation – can take place in a laboratory or in a natural setting;
- Focus groups – are used to gather data relating to feelings and opinions of a group of people who are involved in a common situation, or discussing the same phenomenon;
- Grounded theories – a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon. The findings of the research constitute a theoretical formulation of reality under investigation.

An interview (Critical Incident Technique) approach was used where two different questionnaires were developed to capture the opinions and responses of the Executive Management, and rest of the staff, separately. The view was that similar questions for both groups would correctly capture the views of either part, hence two questionnaires were used.
A list of pre-structured questions were developed, and additional spaces provided for follow-up questions during interviews which captured the in-depth meaning of responses and perceptions, as given by employees and executive management.

The Study focused on the East London Industrial Development Zone (Pty) Ltd, based in East London, Buffalo City Municipality in the Eastern Cape, South Africa. The ELIDZ is a state-owned entity, but licensed to operate as a private company, so as to attract Foreign Direct Investment.

The ELIDZ currently employs about 60 permanent staff and interns amongst the five business units, i.e. Office of the CEO, Zone Operations, Zone Development Corporate Services and Finance.

All employees, including the executive management and professional staff, were asked to fill in the questionnaire so as to gain a fair view of how talent management is being used at the ELIDZ.

These were captured and analysed to get the overall view of the executive management and that of the employees. The findings synthesized recommendations made to the ELIDZ to close identified gaps and reinforce any identified good practices in the talent management strategy.

1.4.4 Data analysis

In the section above, mention was made of the use of structured interviews as a means of collecting data from all participants. Collis and Hussey (2009:166) suggest that when designing a study under interpretive paradigm, the use of non-quantifying methods to analyse the qualitative data is a more relevant method. These methods involve aspects/features such as reducing data, restructuring data and detextualizing data.

Collis and Hussey (2009:168) cited a statement made by Morse (1994), where he suggested that all the different approaches to analysing qualitative data are based on three key elements in the process, although the emphasis varies according to methodology used. These can be summarised as follows:
• Comprehending – acquiring a full understanding of the setting, culture and study topic before the research commences;
• Synthesizing – drawing together of different themes and concepts from the research and forming them into new, integrated patterns;
• Theorizing – constant development and manipulation of malleable theoretical schemes until the best theoretical scheme is developed.

For purposes of analysing data collected under this specific study, a general analytical procedure for analysing qualitative data was used. Miles and Huberman (1994), as quoted by Collis and Hussey (2009:169), suggest that a general analytical procedure is not tied to a particular methodology; it can be used with any interpretive methodology and emphasizes the methodological rigour and systematic procedures which are required. Data displays were also incorporated in presenting the information, and these include network, matrix, chart or graph etc, as recommended, (Hill & Hussey, 2009:171).

The completed forms were analysed to get the overall view of the executive management and that of the employees. Results were then synthesized, and on the basis of outcomes, conclusions were drawn and recommendations made to the ELIDZ to close identified gaps and reinforce any identified good practices in the talent management strategy.

1.5 OUTLINE OF THE STUDY

The study is divided into five chapters, structured as follows:

1.5.1 Chapter 1: Scope of the study.

This chapter deals with, mostly, the introduction of the research topic and the motivation and background to the problem statement. Secondly, this chapter outlays the selected research approach in response to the identified study objectives. The chapter also gives a synopsis of the entire study in terms of the outlay of the study.
1.5.2 Chapter 2: Literature Review.

Chapter two is the founding chapter of the theory applicable to the study topic and acts as the support base for comparison of research findings and existing literature on the specific subject being dealt with in this research. The literature reviewed under this section can be summarised as follows:

The literature review focuses on a range of activities, including Talent Management, Workforce Planning, recruitment, selection, development, retention and succession plan.

➢ Talent Management

Brewster, Carey, Grobler, Holland and Warnich (2009:127) cited a definition given by Schweyer for talent management as the sourcing, selection, on-boarding, retention, development, deployment and renewal of workforce with analysis and planning as the adhesive and overarching ingredient. Brewster et al (2009:128) defines talent as the sum of the person’s abilities – his/her intrinsic gifts, skills, knowledge, experience, intelligence, judgement, attitude, character and drive.

According to Brewster et al (2009:128), talent will always be the scarcest of scarce resources – it is what companies compete for, depend on, and succeed with in today’s highly competitive business environment. Brewster et al further state that to be successful, companies have no choice but to acquire modern types of HR technology to effectively manage their talent pools.

When implementing talent management, compensation and retention strategies are developed to emphasise long-term growth of the people in the organisation. The managers are appraised on the development of their subordinates. The goal is to ensure that management of talent is as broad as possible.
Workforce Planning

Marx, Van Rooyen, Bosch and Reynders (1998:474) define human resources planning, or workforce planning, as the systematic forecasting of an enterprise’s future demand for and supply of labour. Human resources planning takes place on a continuous basis for the following reasons:

- To determine future human resources it is necessary to keep pace with expansion and the influence of competition;
- To adapt to changing circumstances;
- To develop personnel with potential;
- Workforce planning is an important element of strategic planning; and
- Human resources planning provides important information for the design and implementation of human resources activities such as recruitment, selection, transfer, promotion, training of employees and dismissal.

Nel, Werner, Haasbroek, Poisat, Sono, and Schultz (2008:190) cited a statement made by Stone that says, “workforce planning ensures that a predetermined amount of employees with appropriate skills, knowledge, and abilities are available at a specified time in the future”. Stone defined workforce planning as the integrated and holistic resource planning process that ensures that the right people are in the right roles to meet the current organisational profit plan.

According to Nel et al (2008:192), workforce planning is better presented as talent planning, because it integrates the forecasting elements of functions that relate to talent – recruiting, retention, redeployment, leadership and employee development. Nel et al further state that there is a clear link between HR Strategies and Organisational strategies. Effective talent planning influences the state of the business in the following ways:

- It eliminates surprises – good talent planning allows rapid skills replacement, so that departments can continue to function smoothly;
- It smoothes out business cycles – there are no delays in meeting production goals, employees have the required skills and have been developed to meet project needs;
- It identifies problems early – it gives early warning signs when there are possible problems;
• It prevents problems – efficient talent planning results in lower turnover rates, lower labour costs and no layoffs;
• It takes advantage of opportunities – identifies skilled labour before they are needed and retains them profitably.
• It improves the image of HR department – builds their credibility and inspires confidence in their ability to maintain an effective workforce.

Swanepoel, Erasmus, Van Wyk, Schenk (2007:234) cited statements by Hercus(1993:405) where he summarised workforce planning as the management process involving the following aspects:-

• Forecasting workforce requirements for an organisation to execute its business plan;
• Forecasting human resources available for meeting these needs and doing a scan of the internal and external environments of the organisations;
• Identifying the gaps between what is needed and what will be available, and developing the necessary action plans; and
• Implementing and monitoring these action plans.

According to Du Toit et al (2009:204), human resource planning is the process of using an organisation’s goals and strategy to forecast the organisation’s human resource needs in terms of finding, developing and keeping a qualified workforce.

According to Boninelli and Meyer (2004:160), workforce planning is about ensuring that an organisation has the leadership, business and technical capacity - current and potential - to achieve its desired future, now and over time, in a changing business environment.

➢ Recruitment

Boninelli and Meyer (2004:167) argue that successful chief executives understand that highly talented individuals are attracted to high-performance organisations led by executives who have developed a reputation for building such organisations through the development of talented, high-performance teams. Rigour in the identification of talent, both within and outside of the organisation, and the selection, assessment and consistent coaching of such talent, is, without doubt, one of the most durable and effective competitive tools in any organisation.
According to Swanepoel et al (2007:162), recruitment activities are separated into two distinct processes. The first is attracting people whose talent has already been established and recognised elsewhere. Swanepoel refers to this as a transplanting type of recruiting, equivalent to digging up and repositioning a mature tree in the quest for an instant garden. The second process is called a seed bed approach. This process involves recruiting young people straight from school or university, nurturing or developing their talents and bringing them to fruition. The second process is a long-term approach which has some risks involved.

Torrington and Hall (1995:98) state that there is a shift to greater line management involvement in resourcing activities with Human Resources and devolving in a controllable way. In some organisations, Human Resources provide training and support for line managers to carry out recruitment activities without the direct support. Cherrington (1995:145) supports Torrington and Hall by stating that Human Resources normally reduce the field of applicants to a small number of possible candidates, and the line managers then interview candidates and make the selection.

➢ **Selection**

According to Brewster et al (2009:127), effective and fair selection practices for the deployment of highly motivated and competent employees is an important vehicle for the organisation to gain and maintain competitive advantage. Brewster et al (2008:128) further state that research in HRM and ethics literature covers issues of fairness, equity, affirmative action and discrimination relating to gender, race and disability in the selection process. Most countries, including South Africa, have employment legislation to protect individuals against the discrimination. For example, the aim of the Employment Equity Act no.55 of 1998 in South Africa is to achieve equality in employment.

➢ **Development and training**

Thompson (1998:78) states that development and training are important parts of the strategy implementation process. Training and development are also strategically important organizational efforts to build skills-based competencies. Thompson expands by saying that successful strategy implementers see that the training function is adequately funded, and that effective training programmes are in place.
Training and development contribute to organisational success in less direct ways. Training and development can provide shared experiences that promote understanding among employees with many different historical backgrounds, and so help speed the development of organisational cohesiveness and employee commitment.

Sobol, Harkins and Conley (2007:18) suggest two important aspects under development and training. These are:-

- **Progression** – This is a tracking process that creates visible pathways for career development. By having visible pathways, the High Potential employees (HIPOs) can track their career steps and see what bases they need to touch in order to achieve their ultimate objectives. It provides the manager with visuals to have open discussions that lead to opportunities for rotations, coaching/mentoring, and training.

- **Development** – This is a more defined process for charting what skills, knowledge and experiences are required to meet the career path and succession needs for HIPOs. Every HIPO is expected to have a yearly individual development plan that is reviewed with the manager, and is taken into consideration for rotational decisions as well as professional advancement and succession.

- **Succession planning**

  Succession planning ensures that an organisation is prepared to fill key positions when the current top performers leave for whatever reason (Schuler and Jackson:2006). Cherrington (1995:147) state that succession planning is useful as it contributes to the development of new managers and facilitates the promotion process. Cherrington (1995:147) further states that if promotion decisions are based on subjective, ill-defined criteria, then succession planning loses effectiveness and becomes a waste of time. Cherrington (1995) expands by saying that the objective of the succession planning is not to create more paper work, but to provide for developmental experiences in preparing managers to fill potential vacancies.

  Sobol, Harkins and Conley (2007:18) suggest that succession is a formal process whereby the top three tier jobs have clearly defined backups. Each next-in-line
candidate can be tracked for progression and development. This becomes a visible process for executives and board members. High potential employees (HIPOs) also know that they appear on succession charts that spawn discussion on an ongoing basis, allowing them to feel connected to the process for their own development.

1.5.3 Chapter 3: Methodology of the study

Chapter three is dedicated to the research design procedure, the tools and techniques that have been applied during the research. This chapter identifies and discusses the paradigm approach of the research and also deals with the choice made for this specific study, and the reasoning behind the choice. Also highlighted in this chapter are the limitations of the study, as this focuses more on the East London IDZ.

1.5.4 Chapter 4: Empirical results, Analysis and Findings

Chapter four is focused on the presentation of the research results, analysis, interpretation and discussion of the results.

1.5.5 Chapter 5: Conclusions and Recommendations

Chapter five is focused on the conclusions drawn out of the research results, comparing these to the existing literature on the subject of talent management within organizations. This chapter also draws some parallels between the IDZ’s core talent and what the ELIDZ’s positioning is regarding these practices. Gaps are identified and recommendations made to the ELIDZ with a view to addressing the problem statement, primary research objectives and secondary research objects.
1.6 Conclusion

The main purpose of the study is to explore the current theories and literature, and tap into the current and continuing debate on the subject of talent management in successful organisations, and then compare the prevailing practice of talent management in the ELIDZ for purposes of making recommendations.

The next chapter will focus on the literature study on the subject of talent management, as argued by experts and different writers in the field of strategic human resources. The chapter will discuss all aspects of talent management, including workforce planning, recruitment, selection, motivation, training, development and succession. A model for talent management will also be developed at the end of the chapter and this will be tested in the empirical research exercise during the collection of data from the ELIDZ employees and the analysis stage.
CHAPTER 2
MANAGING TALENT

2.1 Introduction

Globalisation is resulting in a contest for human capital, and consequently skills shortages abound worldwide. Broad demographic changes are also occurring. Developed nations are facing an ageing workforce, while developing nations have greater numbers of young workers. These create a global movement of people and jobs, and are contributing to shortages in certain professions which will grow in scope and impact. This situation is compounded by the generation gap, the changing nature of work, technology and the need for agility (Meyer & Cillie-Smith, 2009:61).

The ‘War of Talent’ can no longer be dismissed as just another management cliché despite global economic downturns. Identifying, retaining and replacing those people who breathe life into an organisation is now a ‘burning obsession among chief executives’. Studies carried out by McKinsey Global Surveys (2006 & 2007), as cited by Holbeche (2009:165), revealed that business leaders are extremely concerned about finding talented people, and expect the increasing global competition for talent to have a major effect on their businesses in the next five years.

As markets become more dynamic and competitive, businesses will need to deploy talent even more flexibly across broader swaths of their organizations. Since management must develop and execute value-creating initiatives so quickly, talent becomes more critical to corporate performance, specific needs for talent are more unpredictable, and companies must develop talent more rapidly than ever (Bryan, Joyce & Weiss, 2006:2).

According to Boxall and Purcell (2008: 34), unless the firm has the savoir faire to compete in its chosen market, it is not going to be taken seriously by potential customers and investors. All firms require ‘table stakes’: a set of goals, resources and capable people that are appropriate to the industry concerned. These are strategic, and are make or break factors. The writers further argue that firms which deal adequately with the viability problem have a chance to play in a higher level
‘tournament’ - the contest among leaders of sound businesses to see which firm can secure the rate of return. They are sufficiently in control of the survival issues to contemplate superior performance.

This view is also supported by Porter (1985:40); that a firm which builds a relatively consistent pattern of superior returns for its shareholders has developed a “competitive advantage” or achieved what the economic theory has traditionally called ‘rents’ i.e. profits above what can normally be earned in conditions of perfect competition.

In the new economy, completion is global, capital is abundant, products are developed quickly and cheaply, and people are willing to change jobs often. In this kind of environment, smart, committed and experienced people who are technologically literate, globally astute and operationally agile, are the new competitive advantage, and even as the demand rises for this talent, the supply of it will decrease (HR Highway, 2008:7).

Since the competition for critical talent will not subside in the near future, the competitive, cutting-edge and evolving public organization needs to rethink the actions and functions it uses to attract and retain talent (Van Dijk, 2008:395).

It is evident from the scene, as set above by the experts in the field of talent management, that there is a strong need for a paradigm shift from doing things the old traditional way and then hoping for great results and performance, to a new, concentrated and focused effort by organisations to consciously manage talent (if their organizations are willing to be on the cutting edge in their league) and enjoy the competitive advantage. This view becomes very relevant to the East London Industrial Development Zone in its mandate and vision of playing in the global market space, especially that South Africa is still a developing country in direct competition with the more developed and advanced countries.

In this chapter a complete review of the best practices in talent management is undertaken, and the current discussions/arguments by the expects on the subject are also reviewed, covering aspects such as workforce planning, recruitment and selection, motivation, retention, training and development, and succession planning.
2.1 Talent Management

According to Holbeche (2009:166), talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution, or in the longer term, by demonstrating the highest level of potential. Talent management is thus defined as the systematic attraction, identification, development, engagement/retention and deployment of those individuals with high potential who are of particular value to an organisation.

Boudreau & Ramstad (2007:2) define talent as the resource that includes the potential and realized capacities of individuals and groups, and how they are organized, including those present within the organization and those who may join the organization in the future. Further, talent that lies within employees and how they are organized, is increasingly recognized as critical to strategic success and competitive advantage.

Talent management is the process of ensuring that the organization attracts, retains, motivates and develops the talented people it needs. It is sometimes assumed that talent management is only concerned with key people – the high flyers. But everyone in an organization has talent, and talent management processes should not be limited to the favoured few, although they are likely to focus most on those with scarce skills and high potential (Armstrong, 2003:387).

According to Berger & Berger (2011:3), successful organisations proactively and systematically take action to ensure that they have the human resource capability to meet their current and future business requirements. These organisations have made talent management a critical force in their drive for excellence. Berger & Berger (2011:3), based on their experience and research, advocate that the underlying model, used by high-performing organisations, consists of three linked elements: a creed, a strategy, and a system. The three elements can be detailed as follows:

- Talent Management Creed – This is composed of a widely publicized set of core principles, values, and mutual expectations that guide the behaviour of an institution and its people. The principles of creed are embedded into both its talent management strategy and in its talent management system by
incorporating its doctrines into selection criteria, competency definitions, performance criteria, social responsibility, sustainability, ethical behaviour, innovation, creativity, and internal selection and development processes.

- **Talent Strategy** - This makes explicit the type of investments an organisation makes today in the people whom it believes will best help it to achieve competitive excellence in the future. A talent management strategy views a workforce as a portfolio of human resources assets that are differentiated, based on an assessment of each person’s current and potential contribution to the success of the organisation. The talent strategies of most high performing organisations contain the following three directives:
  - Cultivate the Superkeeper.
  - Retain key position backups.
  - Allocate appropriately training, rewards, education, assignments, and development (TREADs)

- **Talent Management System** - A set of procedures and processes that translates organisation’s talent, creed and strategy into a diagnostic and implementation programme for achieving organisational excellence. Most successful talent management systems consist of the following components: Assessment tools, multi-rater assessments, diagnostic tools, and monitoring processes.

Gubman (1998:3) supports the view portrayed by Armstrong (2003:388), and Berger & Berger (2011:3), of the importance of talent in organisations, when he emphasizes that finding talent will be difficult and costly throughout the world for the next few years. The workforce is not shrinking, but it’s not growing skilled talent fast enough to keep up with global demand and opportunities. Further, Gubman argues that, if talent is scarce and valuable, companies will win when they are smarter than the competition in creating an attractive work environment, picking the right people, and getting the most out of them. Also to be considered is that managing talent now is the “make or break” skill in the information economy. Moreover, to start managing talent effectively, you must recognize that the things you need to do to make your business a long-term success are the same things employees need you to do so that they can feel successful.
Shortages of leaders, shortages of technical talent, shortages of global expertise – all these trends are driving an ever more urgent need to catch, fillet and freeze the best fish before available supplies are exhausted. Failure to do it can spell business suicide (Johnson, 2000:69).

Boudreau & Ramstad (2007:20) agree with Johnson (2000) and other writers on the urgent need for talent management. These writers refer to the ‘war of talent’ which is the need for organisations to effectively attract, develop, and retain necessary human resources, particularly where they are going to be scarce, while paying most attention to HR practices that employ and keep more of the scarce talent. Boudreau & Ramstad further expanded by introducing a newly coined term “Talentship”, which is the new ‘decision science’ that provides a logic that connects human capital, organizational effectiveness, and ultimately, strategic success. The two writers argue that talentship helps organizations to identify where winning the talent war matters most. It provides a strategic logic to determine ways to compete for scarce talent, not just mimic the practices that have worked for others.

Talent management is the process of managing the supply and capabilities of the workforce to meet the demand for talent throughout an organization, and to achieve optimal business performance and alignment with organizational goals. Further, talent management can be defined as a continuous and integrated process that helps employers to:

- Effectively plan talent needs;
- Attract the very best talent;
- Speed up time in productivity;
- Motivate the right behaviour;
- Develop targeted capabilities and knowledge;
- Retain the highest performers; and
- Enable and promote talent mobility across the organization (HR Highway, 2008:8).

Talent Management is an active management system used to identify, capture, utilise, develop, grow and nurture the talent of employees to the benefit of the work team and the company at large (Human Capital Management, 2004:68).
Boudreau & Ramstad (2007:75) advocate what they term “pivot-points/ anchor points”. These are defined as impact points where the organisation has a competitive advantage, and which have to change when the strategy changes, and are linked directly to the talent and organisational relationship. These two writers believe that a strategy for talent war can help determine the strategy pivot-points, such as detailed in the following table.2.1.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Pivot-Points</th>
<th>Decisions to make</th>
<th>New talent and organisation strategy discussions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describes the relationship between sustainable strategic success and the performance of organisation and talent</td>
<td>Where specific improvements in talent and organisation performance will most enhance sustainable success, the point where the ‘needle moves the strategy direction’.</td>
<td>Where should you target talent and organisation performance improvements so that they have the biggest effect on sustainable success?</td>
<td>Where does your strategy require talent that is better than your competitors, for your strategy to win?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>What are the untapped pivotal talent and organizational elements that your competitors haven't recognized?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>When the organisation changes, how</td>
</tr>
</tbody>
</table>

| Table 2.1 Pivot-Points | | | |
Organisations are increasingly realizing the importance of tracking the leadership and professional talent in their organisation. This includes the strength of the current talent and the development of future talent (Yost & Plunkett, 2009:33). Furthermore, two categories of metrics that are particularly important to track, are identified as follows:

- Leadership bench strength – The extent to which the right leaders are in place today, and the leaders needed for tomorrow are being developed.
- Organisational talent management – The extent to which the organisation is attracting, engaging, developing, and retaining key talent in its broader workforce.

Armstrong (2003:388-394) suggested the following key Talent Management Processes:

- Developing the organization as an ‘employer of choice’ – a ‘great place to work’;
- Using selection and recruitment procedures that ensure that good quality people are recruited who are likely to thrive in the organization and stay with it for a reasonable length of time;
- Designing jobs and developing roles which give people opportunities to apply and grow their skills, and which provide them with autonomy, interest and challenge;
- Providing talented staff with opportunities for career development and growth;
- Creating a working environment in which work processes and facilities enable rewarding jobs and roles to be designed and developed;
- Developing a positive psychological contract;
- Developing the leadership qualities of line managers;
- Recognizing those with talent by rewarding excellence, enterprise and achievement;
- Succession planning – ensuring that the organisation has suitable people to fill vacancies arising from promotion, retirement or death; and
- Conducting talent audits which identify those with potential and those who may leave the organization.

Boxall & Purcell (2008:8) cited a definition by Storey (1995), that Human Resources Management (HRM) is a distinctive approach to employment management, one which seeks to achieve competitive advantage through strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques.

Carter, Cook & Dorsey (2009:69) agree with other writers that the organisation’s overall talent management system allows your organisation to offer enhanced value propositions, manage employee movement and flow, and organize both short-and long-term talent development. They also introduce a clear career path concept, where they believe that career paths can improve the effectiveness of your organisation’s recruitment and hiring processes, retention and promotion strategies, and training and development programmes.

Becker, Huselid & Beatty (2009:1-3) argue that, in many organisations, significant investments in attempting to win the battle for talent, new leadership development programmes, or an emphasis on becoming an employer of choice, often have the look and feel of a strategic workforce initiative.
McCauley and Wakefield (2006), as cited by Vermeulen (2007:278), argue that it is necessary to take cognisance of the eight best practices of institutions excelling at talent management, and adapting some or all of these best practices in public institutions:

- Talent management should be generally defined;
- Talent management should be focused on the most highly-valued talent;
- Competency models should be established to create a collective understanding of skills and behaviours which the institution requires and values in employees;
- The various elements of talent management should be integrated in a comprehensive, all inclusive system;
- Talent should be monitored institution-wide in order to recognize potential talent gaps;
- Senior management should be committed to talent management work;
- Institutions should excel at recruiting, identifying and developing talent, as well performance management and retention; and
- Results of the talent management system should be evaluated on a regular basis.

As a means of exhibiting the extent of the challenge facing organizations and public institutions, a study focusing on the people problem in talent management, by Guthridge, Komm and Lawson (2006), as cited by Vermeulen (2007:279), revealed that senior management does not align talent management strategies with institutional strategies, and the succession plan is never consulted when senior vacancies need to be filled. See table 2.2 below for the research results indicating seven critical obstacles to human barriers in managing talent:
Table 2.2: Obstacles preventing talent management from delivering institutional value

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Percentage of respondents, indicating it as an obstacle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers do not spend enough quality time on talent management</td>
<td>54</td>
</tr>
<tr>
<td>Line managers are not sufficiently committed to people development.</td>
<td>52</td>
</tr>
<tr>
<td>The institution functions in silos/compartments and does not encourage constructive collaboration and sharing of resources.</td>
<td>51</td>
</tr>
<tr>
<td>Line managers are unwilling to differentiate their people as top, average and under-performers.</td>
<td>47</td>
</tr>
<tr>
<td>Senior leaders do not align talent management strategy with institutional strategies.</td>
<td>45</td>
</tr>
<tr>
<td>Succession planning and/or resource allocation processes are not rigorous enough to match the right people to roles.</td>
<td>39</td>
</tr>
<tr>
<td>The senior management team members do not have a shared view of most pivotal roles.</td>
<td>38</td>
</tr>
</tbody>
</table>


2.3 Workforce Planning

2.3.1 Definition of the Concept

Human Resource Planning is a process of systematically forecasting the future demand and supply of employees, and the deployment of their skills within the strategic objectives of the organisation. HR Planning encompasses strategic recruitment, retention, optimum utilisation, improvement, and sometimes disengagement of people, and is the responsibility of the management of the organisation. A strategic human resource management plan represents the organisation’s overall plan to develop business-related people management
strategies to achieve its vision for business success. Employees have to be hired in the right numbers and possess the right skills, to allow the organisation to grow and pursue its objectives (Analoui, 2007:99).

Sloane (1983:55) supports the definition by Analoui (2007) when he defines the Human Resources Planning as a process by which a firm ensures that it has the right number of people, and the right kind of people, in the right places, at the right time, doing things for which they are economically most useful.

According to Bulla and Scott (1994), as cited by Armstrong (2003:361) HR Planning is the process for ensuring that the human resource requirements of an organization are identified, and plans are made for satisfying those requirements in achieving the strategic goals. Human resource planning is based on the belief that people are the organization's most important strategic resource. It is generally concerned with matching resources to business needs in the longer term, although it will sometimes address short term requirements.

According to Dessler (2005:152) personnel planning is the process of deciding what positions the firm will have to fill, and how to fill them. Personnel planning covers all future positions from maintenance clerk to Chief Executive Officer (CEO), and should be an integral part of the firm’s strategic processes.

Carter, Cook & Dorsey (2009:92) define strategic workforce planning as the process of forecasting the number of people with specific competency profiles who will be needed in the future to successfully carry out the organisation’s overall strategy, and to develop plans for dealing with anticipated shortages and overages.

Grobler et al (2006:105) state that strategic human resources planning (SHRP) is the process through which company goals, as put forth in mission statements and company plans, are translated into HR objectives. SHRP thus helps to ensure that the company is neither over-nor understaffed, and that employees with appropriate talents, skills and desires, are available to carry out their tasks in the right jobs at the right times by smoothening the recruitment process.

The definitions provided by different writers all point to the importance of the company’s long-term strategy that needs an aligned human resource plan in order to realise its objectives and the creation of a competitive advantage.
2.3.2 Benefits of Effective Workforce Planning

Analoui (2007:109) suggested a list of good human resources planning practices which will in turn assist in achieving organisational objectives and create a competitive edge:

- Having a systematic information system in place;
- A clear plan with action programmes in place to bridge supply and demand gaps, succession gaps, and competency gaps;
- Posting policy published and career paths made known to staff;
- Competency profiles of key job grades developed and made known to staff;
- Information derived from succession plan fed into training and development plans for individual officers;
- Career interviews arranged for staff to gauge staff aspiration and offer career guidance; and
- Regular reviews and updates of the plan and competency profiles.

Grobler et al (2006:105) state that strategic human resources planning has considerable organizational benefits, as follows:

- Facilitates the organization’s ability to successfully pursue a given number of strategic objectives and initiatives, and as a result create a competitive advantage;
- Improves profitability of the company through the better utilisation of employees;
- A better understanding of the HR implications of company strategies.
- Recruiting experienced talent well in advance of needs;
- Improved planning of assignments and other employee developmental actions, such as lateral moves to permit longer range broadening of managerial perspectives; and
- Improved analysis and control of personnel-related costs by providing more objective criteria concerning payroll, turnover, relocation, training and other costs.
Analoui (2007:113) agrees with Grobler et al (2006) that there are benefits associated with adopting a strategic approach to human resource planning. These are:

- Building a cross-functional approach for dealing with people management issues;
- Identifying the ‘high leverage’ core people strategies that will provide maximum advantage to the organisation;
- Focusing your human resources department practices on outcomes and efficiencies rather than activities and bureaucracy;
- Providing a quantifiable base for measuring the ‘people edge’ value-added benefits to customers, the organisation and to employees themselves;
- Providing the basis for intelligent ‘people edge’ budget and resource allocation decisions;
- Ensuring people strategies are actively executed;
- Providing the basis for managed organisational change; and
- Ensuring everyone is ‘singing the same tune’ in relation to people management within the organisation (i.e. attune people’s hearts and minds towards satisfying the customer).

Armstrong (2003:366) lists some aims of human resource planning as follows:

- Attract and retain the number of people required with appropriate skills, expertise and competencies;
- Anticipate the problems of potential surpluses or deficits of people;
- Develop a well-trained and flexible workforce, thus contributing to the organization’s ability to adapt to an uncertain and changing environment;
- Reduce dependence on external recruitment when key skills are in short supply, by formulating retention, as well as employee development strategies; and
- Improve the utilization of people by introduction of a more flexible system of work.
2.3.3 Strategic Implementation of Workforce Planning in Organizations

Carter et al (2009:98) suggested critical steps involved in strategic workforce planning, as follows:

- Carefully examining the organization’s overall strategy and determining the human capital implications of that strategy;
- Identifying the number of people-specific competency profiles who will be needed in the future to successfully execute the organisation’s overall strategy;
- Identifying the number of people with those profiles available in the organization today, and the expected attrition of that number due to retirement and other factors;
- Identifying anticipated future personnel gaps/overages based on that analysis.
- Developing specific plans for filling anticipated gaps and for preventing overages; and
- Feeding back the results into the organization’s broader strategic planning process.

Armstrong (2003:361-362) agrees with Dessler (2005) that human resource planning should be an integral part of business planning. He cited Mills (1983), where he defined human resource planning as a decision-making process that combines three important activities, namely:

- Identifying and acquiring the right number of people with proper skills;
- Motivating them to achieve high performance; and
- Creating interactive links between business objectives and people-planning activities.

Armstrong (2003:362) also makes a distinction between ‘hard’ and ‘soft’ human resource planning as follows:

- Hard HR Planning is based on quantitative analysis in order to ensure that the right number of people are available when needed;
**Soft HR Planning** is concerned with ensuring the availability of people with the right type of attitude and motivation, who are committed to the organization, engaged in their work, and who behave accordingly.

Liff (2000), as cited by Armstrong (2003:363) noted that ‘there has been a shift from reconciling numbers of employees available with predictable stable jobs, towards a greater concern with skills, their development and deployment’. Reilly (1999), as cited by Armstrong (2003:365), suggested three groups of reasons why organizations choose to engage in HR planning, namely:

- Planning for substantive reasons;
- Planning because of the process benefits; and
- Planning for organizational reasons.

Grobler et al (2006:104) support the views of other writers that the long-term success of any organization ultimately depends on having the right people in the right jobs at the right time. They further argue that effective Human Resources Planning is the key, and this must involve a degree of fitting with the strategic plan of the company. They advance their argument by citing Craft (1998), where he stated that Human Resources Planning must be fully integrated with the strategic plan. He further listed the following types of linkages:

- **Input Linkages** – Here information is made available either before or during the strategic planning process. This can take place through a specialised HR unit doing scanning or through a specialised committee of HR personnel;
- **Decision inclusion linkages** – Here HR personnel are either directly, or indirectly, involved in the strategic planning of the company. An HR executive might, for example, serve as a full partner in the strategic team; and
- **Review and reaction linkages** – Here HR personnel can respond to a proposed or final strategic plan.

Grobler et al (2006:107) also suggest steps in the SHRP process which encompass the following:

- **Situational Analysis** – Monitor and assess the company mission and core businesses, its strategic plans and parameters, its concepts and structure
and its culture and HR challenges. Secondly, the focus is on conducting the environmental scanning to gather information about trends and anticipated developments in the external and internal environment, and their relevance for HR strategy;

- **HR Demand Analysis** – This entails the determination of the total manpower requirements of the company, the types, numbers, skills and locations of employees during the planning;
- **HR Supply Analysis** – The supply of future workforce, both internal and external; and
- **Strategy Development** – HR strategy formulation and the design of action programmes such as recruitment, selection, placement, compensation, reduction in workforce and performance appraisal. These activities would be designed to address aspects such as contraction, expansion and/or adjustments in the company workforce. A critical component in the implementation of changes within the company, as a result of the planning process, is that of creating a climate of readiness for change.

### 2.4 Recruitment and Selection

#### 2.4.1 Definition

Recruitment and selection refers to the processes by which organisations solicit, contact and interest potential appointees, and then establish whether it would be appropriate to appoint any of them. The importance of ensuring recruitment and selection of the right people to join the workforce has become increasingly apparent as the emphasis on people as the prime source of competitive advantage has grown (Analoui, 2007:123).

#### 2.4.2 The Importance of Effective Recruitment

According to Keep (1989), as cited by Armstrong (2003:369), the objective of HRM resourcing strategies is to obtain the right basic material in the form of a workforce endowed with appropriate qualities, skills, knowledge and potential for future training. The aim of this strategy therefore is to ensure that a firm achieves a competitive advantage by employing more capable people than its rivals. The organisation attracts people with a wider and deeper range of skills by being “the employer of
choice”. It then retains them by providing better opportunities and rewards than others, and by developing a positive psychological contract which increases commitment and creates mutual trust.

Dessler (2005:158) argues that recruitment is a more complex activity than most managers think it is. It does not just involve placing advertisements and calling employment agencies; recruitment efforts should make sense in terms of your company’s strategic plans.

In the battle to attract talent, we have to think in less conventional ways to make sure we get the best out of it and that it creates sustainable advantages. Johnson further postulates that as the ‘people wars’ hot up, making sure your external image stays positive is going to be critical. Lots of companies know that a good reputation will be bringing talent to your door, especially if you appear able to offer excitement and growth. You attract talent by reputation, but that reputation has to come by a commitment to excellence. If you don’t let your people grow, you lose the sustainability to ensure their growth, and your ability to attract the right talent (Johnson, 2000:73).

Sloane (1983:100) suggests that there are two common denominators to the recruitment process; one is that in all cases the latter involves locating and attracting adequate human resources to fill existing organisational personnel vacancies; the other is that recruitment is thus an absolutely critical management activity. If qualified people cannot first be identified and then convinced that it is in their best interests to move into available organisations, sooner or later there will be, for the organisation, no tomorrow.

According to Ahlrichs (2003:196), attracting, recruiting and keeping top talent will continue to be a challenge for managers in organisations of all sizes and types, so it is important to understand what attracts top talent – and to use those factors in job advertisements, on your organisation’s website, and in conversations with employees and job candidates. Ahlrichs further details a list of brand profiles desired by high-value talent in an organisation, these are seen in table 2.3 below:
Table 2.3: Brand Profiles Most Desired by High-Value Talent

<table>
<thead>
<tr>
<th>Organizational Values</th>
<th>Organizational Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make honesty and integrity the cornerstone of our spirit. Emphasize excellence in all that we do, and demonstrate caring in all our relationships.</td>
<td>There’s no morale boost that beats working in a team where creativity and innovation are valued.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization Brand Strength</th>
<th>Organization Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be known as a good place for talented people to work. Be known for superior quality and service as an industry leader. My reputation is on the line, too.</td>
<td>Set a strong vision, manage effectively to realize that vision, and keep me well informed. Tell it often and tell it straight.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work Environment</th>
<th>Compensation/Benefits/Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving me autonomy to solve problems when and where I want is great, but don’t let go of the lifeline – keep me in the loop on changes taking place.</td>
<td>Competitive compensation is a deal-breaker. But fairness in linking pay to performance and support for work-family balance are real deal-makers.</td>
</tr>
</tbody>
</table>


Ahlrichs (2003:18) further advances her argument that every manager is the gatekeeper for quality in his/her corner of the organisation. Those who are hired are part of your organisation’s human capital portfolio. Clearly, nothing happens without talent – preferably top talent for whatever the work. In addition to partnering with the HR department, you must take an active role in the entire talent acquisition process. Talent is the foundation of success, therefore, when hiring, hire well or not at all.

2.4.3 Effective Recruitment Strategies

The resourcing plan needs to consider approaches to obtaining people from within the organization, to recruiting them externally, and to attracting high quality candidates (becoming ‘the employer of choice’) Armstrong (2003:380).
(a) Internal resourcing
- Analyze the availability of suitable people from within the organization, by reference to assessments of potential and a skills database.
- Decisions are then made on what steps should be taken to promote, redeploy, and, where necessary, provide additional experience and training to eligible staff.

(b) The Recruitment Plan
This will incorporate the following:
- The numbers and types of employees required to make up any deficits, when they are needed;
- The likely sources of candidates;
- Plans for tapping alternative sources; and
- How the recruitment programme will be conducted.

(c) Employer of Choice Plans
Organizations should consider the inclusion of the following in order to attract and retain good candidates:
- Better remuneration packages;
- More opportunities for development, training and careers;
- Enhanced future employability because of the reputation of the organization as one that employs and develops high quality people, as well as the learning opportunities it provides;
- Employment conditions which address work-life balance issues;
- Better facilities and scope for knowledge workers;
- ‘Golden hellos’ (sums of money paid upfront to recruits); and
- Generous relocation payments.

(d) Flexibility Plan
The aim of the flexibility plan should be:
- To provide for greater operational flexibility;
- To improve utilization of employees’ skills and capacities;
- To reduce employment costs;
• To help achieve downsizing smoothly and in a way which avoids the need for compulsory redundancies; and
• To increase productivity.

A “great hire” has more than certificates, degrees, or even experience. You and HR must commit to working together to solve immediate as well as predictable hiring needs. This requires attracting a diverse array of talent, creating a pipeline of qualified talent for future hiring needs, and providing a “wow” experience for applicants and candidates. Hiring presents the perfect opportunity for quality and efficiency to intersect with innovation and creativity (Ahlrichs, 2003:108).

In support of the statement “great hire” by Ahlrichs (2003), Analoui (2007:124) advocates that a diverse workforce is the key success factor for almost all organisations. Various studies of the impact of people management practices on business performance found the acquisition and development of employee skills through the use of sophisticated selection, including training and appraisals, to have a positive impact on company productivity and profitability. The studies have shown three key issues that have increased the potential importance of the recruitment and selection decisions taken by organisations:

• First, demographic trends and changes in the labour market have led to a move towards attracting a diverse workforce, which has placed increasing pressure on the notion of fairness in recruitment and selection;
• Second, the desire for a multi-skilled and flexible workforce and an increased emphasis on team working. These are therefore more concerned with attitudes and behaviours than matching individuals to job requirements; and
• Third, the emphasis on corporate strategy and people management has led to the notion of strategic recruitment and selection – the system that links selection processes and outcomes to organisational goals and objectives to match the flow of people to emerging business strategies.

The overall aim of the recruitment and selection process should be to obtain, at minimum cost, the number and quality of employees required to satisfy the human resource needs of the company (Armstrong, 2003:394-417). The three stages of recruitment are listed as follows:
Defining requirements – preparing job descriptions and specifications; deciding terms and conditions of employment;

Attracting candidates – reviewing and evaluating alternative sources of applicants, inside and outside the company; and

Selecting candidates – Sifting applications, interviewing, testing, assessing candidates, etc.

I. Defining requirements
The biggest danger to be avoided at this stage is that of overstating the competencies and qualifications required. It is natural to go for the best, but setting an unrealistically high level for candidates, increases the problems of attracting them, and results in dissatisfaction when they find their talents are not being used. Understating requirements can be equally dangerous, but this occurs less frequently. The best approach is to distinguish between essential and desirable requirements.

II. Attracting Candidates
Attracting suitable candidates is primarily a matter of identifying, evaluating and using the most appropriate sources of applicants. The employer may need to do an analysis of strengths and weaknesses, such as the national or local reputation of the organization, pay, employee benefits and working conditions, the intrinsic interest of the job, security of employment, opportunities for education and training, career prospects, and the location of the office or plant. These need to be compared with the competition in order that a list of what are, in effect, selling points can be drawn up in a marketing exercise, in which the preferences of potential candidates are likely to occur, and emphasis be made on such.

III. Improving the Effectiveness of Recruitment and Selection
An HRM approach can be adapted to recruitment, which involves taking much more care in matching people to the requirements of the organization as a whole, as well as to the particular needs of the job. These requirements will include commitment and ability to work effectively as a member of a team. Selection interviews should be used to provide sufficient information for decision-making and answering questions such as:
• Can individuals do the job – are they competent?
• Will individuals do the job – are they well motivated?
• How will individuals fit into the organization?

According to Grobler et al (2006:166) every organisation, regardless of its size, product or service, must recruit and select applicants to fill positions. Recruitment is therefore defined as the process of acquiring applicants who are available and qualified to fill positions in the organisation. Selection is also defined as the process of choosing from a group of applicants the best qualified individuals who best suit a particular position.

First and foremost, for every job to be advertised, the employer needs to bear in mind that a successful recruitment advertisement should be based on the answers to four questions:

i) What do you want to accomplish?
ii) Who do you want to reach?
iii) What should the advertising message convey?
iv) How and where should you advertise?

Grobler et al (2006:185) suggest a selection framework that pulls together organisational goals, job design and performance appraisal, as well as recruitment, See figure 2.1, below:

Figure 2.1: Selection Framework

According to Carter et al (2009:74), career paths can be used to increase your organisation's competitive advantage in the recruiting and hiring arenas, in several ways.

- Firstly, career paths can help you market to potential employees a career rather than an entry-level job. Most potential new hires/employees, particularly in knowledge worker roles aspire to move beyond the role for which they are applying. Clearly articulating the growth opportunities and potential movement subsequent to the initial role can often increase recruits’ overall attraction to both the role and the organization;

- Secondly, sharing information about career paths and potential opportunities for advancement, as early as in the recruiting stage, can result in increased employee loyalty among those who are hired. Employees recognize which organizations place more emphasis on growth and advancement; and

- Thirdly, developing career paths can help you and your hiring managers to more clearly understand qualification and competency requirements for jobs at all levels across the career path. This understanding, coupled with a carefully developed selection process that is demonstrated to be job-relevant, can help you to improve the hiring process, resulting in hires/new employees who not only have the qualifications to perform an entry-level job, but who also have the potential to move into other roles over time, given appropriate development opportunities.

2.4.4 Induction of New Employees

Induction can be more precisely defined as the process of introducing new employees to the goals of the organisation, its policies and procedures, its values and the co-workers, as well as the activities and tasks to be performed, and the equipment to be used. Research has clearly shown that the influence of the first few days on a new employee, and the impressions gained, have an important bearing on performance and on labour turnover in general, and that the rewards in terms of goodwill, morale and work efficiency by far outweigh the effort and investment used to enable the new employee to feel comfortable and at home. (Grobler et al. 2006:206). They also suggest a list of benefits as a result of an effective induction programme, as follows:
Higher job satisfaction;
Lower labour turnover;
Greater commitment to values and goals;
Higher performance as a result of faster learning times;
Fewer costly and time-consuming mistakes;
Reduction in absenteeism;
Better customer service through heightened productivity;
Improved manager/subordinate relationships; and
Better understanding of company policies, goals and procedures.

There is no doubt from the theory reviewed under this section that the importance of having a well integrated recruitment and selection strategy which integrates with the corporate strategy is a must for every organisation that wants to compete in the local and global market. Furthermore, the talent is key to the success of any organisation: When an organisation hires, it must make sure it hires once only, and correctly, since a wrong appointment is costly to the organisation, its performance and its competitive edge.

2.5 Motivation

2.5.1 Definition

Kinicki and Kreitner (2003:147) define motivation as the psychological process that causes the arousal, direction, and persistence of voluntary actions that are goal directed. They believe that managers need to understand these psychological processes if they are to successfully guide employees toward accomplishing organisational objectives. Individual inputs (ability, emotions, beliefs, etc) and the job context variables (physical environment, coaching, organisational culture, etc) are viewed as the two key categories of factors that influence motivation. Motivation in turn leads to motivated behaviour which then affects performance.

Coetsee (2003:17) defines motivation as the interaction between forces within the individual and environmental forces that arouse and direct persistent behaviour. He further contextualizes this into a work situation when he says, “motivation is the willingness of individuals and teams to exert high levels of effort to attain organizational goals, conditioned by the effort’s capability to satisfy individual and team needs”.
Motivation is the force that energises behaviour, gives direction to behaviour and underlies the tendency to persist, even in the face of one or more obstacles (Grobler et al. 2006:216).

According to George and Jones (2006:337), motivation may be defined as psychological forces that determine the direction of a person’s behaviour in an organization; a person’s level of effort and level of persistence in the face of obstacles. The writers also noted that motivation is central to management because it explains why people behave the way they do in organizations. It also explains why some managers truly put their organization’s best interest first, whereas others are more concerned with maximizing their salaries; why some employees put forth twice as much effort as others.

According to DuToit et al (2009:46), achievement motivation is characterized by actions of intense, prolonged and repeated effort to accomplish something that is difficult. The person with achievement motivation will also work single-mindedly towards his or her goal and will have the determination to win, will do everything well, and enjoy competition. These people can be closely described as entrepreneurs, due to the high need for achievement. This need can include the following:

- To be personally responsible for solving problems;
- To set their own goals and reach these goals through their own effort;
- To get feedback on the degree of success with which they accomplish tasks;
- To have personal accomplishments;
- To have control over their own time and to use time and money creatively.

There is a prevailing agreement among the writers on the definition of motivation which mostly reflects the critical component of the internally controlled behaviour that, when directed to the right goals, will trigger the psychological instinct to perform at the highest levels. Also very visible from the writers’ definitions, is the resilience of the motivated person in pursuing the results and satisfaction resulting from great performance.
2.5.2 Some Contributing Theories on the Concept of Motivation

Research indicates that people will perform optimally in their jobs when the organization’s strategy, culture, values, knowledge and skills requirements are aligned with their personal values and motives, and their competency levels, in terms of skills, knowledge and qualifications (Human Capital Management, 2005/6:31).

According to Kochan and Useem (1992:377), there has been a lack of emotional motivation in the theories aimed at improving organizational performance and competitiveness. Kochan and Useem further argue that pride, as well as fear, are powerful motivating forces.

Coetsee (2003:24) believes that there are results attached to a motivating climate which need to match the prerequisites of a motivating climate. Based on the above, Coetsee sees a new definition of motivating climate as an inspirational environment in which people align themselves with, and make a commitment to, achieving the vision of the company. He further states that a motivating climate is an environment which focuses people, energises and encourages them, and unleashes their potential, while creating opportunities to become successful.

George and Jones (2006:337) cited two sources of motivation as intrinsic or extrinsic sources. The writers explain the sources as follows:

- Intrinsically motivated behaviour is behaviour that is performed for its own sake; the source of motivation is actually performing the behaviour, and motivation comes from doing the work itself.
- Extrinsically motivated behaviour is behaviour that is performed to acquire material or social rewards or to avoid punishment; the source of motivation is the consequences of the behaviour, not the behaviour itself.

George and Jones (2006:338-339) argue that people can be intrinsically motivated or extrinsically motivated, or both intrinsically and extrinsically motivated.

To be successful you need to have an energised, purposeful, focused, committed team of leaders. If the CEO and executive committee do not display this, it will be a challenge to find people who want to stay in the company. To encourage people to join and stay and grow, you have to have a defined value proposition, with people in
their respective roles doing things that impassion and energise them (Human Capital Management, 2005/6:31).

Coetsee (2003:15), records that reinforcement theory is based on the assumption that human behaviour is determined by the outcome or results of such behaviour. Coetsee enforces the belief that rewards and recognition can be used as elements in creating a motivating climate. Coetsee continues his argument that the modern process theories of motivation are concerned with answering the questions on how individual behaviour is energised, directed, maintained or stopped. Some of these theories are:

- The Expectancy theory which is based on the assumption that people are motivated by the expected results of their efforts or actions;
- The Equity theory explains how people develop perceptions of fairness about the distribution of rewards in exchange for their inputs or efforts;
- The Goal-setting theory which is a process of motivating employees and clarifying their role perceptions by establishing performance objectives.

According to Hersey, Blanchard and Johnson (2001:23) behaviour is generally motivated by a desire to attain some specific result. The writers further suggest that the motivation of people depends on the strength of the motives. Motives can also be defined as needs, wants, drives, or impulses within the individual. The writers term the above as goal-orientated behaviour. Hersey et al (2006:34) introduced another factor of motivation, availability. The writers argue that availability reflects the perceived limitations of the environment. It is determined by how accessible the goals that can satisfy a given need are perceived by an individual to be. Consequently, availability is an environmental variable. Hersey et al (2001:33) agreed with the approach in the Expectancy Theory of Motivation by Victor Vroom. However, Hersey et al are of the opinion that:

- Felt needs cause behaviour, and this motivation in a work situation is increased if a person perceives a positive relationship between the effort and performance;
- Motivational behaviour is further increased if there is a positive relationship between good performance and outcome or rewards;
- If the outcomes or rewards are highly valued performance will be increased.
Baron (1983:67) agrees with most writers on motivational factors as he discussed motivation through the belief that is based on the expectancy and valence theory. Baron outlines three determinates of motivation under the theory, seen as follows:

- The expectancy that effort will result in performance.
- The expectancy that performance will result in reward.
- The valence of rewards.

According to Wiesner and Millet (2001:26), motivation is a result of intrinsic, and to a lesser degree, extrinsic motivators. Intrinsic motivators at work are stimulated whenever individuals seek to improve their sense of competence, achievement, skill, knowledge or general wellbeing. These include curiosity, discovery and sensory stimulation. Intrinsic motivation is primarily a psychological phenomenon. Intrinsic rewards make a recipient feel good, confident, competent, powerful, appreciated, essential and worthwhile.

After years of paying lip service to the notion, successful organisations are beginning to take action on the all-too-common platitude of “our workforce is our greatest asset”. By increasing productivity and motivating workforce behaviour, talent management leads to higher levels of performance, including:

- Rapid product introductions;
- Improved service delivery;
- Increased innovation;
- Lower production costs;
- Increased on-time, on-budget projects;
- Higher customer satisfaction; and
- Sustained organizational improvements (HR Highway, 2008:8)

2.6 Retention Strategy

Human Resources Management in public institutions face a number of challenges in terms of retention, such as brain drain, a shortage of skilled people, and a high turnover of staff, to name a few. It is therefore imperative for public institutions to manage talent effectively in order to respond to and address challenges. Addressing
Retention can be as simple as listening and responding to employees’ concerns and ideas, but more often than not, retention difficulties are likely to require a broader and longer term plan (Vermeulen, 2007:273).

Carter et al (2009:80) suggest that career paths, when integrated into your organization’s overall talent management strategy, can help your organization to retain valued employees in several ways:

- Firstly, they promote a sense of fairness and consistency in how the company makes decisions;
- Secondly, they promote a sense of loyalty and commitment among employees by demonstrating the commitment of the organization to long-term career development and by clearly showing the potential for a long-term, fulfilling career in the organization; and
- Thirdly, they take the guesswork out of career progression and development for employees. By doing so, career paths help employees to see how they can achieve their career goals without leaving the organization and, importantly, they give employees a sense that they have some degree of control over their futures.

According to Grobler et al. (2006:224), the mutual obligations of the psychological contract that will enable organisations to retain their best talent can be described as follows:

i) Obligations from employees;
   - To work contracted hours;
   - To do a quality piece of work;
   - To deal honestly with clients;
   - To be loyal and guard the organisation’s reputation;
   - To treat property carefully;
   - To dress and behave correctly; and
   - To be flexible and go beyond one’s job description.

ii) Obligations from the employer
   - To provide adequate induction and training;
   - To ensure fairness in selection, appraisal, promotion and redundancy procedures;
• To provide justice, fairness and consistency in the application of rules and disciplinary procedures;
• To provide equitable pay in relation to market values across the organisation;
• To be fair in the allocation of benefits;
• To allow time off to meet family and personal needs;
• To consult and communicate on matters that affect employees;
• To interfere minimally with employees in terms of how they do their jobs;
• To act in a personally supportive way towards employees;
• To recognize or reward special contributions or long service;
• To provide a safe and congenial work environment; and
• To provide what job security they can.

According to Analoui (2007:109) various studies reflected that there is a benefit in adopting a ‘high road’ HRM strategy of high training, high involvement, high rewards and quality commitment. Further, organisations that did not plan their human resources well, respond to difficulties by cutting costs and making staff redundant. This has its negative consequences:

• The loss of skill, knowledge and wisdom which employees accumulate over years in practice at work;
• The result of downsizing may cause a loss of productivity;
• Those employees who remain at work after a period of downsizing may experience the survivor syndrome – effects of guilt, lower motivation and commitment, mistrust and insecurity; and
• Redundancy is stressful for those who are affected by it.

Armstrong (2003:378) lists a number of researched common reasons for people leaving organizations (labour turnover):

• More pay;
• Better prospects (career move).
• More security;
• More opportunity to develop skills;
• Better working conditions;
• Poor relationship with manager and team leader;
• Poor relationship with colleagues;
• Bullying or harassment; and
• Personal – pregnancy, illness, moving away from area, etc.

Armstrong (2003:379) is in agreement with Analoui (2007) on the discussion of costs incurred due to employees leaving the organisation, and also highlights the cost of labour turnover, as follows:

• Leaving costs – payroll costs and personnel/administration (costs?)
• Direct cost of recruiting replacements (advertising, interviewing, testing, etc.)
• Opportunity cost of time spent by HR and line managers in recruitment
• Direct cost of introducing replacements (induction course, cost of induction manuals)
• Opportunity cost of time spent by HR and line managers in introducing new employees
• Direct cost of training replacements in the necessary skills
• Opportunity cost of time spent by line managers and other staff providing training
• Loss of input from those leaving, before they are replaced in terms of contribution, output, sales, customer satisfaction, support, etc; and
• Loss arising from reduced input from new starters until they are fully trained.

The CIPD 2002 UK Survey conducted on labour turnover, as cited by Armstrong (2003:380), revealed that turnover rate was standing at 18.2 per cent and comprised 16.3 per cent of full time employees and 21.5 per cent of part-time employees.

According to Grobler et al. (2006:231), internal staffing for non-entry positions can bring about a number of potential advantages. These are:

• From an efficiency perspective, employers can maintain closer control over the skills and work habits acquired by their existing employees;
• By developing logical career paths, employers can gradually prepare employees to fill complicated or critical positions without overburdening their capacity to learn at any single step;
When vacancies are filled through internal sources, employers do not have to spend time orienting the new incumbents to the business environment or to standardising operating procedures;

In choosing candidates for complex or high-level positions, employers have more detailed information about the abilities, aptitudes and work habits of internal employees;

Emphasis on internal staffing presents potential advantages from the standpoint of employee satisfaction and commitment;

It enables organisations to fulfil hiring goals and timetables specified in employment equity actions, which is important in South Africa;

Employees can be placed in the best interests of both the organisation and the individual; and

It can contribute to the organisation’s bottom line.

A vital contributor to the retention strategy is the organizational career management, which, when well planned and properly executed, can benefit both the organization and the employees in a number of ways (Grobler et al. 2006:245). These may include the following:

- **Staffing inventories**: Effective career management will help ensure a continuous supply of professional, technical and managerial talent so that future organisational goals may be achieved;

- **Staffing from within**: Because of the many potential advantages of promotion from within, most companies like to promote employees when positions become available;

- **Solving staffing problems**: A high rate of staff turnover may be caused, at least in part, by a feeling that little opportunity exists within the organisation;

- **Satisfying employee needs**: Higher levels of education have raised career expectations;

- **Enhanced motivation**: Because progression along the career path is directly related to job performance, an employee is likely to be motivated to perform at peak levels so that career goals may be accomplished; and

- **Employment equity**: Guidelines demand fair and equitable recruiting, selection and placement policies and the elimination of discriminatory practices concerning promotions and career mobility.
Berger & Berger (2011:160) argue that when careers are aligned with core business principles, employees take on greater self-accountability for career, and connections foster strength across the organisation. Furthermore, a proactive and accountable career development process, when partnered with succession planning, can meet organizational challenges swiftly and head-on.

2.7 Training and Development

2.7.1 Definition

According to Nel (2008:446) training is regarded as the planned or systematic efforts of an employer to facilitate employees learning of the knowledge, skills and behaviour required to perform their jobs that is job related competencies. These competencies included knowledge, skills and behaviours that are critical for successful job performances. Generally, training is focused on improving employees’ performances in their current jobs. Although training is usually coordinated by line managers, employees should also take responsibility in indentifying areas, skills and performances in which they need to improve to execute their tasks more efficiently. The employer, therefore, needs to arrange appropriate training, which may be on or off the job, for obtaining competitive advantage.

According to Mullins (2010:502), one major area of the HRM function, of particular relevance to the effective management and use of people, is training and development. Some fundamental terms and differences are used in practice:

- Training is a content based activity, normally away from the workplace, with an instructor leading and aiming to change individual behaviour or attitudes;
- Learning is a self-managed process of acquiring new knowledge and skills with the aim of improving performance;
- Development is wider than both training and learning and is a longer-term, structured learning process involving a number of activities, including training.

Sobol, Harkins and Conley (2007:18) suggest two important aspects under training and development: These are:-

- Progression – This is a tracking process that creates visible pathways for career development. By having visible pathways, the High Potential employees (HIPOs) can track their career steps and see what bases they
need to touch in order to achieve their ultimate objectives. It provides the manager with visuals to have open discussions that lead to opportunities for rotations, coaching/mentoring, and training; and

- Development – This is a more defined process for charting what skills, knowledge and experiences are required to meet the career paths and succession needs for HIPOs. Every HIPO is expected to have a yearly individual development plan that is reviewed with the manager and is taken into consideration for rotational decisions as well as for professional advancement and succession.

2.7.2 Importance of Training

Thompson (1998:78) states that training and development are important parts of the strategy implementation process. Training and development are also strategically important organizational efforts to build skills-based competencies. Thompson expands by saying that successful strategy implementers see that the training function is adequately funded, and that effective training programmes are in place. Training and development contribute to organisational success in less direct ways. Training and development can provide shared experiences that promote understanding among employees with many different historical backgrounds and so help speed the development of organisational cohesiveness and employee commitment.

Dessler (2005:270) supports the argument that elevates the high need for training of employees to achieve excellent performance. He refers to training as the methods used to give new or present employees skills they need to perform their jobs. He emphasises that training is a hallmark of good management, and a task which managers ignore at their peril. He argues that having high-potential employees doesn’t guarantee they will succeed.

Mullins (2010:503) argues that in order to sustain economic and effective performance, it is important to optimise the contribution of employees to the aims and goals of the organization. In that respect, few would argue the importance of training as a major influence on the success of an organisation. Mullins cited a powerful statement made by Sir Brian Wolfson, Chairman of Investors in People, UK,
when he said, “Skills shortages are often the result of short-termism and little or no analysis of present or future training needs... Keeping skilled workers is one of the first business goals”.

Aswegen, Kleyhans and Lots (2008:153) agree with other writers in that training helps employees to develop skills so that they can do certain jobs or tasks. Training is executed to ensure that a task is performed correctly, and therefore the behaviour change brought about by training must be measurable in terms of an organisational requirement. Consequently, training must be result orientated, and must focus on enhancing those specific skills and abilities needed to better perform jobs. All in all, training must make a real contribution to improving goal achievement and internal efficiency, as well as competitive advantage.

Mullins (2010:503) further notes the importance of training as necessary to ensure an adequate supply of staff who are technically and socially competent, and capable of career advancement into specialist departments or management positions. Mullins strongly believes that it is morally wrong to give a person a leadership role without some form of training – wrong for them and for those who work with them. He further advocates that there are benefits associated with training, which can be summarised as follows:

- Training can increase the confidence, motivation and commitment of staff;
- Training can provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- Training can give a feeling of personal satisfaction and achievement and broaden opportunities for career progression;
- Training can help to improve the availability, quality and skills of staff;
- Training increases the level of individual and organisational competence; and
- Training helps to reconcile the gap between what should be done and what is happening – between the desired targets or standards and actual levels of work performance.
Mullins (2010:503) further advances the argument that, although many employers continue to have reservations about the cost and extent of tangible business returns from training, the development of vocational skills has been identified as a key factor in sharpening competitiveness and delivering hard, bottom-line improvement in profits. Furthermore, investment in people is fundamental to employee well-being. Investment in people will be demonstrated by active facilitation of the learning, growth and development of individuals. An extensive capability and commitment to training must be an integral part of the organisation’s business strategy. There are essential components of the training policy in an organisation that pursues training and development as contributors to talent management and organisational competitiveness. These are:

- The view that continuous training is the norm;
- The assumption that training will be a life-long process;
- Recognition of the need to update the existing skills, replace redundant skills and train for new skills; and
- The need for multi-skilling to cope with change.

According to Noe, Meyer and Neill (2003:445), training is not just a process, but can also serve as a range of diverse purposes. An organisation initiates training programmes for many different reasons, for example, improving skills, abilities, and competitive advantages. Improving efficiency and performance to ensure that the organisation is capable of responding to challenges of its competitors will sometimes require a very different kind of training programme. But in striving to enhance efficiency, training should be seen as part of the individual professional development. Further, an organisation can increase the likelihood that it will keep valued employees if it demonstrates that it is willing to invest in professional development, by helping employees to gain new skills by expertise through organisational support for their training.
2.7.3 Strategic Considerations in Planning and Implementing Training

Mullins (2010:504) warns against the tendency that training can easily become an agenda for conformity and status quo, good at instilling uniformity and compliance with someone else’s model of current best practice. He further advances that genuine education, with which training is so clumsily lumped much of the time, is its polar opposite. Education is liberating and challenging; it offers us choice, because it opens our eyes and minds. Training works outside-in; education works inside-out. Training will only help if organisations learn to be wise in how they use an individual’s capability, marrying talent with healthy cultures, systems and processes, and serving well-conceived business goals.

For training to achieve the desired results, it requires the co-operation of line managers, adequate finance and resources, time, skilled staff and a supportive appraisal system. There has to be genuine commitment from top management and throughout all levels in the organisation. A strategic learning and development approach, when effectively managed, offers a commitment to a range of individualised development opportunities. These include training, but also include coaching, mentoring, shadowing and other planned activities, all aimed at improving knowledge, developing skills and changing attitudes (Mullins, 2010:504).

According to Mullins (2010:504), in order to secure full benefits of successful training,

- There must be a planned and systematic approach to the effective management of training;
- There must be a clear commitment to training throughout all levels of the organisation;
- There should be effective training needs analysis at organisational, departmental and individual levels;
- Staff should also feel a sense of involvement and know how they can play a part in the goals and objectives of the organisation;
- There should be a clear set of objectives and a defined policy for training;
- The training programme should be carefully planned;
• Consideration must be given to the choice of the most appropriate methods of training;
• Consideration should also be given to external courses and training opportunities linked to the educational system;
• Full regard should be given to the needs of the minority groups within the workforce;
• There should be an effective system of review and evaluation, including the ongoing monitoring of progress, a supporting performance management system and the maintenance of suitable training records; and
• Evaluation should be related to objective and measurable factors, for example: increased output or sales, etc.

Nel et al (2008:446) support Mullins’ argument that defined development as ‘formal education, experience, relationship and assessment of personality and abilities that prepare employees for the future’. Development involves training that is not necessarily related to employee’s current jobs, since it also aims to prepare employees for future positions and career paths.

Aswegen, Botha, Kleyhans & Lots (2008:118) agree with other writers where they see development as more about providing ongoing learning opportunities so that employees can improve over a longer period of time and learn skills other than those required by current jobs.

Russel & Roberts (2001:172) fully supports the views by other writers that training is an attempt to improve employee performance on a currently held job, or related to it. Ideally training should also be designed to meet the goals of organisation while simultaneously meeting the goals of the individual employees. They then refer to development as the learning opportunities designed to help employees grow. Such opportunities do not have to be limited to improving employees’ performances on current jobs, but in the future as well.

2.7.4 Employee Development

Employees want to know that they have a challenging career growth path, carefully monitored by management. Setting clear objectives, giving frank and timely feedback, coaching individuals, recognizing contributions and sharing information
make up the daily fabric that creates a lasting business relationship and guarantees performance and retention (Human Capital Management, 2005/6:32).

Rothwell, Jackson, Knight & Lindholm (2005:161) argue that for development to be effective, research results have shown that people who have been mentored report greater satisfaction and career success than un-mentored individuals. There are evident benefits for development through mentoring, which apply to mentors, protégés and organisation, as follows:

a) Benefits for Mentors

- Personal satisfaction from fostering the professional development of a protégé;
- Gratification of passing a legacy to the next generation of employees;
- Development of new professional contacts;
- Exposure to new ideas, technologies, and perspectives;
- Enhanced reputation;
- Sense of accomplishment;
- Personal growth;
- Increased knowledge and experience;
- Broadened perspective; and
- Job enrichment.

b) Benefits for Proteges

- Acquisition of new technical, interpersonal and management skills;
- Professional development and career direction;
- Increased personal confidence in the work setting;
- Key information on the culture and inner workings of the organisation;
- Development of a relationship with a role model as a sounding board to give feedback on ideas and career plans;
- Development of new professional contacts;
- Exposure to new ideas, technologies, and perspectives; greater connectivity with all parts of the organisation;
- Organisational support; increased performance; and
• Greater understanding of their role in accomplishing the organisation’s mission.

c) Benefits for the Organisation

• Across-the-board development of employee talent in a variety of skills.
• Motivated employees;
• Effective communication of the history, culture, mission, and goals of the organisation;
• Creation of a workplace environment conducive to greater productivity;
• Improvement of management’s counselling skills;
• Increased interaction between staff across functions and levels;
• Increased organisational communication and understanding;
• Better integration of new employees into the workplace; employee retention; reduced turnover;
• Cost effectiveness, as participants receive new skills and knowledge without the cost-structured training classes; and
• Bridging the gap between classroom learning and real-world applications.

Furthermore, employee development contributes to the effective implementation of succession planning efforts, maintains healthy recruitment and retention statistics, provides overall job satisfaction for employees, and increases bottom line profits. Successful organisations have accepted that employees should be continually developed to meet the dynamic needs of the international business climate (Rothwell et al, 2005:216).

Mullins (2010:506) puts emphasis on the strong need for organisations in all industrial and commercial sectors to be more serious about helping their technical people to master the so-called ‘soft skills’, and for training in their people skills and how to work with maximum effectiveness as part of a team. Further, to expect them automatically to excel at managing people is at naive, and at worst quite unreasonable.

Yost & Plunkett (2009:133) warn against the stereotype mindset that employee development plans are simply a list of training programmes that the employee must attend, even though we know that the bulk of development is on the job. To succeed,
today’s leaders and employees need to focus their energy on self directed, continuous development. Yost and Plunkett (2009) support their argument by presenting research results done in organisations where employees rated four development interventions, as follows:

- On-the-job development scored 70%.
- Other people/coaching scored 20%.
- Training programmes scored 5%.
- Outside development experiences scored 5%.

It can thus be concluded from the above data and theory reviewed to date on training and development, that if knowledge gained from training is not put into practice/on-the-job it will have very little impact on the performance and development of employees.

Grobler et al (2006:112) give a full list of the ‘Guidelines for creating organisational readiness for change’ as follows:

i) Develop a pro-learning orientation among employees:
   - Provide frequent opportunities for employees to take responsibility for problem identification and problem-solving;
   - Develop open communication channels and ensure that they are used frequently to inform employees of organisational successes and failures;
   - Do everything possible to keep employees informed of customers’ preferences and the evaluations of the services and products offered by the organisation; and
   - Encourage small-scale experimentation to produce solutions to emerging problems before large scale solutions are needed.

ii) Develop a resilient workforce
   - Use resilience to change as the basis for hiring and promotion decisions;
   - Educate the workforce about the fundamentals of organisational change processes;
• Train employees to understand the symptoms and causes of resistance and cynicism, and train managers in effective means for reducing resistance and cynicism; and
• Celebrate successful change efforts – large and small – to build confidence in the organisation’s capacity for change.

iii) Build the architecture to support the change

• Develop means for recording lessons learnt from change efforts and ensure that these lessons are used to guide future change efforts;
• Train managers in structured approaches to change rather than allowing them to rely on their intuition and instincts;
• Create opportunities for employees to work in cross-functional teams as means of developing teamwork and communication competencies often needed for large-scale change efforts; and
• Identify key measures that can be used to regularly measure organisational performance

Guthridge, Komm and Lawson (2006) argued that talent management processes can’t work if managers don’t think it’s important to develop their people.

2.8 Succession Planning

2.8.1 Definition

Sobol, Harkins and Conley (2007:18) suggest that succession is a formal process whereby the top three tier jobs have clearly defined backups. Each next-in-line candidate can be tracked for progression and development. This becomes a visible process for executives and board members. High potential employees (HIPOs) also know that they appear on succession charts that spawn discussion on an ongoing basis, allowing them to feel connected to the process for their own development.

Carter et al (2009:99) define succession management/planning as the process used by an organization to identify employees for higher-level roles and to develop these employees so that they are ready to take on those roles at the appropriate time.

From the company’s side, leadership development and succession planning is about identifying successors and gaps, deciding when and how to invest in people, and
understanding the succession potential of individual employees. The CEO is accountable for that (Human Capital Management, 2005/6:32).

2.8.2 Importance of Succession Planning in Organizations

The results obtained from a study by the Centre for Creative Leadership (2003) pertaining to the need for succession planning, as cited by Vermeulen (2007:280), revealed that 66% of senior managers hired from outside an institution fail within the first 18 months. This calls for the institutions to identify and develop internal talent needed for key senior positions. Integrated succession planning processes identify and develop talent at three levels:

- Candidates in key management positions;
- Potential candidates outside the functional area; and
- Employees in lower levels of the organization who demonstrate potential.

According to Rothwell, Jackson, Knight & Lindholm (2005:26), effective succession planning and career planning practices are essential to the survival of today's businesses. Succession planning has surged to the forefront of executive attention due to recent corporate scandals, the disastrous loss of key people due to terrorist attacks or sudden illnesses, and the growing awareness of widespread ageing among the leadership ranks in businesses, government agencies, and non-profit organisations. Also noted for contributing to the need for succession planning is the increased use of technology and the globalization of the economy which has increased competitiveness in the marketplace, with increasing demands for quality and added value to products and services to grow the market share. This forces company leaders to be highly future-orientated, and organizations to be flexible.

Succession planning ensures that an organisation is prepared to fill key positions when the current top performers leave, for whatever reason (Schuler and Jackson:2006). Cherrington (1995:147) states that a succession plan is useful as it contributes to the development of new managers and facilitates promotion process. Cherrington (1995:147) further states that if promotion decisions are based on subjective, ill-defined criteria, then succession planning loses effectiveness and becomes a waste of time. He expands by saying that the objective of the succession planning is not to create more paperwork but to provide for developmental experiences in preparing managers to fill potential vacancies.
According to Yost & Punkett (2009:147), developing and supporting individuals who may be leading your organisation, is key to accomplishing your business strategy. To develop a robust leadership pipeline, start looking at people in their careers in relation to your business strategy, asking “do they have the capacity to drive the future business?”

Succession Planning Strategy and Talent management is therefore more about creating and developing a pool of talented people who are used to operating flexibly, and from which successors can be appointed, or new roles filled (Armstrong 2003: 393).

Management succession planning aims to ensure that a sufficient supply of appropriately qualified and capable men and women are available to meet the future needs of the organisation. Succession planning should be related to the overall corporate strategy. (Mullins, 2010:790)

According to Rothwell et al (2005:31), effectively managing succession planning yields many benefits, including the following:

- Enables the organisation to assess its talent needs by establishing competency models or job descriptions;
- Allows leaders to identify, and tap, in record time, key people who are available to fill critical work functions;
- Provides avenues for present and future succession planning and discussions about how to develop talent;
- Defines career pathways through an organisation;
- Provides for a higher return on investment from employees;
- Leads to the appropriate promotion and pre-selection of people to meet organisational goals;
- Decreases the risk of losing key people, increases employee job satisfaction, and improves the likelihood of matching the most qualified individuals to the most crucial work; and
- Offers a competitive advantage over other organisations that are not far-sighted enough to possess an effective succession strategy.
Mullins (2010:790) further warns that, as nowadays people are less likely to stay with the same company for long periods of time, there does appear to be some doubt about whether succession planning is really necessary. Mullins also argues that despite the influence of de-layering, changes to traditional hierarchical structures and fewer opportunities of jobs for life, there is still an important need for succession planning in order to develop internal talent and help maintain loyalty and commitment to the organisation.

2.8.3 Planning and Implementation Strategies of Succession in Organizations

Carter et al (2009) advise that prior to defining a succession management strategy, an organization should follow certain defined steps, as listed below:

- Confirm the need for, and the means to, develop career paths for the organization;
- Establish the purpose for paths in the organization;
- Confirm that jobs and roles are clearly defined through job analysis, position descriptions, etc;
- Develop career paths that include critical leadership roles;
- Conduct an organization-level analysis to identify talent needs and gaps;
- Ensure that a supportive employee development environment exists; and
- Establish and manage an ongoing programme for moving employees along one or more career paths.

According to Mullins (2010:790), there should be a programme of planned career progression allied to management development and succession planning. This should provide potential managers with:

- Training and experience to equip them to assume a level of responsibility compatible with their ability;
- Practical guidance, encouragement and support so that they may realise their potential, satisfy their career ambitions and wishes to remain with the organisation.

Rothwell et al (2005:39) proposed an effective organisational succession planning model that will enhance the planning and implementation of succession planning in the organisations. See the following figure 2.2.
Mullins (2010:791) warns that progression expectations by employees should be well managed because, if these cannot be fulfilled, staff may become disillusioned and frustrated. Mullins emphasises that succession planning is not in a dark art or a hit and miss art, but a basic business necessity and there is no question that one must nurture and retain one’s own talent.

Rothwell et al (2005:72) agree with Mullins’ (2010) statement that succession planning should be treated as a long-term plan. Firstly, quality succession planning and career planning programmes are not crisis management strategies. They cannot be implemented to mitigate present or pending staffing crises. They are long-term strategies, often requiring significant, long-lasting, and profound corporate culture changes. Secondly, they require careful strategic planning, necessitating a cooperative effort between stakeholders. Further, a comprehensive career planning
and succession planning effort must become institutionalised, ingrained in the organisation. Therefore, integrating career planning and succession planning brings about a marriage of self interests and organisational interests.

Swanepoel et al (2003:245) draw a distinction between two methods or techniques used in succession in organisations; one is replacement planning and the other is succession planning. Replacement planning is a short-term technique which uses replacement charts to show the names of the current incumbents of positions in the organisation, together with the names of likely replacements. Replacement charts make it clear whether potential vacancies may occur, based on the performance levels of the employees in the current jobs, whereas succession planning is a longer-term, more flexible method, which focuses on the development of managers or leaders. Swanepoel et al draw a list of differences between replacement planning and succession planning, as follows:
Table 2.4: Differences between replacement planning and succession planning.

<table>
<thead>
<tr>
<th>No.</th>
<th>Replacement Planning</th>
<th>Succession Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Covers a short time span and the best candidate chosen (for example 12 months)</td>
<td>More longer-term and the candidate with the best potential is chosen.</td>
</tr>
<tr>
<td>2.</td>
<td>Very flexible but can be limited by the structure of the plan.</td>
<td>Perceived as being flexible but is intended to promote development and thinking about alternative candidates.</td>
</tr>
<tr>
<td>3.</td>
<td>The experience base of those managers to be considered is based on the judgement and observation of candidates.</td>
<td>The results of the plan are based on inputs and discussion involving a number of other managers and is thus a group effort.</td>
</tr>
<tr>
<td>4.</td>
<td>The development planning for managers in normally informal.</td>
<td>The development planning for managers is more formal and extensive. Specific long-term personal development plans for individuals are developed as part of succession planning.</td>
</tr>
<tr>
<td>5.</td>
<td>The identified candidate will fill a vacant post.</td>
<td>All candidates are considered to fill the post because a pool of candidates has been identified.</td>
</tr>
</tbody>
</table>

Source: Adapted from Swanepoel et al (2003:245)

According to Johnson (2000:30), the results of a study he conducted with about 150 CEO’s of global companies reflected that up to 70% of the current executives will leave their present employment for new pastures over the next three years. He then argued that at that pace, the only advantages, the only success factors will be how much longer than your competitors you can keep top talent, and how quickly you can plug the holes left by the talent that leaves. He argues that the days when ready-made, well-trained, culturally acceptable successors, who knew the business intimately were waiting in the wings, have gone.
No matter how much effort and care is put into developing a sound retention management programme, there will always be employee turnover. The key is to minimize turnover through an effective career development programme, ultimately stabilizing the organization’s bottom line. Integrating a career development programme with a succession planning programme secures an organization’s financial investment in human capital, so that other business strategies and initiatives may be aggressively pursued (Rothwell et al, 2005:21).

Rothwell et al (2005:95) suggest a list of best practices applicable for aligning career planning and succession planning programmes in any organization:

- Effective succession planning programmes enjoy the active support and commitment of the organization’s top leaders;
- Succession planning programmes should focus on present and future staffing needs to develop so-called talent pools of high-potential candidates;
- Succession planning programmes must be developed for entry, mid-level, and senior-level positions and people. Participants should be involved in building competencies suitable to reach at least the next level;
- Succession planning programmes should push participants to build their competencies;
- Succession planning programmes should be used to address long-term HR initiatives and coordinate an organization’s workforce vision for the future. Increased recognition of the benefits of a diverse workforce supports programmes targeted at developing minorities through organized programmes such as leadership programmes, coaching or mentoring programmes, training and development programmes, and on-the-job or off-the-job developmental assignments; and
- Succession planning programmes can provide a focal point for efforts to integrate the organization’s capabilities to perform, change, and transform. Encouraging employees to continually grow and expand creates an organization-wide mind-set for change and performance.

According to Rothwell et al (2005:102), an organization’s strategic plan, competency models, performance management systems, potential assessment methods, and individual development planning provide a focus for succession planning.
Furthermore, Rothwell et al (2005:107) argue that effective performance empowerment in career planning and succession planning efforts requires attention to six key issues, as follows:

- An ongoing system of planning, coaching, and reviewing;
- Links to specific business objectives – the depth of available capabilities determines an organisation’s succession plan goals;
- Measures are balanced between quantitative objectives and behavioural competencies;
- Managerial support at all levels;
- Links to other systems and clear communication goals – a succession plan should be linked to an organisation’s reward system, recruitment and selection methods, and learning programmes; and
- Multiple sources for input into performance reviews – a succession plan can be based on input from senior leaders, current managers, and other stakeholders.

2.9 Model for Managing Talent

After reviewing the literature on the subject of talent management, imperatives of talent management in organizations, different recommended practices, different models in managing talent, and so on, a decision was reached to create a unique model for managing talent at the East London Industrial Development Zone. The proposed model was born out of the convergence of different theories and issues strongly highlighted during the literature review.

Below is the model for managing talent that has been crafted for specific use in the East London Industrial Development Zone, see figure 2.3.
BUSINESS STRATEGY
• Create a compelling organisational vision and mission.
• Develop a clear business strategy with definitive objects.

TALENT MANAGEMENT STRATEGY
• Create a company wide talent management strategy.
• Align talent management strategy to the business strategy.

MOTIVATING CLIMATE AND RETENTION
• Differentiate yourself as employer of choice.
• Create a work environment for peak performance.

RECRUITMENT AND SELECTION
• Develop a comprehensive recruitment strategy that supports business goals.
• Attract and carefully select/recruit talent to set you apart in your league.

RETENTION OF GREAT TALENT
• Carefully craft and develop a retention strategy for your best performers/talented.
• Implement and review your retention strategy on regular basis.

TRAINING AND DEVELOPMENT
• Develop a clear and focused training strategy for the business and allow all meaningful contributions.
• Develop and communicate organizational career development paths for every employee.

SUCCESSION PLANNING
• Craft an organizational succession plan and communicate to all potential talented successors.
• Implement the succession plan with the future competitiveness in mind.

EVALUATE THE OUTCOMES OF MANAGING TALENT
• Monitor and evaluate the impact of managing talent through performance reports and company’s competitiveness in the market.
• Review results/effects and make adjustment/improvements where necessary.
The above model was used as the basis for the development of questionnaires for both the executive management team and the entire staff of the East London Industrial Development Zone, which are used to capture data for analysis and recommendations.

2.10 Conclusion

Talent management is a very dynamic concept, which, when taken seriously by top management, and correctly designed and implemented by any organization, has an outstanding guarantee of retaining the top performers/talent and increasing the competitive advantage of the organization.

The next chapter addresses the method of the study followed in the empirical research or data collection, including the sampling and instruments used for the research.
CHAPTER THREE
METHODOLOGY OF THE STUDY

3.1 The Paradigm

There are basically two research paradigms that this research briefly highlights, namely, the positivistic paradigm and the interpretivism (phenomenological) paradigm.

A positivistic paradigm is a research paradigm that originated in the natural sciences. It rests on the assumption that social reality is singular and objective, and is affected by the act of investigating it. The research involves a deductive process with a view to providing explanatory theories to understand social phenomena (Collis & Hussey, 2009:56). According to Collis and Hussey (2009:58), a positivistic paradigm rests on approaches that are quantitative, objective, scientific and traditionalist in nature.

An interpretivism paradigm is a research paradigm that emerged in response to criticisms of positivism. It rests on the assumption that social reality is in our minds, and is subjective and multiple. Therefore, social reality is affected by the act of investigating it. The research involves an inductive process with a view to providing interpretive understanding of social phenomena within a particular context (Collis & Hussey, 2009:57). Collis and Hussey (2009:58) identify key approaches that underpin the interpretivism such as quantitative, subjective, humanist and phenomenological.

According to Willis (2007:6), interpretivists favour qualitative methods such as case studies, interviews, and observation because those methods are better ways of discovering how humans interpret the world around them.

Willis (2007:238), stated that another form of qualitative research method is a case study. He further cited a statement made by Merriam (1998) where he argued that, “a case study is an examination of a specific phenomenon such as a programme, an event, a person, a process, an institution, or a social group”. Willis (2007:239), further suggested that case studies are particularistic, since they focus on a particular context such as a person, a family, an office, a company, a classroom, or an apartment building.
The research paradigm selected for this particular study of the use of talent management to leverage the competitive edge of the ELIDZ in the business of attraction of Foreign Direct Investment in South Africa is the interpretivism/phenomenological paradigm. The research methodology was deemed very suitable, since qualitative research is more applicable to case study research, i.e. a specific company, department, unit, etc. Also very supportive of this approach is the fact that the research concentrated on people’s knowledge, experiences, emotions, feelings and mostly perceptions and views, on how talent was being used by the ELIDZ.

3.2 The sample

3.2.1 Population
The population of this study is 60 staff members of the East London IDZ (Pty) Ltd comprising 5 executive managers (Including the CEO) and 55 staff members, starting from the middle managers to the general office assistants.

3.2.2 The Sample Size
According to Leedy (1993:200), sampling is getting the right size of the operation for researching that looks carefully at the nature of, the characteristics of and the quality of the data. He further argues that sampling can be divided into two major categories:

- Non-probability sampling – there is no way of forecasting, estimating, or guaranteeing that each element in the population will be represented in the sample. Examples are Convenience Sampling and Quota Sampling.
- Probability sampling – the researcher can specify in advance that each segment of the population will be represented in the sample. Random sampling is then prevalent and can be split into simple random sampling, simple stratified sampling, proportional stratified sampling and cluster sampling.

Collis and Hussey (2009:209) outline a sampling frame as a record of population from which a sample can be drawn. They also define a sample as an unbiased subset that represents the population, which is the body of people or collection of items under consideration for statistical purposes. Collis and Hussey further suggest that, if the population is small, one can select the whole population; otherwise one
will need to select a random sample. Accordingly, a random sample is one where every member of the population has a chance of being chosen.

The selected organisation for this research project falls in the category of small organisations, therefore a population of 60 permanent staff of the company have been wholly selected for the research. All 60 staff members were selected as the sample for the study.

3.3 Measuring instruments

Collis and Hussey (2009:144), list interviews as the main method for collecting data in a qualitative research in which selected participants are asked questions to find out what they do, think or feel. Under an interpretive paradigm, interviews are concerned with exploring data on understandings, opinions, what people remember doing, attitudes, feelings and the like, that people have in common. It will be unstructured. Collis and Hussey also cited a suggestion by Easterby-Smith, Thorpe and Lowe (1991), that unstructured or semi-structured interviews are appropriate when:

- It is necessary to understand the construct that the interviewee uses as a basis for his or her opinions and beliefs about a particular matter or situation.
- One aim of the interview is to develop an understanding of the respondent’s ‘world’ so that the researcher might influence it, either independently of collaboratively.
- The step-by-step logic of a situation is not clear
- The subject matter is highly confidential or commercially sensitive
- The interviewee may be reluctant to be truthful about this issue other than in a confidential one-to-one situation.

Collis and Hussey (2009:148), list a few data collection methods in a qualitative method as follows:

- Protocol analysis – used to identify mental processes in problem solving.
- Repertory grid technique – a form of structured interview during which a matrix is developed which contains a mathematical representation of perceptions and constructs that a person uses to understand and manage his or her own world.
- Diary – a record of events or thoughts that is typically used to capture and record what people do, think and feel. Diaries can be used under both interpretive and positivistic methodologies.
- Observation – can take place in a laboratory or in a natural setting.
- Focus groups – are used to gather data relating to feelings and opinions of a group of people who are involved in a common situation, or are discussing the same phenomenon.
- Grounded theories – a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon. The findings of the research constitute a theoretical formulation of reality under investigation.

An interview (Critical Incident Technique) approach was used where questionnaires were developed to separately capture the opinions and responses of the Executive Management and all the rest of the staff. The view was that similar questions for both groups would correctly capture the views of both the executive management and staff, and a fair analysis of the opinions would be based on the same measure of data.

A list of pre-structured questions was developed and additional spaces provided for follow-up questions during interviews, which captured the in-depth meaning of responses and perceptions as given by employees and executive management.

The Study focused on the East London Industrial Development Zone (Pty) Ltd, based in East London, Buffalo City Municipality in the Eastern Cape, South Africa. The ELIDZ is a state owned entity, but licensed to operate as a private company in the attraction of Foreign Direct Investment.

The ELIDZ currently employs about 60 permanent staff amongst the five business units, i.e. Office of the CEO, Zone Development, Finance, Zone Operations and Corporate Services.

All employees, including the executive management and professional staff, were asked to fill in the questionnaire so as to gain a fair view of how talent management is being used at the ELIDZ.
3.4 Data analysis

In the section above, mention was made of the use of structured interviews as a means of collecting data from all participants. Collis and Hussey (2009:166) suggest that when designing a study under an interpretive paradigm, the use of non-quantifying methods to analyse the qualitative data is more relevant. These methods involve aspects/features such as reducing data, restructuring data and detextualizing data.

Morse (1994), as cited by Collis and Hussey (2009:168), suggested that all the different approaches to analysing qualitative data are based on three key elements in the process, although the emphasis varies according to the methodology used. These can be summarised as follows:

- Comprehending – acquiring a full understanding of the setting, culture and study topic before the research commences;
- Synthesizing – drawing together different themes and concepts from the research and forming them into new, integrated patterns; and
- Theorizing – constant development and manipulation of malleable theoretical schemes until the best theoretical scheme is developed.

For purposes of analysing data collected under this specific study, a general analytical procedure for analysing qualitative data was used. Miles and Huberman (1994), as cited by Collis and Hussey (2009:169), suggested that a general analytical procedure is not tied to a particular methodology; it can be used with any interpretive methodology and emphasizes the methodological rigour and systematic procedures which are required. Data displays were also incorporated in presenting the information, and these include network, matrix, chart or graph, et cetera, as recommended, (Collis & Hussey, 2009:171).

The completed forms were analysed to get the overall view of the executive management and that of the employees. The responses were then synthesized and, on the basis of outcomes, conclusions were drawn and recommendations made to the ELIDZ to close identified gaps and reinforce any identified good practices in the talent management strategy.

3.5 Conclusion
Chapter 3 presented the founding approach for the study, including the paradigm, the sampling approach, the development of measuring instruments and the approach applied in the data analysis. For purposes of the study, the qualitative research was deemed very much appropriate and applicable, especially where only one organisation is involved and the sample is below 100 employees.

The next chapter, 4, deals with the capturing of the research data, arrangement of data, analysis and tabulation of findings using tables, graphical presentations and comments as received from the employees of the East London IDZ. At the end of the chapter, a summary of findings is presented to conclude the chapter.
CHAPTER FOUR
EMPIRICAL RESULTS, ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter, the data obtained from the questionnaires circulated is presented, analysed and discussed. The questionnaire requested the demographic information that serves to classify the respondents according to the different categories, that is: occupational category, gender, experience, age, et cetera. This information assists in understanding the views of the executive management and entire staff members, which in turn serves the intentions of the study as detailed in the previous chapter under 'Methodology of the study'.

The analysis conducted from the data received, informs and categorises the discussions into conclusions and recommendations, and the comparison of ELIDZ talent management practice with the reviewed literature and the proposed model for talent management, as detailed under chapter two of the study. Flowing from the discussions, recommendations are made to arrest any anomalies in the talent management practice in the ELIDZ, and further improvements are recommended where there are visible strides to promoting good practice.

4.2 Descriptive Statistics

4.2.1 Conceptual Overview

Descriptive statistics are used to describe the basic features of data in this study. They provide simple summaries of the sample and the measures. Together with the simple graphics analysis, they form the basis of the entire analysis. They are typically distinguished from inferential statistics which are not used in this study. With descriptive statistics, one simply describes what the data shows.

All tables used in this chapter are descriptive in nature only for comparison, not for statistical analysis.

4.2.2 Respondents’ Characteristics

The demographic characteristics of the respondents are presented in a format that fully reveals the structure of the sample and respondents. The information is
presented in short tabular format and simple calculations are attached. Demographic variables measured are as follows:

- Occupation Category;
- Career Period in the ELIDZ;
- Experience in Similar Organizations;
- Age group; and
- Gender Status.

The total staff of 60 of the ELIDZ was selected as the sample for this study. Four of the employees could not be reached due to outbound missions/overseas and business trips, and two staff members were on lengthy sick leave, which then left a total of 54 employees who received the questionnaires. Out of these 54 employees, 40 returned them before the due date. The total responses represented a total of 74.1%, and this level of response is attributed to the fact that by the end of May 2011, the ELIDZ had just undergone an organisational re-structuring. The employees were very keen to participate, probably because of the outcomes which were either favourable, or not favourable in some cases.

In the sections below, a detailed analysis of the results is conducted and comments made in line with the indicators from the results, and cognisance taken of the reviewed literature.

Part A results are presented as follows:-

4.2.2.1 Distribution by Occupational Category

Respondents were requested to indicate their current positions in the ELIDZ. The positions spread was as follows: Top Management, Middle Management, Specialists, Professionals/Practitioners, Administrative/Supportive staff and General Workers.

The distribution of positions of respondents is shown below in table 4.1 and figure 4.1 for graphical presentation:
Table 4.1: Distribution of Respondents per Current Occupation

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management (CEO and Executive Management)</td>
<td>3</td>
<td>7.50%</td>
</tr>
<tr>
<td>Middle Management</td>
<td>7</td>
<td>17.50%</td>
</tr>
<tr>
<td>Specialists</td>
<td>13</td>
<td>32.50%</td>
</tr>
<tr>
<td>Professional/Practitioner</td>
<td>6</td>
<td>15.00%</td>
</tr>
<tr>
<td>Administrative/Supportive Staff</td>
<td>10</td>
<td>25.00%</td>
</tr>
<tr>
<td>General Worker</td>
<td>1</td>
<td>2.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Figure 4.1: Occupancy Category Distribution

4.2.2.2 Distribution by Career Period in the ELIDZ

The East London IDZ is a fairly new organisation which commenced operations in 2003, after receiving its temporary operation licence, but some of the employees have been in the organisation longer, since the formation stages. Therefore, respondents were asked to indicate the number of years with the East London IDZ, in terms of 5 year periods. See table 4.2 and figure 4.2 for graphical presentation below.

Table 4.2: Distribution of Respondents per Career Position in the ELIDZ

<table>
<thead>
<tr>
<th>Career Period in the ELIDZ</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one Year</td>
<td>3</td>
<td>7.50%</td>
</tr>
<tr>
<td>1-5 Years</td>
<td>30</td>
<td>75.00%</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>7</td>
<td>17.50%</td>
</tr>
<tr>
<td>More than 10 Years</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
4.2.2.3 Distribution by Experience in Similar Organizations

Respondents were asked to indicate their experience in similar organizations, in similar positions. This is considered to also contribute to the understanding of the operational environment of the ELIDZ as a business and to the answers to relevant questions. See table 4.3 and figure 4.3 for graphical presentation below.

**Table 4.3: Distribution of Respondents per Experience in Similar Organizations**

<table>
<thead>
<tr>
<th>Experience in Similar Organisations</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one Year</td>
<td>2</td>
<td>5.00%</td>
</tr>
<tr>
<td>1-5 Years</td>
<td>17</td>
<td>42.50%</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>16</td>
<td>40.00%</td>
</tr>
<tr>
<td>More than 10 Years</td>
<td>5</td>
<td>12.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
4.2.2.4 Distribution by Age Group

Respondents were asked to indicate their age group, as this is considered to contribute to the maturity of the group, and knowledge of issues in the organizational environment, which in turn helps with the quality of the data. See table 4.4 and figure 4.4 for graphical presentation below.

Table 4.4: Distribution of Respondents per Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25 years</td>
<td>1</td>
<td>2.50%</td>
</tr>
<tr>
<td>26 - 35 years</td>
<td>20</td>
<td>50.00%</td>
</tr>
<tr>
<td>36 - 45 years</td>
<td>11</td>
<td>27.50%</td>
</tr>
<tr>
<td>More than 46 years</td>
<td>8</td>
<td>20.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
4.2.2.5 Distribution by Gender Status

Respondents were requested to indicate their gender status. This assists in analysing the perceptions held by different gender employees, about the talent management issues in the ELIDZ. See table 4.5 and figure 4.5 for graphical presentation below.

**Table 4.5: Distribution of Respondents per Gender Status**

<table>
<thead>
<tr>
<th>Gender Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>25</td>
<td>62.50%</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>37.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
4.3 Business Strategy

Below are the survey results presented in both table format and graphical format, they are represented by Table 4.6 and Figure 4.6 respectively.

Table 4.6: Business Strategy Analysis Results

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Do you believe that the ELIDZ’s vision and mission is compelling?</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>1.2 Is the business strategy and objectives of the ELIDZ clear and definitive?</td>
<td>72.5</td>
<td>27.5</td>
</tr>
<tr>
<td>1.3 In defining the ELIDZ objectives, is there any staff involvement in the process?</td>
<td>57.5</td>
<td>42.5</td>
</tr>
<tr>
<td>1.4 Is there a meaningful contribution played by the ELIDZ entire staff in the formulation and reviewing of the organization’s strategic plan?</td>
<td>42.5</td>
<td>57.5</td>
</tr>
<tr>
<td>1.5 How robust is the ELIDZ strategy, is it achievable?</td>
<td>77.5</td>
<td>22.5</td>
</tr>
</tbody>
</table>

Average Percentage Split 66 34

The individual results of each question under the business strategy focus area are individually discussed and summarized in the subsections below, from 4.3.1 to 4.3.5.

4.3.1 Do you believe that the ELIDZ’s vision and mission is compelling?

The following figure 4.7 represents the analysis results relating to the question above.
The survey results in the above graph depict a picture where the vision of the ELIDZ is seen to have a strong pulling effect and direction (represented by 80% respondents), but this needs to be further simplified and owned by all, as per staff comments. The feelings among staff are that the vision would have a greater impact if the mission could be put into real practice: “Walk the talk”.

4.3.2 Are the business strategy and objectives of the ELIDZ clear and definitive?

The following figure 4.8 represents the analysis results relating to the above question:

The empirical study results confirm that the business strategy and objectives of the ELIDZ are clear and definitive, as represented by 72.5% positive response. The employees believe that the effect of external parties, such as DTI, limits the ELIDZ’s strategy in some aspects, such as raising funding from the banks, such as the Development Bank of South Africa (DBSA).

The strategy is clear with some good opportunities for improvement, not just updates on a yearly basis. There needs to be a clear alignment of strategic objectives and processes to deliver the results. Currently, departments seem to be competing due to lack of alignment.
4.3.3 In defining the ELIDZ objectives, is there any staff involvement in the process?

The following figure 4.9 represents the analysis results relating to the question above.

Results are favourable. There is staff involvement in the crafting and defining of the organisation’s objectives. This is also confirmed by the graph results showing 57.5% positive response, as above. There is, however, a clear indication of room for improvement. The staff feels that the Executive Management is being selective as to who should participate, and to what extent those persons are allowed to participate. A strong indication is that the junior staff is excluded, hence the ownership and implementation become a challenge at times.

4.3.4 Is a meaningful contribution played by the ELIDZ entire staff in the formulation and reviewing of the organization’s strategic plan?

The following figure 4.10 represents the analysis results relating to the question above.

The graph analysis results above depict a picture in which most employees do not agree that the entire staff is playing a meaningful role in developing the strategic plan. This is represented by 57.5% negative response. There is a strong indication by staff that the formulation and reviewing is too dominated by one or two persons in
the entire organisation. The strategic plan workshops that are sometimes held for staff, do not honestly seek meaningful engagement and inputs from staff. Rather, they show staff what has been documented.

4.3.5 How robust is the ELIDZ strategy; is it achievable?

The following figure 4.11 represents the analysis results relating to this question.

![Figure 4.11: Question 1.5 Analysis Results](image)

An overwhelming 77.5% of employees believe that the ELIDZ strategy is robust and achievable, as presented in the above graph. The overall picture of the strategy is that it is very robust, but necessary tools are needed to ensure that the employees deliver on their individual and departmental objectives, which in turn contribute to the organisation’s success and competitiveness.

4.4 Talent Management Strategy

Below are the survey results presented in both table format and graphical format. They are represented by Table 4.7 and Figure 4.12 respectively.

**Table 4.7: Talent Management Strategy Analysis Results**

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Does the ELIDZ have a talent management strategy?</td>
<td>17.5</td>
<td>82.5</td>
</tr>
<tr>
<td>2.2 Is the talent management strategy integrated in the business strategy?</td>
<td>12.5</td>
<td>87.5</td>
</tr>
<tr>
<td>2.3 Does the ELIDZ have a workforce plan, and how long is the workforce forecasting?</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td>2.4 Does the workforce plan address the future needs of the ELIDZ?</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>2.5 Does the ELIDZ Executive Management get the staff involved in the formulation of the workforce plan?</td>
<td>17.5</td>
<td>82.5</td>
</tr>
<tr>
<td><strong>Average Percentage Split</strong></td>
<td>18</td>
<td>82</td>
</tr>
</tbody>
</table>
The individual results of each question under the talent management strategy focus area are individually discussed and summarized in the subsections below, from 4.4.1 to 4.4.5.

### 4.4.1 Does the ELIDZ have a talent management strategy?

The following figure 4.13 represents the analysis results relating to this question.

The survey results paint a gloomy picture for the future of the ELIDZ, as presented above, with an overall 82.5% staff members agreeing that there is no talent management strategy in this organisation. The results indicate a great lack in the ELIDZ in the area of talent management strategy. Talent management strategy seems to be a foreign language to the ELIDZ Management, according to staff comments, and human capital is not seen at all as a priority for a thriving business.
4.4.2 Is the talent management strategy integrated in the business strategy?

The following figure 4.14 represents the analysis results relating to this question.

![Figure 4.14: Question 2.2 Analysis Results](image)

The overwhelming 87.5% of respondents indicated that there is no integration of the talent management strategy in the business strategy, as presented in the above figure. This is then a high risk area for the ELIDZ and its future. The lack of talent management strategy by the ELIDZ creates an environment where talent largely goes unnoticed. Due to this omission, the aim to be globally competitive, robust and prestigious might not be achieved, because staff are not used to their full potential, or in the areas where they are most competitive.

4.4.3 Does the ELIDZ have a workforce plan, and for what period is the workforce forecasting?

The following figure 4.15 represents the analysis results relating to the above question.

![Figure 4.15: Question 2.3 Analysis Results](image)

The survey results show that the ELIDZ has no documented workforce plan. This is confirmed by the 77.5% of respondents saying there is none. There is, however,
acknowledgement of an existing organogram that provides staff planning/forecasting for the next three years. Staff and management acknowledge that the limitations of a long forecasting workforce plan are due to the link of this to the three year timeframe of the Medium Term Expenditure Framework Budget Cycle, which is driven by government.

4.4.4 Does the workforce plan to address the future needs of the ELIDZ?

The following figure 4.16 represents the analysis results relating to the above question.

The overall employee feeling is that long term future needs are not planned for by the ELIDZ. This is confirmed by the 80% respondents who answered “no” to the question.

4.4.5 Does the ELIDZ Executive Management get the staff involved in the formulation of the workforce plan?

The following figure 4.17 represents the analysis results relating to the above question.
The majority of staff, represented by 82.5%, believe that there is no involvement of staff at all in the workforce planning in the ELIDZ. The employees argue that the organisation seems to be following a top-down approach regarding this particular aspect.

### 4.5 Motivating Climate and Retention

Below are the survey results presented in both table format and graphical format as represented by Table 4.8 and Figure 4.18 respectively.

#### Table 4.8: Motivating Climate and Retention Analysis Results

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 In your view, has the ELIDZ differentiated itself as the Employer of Choice?</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>3.2 Does the ELIDZ executive management create a motivating work environment for peak performance?</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>3.3 How much autonomy do you have as an employee in deciding about the planning, execution and management of the work assigned to you?</td>
<td>62.5</td>
<td>37.5</td>
</tr>
<tr>
<td>3.4 Does the ELIDZ executive management and Board recognize or reward special contributions or long service by their employees?</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>3.5 Does the ELIDZ provide equitable, fair and consistent pay, incentives and rewards and benefits to all employees?</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td><strong>Average Percentage Split</strong></td>
<td><strong>39.5</strong></td>
<td><strong>60.5</strong></td>
</tr>
</tbody>
</table>

![Figure 4.18: Motivating Climate & Retention Response Distribution by Graph](image)
The individual results of each question under the motivating climate and retention focus area are individually discussed and summarized in the subsections below, from 4.5.1 to 4.5.5.

4.5.1 In your view, has the ELIDZ differentiated itself as the Employer of Choice?

The following figure 4.19 represents the analysis results relating to the above question.

![Figure 4.19: Question 3.1 Analysis Results](image)

The empirical results show that at least 60% of the employees believe that the ELIDZ has not been successful in presenting itself as the employer of choice. The overall picture painted by staff comments is that the ELIDZ has the intent or aspiration to be the employer of choice, but lacks backing policies and strategies to support the good intention. The branding of the ELIDZ is viewed as very strong from the outside, when dealing with the media and investors, but neglects its own biggest assets, its employees. There is a feeling that even the adopted policies of companies which are branded as employers of choice are not fully implemented by ELIDZ, therefore a huge gap exists in the roll-out of these policies.

4.5.2 Does the ELIDZ executive management create a motivating work environment for peak performance?

The following figure 4.20 represents the analysis results relating to the above question.

![Figure 4.20: Question 3.2 Analysis Results](image)
The majority of staff, represented by 70% of respondents believe that the ELIDZ management does not create a working environment that is conducive to peak performance. Too much reliance on consultants has been one of the big demotivators of staff from being creative in their areas of expertise. There is evidence, from the comments made by staff, that ELIDZ has demonstrated, for a long period, a culture of rewarding non-performers, which in turn de-motivates those who perform well. There are no visible high performance work styles that are adopted to achieve optimum performance for staff and the organisation as a whole. Lack of recognition and reward of employees at the time of excellent performance de-motivates those staff members who go all out to make it happen. The practices of micro-managing by some executives de-motivate the employees and take away innovation and creativity in their work areas and jobs.

4.5.3 How much autonomy do you have as an employee in deciding about the planning, execution and management of the work assigned to you? Are you fully accountable or not at all?

The following figure 4.21 represents the analysis results relating to the above question.

![Figure 4.21: Question 3.3 Analysis Results](image)

There is a very good response regarding the autonomy of staff in doing their jobs, as confirmed by the 62.5% of respondents saying they are fully accountable. Some concerns are however raised, including the degree of decision-making that should be increased, and the freedom to choose how and when work is done, which is very important. The delegation of authority is viewed as being too limiting for staff to perform their duties optimally. Too many reporting structures are sometimes a deterrent to good performance. Some managers/supervisors tend to compete with their subordinates instead of elevating them for greater performance, and this hinders the autonomy required for giving of one’s best ability.
4.5.4 Does the ELIDZ executive management and Board recognize or reward special contributions, or long service by their employees?

The following figure 4.22 represents the analysis results relating to the above question.

The survey results show that there is no special reward or recognition practice by the Executive Management and ELIDZ Board for those employees who deliver a special performance on a year to year basis, or over a particular time period. This is confirmed by the 80% of respondents answering “no” to the question. The employees point out that there is no framework in place that will provide opportunities and measures for recognition, or reward the significance of contributions by individuals, teams and employees, at all levels. The only current annual practice is the payment of bonuses based on above average performances. There is therefore no distinction made between average and optimal performance/contribution.

4.5.5 Does the ELIDZ provide equitable, fair and consistent pay, incentives, rewards and benefits to all employees?

The following figure 4.7 represents the analysis results relating to the above question.
The survey results present a very close to ‘balanced’ feeling of staff, with 55% respondents answering ‘no’ and 45% answering ‘yes’ to the view that ELIDZ is providing equitable, fair and consistent pay, incentives and benefits to all employees. Arguments of those who oppose the statements include, amongst others, the following:

- The pay gaps between the levels are not equitable. This also applies to the annual salary increases, where no sliding scale is applied so as to benefit those in the lower levels/grades.
- The practice and guidelines on the salary adjustments and jobs are not convincing enough, and favour certain employees at the expense of others. Effort is not noticed and failure is overlooked.

4.6 Recruitment and Selection

Below are the survey results presented in both table format and graphical format, they are represented by Table 4.9 and Figure 4.24 respectively.

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Does ELIDZ have a recruitment strategy/plan that supports business goals?</td>
<td>52.5</td>
<td>47.5</td>
</tr>
<tr>
<td>4.2 Does the attraction and recruitment practice at the ELIDZ, set the ELIDZ apart from other organizations in recruiting the best talent (value adding individuals)?</td>
<td>47.5</td>
<td>52.5</td>
</tr>
<tr>
<td>4.3 Is innovation, creativity and potential for growth considered when the ELIDZ recruits potential employees?</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>4.4 How well are the internal candidates considered for new positions when recruitment is done at the ELIDZ?</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>4.5 Do you consider the ELIDZ to be able to break/alter the compensation policies in order to attract and recruit the best talent into the organisation?</td>
<td>60</td>
<td>40</td>
</tr>
</tbody>
</table>

**Table 4.9: Recruitment and Selection Analysis Results**

Average Percentage Split 49 51
4.6.1 Does ELIDZ have a recruitment strategy/plan that supports business goals?

The following figure 4.25 represents the analysis results relating to the above question.
The empirical results provide an almost balanced picture between those who say there is a recruitment strategy (52.5%) and those who say there isn't (47.5%). The new organogram with a three year timeframe supports the organisational objectives at a glance, but implementation will test its viability. The recruitment strategy as a document does not exist, and, as a result, recruitment seems to be only an administrative function, and not strategic.

4.6.2 Does the attraction and recruitment practice at the ELIDZ, set the ELIDZ apart from other organizations in recruiting the best talent (value adding individuals)?

The following figure 4.26 represents the analysis results relating to the above question.

![Figure 4.26: Question 4.2 Analysis Results](image)

The ELIDZ has not proved itself to be any different from other organisations when it comes to recruitment practices, as is confirmed by the survey results with 52.5% respondents answering ‘no’ to the question. New, best, practices have not been incorporated in the recruitment practice, hence best talent may be missed whilst the intent is to attract them. Some causes may be the job design or development activities that may not be thoroughly unpacked or displayed. ELIDZ currently hires on a ‘job fit’, not an ‘organisational fit’ basis, as is the practice by the best performing organisations. The organisation often puts much effort into recruitment, but often overlooks talent internally. In some cases this is due to affirmative action, which often leads to de-motivation.

4.6.3 Is innovation, creativity and potential for growth considered when the ELIDZ recruits potential employees?

The following figure 4.27 represents the analysis results relating to the above question.
The survey results reveal that there is very little margin between those respondents (55%) who answered ‘yes’ and those respondents (45%) who answered ‘no’ to the question of consideration of innovation, creativity and growth during recruitment of candidates. Also expressed strongly by respondents is the argument that, sometimes, talented people are hired but once inside they are suppressed and are not allowed to fly. There is also a strong feeling that a good number of employees are overqualified for the positions they occupy, which they initially thought would be a stepping stone for growth.

4.6.4 How well are the internal candidates considered for new positions when recruitment is done at the ELIDZ? Do they have first preference?

The following figure 4.28 represents the analysis results relating to the above question.

The view of the respondents is that consideration of internal candidates in new positions is greatly lacking. This is confirmed by the overwhelming ‘no’ responses at 70%, against 30% ‘yes’ responses. The feeling is also expressed by respondents that there seem to be pre-conceived ideas by management that there are no suitable internal candidates whenever there is a new opportunity in the organisation. Positions are advertised simultaneously internally and externally, but at the
interviews less consideration is given to internal candidates - sometimes due to some external favourites. The current ELIDZ development plan does not upgrade employees and equip them with the right skills to take up new positions.

4.6.5 Do you consider the ELIDZ to be able to break/alter the compensation policies in order to attract and recruit the best talent into the organisation?

The following figure 4.7 represents the analysis results relating to the above question.

The ability to break/alter compensation policies does exist with 60% of respondents in favour, but the issue that is challenged is the willingness of the executive management to cooperate in this matter. The perceived mingling of the provincial Department of Economic Development and Environmental Affairs (DEDEA) in the affairs relating to recruitment is viewed to be a high risk by employees. Furthermore, the tendency to rely too much on the existing industry standards, when it comes to compensation and rewards, at the expense of the needed talent, is a relatively high risk.

4.7 Training and Development

Below are the survey results presented in both table format and graphical format, represented by Table 4.10 and Figure 4.30 respectively.
### Table 4.10: Training and Development Analysis Results

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Does ELIDZ have a clear and focused training strategy that will help develop the future skills needed to elevate the ELIDZ’s competitive advantage?</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>5.2 Does ELIDZ’s executive management exhibit commitment to training of their staff at organizational, departmental and individual levels?</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>5.3 Does ELIDZ possess a career development paths plan for every employee, and is this communicated to all staff?</td>
<td>17.5</td>
<td>82.5</td>
</tr>
<tr>
<td>5.4 Does ELIDZ possess a coaching and mentorship plan for every employee that aims to develop the expertise needed in the future of this organization?</td>
<td>17.5</td>
<td>82.5</td>
</tr>
<tr>
<td>5.5 Does ELIDZ hold a fair and clear promotion practice of internal employees into new positions of trust through a development programme?</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td><strong>Average Percentage Split</strong></td>
<td>30.5</td>
<td>69.5</td>
</tr>
</tbody>
</table>

The individual results of each question under the training and development focus area are individually discussed and summarized in the subsections below, from 4.7.1 to 4.7.5.

**4.7.1 Does ELIDZ have a clear and focused training strategy that will help develop the future skills needed to elevate the ELIDZ’s competitive advantage?**
The following figure 4.31 represents the analysis results relating to the above question.

The picture drawn by the survey results show that there is no clear or proper training strategy. This is confirmed by 65% of respondents answering ‘no’ to the question. This leads to training being personally driven and often misdirected. Training is currently handled sporadically and haphazardly and often focuses on non-value adding training, obviously not aligned to business goals. Both supervisors and subordinates do not currently account for training done, either by way of measuring productivity or competitiveness and/or improvement in the business unit operations. ELIDZ is also not flexible (sticks to traditional ways of doing training) and definitely not clear about employees’ training needs, i.e. no ‘stock taking’ has been carried out, except the competency /soft skills assessment that was done about a year ago.

4.7.2 Does ELIDZ’s executive management exhibit commitment to training of their staff at organizational, departmental and individual levels?

The following figure 4.32 represents the analysis results relating to the above question.

The results show that ELIDZ management has a good level of commitment to training, as confirmed by 60% of respondents, but there are still visible challenges. Training is not necessarily included in the managers’ or supervisors’ contracts as
part of each manager’s annual performance assessment area, for developing his/her subordinates. Further, there is no punitive measure in place for those who waste training opportunities, whether on short courses or formal upgrading of qualifications, hence the current system is abused and sometimes used as holidays by unethical employees.

4.7.3 Does ELIDZ possess a career development paths plan for every employee, and is this communicated to all staff?

The following figure 4.33 represents the analysis results relating to the above question.

![Figure 4.33: Question 5.3 Analysis Results](image)

The evidence presented by the survey results painted a picture where there is almost unanimous agreement (82.5% respondents) that there is no career development path plan in the ELIDZ. The employees mostly have to initiate their own growth and self-development. The effect of a flat organisational structure on employees leaves them with no choice, but to look externally for continuous growth and development, especially once they have attained a significant change in training or educational qualifications.

4.7.4 Does ELIDZ possess a coaching and mentorship plan for every employee that aims to develop the expertise needed in the future of this organization?

The following figure 4.34 represents the analysis results relating to the above question.
A total of 82.5% respondents say there is no coaching and mentoring programme. If it exists, it is not implemented, or staff are not aware of such a plan. There is a reported culture of managers/supervisors and subordinates trying to outpace and outdo each other instead of a coaching and mentoring relationships. Part of this can be attributed to the current workloads on the executives and managers, which make it difficult for them to invest the time that real mentoring support would require. Evidently, the survey results show that the coaching and mentoring do not form part of the performance contracts which are assessed quarterly, and consolidated annually, for executive management and HR to see the level of growth of the employees.

4.7.5 Does ELIDZ hold a fair and clear practice of promoting internal employees into new positions of trust through a development programme?

The following figure 4.35 represents the analysis results relating to the above question.

The split on survey results of 77.5% respondents saying ‘no’ and only 22.5% saying ‘yes’ agree with comments made by employees that there is no formal procedure or guideline for promoting internal staff into new positions. There is a strong feeling,
though, that this lack of a documented guideline creates opportunities for abuse, as some employees are promoted if they are liked by their managers or are favourites in the organisation. The recent organisational re-alignment/re-structuring has seen certain positions being revised and upgraded, and current incumbents being automatically promoted to the revised positions. These promotions were only made through recommendations from an independent consultant who may not be preview to the performance assessments of those individuals.

4.8 Succession Planning

Below are the survey results presented in both table format and graphical format. They are represented by Table 4.11 and Figure 4.36 respectively.

**Table 4.11: Succession Planning Analysis Results**

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Does ELIDZ possess an organizational succession plan for every senior position and at least three levels below?</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>6.2 Are there high-potential employees (talent pool) that are being groomed and mentored for succeeding in current senior positions in the near and long-term future?</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>6.3 Is there visible commitment from the top management to support a succession plan in the ELIDZ?</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td>6.4 If there are people who appear in the organization’s succession charts, do you think they know of these plans, and are they being continuously informed of their development?</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>6.5 Do line managers and supervisors have any input into the succession plans of critical positions in their business units?</td>
<td>27.5</td>
<td>72.5</td>
</tr>
</tbody>
</table>

**Average Percentage Split**

<table>
<thead>
<tr>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>80</td>
</tr>
</tbody>
</table>
The individual results of each question under the succession planning focus area are individually discussed and summarized in the subsections below, from 4.8.1 to 4.8.5.

4.8.1 Does ELIDZ possess an organizational succession plan for every senior position and at least three levels below?

The following figure 4.37 represents the analysis results relating to the above question.

The empirical results paint a gloomy picture for the future of the organisation, where no comprehensive succession plan framework is developed and implemented, and where 80% of respondents answered ‘no’ and only 20% answered ‘yes’ to the
question. The employees have no confidence in the executive management and Board that, if a senior post becomes available an internal candidate with potential of succeeding will be considered; instead an outside person will be employed. The size and flat structure of the organisation also does not allow for proper planning of succession into the layers of the organisation.

4.8.2 Are there high-potential employees (talent pool) that are being groomed and mentored for succeeding in current senior positions in the near and long-term future?

The following figure 4.38 represents the analysis results relating to the above question.

The survey results evidently paint a picture where there is no identification of high-potential employees or grooming process for these employees to create a talent pool for future senior positions, as confirmed by 80% of respondents and reflected in the above figure 4.38. Since there is no evident plan of succession, employees look outside the organisation for growth and advancement.

4.8.3 Is there visible commitment from the top management to support a succession plan in the ELIDZ?

The following figure 4.39 represents the analysis results relating to the above question.
The lack of a succession plan for the organisation contributes to the picture painted by the survey results, with 77.5% of respondents doubting the commitment of the executive management to succession development in the organisation. There has never been any communication with staff of the intentions to make sure that each critical role within the organisation is to be filled by an employee in a development programme.

4.8.4 If there are people who appear in the organization’s succession charts, do you think they know of these plans, and are they being continuously informed of their development?

The following figure 4.40 represents the analysis results relating to the above question.

There are no employees identified as there is no organisation succession chart. Furthermore, there is no information on succession planning, and the results above bear proof of that, where 90% of respondents answered ‘no’ to the question.
4.8.5 Do line managers and supervisors have any input into the succession plans of critical positions in their business units?

The following figure 4.41 represents the analysis results relating to the above question.

Since there is no succession plan, there is no input from the line managers and supervisors, or, if there is, it is very informal and insignificant, as reflected in the above results, with 72.5% of respondents saying there is none. The current practice is that, when there is a resignation, there will be a crisis management meeting and the vacant post is filled by an external candidate.

4.9 Evaluation and Improvements

Below are the survey results presented in both table format and graphical format, as represented by Table 4.12 and Figure 4.42 respectively.
Table 4.12: Evaluation and Improvements Analysis Results

<table>
<thead>
<tr>
<th>Questions</th>
<th>% Yes</th>
<th>% No</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Does your work outputs or productivity receive a fair evaluation</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>through an organized performance management system?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.2 Do you believe the current performance evaluation system</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>addresses the core issues of performance that are linked to the strategic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>goals?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.3 Do you believe that performance results for every employee indicate</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>whether one is a High-Potential Employee or not, or can assist in the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>identification of high-potential employees for future development?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.4 Does ELIDZ management make use of, or consider the current and</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td>previous year performance results for future promotions?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.5 Is there a tool used by the ELIDZ to evaluate the organizational</td>
<td>22.5</td>
<td>77.5</td>
</tr>
<tr>
<td>performance in the business of attraction and retention of Foreign Direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Investment (FDI), measured against other National and International</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDZ’s?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average Percentage Split 41 59

The individual results of each question under the evaluation and improvements focus area are individually discussed and summarized in the subsections below, from 4.9.1 to 4.9.5.
4.9.1 Does your work output or productivity receive a fair evaluation through an organized performance management system?

There is a very positive feeling about the performance management system from employees’ perspective, which is confirmed by the results presented above, with 65% of respondents agreeing to the fairness of the PMS. There are, however, some concerns regarding the use of the system by some managers and employees, where this becomes a battle field for a better score or a lesser score, since this is aligned to the payment of bonuses. Employees view the evaluation to be fair, but the system used is not the best. This can be quite subjective, and work performed outside Key Performance Areas may not be measured or considered.

4.9.2 Do you believe the current performance evaluation system addresses the core issues of performance that are linked to the strategic goals?

The following figure 4.44 represents the analysis results relating to the above question.
The survey results present a complete balance between those who say the PMS is comprehensive and addresses the core issues that are linked to strategic goals (50% respondents), and those who believe there are gaps (50% respondents). The most reported problem of the current PMS is the link to bonus payment, which seems to be the only current motivator, but this is not necessarily to measure individual, business units and organisational performance against strategic goals.

4.9.3 **Do you believe that performance results for every employee indicate whether one is a High-Potential Employee or not, or can assist in the identification of high-potential employees for future development?**

The following figure 4.45 represents the analysis results relating to the above question.

![Figure 4.45: Question 7.3 Analysis Results](image)

There is no clear distinction presented by the survey results on those who say the PMS cannot assist in the identification of high-potential individuals (55% respondents) and those who believe the PMS can assist (45% respondents). The views of many staff depict a picture which suggests that results are very subjective and dependent on the Heads of Departments, and that there is no process or method in use to standardize and interpret results for purposes of identifying high-potential employees.

4.9.4 **Does ELIDZ management make use of, or consider the current and previous year’s performance results for future promotions?**

The following figure 4.46 represents the analysis results relating to the above question.
There is currently no system in use to collate previous performance assessment results which would in turn be used for promotions. These are not currently taken into consideration, and the picture depicted by the survey results is sufficient evidence of this, with 77.5% of respondents voting ‘no’. The ELIDZ does not have a system that conducts reviews of the performance assessment results for executive management, which would provide information for future planning, promotions and successions at organisational level.

4.9.5 Is a tool used by the ELIDZ to evaluate the organizational performance in the business of attraction and retention of Foreign Direct Investment (FDI), measured against other National and International IDZ's?

The following figure 4.47 represents the analysis results relating to the above question.

Only one tool is currently used by the organisation, i.e. the customer value analysis. This tool is limited to satisfaction indexes of the existing investors/tenants in the
zone, and does not stretch out to issues of comparison against National or International IDZ’s. The survey results depict a picture where there is a void in the assessment of ELIDZ’s performance and competitiveness relative to other National and International IDZ’s. 77.5% of respondents voted ‘no’ to this question.

4.10 Conclusion

Below is a graphical presentation of the executive summary of the analysis results, based on the seven focus areas which were identified at the end of chapter 2, under the talent management model. Figure 4.48 represents average percentage scores for each of the focus areas which are a consolidation of all questions under specific focus areas, as viewed by the employees of ELIDZ.

The overall picture depicted by the graphical results above suggests that there are critical gaps for which the ELIDZ Executive Management and Board need to craft solutions if competitiveness is going to be taken seriously in the near and long-term future.
The only focus area that received a favourable score of an average of 66% of respondents is the Business Strategy, with some comments for consideration discussed under individual analysis in the above sections. Talent Management Strategy and Succession Planning focus areas received the worst results, with averages of 82% and 80% of respondents viewing the ELIDZ as lacking in sustainability, vision and strategy in these areas. Motivating Climate and Retention, Recruitment and Selection and Evaluation and Improvements focus areas received an almost balanced opinion between those who saw improvements and those who didn't, with average scores of 60.5%/39.5%, 51%/49% and 59%/41%, respectively.

The current status quo of the ELIDZ, based on the views as reflected in this study is very compromising for an organisation that aims to compete in the global space for the attraction and retention of foreign direct investment (FDI’s), and global competitiveness based on the talent available.

The following chapter, 5, concentrates on the comparisons of the empirical study results and findings against the reviewed practices in the literature, as detailed in chapter 2 of this study. Gaps are identified between the results and practices in the literature, and conclusions are drawn and recommendations proposed as a remedy for the situation.
CHAPTER FIVE
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The East London Industrial Development Zone presented a great opportunity for a study/research of this nature due to its purpose of existence as an investment destination for the multi-national companies who are playing in the global market. These types of companies need an environment that is solutions driven, and talent is therefore one of the major differentiators in creating such an environment.

This chapter focuses on the review of research objectives, highlights of literature reviewed, empirical study/research findings, implications of findings for the ELIDZ, recommendations, and concluding remarks.

5.2 REVIEW OF RESEARCH OBJECTIVES

The main focus of this study was to investigate the effective use of talent management by the ELIDZ to lever its competitive edge in the business of attracting Foreign Direct Investment against the competition of the world’s Economic Processing Zones and Free Trade Zones.

As a means to unearth the status quo of the use of talent management in the ELIDZ, the subject was investigated under selected sub-topics as follows:

- **Business Strategy** – Alignment of strategy to organisation’s vision and mission, and contribution level of employees in the formulation of the strategy.

- **Talent Management Strategy** - Alignment of the talent management strategy to business strategy and contribution by employees in the formulation of strategy.

- **Motivating Climate and Retention**- Creation of a motivating climate by executive management, and development of retention strategies to keep the much needed talent within the organisation.

- **Recruitment and Selection** – Fairness in recruitment and selection practices that aim at maximising the use of internal candidates without compromising the calibre of candidates/talent needed to accomplish company goals.
- **Training and Development** - Focused training strategies and development strategies that will enhance the competitiveness of employees and also allow growth within the organisation.

- **Succession Planning** – Succession planning strategy that focuses on the future skills needed in the organisation, and provides room and clear guidance for promotions and successions from within the ELIDZ.

- **Evaluation and Improvements** – A performance management system that evaluates the contribution/performance by each employee, and evaluation criteria for the ELIDZ's performance against competition, and improvements needed in the entire value chain.

### 5.3 LIMITATIONS OF STUDY

The study focused on the East London Industrial Development Zone, and the questionnaire was only used to capture data from the ELIDZ employees and executive management. A true South African perspective of talent management practice by the all three existing Industrial Development Zones would give a platform for better comparison, evaluation and findings, and synergies for competing against the world's giant EPZs and FTZs.

### 5.4 HIGHLIGHTS OF LITERATURE REVIEWED

The literature reviewed under chapter 2 of this study is in line with the objectives of the study as set in the first chapter and carried throughout the theme of the study. A model for managing talent in the ELIDZ was developed at the end of chapter 2, and this was built from the vast literature discussion engaged in chapter 2. The model for managing talent became the foundation for developing the questionnaire used for data collection under the empirical study section. The questionnaire covered the seven most critical focus areas, as detailed in the analysis section in chapter 4 of this study.

From the literature point of view, organisations that have properly developed, implemented and managed talent management strategies enjoy high levels of motivation, innovation and creativity, lesser levels of staff turn-over, high employee performance, superior productivity and mostly a competitive advantage in their league. These organisations market themselves as ‘employer of choice’ and are
always winning in attracting, recruiting and retaining the best talent available, against their competitors. Furthermore, these organisations are rated very highly in employee training and development programmes, remain on the cutting edge with regard to the latest developments in their areas of business, and also highly regarded (have strong brands) in the global market. The literature reviewed was in harmonious agreement that organisations with talent management strategies have better looking succession plans that ensure continuity of the organisation if tragedy struck, whether through sudden resignations, death or retirement - in at least three layers of the organisational structure.

5.5 EMPIRICAL STUDY / RESEARCH FINDINGS

The ELIDZ is comprised of at least 50% of employees in the age group 26-35 years, which correctly represents its short existence of approximately 10 years of operation. ELIDZ is generally a young and growing organisation, but there is a lack of young employees below the age of 25 years, who only constitute about 2.5%, which could result in the loss of young bright minds in the longer term.

The medium-term future of the ELIDZ can be well prepared for, only if the employees in the ages of 36-45 years (most of whom are specialists and middle managers, constituting about 27.5% of the total staff), are developed fast enough to succeed the ageing group that constitutes about 20% of the staff, are above the age of 46 years, and are mostly in executive management positions.

The study findings can be summarised as follows:

5.5.1 Business Strategy

- The employees view the vision and mission of the ELIDZ to be very strong and compelling - something to live for and to achieve;
- The ELIDZ business strategy and objectives are viewed as clear and definitive, although too much dependence on funding by grants from the government limits the potential of the ELIDZ in crafting long-term strategic goals;
• Inclusion of every staff member in the crafting of the strategy has unfortunately not been fully considered;
• The strategy formulation is mostly dominated by one or two persons, and meaningful contributions or inputs from staff members do not necessarily find their way to the final plan; and
• The overall assessment of the business strategy shows that it is robust and achievable. Only certain areas of concern need attention and the best strategy would emerge from an output of these engagements.

5.5.2 Talent Management Strategy

• The ELIDZ has no talent management strategy in place. As a result, this leaves a very big gap for most of processes linked to the talent management;
• There is no current documented integration between the business strategy and workforce plan, although a newly revised organogram presents forecasting of up to three years; and
• The employees argue that the organisation seems to be endorsing a top-down approach regarding the involvement of staff in the workforce planning exercise.

5.5.3 Motivating Climate and Retention

• The ELIDZ has the intent and aspiration to be an employer of choice, but has not achieved this due to the non-existence of backup policies and strategies that support the good intentions;
• The ELIDZ executive management does not create a working environment sufficiently conducive to optimal performance. There is too much reliance on consultants, and this tends to de-motivate staff; and
• There is also a culture of rewarding non-performers instead of dealing with non-performance. This is also contributing to the de-motivation felt by employees who are performers.
• There are practices of micro-managing and competing with subordinates, by some executives, that de-motivate employees and take away innovation and creativity in the work areas and jobs;
• There is no special reward or recognition by the ELIDZ executive management and Board for staff who have given their optimal performance or contribution; only an above average annual bonus reward is given;
• ELIDZ is also viewed as being not fair and consistent in the pay grades of employees, as there are very wide gaps between two grades of supervisor and subordinate; and
• Effort is not readily recognised, and failure is often overlooked.

5.5.4 Recruitment and Selection

• The recruitment strategy as a document does not exist, and, as a result, recruitment seems to be just an administrative function, not strategic;
• The ELIDZ as an organisation has not set itself apart from the rest of organisations in its recruitment and selection practices;
• Innovation and creativity is to some extent considered during recruitment, but once talent is inside, the high-potential employees are not allowed to fly. Too much red tape is involved;
• There is no policy or guideline in place to cater for internal candidates whenever there is a vacant post. All posts are advertised internally and externally simultaneously, and external candidates always seem to be hired, and internal candidates overlooked; and
• There is a tendency by ELIDZ executive management to put too much reliance on what the industry standards are when it comes to compensation and rewards, beyond the required talent, and this is too risky.

5.5.5 Training and Development

• There is no clear or proper training strategy for the entire organisation, and training is currently being personally driven, and often misdirected;
• No accountability is portrayed in training undertaken by both supervisors and subordinates;
• Training is not included in the managers’ and supervisors’ performance contracts as part of each manager’s annual performance assessment area for developing his/her subordinates;
- There is no punitive instrument in place for those who waste training opportunities;
- ELIDZ does not have a career development paths plan for the entire organisation;
- ELIDZ does not possess a formal coaching and mentoring programme that is implemented throughout the organisation;
- The only coaching and mentoring programme available is for the interns who are contracted and assigned to certain individuals within departments for experiential training after graduation; and
- Promotion opportunities are not guaranteed for any internal staff, even if there is a vacancy where there is already an employee who meets the job requirements.

5.5.6 Succession Planning

- The ELIDZ has a flat organisational structure that makes it difficult to craft a comprehensive succession plan framework; and
- Currently, the organisation does not identify the high-potential employees, and groom these individuals to create a talent pool for future senior positions.

5.5.7 Evaluation and Monitoring

- The ELIDZ possesses a performance management system that is largely viewed to be fair in evaluating performance as a start in the assessment criteria;
- The evaluation is fair, but the system used is not the best, and it can be quite subjective, while some work performed outside the KPA’s is not even measured or considered;
- The current ELIDZ performance management system is to a certain degree linked to the strategic goals, but bonus payments seem to be the only current motivators, not performance against strategic goals;
- ELIDZ does not have a comprehensive system or process used to standardise and interpret performance results, for purposes of identifying high-potential employees;
• The ELIDZ does not have a system that conducts reviews of performance assessment results at executive management level, and which would inform future planning, promotions and successions at the organisational level; and
• Organisational performance is currently not measured and compared against the performance of the National and International IDZs. Only a customer value analysis exercise is implemented, and this too is very narrow.

5.6 IMPLICATIONS OF THE STUDY FINDINGS

The lack of talent management strategy by the ELIDZ could create an environment where talent goes largely unnoticed. Due to this lack, the desire to be globally competitive, robust and prestigious might not be realised, simply because employees are not optimally used in the areas where they are most competitive.

Due to lack of a training strategy, non-value adding training that is not aligned to business strategic goals will be financed and haphazardly handled. This results later in fruitless expenditure, and consequently wasted company resources.

The lack of a career development paths plan and flat organisational structure may contribute to the decisions of employees to look externally for continuous growth and development, and this may increase the employee turnover rate, especially of talented people.

The lack of a workable succession plan or framework leads to employees losing confidence in the executive management and Board, so that if a senior post became available an internal candidate with potential would be considered.

Employees tend to look outside the organisation for growth and advancement due to the lack of such critical plans as succession plans.
5.7 RECOMMENDATIONS FOR CONSIDERATION BY ELIDZ

Based on the literature study, findings of the empirical study, and implications of the findings for the East London Industrial Development Zone, the following recommendations are presented for consideration by the organisation’s executive management and Board:

- The business strategic plan and objectives should be inclusively developed with the full participation of all employees. This would assist in increasing the sense of ownership of the outcomes, and the execution of these outcomes would become easier when people felt they had given birth to the strategy;
- The ELIDZ must initiate a process to develop a comprehensive talent management strategy and related policies for better implementation, in order to assist the organisation in moving closer to its vision of being a global player, through preserving its best talent;
- The Human Resources department needs to be properly sourced to deal with the new issues arising from this study, and further be given space to operate as a strategic unit, and not an administrative unit as is currently reported;
- The ELIDZ executive management and Board need to ensure that a conducive working climate/environment prevails throughout the organisation in order to enjoy optimal/peak performance from employees;
- The organisation needs to develop a clear retention strategy that features the interests of the organisation and employees, such as great packages, rewards, incentives and benefits that are tangible;
- The organisation needs to look into the aspect of developing a special reward and recognition programme/plan and guidelines for best performers, and to reward special contributions accordingly;
- HR, together with the executive management, need to develop clear guidelines and an assistance programme for non-performers, which will monitor their performance for at least two annual periods. If there is no improvement after the efforts of the assistance programme, non-performers must be released and not rewarded, as seems to be the current practice;
- A defined recruitment and selection strategy, supported by an implementing policy, needs to be developed by HR and approved by the executive
management and board. This should include the intention of giving internal candidates with potential preference over external candidates, for all vacant posts, irrespective of the post level;

- The ELIDZ should develop a comprehensive training and development strategy/plan that will ensure skills needed currently and in the near future are developed (talent pool), and promotion opportunities are available for internal candidates;

- The ELIDZ should develop and implement a coaching and mentoring programme for the entire organisation, not only for interns, as is the case. This will ensure that enough talent and expertise are built from within the organisation and succession does not become an impossible issue;

- HR should ensure that both the training and development programme and coaching and mentoring programme are built into the performance contracts for all executive managers, managers and supervisors, for all staff reporting to them, and this should be assessed during the performance appraisal every year. This practice will highlight the seriousness of ELIDZ in creating a talented and diversified workforce, to the supervisors;

- The ELIDZ executive management, working closely with the HR Department, should put systems in place to evaluate and identify the high-potential employees at an organisational level, and groom these individuals to create a talent pool of successors;

- The ELIDZ needs to investigate other performance management systems that can be user friendly, and not only consider the KPA’s inserted in the programme, while overlooking any other work performed outside these areas during the performance assessment. Secondly, the system investigated should be able to reflect more performance output than the current concentration on the scoring that is directly linked to bonus payments;

- The ELIDZ should investigate the tools available in the National and Global arena, which are currently used to assess performance of international players in the business of attraction and retention of Foreign Direct Investment. This tool should then be used internally to assess ELIDZ’s competitiveness. Where gaps are identified, proper mitigation plans should be administered to enhance the competitive edge;
5.8 CONCLUDING REMARKS

There are, however, many variables that affect the attraction of Foreign Direct Investments into any country; these can include political stability, availability of natural resources, technological and logistical issues, economic issues, government incentives, availability of skilled labour, labour unions, et cetera. All these variables put together can either make or break the deal with a multi-national who is looking at investment opportunities in a particular country, especially investment in opportunities like manufacturing and processing plants/factories. Market availability and other issues around export and import duties and taxes also plays a major role for multi-nationals in making their decisions whether or not to invest. In a nutshell, the total cost of doing business around the world also plays a major role in the attraction and retention of these global players.

The innovation and creativity of employees in these investment destinations, both nationally and Internationally, have the potential to influence investment decisions against all the above-mentioned odds. A talented workforce becomes a necessity for winning the battle of attracting and retaining Foreign Direct Investments.

East London Industrial Development Zone is no exception to these forces, and will always have to face them in Africa, USA, Europe and Asia, and everywhere else around the globe. Talent management is the only platform where ELIDZ can differ from the rest of players and make sustainable wins/gains that will eventually create and enhance a competitive advantage in the years to come. The inclusion of South Africa with fast developing countries like Brazil, India and China presents a golden opportunity for making lasting inroads in the FDI’s, before the rest of Africa and other zones get a bigger stake in this market.

The implications of not reviewing the current practices around talent management by the ELIDZ will be later felt and paid for with the loss of talent and new investment. Even more painful would be the loss of existing investors when the ELIDZ can no longer satisfy them due to the brain drain. The time to act, for the ELIDZ executive management and Board, is now.
List of Sources


for the creation of a motivating climate. South Africa: Ons Dukkers


ANNEXURE A
THE QUESTIONNAIRE COVERING LETTER

To: All ELIDZ Employees
East London Industrial Development Zone (Pty) Ltd
Corner Chester Road & Harbour Arterial Road
Sunnyridge
EAST LONDON
5201

Dear Respondent,

I am a post-graduate student studying towards my MBA (Masters in Business Administration) at the Nelson Mandela Metropolitan University Business School. The topic of my research project involves an investigation into the use of talent management in the East London Industrial Development Zone (Pty) Ltd to lever the competitive advantage in the attraction and retention of Foreign Direct Investment (FDI). We believe that this study would make a contribution to increasing the competitiveness and profitability of the East London Industrial Development Zone and the investors (FDI's). The empirical results of the study will be made available to the participants on request.

We guarantee the confidentiality and anonymity of all participants. Please note that the information gathered will not be used in any way against an organisation, and that all your responses will be strictly confidential. You also have the right not to participate in this study should you feel that your confidentiality and anonymity would be compromised.

You are part of our selected sample of respondents whose views we seek on the above-mentioned matter. We would therefore appreciate it if you could answer a few
questions in this regard, which should not take more than twenty-five minutes of your time. Please return the completed questionnaire by the 24th June 2011, at the very latest. We thank you in advance for your highly appreciated contribution towards this study.

There are no correct or incorrect answers. Please answer the questions as accurately as possible. For each statement, tick the box which best describes your experience. Each question has an additional space for writing your comment based on the box you ticked. Please make your comment because it is important for understanding the underlying problems, causes or even competitive advantages.

Tick only one answer for each statement, but answer ALL QUESTIONS please.

Thank you very much.

Swana, LS
MBA Student

Supervisor: Prof, D Berry (Tel: 041-5043831)
ANNEXURE A

NELSON MANDELA METROPOLITAN UNIVERSITY

TALENT MANAGEMENT QUESTIONNAIRE

EAST LONDON INDUSTRIAL DEVELOPMENT ZONE – EMPLOYEE QUESTIONNAIRE

Instructions for completing this questionnaire

**PART A: Demographic Information**

The information requested in this section of the questionnaire is important in assisting in the contextualization of the data provided in Part B of the questionnaire. Please read through the information requested below and place an X-mark opposite the category that best describes your situation in the organization. The information provided in this form remains anonymous and is only for the study, so information such as your name will not be required.

<table>
<thead>
<tr>
<th>a) Occupational Category within the ELIDZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management (CEO &amp; Executives)</td>
</tr>
<tr>
<td>Middle Management</td>
</tr>
<tr>
<td>Specialist</td>
</tr>
<tr>
<td>Professional or Practitioner</td>
</tr>
<tr>
<td>Administration/Supportive Staff</td>
</tr>
<tr>
<td>General Worker</td>
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</tbody>
</table>

<table>
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<tr>
<th>b) Career Period in the ELIDZ</th>
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</thead>
<tbody>
<tr>
<td>Less than one year</td>
</tr>
<tr>
<td>1 – 5 years</td>
</tr>
<tr>
<td>6 – 10 years</td>
</tr>
<tr>
<td>More than 10 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c) Experience in Present Position (at the ELIDZ or similar Organization)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
</tr>
<tr>
<td>1 – 5 years</td>
</tr>
<tr>
<td>6 – 10 years</td>
</tr>
</tbody>
</table>
PART B: TALENT MANAGEMENT INFORMATION AT THE ELIDZ

Read the talent management statements listed below and put the response that best describes your understanding and experience of the talent management issues/practice in the East London Industrial Development Zone. Try to be as honest as possible in your responses; this information will be of great value in the analysis of the current situation at the ELIDZ, as views by employees will help in making recommendations for improvement where necessary.

Some items will appear to be the same, but you are requested to please treat them as separate items. No two items are the same. Although you may not have complete information concerning a certain item, you are requested to please provide responses according to the level of knowledge or information you have.

1. Business Strategy

1.1 Do you believe that the ELIDZ’s vision and mission is compelling?

Please put a tick next to the applicable answer  Yes  No

If ‘No’, where are the gaps? Please explain  _______________________________________________ 
______________________________________________________________________________________
______________________________________________________________________________________
______________________________________________________________________________________
1.2 Are the business strategy and objectives of the ELIDZ clear and definitive?
   Please put a tick next to the applicable answer

   Yes  No

   If ‘No’, where are the gaps? Please explain

   Yes

1.3 In defining the ELIDZ objectives, is there any staff involvement in the process?
   Please put a tick next to the applicable answer

   Yes  No

   If ‘No’, why not? Please explain

   Yes

1.4 Is a meaningful contribution played by the ELIDZ entire staff in the formulation and reviewing of the organization’s strategic plan?
   Please put a tick next to the applicable answer

   Yes  No

   If ‘Yes’, what level of involvement? Please explain

   Yes

1.5 How robust is the ELIDZ strategy, and is it achievable?
   Please put a tick next to the applicable answer

   Yes  No
2. Talent Management Strategy

2.1 Does the ELIDZ have a talent management strategy?

Please put a tick next to the applicable answer

Yes  No

If ‘No’, why not? Please explain _______________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________

2.2 Is the talent management strategy integrated in the business strategy?

Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain _____________________________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________

2.3 Does the ELIDZ have a workforce plan, and how long is the workforce forecasting?

Please put a tick next to the applicable answer

Yes  No

If ‘Yes’ what is the timeframe forecast? Please explain _____________________________
__________________________________________________________________________________
__________________________________________________________________________________
__________________________________________________________________________________

2.4 Does the workforce plan address the future needs of the ELIDZ?  
Please put a tick next to the applicable answer  

| Yes | No |

If ‘No’, where are the gaps? Please explain  

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2.5 Does the ELIDZ Executive Management get the staff involved in the formulation of the workforce plan?  
Please put a tick next to the applicable answer  

| Yes | No |

If ‘No’, why not? Please explain  

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3. **Motivating Climate and Retention**  
3.1 In your view, has the ELIDZ differentiated itself as an Employer of Choice?  
Please put a tick next to the applicable answer  

| Yes | No |

If ‘No’ where are the gaps? Please explain  

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3.2 Does the ELIDZ executive management create a motivating work environment for peak performance?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain

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3.3 Do you have enough autonomy as an employee in deciding about the planning, executing and managing of the work assigned to you?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, what are the causes? Please explain

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3.4 Does the ELIDZ executive management and Board recognize or reward special contributions, or long service by their employees?
Please put a tick next to the applicable answer

Yes  No

If ‘No’ what are the causes? Please explain

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3.5 Does the ELIDZ provide equitable, fair and consistent pay, incentives and rewards and benefits to all employees?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________

4. Recruitment and Selection

4.1 Does ELIDZ have a recruitment strategy/plan that supports business goals?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, why not? Please explain
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__________________________________________________________

4.2 Does the attraction and recruitment practice at the ELIDZ, set the ELIDZ apart from other organizations in recruiting the best talent (value adding individuals)?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________
4.3 Is innovation, creativity and potential for growth considered when the ELIDZ recruits potential employees? Please put a tick next to the applicable answer

Yes | No

If ‘No’, where are the gaps? Please explain

4.4 How well are the internal candidates considered for new positions when recruitment is done at the ELIDZ, do they get first preference? Please put a tick next to the applicable answer

Yes | No

If ‘No’, where are the gaps? Please explain

4.5 Do you consider the ELIDZ would be able to break/alter the compensation policies in order to attract and recruit the best talent into the organisation? Please put a tick next to the applicable answer

Yes | No

If ‘No’, what are the causes? Please explain
5. Training and Development

5.1 Does ELIDZ have a clear and focused training strategy that will help develop the future skills needed to elevate the ELIDZ’s competitive advantage?

Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps?, Please explain  

5.2 Does ELIDZ’s executive management exhibit commitment to training of their staff at organizational, departmental and individual levels?

Please put a tick next to the applicable answer

Yes  No

If ‘No’, why not? Please explain  

5.3 Does ELIDZ possess a career development paths plan for every employee, and is this communicated to all staff?

Please put a tick next to the applicable answer

Yes  No

If ‘No’, why not? Please explain  


5.4 Does ELIDZ possess a coaching and mentorship plan for every employee that aims to develop the expertise needed in the future of this organization?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain ------------------------------------
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5.5 Does ELIDZ hold a fair and clear promotion practice of internal employees into new positions of trust through a development programme?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain ------------------------------------
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6. Succession Planning
6.1 Does ELIDZ possess an organizational succession plan for every senior position and at least three levels below?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain ------------------------------------
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6.2 Are there high-potential employees (talent pool) who are being groomed and mentored for succeeding in current senior positions in the near and long-term future?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain

6.3 Is there visible commitment from the top management to support a succession plan in the ELIDZ?
Please put a tick next to the applicable answer

Yes  No

If ‘No’, why not? Please explain

6.4 If there are people who appear in the organization’s succession charts, do you think they know of these plans, and are they being continuously informed of their development?
Please put a tick next to the applicable answer

Yes  No

If ‘Yes’, how is the communication done? Please explain

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6.5 Do line managers and supervisors have any input into the succession plans of critical positions in their business units? 
Please put a tick next to the applicable answer

Yes  No

If ‘No’, what are the causes? Please explain
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7. Evaluation and Improvements

7.1 Does your work output or productivity receive a fair evaluation through an organized performance management system? 
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain
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7.2 Do you believe the current performance evaluation system addresses the core issues of performance that are linked to the strategic goals? 
Please put a tick next to the applicable answer

Yes  No

If ‘No’, where are the gaps? Please explain
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7.3 Do you believe that performance results for every employee indicate whether or not one is a High-Potential Employee, or can assist in the identification of high-potential employees for future development? Please put a tick next to the applicable answer

Yes | No

If ‘No’, where are the gaps? Please explain


7.4 Does ELIDZ management make use of, or consider the current and previous year’s performance results for future promotions? Please put a tick next to the applicable answer

Yes | No

If ‘No’, where are the gaps? Please explain


7.5 Is there a tool used by the ELIDZ to evaluate the organizational performance in the business of attraction and retention of Foreign Direct Investment (FDI), measured against other National and International IDZ’s? Please put a tick next to the applicable answer

Yes | No

If ‘Yes, are there areas that need improvement? Please explain


