

# **Assessing talent management within the Western Cape Provincial Treasury (WCPT)**

by

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## DECLARATION

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## Abstract

The South African Constitution, 1996, requires a development-oriented public administration, cultivating good human resources management and career development practices to maximise human potential. Talent management complies with this constitutional requirement as a practice that ensures that people with the required skills and aptitude are attracted, developed, utilised and retained to increase workplace productivity. The Provincial Government Western Cape (PGWC) has aligned itself with talent management by focusing on the attraction, development and retention of skills to address poverty and unemployment.

The Western Cape Provincial Treasury (WCPT), which manages the PGWC finances, has however experienced high employee turnover rates lately with talented employees leaving the organisation for other public service departments or private sector organisations. This thesis assessed WCPT's approach to talent management by:

- Obtaining an understanding for why talented employees left or are leaving WCPT;
- Exploring the concept of talent management in organisations globally;
- Exploring the legislative context for talent management in the South African public service; and
- Determining what WCPT's approach to talent management is by using WCPT as a case study.

A qualitative case study research design with unstructured interviews, a survey questionnaire and documentation were used to conduct this study. The case study of WCPT was used to draw inferences between the practice and theory in the literature review to understand why talented employees left and are leaving WCPT and what WCPT's approach to talent management is.

It was found that job dissatisfaction was the broad reason why talented employees left WCPT. Job dissatisfaction includes dissatisfaction about competitive salaries, sufficient training and development, a career planning programme, work-life balance,

and so on. A draft talent management strategy has been formulated for WCPT but has not been implemented because the Human Resources department of WCPT has been relocated to the Department of the Premier as a result of the modernisation<sup>1</sup> of public service departments in the PGWC.

This thesis has made recommendations that the draft talent management strategy be implemented, despite the absence of the Human Resources department, as part of a broader strategy to establish WCPT as an employer of choice.

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<sup>1</sup> “Modernisation” – bringing the PGWC public service institutions in line with local and international best practice, ensuring that these institutions are fit for purpose and that they serve the public in a cost effective and efficient way. See Section 4.2.3.

## Opsomming

The Suid-Afrikaanse Grondwet, 1996 vereis 'n publieke administrasie wat goeie menslike hulpbron bestuurspraktyke bevorder en loopbaanontwikkeling sowel as menslike potensiaal aanhelp. Talentbestuur voldoen aan hierdie vereiste deur te verseker dat mense met vaardighede gewerf, ontwikkel, aangewend en behou word om produktiwiteit te verbeter. Die Wes-Kaapse Provinsiale Regering het homself in lyn gebring met hierdie grondwetlike vereiste deur te fokus op die werwing, ontwikkeling en behoud van vaardighede om armoede en werkloosheid aan te spreek.

Die Wes-Kaapse Provinsiale Tesourie (WKPT) het egter, intendeel, 'n hoë omset in talentvolle werknemers ondervind, wie die organisasie verlaat het vir posisies in ander openbare sector departemente sowel as privaatsektor organisasies. Hierdie verhandeling het die WKPT se benadering tot talent bestuur gemeet deur:

- 'n Begrip te verkry vir hoekom talentvolle werknemers WKPT verlaat het;
- om die begrip talentbestuur in organisasies wêreldwyd te verken;
- om die wetlike konteks van talentbestuur in operbaresektor organisasies in Suid-Afrika te ondersoek; en
- om vas te stel wat WKPT se benadering tot talentbestuur is deur WKPT as 'n gevallestudie te gebruik.

'n Kwalitatiewe navorsingsontwerp was gebruik om die navorsings probleem te ondersoek met ongestruktureerde onderhoude, 'n meningsopname vraelys en dokumentasie as navorsingsmetodes. Die gevallestudie van WKPT was gebruik om verskille tussen die praktyk en die teorie te verstaan en vas te stel waarom talentvolle werknemers WKPT verlaat het en wat die organisasie se benadering tot talentbestuur is.

Daar was gevind dat werknemerontevredenheid die oorhoofse rede was waarom talentvolle werknemers WKPT verlaat het. Werknemerontevredenheid sluit in hierdie geval onteveredenheid oor kompeterende salarisse, genoegsame opleiding en ontwikkeling, 'n loopbaanontwikkelingsprogram en werk-leefbalans in. WKPT het 'n

konsep talentbestuur strategie ontwerp, maar dit was egter nog nie geïmplementeer nie omdat die menslikehulpbronne department van WKPT verskuif was na die Departement van die Premier.

Hierdie verhandeling het aanbeveel dat die konsep talentbestuur strategie nog steeds geïmplementeer word ten spyte van die feit dat die menslikehulpbronne department verskuif was. Die implementering van hierdie strategie sal deel uitmaak van 'n oorhoofse strategie om WKPT te vestig as 'n werknemer by keuse.

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# CHAPTER ONE: INTRODUCTION AND RESEARCH QUESTION

## 1.1 INTRODUCTION

In the modern economic era South Africans have to ensure that they utilise all the abilities, skills, talents and experience to contribute to a prosperous country where citizens have hope for the future. This was underlined by the current Minister of Finance who called on everyone in his budget speech of 2010 to unite in using all their skills, talents and resources to address their economic and social challenges (Gordhan, 2010:2). The South African public sector employs more than a million public servants with a variety of skills, talents and competencies to deliver economic and social services to the citizens of South Africa. Many of these public servants are talented individuals who are currently moving from one public sector organisation to another; others move to the private sector and there are even those that leave the country for highly paid jobs in other countries. It is also widely reported that South Africa currently suffers a major loss of skills in all areas of society which contributes to our social and economic challenges (Kock & Burke, 2008:457; Kerr-Phillips & Thomas, 2009:1). South Africa therefore cannot afford to lose more critical skills and talents to other organisations outside the public sector as well as to other countries outside South Africa.

Premier Helen Zille has recently joined this debate by stating that the right people must be appointed in the right places to do the job (Zille, 2009:6). The Western Cape Province has positioned itself to address poverty and unemployment through sustained economic policies as well as the attraction, development and retention of skills and capital (Zille, 2009:2). Talent management is considered as the organisational practice that addresses the attraction, development and retention of talent within any organisation. Amongst a host of definitions for talent management, it is comprehensively defined as the *“implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required*

*skills and aptitude to meet current and future business needs*” (Lockwood, 2006:2). Talent management has certainly become an important issue in private and public organisations as there is currently an ongoing competition or battle raging for talented employees in the limited global pool of talent. This competition or battle is known as “the war for talent” as pointed out in a 1997 McKinsey study (Guthridge, Komm& Lawson, 2008:49).

In contrast to the objectives of talent management, the Western Cape Provincial Treasury (WCPT), where the researcher is currently employed, has experienced a significant number of staff exits from the department in recent years. In the period from 1 January 2007 until 31 December 2009 a total number of 64 employees (26.22% of the staff complement) resigned from WCPT for employment in other public/private sector organisations. Many of these employees were employed in critical areas of WCPT and were well experienced with diverse skills, competencies and talents. The effect of these employee exits would be difficult to quantify accurately, but one can assume that WCPT’s capacity to deliver services effectively and efficiently was severely compromised.

The reasons why employees left the organisation vary from lack of training and development to complaints about poor management capacity, as stated by employees in exit interviews. WCPT has realised that employee turnover has become problematic for the organisation and has initiated various strategies to address the problem. One of these strategies is to formulate a talent management strategy to address the employee turnover as well as attract and retain talented employees to the organisation.

The broad aims of this study are therefore to determine why talented employees are leaving WCPT and what WCPT’s approach to talent management is to attract and retain talented employees. WCPT’s approach to talent management would include what it considers as talent, how this talent is developed, and how this talent is eventually retained by the organisation.

In the next section the research question and objectives that will be addressed in this research will be discussed.

## 1.2 RESEARCH QUESTION AND OBJECTIVES

The research question is as follows:

***Why are talented employees leaving the Western Cape Provincial Treasury (WCPT) and what is this organisation's approach to talent management?***

The objectives of the research are as follows:

- **Objective one** - To understand why talented employees are leaving WCPT ;
- **Objective two** - To explore the concept of talent management in organisations globally;
- **Objective three** - To explore the legislative context for talent management in the South African public service;
- **Objective four** - To determine what WCPT's approach is towards talent management; and
- **Objective five** - To provide inputs and recommendations with regard to the implementation of talent management in WCPT.

## 1.3 RESEARCH DESIGN AND METHODOLOGY

This study is qualitative in nature and will be conducted in the form of an ethnographic case study. According to Leedy and Ormrod (2005:134-135) qualitative research provides new insights into a particular phenomenon or can evaluate the effectiveness of existing practices. The practice of talent management and the reasons why employees leave an employer or stay with an employer will be investigated through a literature review. The literature review will then be used as the starting point from which a deductive approach will be followed to make inferences from the case study of WCPT.

The practice of talent management in WCPT and the reasons why certain employees are leaving will be investigated through a case study of WCPT. Primary

and secondary data will be collected in the form of unstructured interviews with the Human Resources Manager, Mrs. Pauline Piedt, and the longest serving Senior Manager in WCPT, Mr. Andre Bastiaanse, according to the purposive sampling method. A survey questionnaire will be used to test the views of current WCPT employees against the views of former WCPT employees as reflected in the exit interview reports. Documentation such as exit interview reports, annual performance plan and strategic plans will be collected as additional data in an attempt to answer the research question. Hereafter follows an outline of the chapters within this study.

## **1.4 OUTLINE OF CHAPTERS**

The following chapter outlines will act as a guide to the content of the different chapters in this thesis. A broad overview is provided here as follows:

**Chapter 2** reviews the literature in the context of this study and will define the main concepts in this study. The main concepts include issues such as why talented people are leaving organisations, why they are staying and contemporary talent management strategies.

**Chapter 3** reviews all the relevant legislation and policy guidelines with regard to talent management in the South African public service.

**Chapter 4** will cover WCPT as a case study for talent management. A background of WCPT in terms of its history, vision, mission and mandate will be provided. This will be followed by a brief background of talent management within WCPT and an overview of the strategic plan, annual performance plan and strategic human resources plan.

**Chapter 5** will contain a description of the research methodology followed in this study as well an analysis of the data and the research results. The research results will be discussed in this chapter after which deductions will be made from the theory.

**Chapter 6** will present the summary, conclusions and recommendations that will be based on the completed research. The researcher will make recommendations based on the conclusions that were drawn.

The next chapter provides a theoretical overview of the main concepts in this study as outlined above.

## CHAPTER TWO: THEORY ON TALENT MANAGEMENT

### 2.1 INTRODUCTION

Chapter One provided an explanation of why and how this study will be conducted, whereas this chapter will familiarise the reader with the significant contributions that have been made by scholarship with regard to the study of talent management in any organisation. As already mentioned in Chapter One, a definition for talent management is the “*implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs*” (Lockwood, 2006:2). Talent management incorporates attracting, developing, retaining and utilising people as strategies to achieve a common objective. A variety of literature in the field of talent management will be used to define, describe and review the key concepts within this topic.

The literature review has been organised in specific themes to highlight talent management. Various definitions of talent will be reviewed to provide an understanding of this concept and the role that it plays in modern organisations. Talent management as an organisational practice has diverse definitions recorded in literature and these will be covered extensively.

The strategic importance of talent management is an issue that is also extensively discussed in literature and the researcher will highlight the key issues that play a role in addressing the research problem. Cheese, Thomas and Craig (2008:11) view talent as a strategic issue which has become critical for sustained business success in all types of organisations today. Talent attraction, talent development and talent retention as elements of talent management will be defined and reviewed.

The reasons why employees stay at organisations are just as important as the reasons why they are leaving and the researcher will also review these reasons, starting with the latter. “*People stay if they are satisfied with their job and committed to their organisation and leave if they aren’t*”(Mitchell, Holtom, Lee, Sablynski & Erez,

2001: 3). The literature review will then be concluded with a discussion of contemporary talent attraction and retention strategies addressed in scholarship. The next section will deal with the definitions of talent as found in existing literature.

## 2.2 TALENT MANAGEMENT

### 2.2.1 What is talent?

Talent is defined by some authors as individuals with unique characteristics whereas others see talent as the special abilities, capacity, knowledge, skills, competencies and experience that people possess. There appear to be a distinction between the individual or person who possesses the talent and the talent itself. Stuart-Kotze and Dunn (2008:11) and Cheese, Thomas and Craig (2008:9) concur that people use these special abilities and qualities to achieve certain goals in the interest of the organisations that employ them. Kontoghiorghes and Frangou (2009:29) suggest that *“talent are people with required skills and aptitude to meet current and future business needs”*. Cheese *et al.* (2008:vi) see *“talent as a productive resource like no other”*.

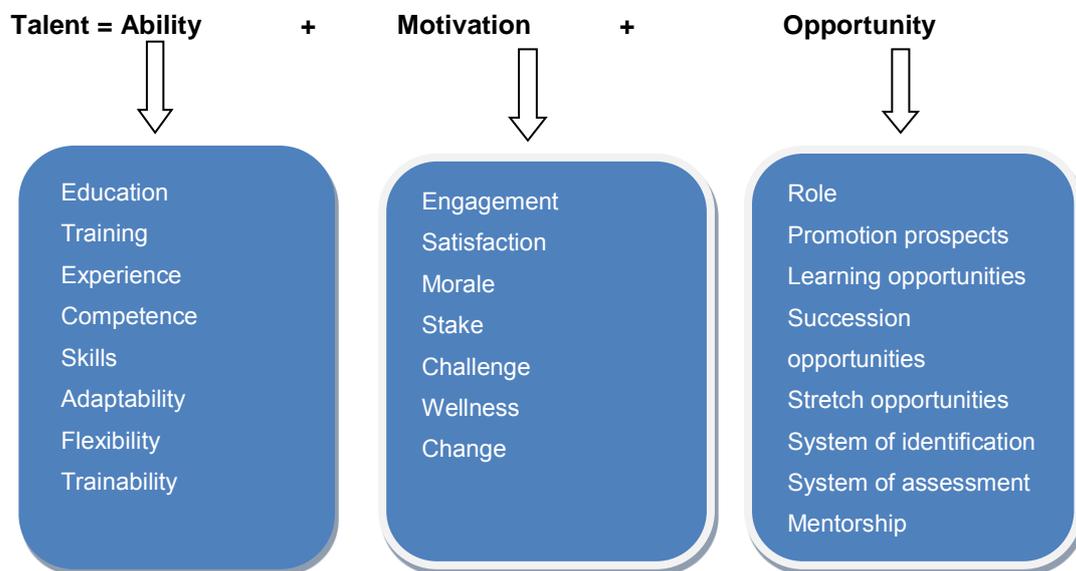
Rueff and Stringer (2006) are more explicit in their definition of talent and perceive talent as *“people that make smart decisions to solve problems; these people pull together and believe in something”*. Organisations have an edge above others because of the talented individuals that they employ and not their market share or their end products. Therefore *“quality talent in organisations has always been the key competitive differentiator”*. This author however emphasises the role of individuals when they apply the talents that they possess (Rueff & Stringer, 2006).

An entirely different view of talent is presented by Florida (2002) who suggests that *“great managers define talent as a recurring pattern of thought, feeling or behaviour that can be productively applied or behaviour one finds oneself doing often”*. The focus in this case is more on the cognitive, psychological and emotional processes that an individual experiences. Florida (2002) makes a distinction between striving talent, thinking talent and relating talent. *“Striving talent explains why someone does what he does every day, thinking talent explains how he decides and relating talent*

*explains who he builds relationships with, whom he confronts, ignores or trusts”* (Florida, 2002).

Oehley (2007:20) suggests that managerial talent is difficult to define and quotes Michaels, Handfield-Jones, *et al.* (2001:xiii) who generally consider it as *“a combination of sharp strategic mind, leadership ability, emotional maturity, communication skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills and the ability to deliver results”*.

A universal feature of talent is that it differs from organisation to organisation and is not the same everywhere. Talent is situation specific and a common understanding should be found in any organisation on what competencies are considered as essential for the organisation to achieve its performance goals (Oehley, 2007:20; Florida, 2002; Stuart-Kotze & Dunn, 2008:11). In all the above definitions talent refers to unique characteristics, qualities, traits or abilities of people who utilise this to reach the objectives of organisations. Below is a graphic illustration of an equation for talent as suggested by Glen (2007:4).



**Figure 2.1: An equation for talent**

Source: Glen, 2007:4

In the next section the definitions of talent management will be discussed in order to emphasize the role of talent management in any organisation.

### **2.2.2 Definitions of talent management**

The definitions for talent management vary from author to author but most of them do not differ fundamentally from each other and frequently include the same concepts in their definitions (Lockwood, 2006:2; Ashton & Morton, 2005:28; McCauley & Wakefield, 2006:4; Cappelli, 2008:1; Paradise, 2009:69; Blass & April, 2008:49).

These definitions are as follows:

*“The implementation of integrated strategies or systems, designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs”* (Lockwood, 2006:2).

*“Talent management is a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness”* (Ashton & Morton, 2005:28).

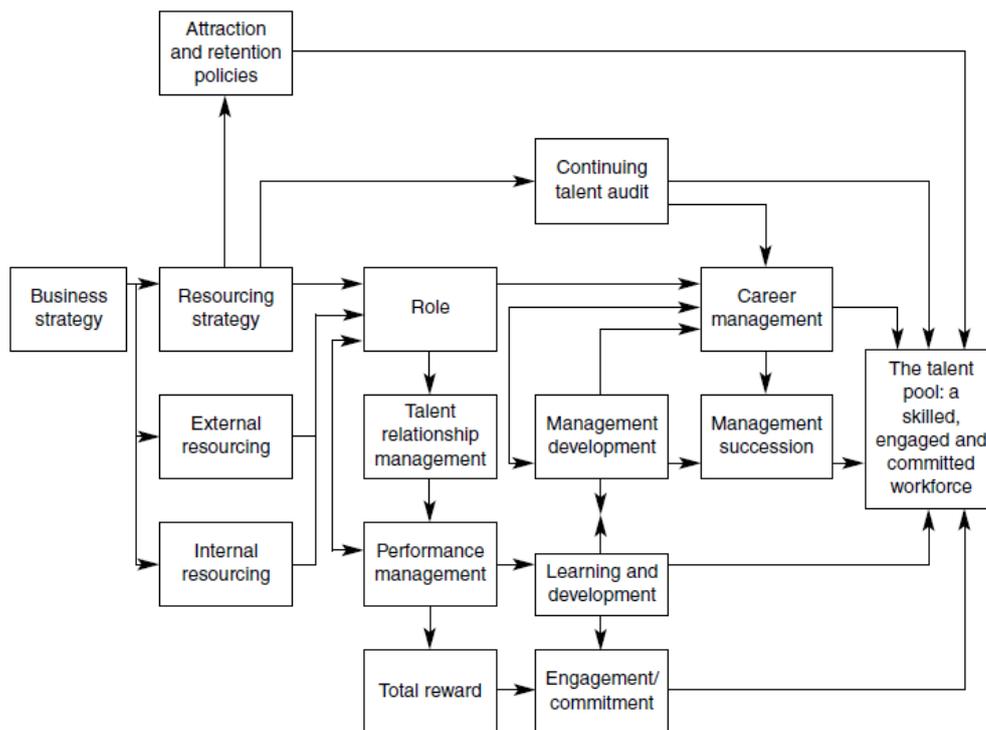
*“Talent management processes include workforce planning, talent gap analysis, recruiting and evaluation”* (McCauley & Wakefield, 2006:4).

*“Talent management is the process through which employers anticipate and meet their needs for human capital. Getting the right people with the right skills into the right jobs – a common definition for talent management – is the basic people management challenge in any organisation”* (Cappelli, 2008:1).

*“A holistic approach to optimizing human capital, which enables an organisation to drive short- and long-term results by building culture, engagement, capability and capacity through integrated talent acquisition, development and deployment processes that are aligned to business goals”* (Paradise, 2009:69).

*“The additional management processes and opportunities that are made available to people in the organisation who are considered to be talent”* (Blass & April, 2008:49).

The concepts that frequent these definitions are strategies, attracting, developing, retaining and human capital and imply that the organisation follows certain processes to ensure that its human resources are utilised optimally to ensure the desirable outcomes. The definition that incorporates most of the aspects in the other definitions is the one of Lockwood (2006:2) which has also been quoted extensively by Armstrong (2006:390) and Kontoghiorghes and Frangou (2009:29). Below is a graphic illustration of the elements of the talent management process as found in Armstrong (2006:391).



**Figure 2.2: Elements of the talent management process**

Armstrong, 2006:391

### 2.2.3 The strategic importance of talent management

Talent management has become a major issue for organisations across the globe in recent times. According to Guthridge, Komm and Lawson (2008:49) “*companies like to promote the idea that employees are their biggest source of competitive advantage*”. Stuart-Kotze and Dunn (2008:9) support this position and suggest that managing talent is critically important and that people really are a company’s most important asset.

Other researchers such as Jackson, Schuler and Werner (2009:356) and Sadler (2009: 33) point out the benefits of treating talent as a strategic issue. Talent management can support organisational strategies, reduce expenses and labour costs, improve competitiveness, keep employees satisfied and loyal and ultimately maximise return on investment.

There are various factors that played a significant role in the proliferation of talent in modern times. These factors include global skills shortages, increasing globalisation, advances in technology and information, digitisation, workforce demographic changes and consistent economic expansion (Amundson, 2007:154; Holland, Sheehan & De Cieri, 2007:248; Boudreau & Ramstad, 2004:2). According to Holland, Sheehan and De Cieri (2007:249) global skills shortages led to the competition for talent among organisations. Kerr-Phillips and Thomas (2009:1) support this statement and quote a McKenzie report of 2008 that highlights how skills shortages are critically impacting competitiveness among companies globally.

According to Amundson (2007:154) increasing globalisation resulted in greater competition and increased pressure for productivity, organisational changes being driven by mergers, joint ventures and work alliances and a host of other factors. Guthridge, Komm and Lawson (2008:50) agree with this view and stress that globalisation is one of the factors that are forcing organisations to take talent more seriously. Organisations must have executives willing and able to work abroad and with an international mindset to succeed globally (Guthridge, Komm & Lawson, 2008:52).

### 2.2.4 Talent attraction

Talent attraction is considered as one of the elements of talent management and includes systems that are implemented by organisations to ensure that they attract and recruit talented employees of a high quality (Oehley, 2007:25). Talent attraction includes recruitment and selection, employer branding, employee value proposition and employer of choice (Oehley, 2007:26; Armstrong, 2006:395).

- **Recruitment and selection** – the HR department normally collaborates with the line managers and makes use of targeted recruitment methods to source talented employees for the organisation. Any organisation can employ various techniques to ensure that it selects the right candidates to match the culture and values of this organisation (Oehley, 2007:27). According to Armstrong (2006:396) an organisation must identify what sort of people it needs in terms of qualifications and experience in order to ensure a cultural fit. The most important characteristics of those that are already thriving should be identified so that others like them can be recruited (Armstrong, 2006:396).
- **Employer branding** – Armstrong (2006:395) suggests that “*employer branding is the creation of a brand image of the organisation for prospective employees*”. Employer branding entails a marketing strategy of an organisation to attract talented employees and is influenced by its reputation as a good employer, a great place to work and the way people are treated (Armstrong, 2006:395).
- **Employee value proposition** – Oehley (2007:26) suggests that an employee value proposition specifies the value of the organisation to potential employees in terms of challenging jobs, work environment, training opportunities, flexibility and reputation of the organisation.
- **Employer of choice** – According to Armstrong (2006:396) an employer of choice is “*a place where people prefer to work*”. Factors that contribute to being an employer of choice are: interesting and rewarding work, opportunities for learning, development and career progression, reasonable

degree of security, enhanced employability, better facilities, employment conditions that satisfy work-life balance needs as well as competitive pay and benefits (Armstrong, 2006:396).

### 2.2.5 Talent development

Once talent has been defined and attracted by an organisation as part of the talent management process, the talent must be developed, which will make it ultimately easier for an organisation to retain the talent (Armstrong, 2006:390; Blass & April, 2008:49; Oehley, 2007:29; Miller & Desmarais, 2007:37). According to Armstrong (2006:390) the ultimate aim of organisations is to develop and maintain a talent pool consisting of a skilled, engaged and committed workforce. Talent development includes career management, performance management, succession planning as well as training and development processes within the organisation (Armstrong, 2006:393; Blass & April, 2008:49).

- **Career management** – the provision of opportunities and the climate to enable individuals to achieve their career goals (Armstrong, 2006:400; Blass & April, 2008:54). According to Armstrong (2006:400) career management ensures that the organisation has the flow of talent it needs. Blass and April (2008:54) agree with this view that the objective of talent management is to get talented individuals to stay with the organisation and be developed for critical roles in the future.
- **Performance management**– Oehley (2007:30) suggests that “*performance management be used to identify employees with high potential, formulate personal development plans and connect ratings with the succession planning system*”. Armstrong (2006:392) agrees with this view that performance management provides a means to identify talent and potential in organisations and utilising it optimally.
- **Succession planning**– an organisation ensures that it has enough talent with the appropriate skills and competencies to fill critical positions in the future (Armstrong, 2006:403; Oehley, 2007:30).

- **Training and development** – this part of talent management plays a significant role in the retention of talented employees eventually and is highly rated by talented employees (Oehley, 2007:30). Armstrong (2006:393) concurs with this view and suggests that learning and development programmes are essential components in the process of developing talent. Talented individuals are allowed to develop in their current positions and can proceed to new positions through training and development (Armstrong, 2006:393).

### 2.2.6 Talent retention

As an element of talent management, talent retention implies that the organisation intends to retain its most talented employees or those employees that will likely leave (Armstrong, 2006:397). Organisations are not always successful at retaining talented workers but can use tried and tested strategies to retain their best employees (Armstrong, 2006:397). Talent retention is affected by specific demographic factors such as age, gender and the profile of talented employees. There is a tendency amongst younger workers to change jobs regularly whereas older workers require security and job stability. Other factors that influence talent retention are “*company image, recruitment, selection and deployment, leadership (employees join companies and leave managers), learning opportunities as well as performance recognition and rewards*” (Armstrong, 2006:397). A more detailed discussion of various retention strategies will follow later in this chapter.

The next section will review the most pertinent reasons why employees are leaving organisations and thus contributing to high employee turnover levels.

## 2.3 THE REASONS WHY TALENTED EMPLOYEES ARE LEAVING ORGANISATIONS (EMPLOYEE TURNOVER)

### 2.3.1 Definition of employee turnover

Most of the scholarship on employee turnover are in agreement that it generally refers to employees that have left, are leaving or will leave an organisation for different reasons (Grobler, Wörnich, Elbert & Hatfield, 2006:125; Dess & Shaw, 2001:446.). There is a distinction between voluntary turnover, an employee's decision to terminate the employment relationship – and involuntary turnover, an employer's decision to terminate the employment relationship (Dess and Shaw, 2001:446; Kontoghiorghes & Frangou, 2009:30). The definition of voluntary turnover could however be tested, as it is possible that an employee could be pressured into leaving an organisation which will then cause the turnover to be involuntary (Phillips & Connel, 2003: 15).

There is also a further distinction made between functional turnover – which is wanted by an organisation and refers to turnover of low performing employees, and dysfunctional turnover – the unwanted loss of high performing employees (Grobler *et al.*, 2006:125). Dysfunctional turnover is of the greatest concern for organisations and is concerned with the type of turnover that can hurt organisations the most (Grobler *et al.*, 2006:125). Phillips and Connel (2003) suggest that the acceptable rate at which dysfunctional turnover is taking place at any organisation ranges between 15 and 18 per cent per annum. Organisations that focus on attracting and retaining talented employees, such as an employer of choice, constantly strive to set their turnover rates below the acceptable rate for dysfunctional turnover (Phillips & Connell, 2003).

According to Grobler *et al.* (2006:126) turnover can be measured over a specific period of time. Three measures for turnover are suggested:

$$\text{“Total separation rate”} = \frac{\text{“Separations”} \times 100}{\text{“Average number of employees”}}$$

$$\text{“Resignation rate”} = \frac{\text{“Resignations”} \times 100}{\text{“Average number of employees”}}$$

$$\text{“Avoidable turnover rate”} = \frac{\text{“Total separations”} - \text{“Unavoidable separations”} \times 100}{\text{“Average number of employees”}}$$

### 2.3.2 Causes of employee turnover

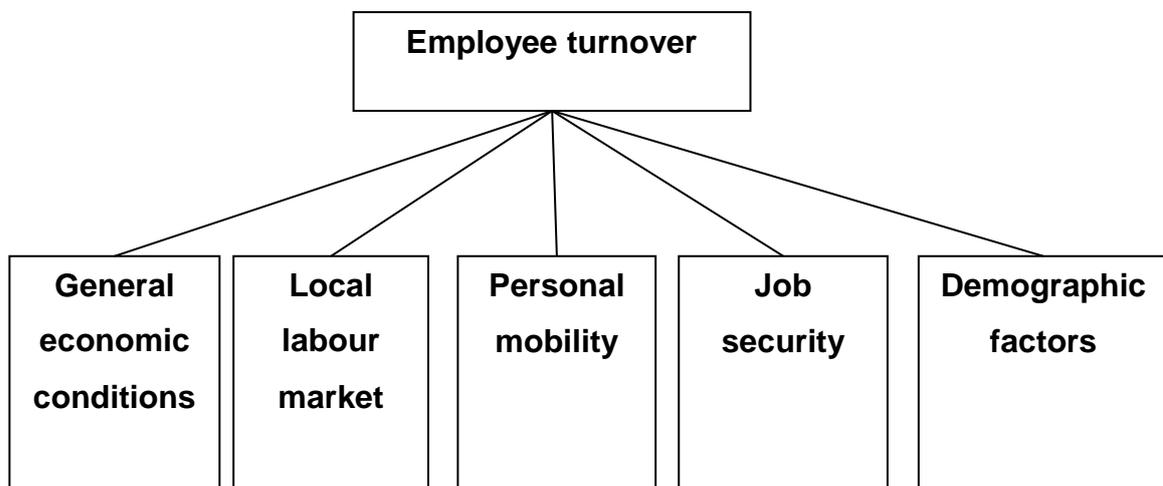
Widespread research has been done about the exact causes of employee turnover and many researchers agree that there are many reasons why employees are leaving organisations voluntarily. There is agreement amongst many researchers that job dissatisfaction plays a major role in an employee’s decision to leave an organisation (Harman *et al.*, 2007:51; Hausknecht, Rodda & Howard, 2008:271; Morrell, Loan-Clarke, Arnold & Wilkinson, 2008:131; Mitchell, Holtom & Lee, 2001:97 and Phillips & Connell, 2003). An early work of March and Simon (1958) suggests that an employee becomes dissatisfied and motivated to leave an organisation when outcomes (such as pay or promotion opportunities) are too low relative to an employee’s expectations.

Job dissatisfaction is however not the only reason why employees are voluntarily leaving their organisations, there are many reasons that are unrelated to their jobs. In order to explain these other reasons Mitchell and Lee (1994) developed the unfolding model of voluntary turnover. This unfolding model explains an employee’s decision to leave in terms of a shock, an event that prompts them to leave, e.g. mergers, unsolicited job offers, friends leaving, having a baby, spouse relocation, a poor performance appraisal and administrative changes. The unfolding model explains five distinctive ways or paths (sets of psychological processes) in which people can voluntarily leave an organisation. The first three begin with a shock and the last two do not involve shocks but address job dissatisfaction (Harman *et al.*, 2007:52).

The unfolding model has been tested and critiqued by Morrel *et al.*(2007:130) who found that the unfolding model captures a large percentage of decisions to leave but

needs theory-based and empirical refinements. Morrel *et al.*(2007:130) cast doubt on the general applicability of the unfolding model after the model failed to classify a substantial number of nurse leavers.

Other researchers have been more specific in listing the reasons why employees leave their organisations. Hay (2001:52); Grobler *et al.*(2006:126) and Branham (2001: 5) all cited reasons such as bad management, lack of training and poor career development, general economic conditions, personal mobility and job security, more money and better benefits. These reasons all fall under the broad category of job satisfaction that is applicable to individual employees. Phillips and Connell (2003) divided the employee job factors that are related to turnover into the following categories: job satisfaction, organisational commitment, job embeddedness, job alternatives and job search behaviour. The relationship between these job factors are all linked to voluntary turnover although this relationship does not apply in all organisational contexts. Hereafter follows a graphic illustration of the factors that influence employee turnover.



**Figure 2.3: The factors that influence employee turnover**

Source: Grobler, Warnich, Carrell, Elbert and Hatfield, 2006:127.

### **2.3.3 The negative implications of employee turnover**

Many researchers that conducted studies on employee turnover are in agreement that excessive turnover is negative, expensive and problematic for organisations (Mitchell, Holtom & Lee, 2001:96; Grobler, *et al.*, 2006:125; Kotze & Roodt, 2005:2; Hay, 2001:52; Des & Shaw, 2001:446; McKinney, Bartlett & Mulvaney, 2007:50 and DPSA Retention Guide, 2006:16). All of these researchers refer to the financial implications of excessive employee turnover, whether in terms of direct costs – e.g. exit interview costs, replacement costs and training costs, and indirect costs – loss of skills and expertise, loss of organisational memory, lower productivity and worker morale. There is also agreement that it is difficult to calculate the invisible cost when employees leave an organisation; the true costs of turnover are often an elusive figure (Phillips & Connell, 2003; DPSA Retention Guide, 2006:16).

## **2.4 WHY ARE TALENTED EMPLOYEES STAYING AT ORGANISATIONS?**

### **2.4.1 Important issues in understanding the reasons why employees are staying (Employee retention)**

Understanding why employees stay with an organisation is an important factor in retaining top talent within an organisation (Hausknecht, Rodda & Howard, 2009:269; Barrick & Zimmerman, 2009:183; De Vos & Meganck, 2007:45; Kotzé & Roodt, 2005; Dainty, 2008:36; Harman, *et al.*, 2007:51 and Mitchell, Holtom & Lee, 2001:97). There are equally as many reasons why employees are staying at organisations in relation to the reasons why they are leaving. Staying is seen in many cases as the opposite of leaving, a sentiment which is not shared by all scholars (Mitchell, Holtom & Lee, 2001: 97; Harman, *et al.*, 2007:51). These reasons for staying with organisations are now discussed under the following broad categories: job satisfaction, organisational commitment, employer of choice, job embeddedness and the psychological contract.

### 2.4.2 Job satisfaction

Job satisfaction is simply defined by certain researchers as the degree to which individuals like their jobs (Hausknecht, Rodda & Howard, 2009:271). Others see job satisfaction as an individual's attitudes and feelings about their work or job (Armstrong, 2006:264 and Robbins *et al.*, 2001:76). Lock (1976:1300) refers to job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Positive attitudes and feelings towards a job result in job satisfaction whereas negative attitudes and feelings result in job dissatisfaction (Armstrong, 2006:264).

There is substantial literature which suggests that job satisfaction is viewed by many researchers as one of the most frequently mentioned factors that play a role in an employee's decision to stay with an employer (Hausknecht, *et al.*, 2009:271; Kontoghiorghes & Frangou, 2009:35; Mitchell, Holtom & Lee, 2001: 98; Kovner, *et al.*, 2009:82; Harman, *et al.*, 2007:53 and Kotze & Roodt, 2005:3). According to Saari and Judge (2004:395) numerous studies have shown that dissatisfied employees are more likely to quit their jobs or be absent than satisfied employees. Harman *et al.* (2007:53) suggest, however, that retention issues are not so simplistic as to assume that employees can be retained by increasing job satisfaction. There can also be a vast number of factors that play a role on an individual's emotional state as referred to by Lock (1976:1300). These factors might not even be caused by the organisation or the specific job but impact on the individual's decision to stay with the employer. Job satisfaction can be considered as a concept that would differ from the one employee to the other.

Job satisfaction also includes positive attitudes towards pay, supervision, chances for promotion, work environment, co-workers and the tasks that are being performed (Mitchell, Holtom & Lee, 2001: 97; Kotze & Roodt, 2005:4; Harman, *et al.*, 2007:53). Other factors that play a role in job satisfaction include leadership and managerial strategy, satisfaction of higher order needs, insufficient information about employees and performance (Kotze & Roodt, 2005:4).

Armstrong (2006:254) suggests that job satisfaction is affected by intrinsic and extrinsic motivating factors, such as the quality of supervision, social relationships with the workgroup and the degree to which individuals succeed or fail in their work. *“The intrinsic motivating factors are factors that influence people in a certain way such as responsibility, autonomy, interesting and challenging work and opportunities for advancement. Extrinsic motivating factors include what is done to or for people to motivate them such as increased pay, praise or promotion and punishments such as disciplinary action”* (Armstrong, 2006:254). Purcell *et al.* (2003) in Armstrong (2006:264) believe that discretionary behaviour which helps the firm to be successful is most likely to happen when employees are well motivated and feel committed to the organisation and when the job gives them high levels of satisfaction. Their research found that the key factors affecting job satisfaction were career opportunities, job influence, and team work and job challenges.

### **2.4.3 Organisational commitment**

Organisational commitment has been defined in various ways by different scholars. Steers (1977:46) was one of the earliest researchers to formulate a definition for organisational commitment and suggested that it refers to *“attachment and loyalty, the relative strength of the individual’s identification with, and involvement in, a particular organisation”*. Organisational commitment consists of three factors:

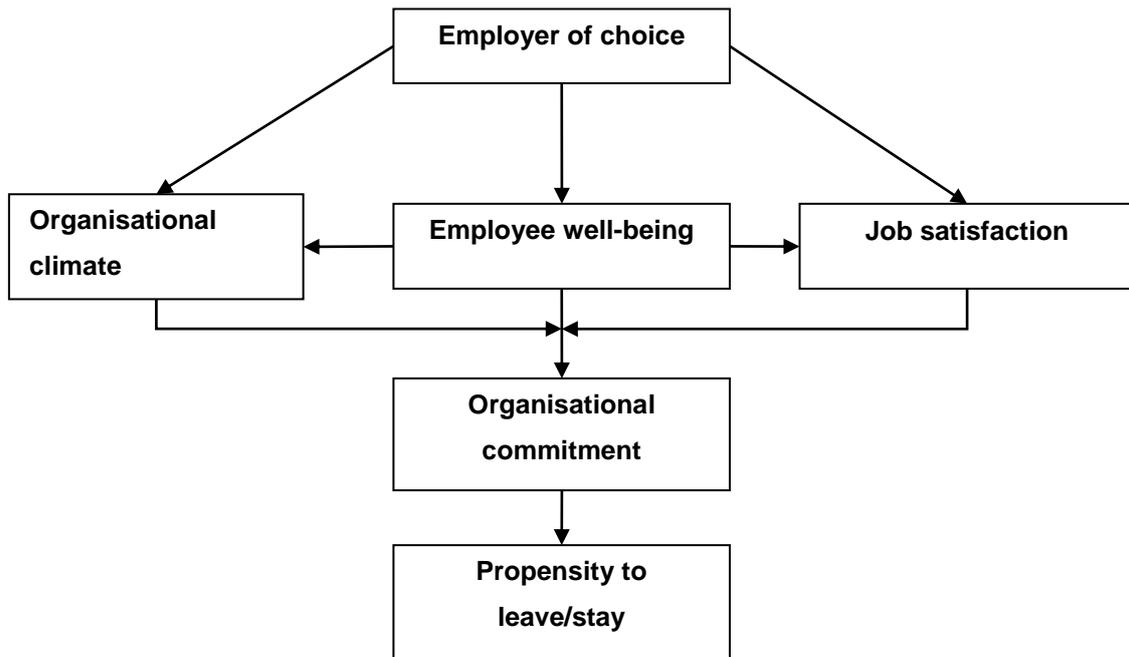
1. *“A strong desire to remain a member of the organisation”*.
2. *“A strong belief in and acceptance of, the values and goals of the organisation”*.
3. *“A readiness to exert considerable effort on behalf of the organisation”*.

(Armstrong, 2006:273).

Other researchers that followed after Porter in the field of organisational commitment were in agreement with Porter’s definition (Steers, 1977:46; Kotze & Roodt, 2005; Cole, 2006). Steers (1977:46) emphasized identification with and involvement in the organisation, whereas Salancik (1977) in Armstrong (2006:272) focused on the belief of the individual to sustain his activities and involvement. Organisational commitment can also be viewed from the perspective of attitudes toward the organisation, desire to stay, as well as emotional attachment (Kotze & Roodt, 2005:4).

Mobley, *et al.*(1979) were amongst the first researchers to discuss the role of organisational commitment in an employee's decision to stay or leave an employing organisation. They suggested that committed employees are expected to remain because they believe in the goals and values of the organisation and are willing to exert effort on its behalf. Steers (1977:46) suggested earlier that employees are more likely to stay as they build longer tenure with the organisation (because of security related perks or other valued outcomes). Hausknecht *et al.*(2009:271) concur with other researchers that organisational commitment along with organisational justice, flexible work arrangements, organisational prestige and location have been viewed as potentially important determinants of employees' decisions to stay.

Kotzé and Roodt (2005:2) conducted a study to test the Veldsman (2003) model that explains the relationship between various factors that affect the propensity of an employee to stay or leave an organisation. These factors are employer of choice, organisational climate, employee well-being, job satisfaction and organisational commitment. There are, however, significant limitations to this study as it was done in only two major South African banks with staff compliments of less than 1000. According to Armstrong (2006:274) "*policies to encourage commitment come to the fore when an organisation wants to concentrate more on retention, loyalty and people putting themselves out for the organisation rather than themselves*".



**Figure 2.4: Veldsman's employee commitment model**

Source: Kotze and Roodt, 2005:2.

The concept of organisational commitment has however been questioned and criticised. An unrealistic assumption is made that an organisation consists of people with shared interests whereas it is really a coalition of interest groups (Armstrong, 2006:275). A unitarist notion of organisational commitment fosters a conformist approach and can be narrowing and limiting for the organisation. The question is also posed whether organisational commitment results in improved organisational performance in practice (Armstrong, 2006:275). Robbins (2001:72) suggests that the unwritten loyalty contract between employees and employers has been seriously damaged and so the notion of an employee staying with one employer for most of his or her career has become obsolete.

#### **2.4.4 Employer of choice**

There are divergent views found in literature regarding a definition for the notion of an employer of choice. An employer of choice is defined as a company or organisation that, because of its status and reputation, is always the first choice (or at least on the short list) of high quality candidates (Ahlrichs, 2000:37). These

companies or organisations outperform their competition in attracting and retaining talented people (Kotze & Roodt, 2005:4 and Phillips & Connell, 2003:2). The notion of employer of choice is part of employer branding, an old principle clothed in new labelling, which enhances attracting and engaging external talent in well-led organisations (Glen, 2007:5). Becoming an employer of choice often involves communicating and emphasizing the positive features of working for a particular organisation to current and potential employees (Armstrong, 2006:396).

Employees want to work for the best employers, hence organisations strive to be the “best company to work for” because that statement translates directly into lower rates of turnover. It is assumed that an employee would rather opt to stay with an employer who is considered to be an employer of choice. The status of an organisation as an employer of choice has been linked to the propensity of employees to stay or leave (Kotze & Roodt, 2005:4).

According to Ahlrichs (2000:37) an employer of choice is characterised by *“comparative high compensation based on performance, sensitivity to work, health and family needs, good growth opportunities, job security, high level of pride in work and company, openness, good communication, fairness, reduced status distinctions and barriers, camaraderie and friendliness as well as talented staff members”*. Herman and Goya (2000) in Kotze and Roodt (2005:4) suggested additional characteristics such as *“career growth opportunities, a challenging working environment and meaningful work, involvement and the opportunity to make a difference”*.

To become and remain an employer of choice presents a major challenge for organisations as it involves acquiring the best talent for the organisation, motivating employees to improve performance, keeping them satisfied and loyal, developing them so they can grow and contribute skills. Table 2.1 demonstrates the shift that must take place in an organisation to become an employer of choice.

**Table 2.1: The shift from normal employer to employer of choice.**

Then	Now
"No time to train"	"Hire people who can learn"
"Career development is the employee's responsibility"	"Career development is the responsibility of the organisation and the employee".
"If you don't like it here, leave"	"If you don't like it here, why".
"You should be grateful just to have a job"	"Thank you, your contribution matters".
"Anyone off the street could do your job".	"Only you will do".
"It's not personal, it's just business".	"It's all personal".

Source: Ahlrichs, 2000:228

### 2.4.5 Job embeddedness

Job embeddedness is a theory, developed by Mitchell, Holtom, Lee, Sablynski and Erez (2001: 7) to describe a broad set of influences on an employee's decision to stay in a job. This broad set of influences is divided into three critical components which are links, fit and sacrifice. Links refer to the extent to which people are linked to others or activities, fit refers to the extent to which jobs and communities fit with other aspects of people's lives and sacrifice refers to the ease with which people can break their respective links, i.e. what they would sacrifice if they left (Mitchell, Holtom, Lee, Sablynski & Erez, 2001: 8; Harman, Lee, Mitchell, Felps & Owens, 2007:53; Holtom, Mitchell & Lee, 2006:330; Crossley, Bennt, Jex & Burnfield, 2007:1032). Job embeddedness as a construct, addresses in essence the non-work factors that could keep someone on the job (Holtom *et al.*, 2006:319)

It is suggested that job embeddedness provides a means of looking beyond job satisfaction and organisational commitment to understand why people remain in a job (Mitchell, Holtom & Lee 2001:102; Harman *et al.*, 2007:53). Job embeddedness provides a better understanding of the off-the-job factors that plays a role in people's decision to stay in a job. Yao, Lee, Mitchell, Burton and Sablynski (2004:156) suggest that job embeddedness also informs us of people's day-to-day behaviours at work. The job embeddedness construct challenges the conventional wisdom that dissatisfied people leave and money makes them stay.

According to the job embeddedness construct, employees become more embedded in the organisation as their formal and informal connection to other people grow and develop. The assumption flows from Mitchell, Holtom and Lee (2001: 102) that these established links between the individual and the community contribute to his/her propensity to stay with an organisation. An individual's embeddedness to the organisation is also determined by the degree to which his/her personal values and career goals are compatible with the culture and values of the organisation and the community. The sacrifices that the individual must make in terms of the benefits that he/she must forfeit when he/she leaves an organisation are the third critical aspect of job embeddedness (Mitchell, Holtom & Lee, 2001: 103).

Even though there are claims that the empirical evidence for job embeddedness is substantial, the model needs to be tested considerably and subjected to future research (Harman *et al.*, 2007:54 and Holtom *et al.*, 2006:329).

#### **2.4.6 Psychological contract**

Most researchers agree that the psychological contract refers to an unwritten contract which serves as the basis of the employment relationship and comprises expectations, beliefs, perspectives, and perceived promises, reciprocal and subjective obligations that the employee and employer hold of each other (Puchala, 2008:3; Hausknecht *et al.*, 2009:274; Lee, 2000:1; De Vos & Meganck, 2007:47).

According to Armstrong (2006:226-227) "*employees may expect to be treated fairly as human beings, to be provided with work that uses their abilities, to be rewarded equitably in accordance with their contribution*". "*Employers on the other hand, expect employees to do their best on behalf of the organisation – to put themselves out for the company, to be fully committed to its values and to enhance the image of the organisation with its customers and suppliers*". "*Mutual misunderstandings can cause friction and stress and lead to recriminations and poor performance, or to a termination of the employment relationship*". The psychological contract therefore plays an important role in an employee's continued loyalty and commitment to an

organisation and his decision to stay with his employer (De Vos & Meganck, 2007:48).

Lee (2000:2) differentiates between relationally-based and transactionally-based psychological contracts. Transactionally-based contracts involve specific, monetary exchanges between parties over a finite and often brief period of time such as a short-term work contract in exchange for a competitive wage rate. *“Relational contracts involve open-ended less specific agreements that establish and maintain a relationship such as the exchange of job security, training and a career path for organisational loyalty”* (Lee, 2000:2). Transactional contracts therefore emphasize short-term employment relationships whereas relational contracts focus more on long-term employment relationships (Lee, 2000:2).

According to Lee (2000:2) significant changes have taken place in the psychological contract which indicates that it has become more transactional and less relational. Employment obligations are more short-term, work content based; there is less job security and employees are employed for as long as they add value to the organisation (Lee, 2000:2). These changes predict negative consequences for the retention of talented employees over the longer term.

The psychological contract governs the continuing development of the employment relationship, which is constantly revolving over time. De Vos and Meganck (2007:48) further suggest that employees who believe that the psychological contract has been breached tend to reciprocate to their employer with reduced levels of commitment or intentions to leave.

In the next section the contemporary talent management strategies are discussed in order to highlight the steps that organisations can and do take to manage their talent.

## **2.5 TALENT MANAGEMENT STRATEGIES**

The previous two sections dealt with the reasons why talented employees are leaving organisations as well as why they are staying, whereas this section deals with what employers should or can do to attract and retain talent. These strategies

are discussed under the headings of Employer of choice, Attraction strategies and Retention strategies.

### **2.5.1 Employer of choice**

According to Armstrong (2006:395) the overall strategy should be to become an employer of choice. This view is supported by Phillips and Connell (2003), Kerr-Phillips and Thomas (2009:6) and Lockwood (2006:4) who are all underlining the role of employer branding and an organisation's status as an employer of choice in the attraction and retention of talent. A strong argument exists for an attractive employer brand that will be a striking force for both external and internal top talent. Lockwood (2006:4) suggests that employer of choice should be viewed as an outcome of corporate culture rather than ad-hoc programmes. Phillips and Connell (2003) emphasise the dominant role that an organisation's status as an employer of choice plays in the management of talent and claims that it translates directly into lower rates of turnover.

Fitz-enz (2000) in Phillips and Connell (2003) suggest that becoming an employer of choice often involves the issue of acquiring the best talent for the organisation, motivating employees to improve performance, keeping them satisfied and loyal, developing employees so they can grow and contribute skills and ultimately retaining those employees. These views suggest a strong argument by researchers for organisations to move towards becoming an employer of choice as a strategy to attract and retain talent.

Becoming an employer of choice involves interesting and rewarding work, opportunities for learning, development and career progression and a reasonable degree of security (Armstrong, 2006:396). These views are shared by Fitz-enz (2000) and Phillips and Connell (2003) who emphasize development as well as high performance levels. An employer of choice also subscribes to work-life balance and a competitive pay system for its employees (Armstrong, 2006:396). The literature reviewed, however, does not present studies where these strategies have been tested and applied successfully in real-life situations.

### 2.5.2 Attraction strategies

Armstrong (2006:396) proposes targeted recruitment and selection with the focus on the sort of people that an organisation needs with regard to qualifications, skills and experience and the extent to which they are likely to fit the culture of the organisation. New recruits should be benchmarked against the current prosperous ones in the organisation; the organisation should identify the characteristics that make current employees successful.

In Table 2.2 below, Horwitz, Heng and Quazi (2003:31-32) make a distinction between popular, highly effective and least effective strategies.

**Table 2.2: Talent Attraction strategies**

Popular strategies	Highly effective strategies	Least effective strategies
Advertised jobs	Competitive packages	Online web recruitment
Internal talent development	Internal talent development	Advertised jobs
Head hunters	Reputation as employer	Head hunters
Online recruitment	Pro-active recruitment	Planned recruitment
Career plans for re-deployment/promotion	Pro-active recruitment initiatives	Planned recruitment visits/student interviews

Source: Horwitz, Heng and Quazi 2003:31–32.

O'Neal and Gebauer (2006:10) are of the opinion that competitive pay is the top global attraction driver followed by work-life balance, challenging work and career advancement opportunities. This information is quoted from the Towers Perrin survey that was done amongst world-wide full time workers in 2005. The survey also confirmed that there was a remarkable difference between the factors that attract people and those that retain them.

### 2.5.3 Retention strategies

Many researchers that have studied retention strategies display divergent thinking about the factors that influence an organisation's retention strategy (Armstrong, 2006:399; Guthridge, Komm & Lawson, 2008:54; Moorthygari & Kirshna, 2009:4; Kerr-Phillips & Thomas, 2009:2; Lockwood, 2006:2; Horwitz, Heng & Quazi,

2003:34; O'Neal & Gebauer, 2006:11). The majority of these studies appear to be subjective without any backup from empirical studies.

Armstrong (2006:397) suggests that a retention strategy should be based on an understanding of the factors that affect it. Moorthygari and Kirshna (2009:4) list a number of best retention strategies in practice whereas Kerr-Phillips and Thomas (2009:6) emphasize the creation of an environment for talented employees to perform. Horwitz, Heng and Quazi (2003:34) make a distinction between most popular, highly effective and least effective retention strategies. The most significant retention strategies discussed by researchers in the literature are as follows: Competitive pay, challenging work, work-life balance, management involvement and social networks.

#### **2.5.3.1 Competitive pay**

Competitive pay packages are considered as one of the most popular and highly effective retention strategies that any organisation can use (Horwitz, Heng & Quazi, 2003:34). Organisations should deal with uncompetitive, inequitable and unfair pay systems and ensure that salary criteria are fair and consistent (Armstrong, 2006:399; O'Neal & Gebauer, 2006:10). In order to counter poaching from competitors, organisations should therefore ensure that the salaries of top performers are considerably higher than average performers. A fair compensation alone does not, however, guarantee employee loyalty (Moorthygari & Kirshna, 2009:5).

#### **2.5.3.2 Challenging work**

The study of Horwitz, *et al.* (2003:34) considers challenging work as another most popular and highly effective retention strategy. "*Jobs should be designed to maximise skill variety, task significance, autonomy and control*" (Armstrong, 2006:397). Talented employees are stimulated by challenging work that matches their abilities and skills. Oehley (2007:31) concurs that "challenging assignments are perceived to be attractive to talented employees if they require the achievement of results through influencing others, have increased responsibility, involve problem solving or taking on assignments that will stretch their abilities".

### 2.5.3.3 Work-life balance

A balance between work and home life reduces stress and contributes towards retaining employees (Armstrong, 2006: 877). There is agreement amongst researchers that employers need to take steps to improve work-life balance by developing policies that recognise the needs of employees outside work (Armstrong, 2006:399; Moorthygari & Kirshna, 2009:4; O'Neal & Gebauer, 2006:10; Oehly, 2007:34). Strategies to increase work-life balance include flexible working hours, flexible leave practices, work from home, compressed work weeks, employee assistance programmes, childcare facilities, fitness centres, sport facilities and cafeterias.

### 2.5.3.4 Management involvement

The role that managers play in leading their people to accomplish organisational goals is extremely important for the retention of talented employees. *"People often leave their managers rather than their organisations"* (Armstrong, 2006:399). According to O'Neal and Gebauer (2006:12) the following issues are considered as top global retention drivers: *"My manager understands what motivates me, senior management makes an effort to be visible and accessible to employees, overall quality of supervision and there is overall satisfaction with business decisions"*. Griffith, *et al.*(2000) in Oehly (2007:32) are consistent with this view and suggest that an employee's dissatisfaction with the quality of their relationship with their boss is the strongest single predictor of decisions to quit. Strategies to promote good working relationships are good leadership skills, team work, visibility and accessibility of leaders, two-way communication, participative management and performance recognition (Armstrong, 2006:397; Moorthygari & Kirshna, 2009:4, Kerr-Phillips & Thomas, 2009:6, O'Neal & Gebauer, 2006:11).

The next section will summarise and conclude all the literature in Chapter Two.

## 2.6 SUMMARY

The concept talent has been defined differently by various authors, but one can conclude confidently that talent refers to the collection of skills, special abilities, characteristics, knowledge and experience that people possess. These people use these traits or talents to advance the interests of the organisations that employ them as well as their own interests in terms of their own development and advancement. The nature and purpose of any organisation plays a role in whether special abilities will be considered as talent as it is considered as a concept that is situation specific and will differ from organisation to organisation. Talent management is considered as the activity that addresses an organisation's views and perceptions on what it considers as talent and how it deals with talent from the moment it is acquired until it is lost. Most of the definitions of talent management include attraction, development, human capital and retention which are all human resources management related concepts.

Talent management is considered by many authors as a strategic issue for organisations as it contributes to workplace productivity, supports organisational strategies and can lead to improved organisational outcomes. There are many factors, especially in the macro environment, which contributed to the need for talent management such as global skills shortages, increasing globalisation, advances in technology and digitisation as well as workforce demographic changes and consistent economic expansion. Organisations should therefore consider talent management as a critical process that plays a role in organisational effectiveness.

Talent management contains elements such as talent attraction, talent development and talent retention which forms an integral part of the talent management activity. In order to understand the drivers for talent management one must also understand why talented employees are leaving organisations. Talented employees are leaving organisations for various reasons and some of these reasons are motivated by the employee's own needs, whereas other reasons are motivated by organisational circumstances or conditions. In terms of the theory on employee turnover, employees become dissatisfied when outcomes such as promotion, pay and job satisfaction do not meet their expectations. Mitchell and Lee (1994) used the

unfolding model of employee turnover to describe reasons that are unrelated to employees' jobs as motivation for them to leave. Other reasons why employees leave includes bad management, lack of training and poor career development, general economic conditions, personal mobility, job security, more money and better benefits. If all the factors why employees leave organisations are considered, it can be concluded that job dissatisfaction plays an integral role in an employee's decision to leave.

The most significant reasons why employees stay with organizations, such as job satisfaction, organisational commitment, employer of choice, job embeddedness and the psychological contract were discussed. Job satisfaction, organisational commitment, employer of choice, job embeddedness and the psychological contract seem to be complex issues which do not provide easy solutions for employee turnover.

The talent management strategies that are suggested by various researchers imply that becoming an employer of choice would be the ideal strategy to attract and retain talent within an organisation. Becoming an employer of choice entails interesting and rewarding work, opportunities for learning, development and career progression, a reasonable degree of security, work life balance and a competitive pay system.

The next chapter will deal with the legislative context for talent management in South Africa.

# CHAPTER THREE: THE LEGISLATIVE CONTEXT FOR TALENT MANAGEMENT IN THE SOUTH AFRICAN PUBLIC SERVICE

## 3.1 INTRODUCTION

The previous chapter covered the theoretical context of talent management globally whereas this chapter will provide a legislative context for talent management in the South African public service. Talent management in the South African public service is incorporated in the human resources legislation that prescribes the management of human resources. There is however no specific legislation promulgated by government that governs talent management as an exclusive functional area in the public service, but one could argue that talent management should be seen as a specific approach to human resources management. The fact that the concept talent is such a diverse and relative concept makes this a complex issue for government to apply to all public service departments. Talent in the education department would not necessarily be seen as talent in the health department, as an example.

The theoretical framework in Chapter Two has underlined the strategic importance of talent management in any organisation, from which the South African public service cannot be excluded. The South African public service, as an organisation, has traditionally been characterised as hierarchically structured bureaucracies filled with technically trained public service employees (Van Dijk, 2009:522). There is a strong argument for the practice of talent management within the South African public service if one considers the nature, complexity and scope of modern public service organisations (Van Dijk, 2009:524).

The following legislation and policy guidelines will be reviewed to provide a legislative context for talent management in the South African public service:

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);
- Public Service Act, 1994 (Act No.103 of 1994);

- Public Service Regulations, 2001;
- White Paper on Human Resource Management in the Public Service (1997);
- Public Finance Management Act, 1999 (Act No. 1 of 1999);
- Department of Public Service and Administration (DPSA) Retention Guide (2006).
- Human Resources Related Legislation,
  - Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
  - Employment Equity Act, 1998 (Act No. 55 of 1998);
  - Labour Relations Act, 1995 (Act No. 66 of 1995);
  - Occupational Health and Safety Act, 1993 (Act No. 85 of 1993); and
  - Skills Development Act, 1998 (Act No. 97 of 1998).

### **3.2 THE CONSTITUTION OF SOUTH AFRICA, 1996 (ACT 108 OF 1996)**

The Constitution of the Republic of South Africa (1996) (hereafter referred to as the Constitution) is the supreme law of the republic and all other laws and acts that are inconsistent with it are invalid (Constitution, 1996(2)). Section 195(1) sets out basic values and principles governing public administration and the following sub-sections must be emphasised for the purposes of a talent management context:

- (b) "Efficient, economic and effective use of resources must be promoted".*
- (c) "Public administration must be development-oriented".*
- (h) "Good human-resource management and career-development practices, to maximise human potential, must be cultivated".*
- (i) "Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation"(Constitution, 1996:107)*

Section 195(1) of the Constitution clarifies further that these basic values and principles are applicable to all administrations in every sphere of government, organs of state and public enterprises. Talent management, in the context of section 195(1)(h), is a complementary human resource management process which ensures that talented public service employees are attracted, developed and retained in the interest of an efficient, economic and effective public service. The word “*ability*” in Section 195 (1) (i) must be emphasised as this is one of the elements of “*talent*” as described by Cheese, Thomas and Craig (2008:9).

In the context of section 195 (1) (i) it is important to note that talent management is an important practice to ensure that imbalances of the past are addressed and that broad representivity is achieved in the public service. Public service departments that are under-represented in terms of Africans, Coloureds, Indians, women and the disabled (the “designated groups” according to the Employment Equity Act, 1998) can ensure representation, by formulating strategies to attract, retain and develop talented employees that fall within these designated groups.

The next section will review the sections of the Public Service Act, 1994 that holds implications for talent management.

### **3.3 PUBLIC SERVICE ACT, 1994 (ACT 103 OF 1994)**

The Public Service Act, 1994 (hereafter referred to as the Public Service Act) gives effect to the stipulations of the Constitution to ensure an efficient public administration through regulation of the employment conditions of public servants. The Public Service Act does not address talent management directly but deals with issues such as the organisational structure, appointments, promotions and transfers of public service employees. Section 11 (2) (b) states that training, skills, competence and knowledge must be considered when people are considered for appointment in the public service. This implies that talent is a strong factor in the appointment of public service officials. Section 11 (2) (b) emphasises again that the imbalances of the past as well as broad representivity need to be redressed, a process which could be facilitated by talent management, as mentioned in Section 3.2 above.

### **3.4 PUBLIC SERVICE REGULATIONS, 2001**

The Public Service Regulations, 2001 (hereafter referred to as the Public Service Regulations) emanates from the Public Service Act and regulates the employment conditions of officials employed by the South African public service. The Public Service Regulations are more detailed in terms of employment conditions including delegations and responsibilities, job evaluation, compensation, recruitment and selection, performance management, training and education, labour relations and the senior management service.

Part V, section A2 of the Public Service Regulations states specifically that an executing authority should take the need to recruit and retain personnel with appropriate competencies into account when it determines the salary of an employee. Section E (part II) states that “*the minister may introduce programmes to identify and nurture talented individuals for possible appointment to SMS posts*”. SMS posts refer to posts for employees in the senior management service, which are from Directors to Director-Generals, in the public service. The Public Service Regulations, however, do not make any reference to employees on the lower levels in the hierarchy of the public service. Section E (part II) therefore refers to the development and career management elements of the talent management practice as referred to in Chapter Two.

### **3.5 WHITE PAPER ON HUMAN RESOURCE MANAGEMENT IN THE PUBLIC SERVICE (1997)**

The White Paper on Human Resource Management in the Public Service (1997) (hereafter referred to as White Paper HRM, 1997) is the first holistic post-1994 policy framework that was formulated to govern human resource management in the South African public service. The purpose of this White Paper was to set out a policy direction for the transformation of human resources management in the public service. A new vision and mission for public service human resource management was created:

Vision: *“Human resource management in the Public service will result in a diverse, competent and well managed workforce, capable of and committed to deliver high quality services to the people of South Africa”* (White Paper HRM, 1997).

Mission: *“Human resource management in the Public Service should become a model of excellence, in which service to society stems from individual commitment instead of compulsion. The management of people should be regarded as a significant task for those who have been charged with that responsibility and should be conducted in a professional manner”* (White Paper HRM, 1997).

The concepts *“diverse”*, *“competent”*, *“well managed”* and *“capable of”* in the vision relate to the practice of talent management as it was defined in Chapter Two. Even though the concept, talent management, was not used in White Paper HRM, 1997 one can assume that it was precisely what the White Paper HRM, 1997 referred to in terms of the vision for the Public Service which calls for a competent and well managed workforce.

The White Paper HRM, 1997 also deals with other issues that are significant for talent management such as career management and recruitment and selection.

- **Career management** – individual employees would be granted opportunities to advance their career in the Public Service in line with the operational requirements of the Public Service (White Paper HRM, 1997:43). The employee would be responsible to manage his/her own career and managers would assist employees through the provision of training and development opportunities to advance their careers (White Paper HRM, 1997:44).
- **Recruitment and selection** – recruitment would serve as a means to achieve employment equity and attract the necessary skills for a department’s operational needs (White Paper HRM, 1997:37). Recruitment methods specified are advertisement (the most frequent method of recruitment), head hunting and internal placements.

White Paper HRM, 1997 does not address the retention of talented employees which is one of the elements of the talent management practice as defined by Lockwood (2006:2) in Chapter Two.

### **3.6 PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999)**

The Public Finance Management Act, 1999 (hereafter referred to as PFMA) grants executive powers to the provincial and national government departments to manage all revenue, expenditure, assets and liabilities efficiently and effectively. The PFMA *“provides for the responsibilities of persons entrusted with financial management in those government departments”*.

In terms of the White Paper HRM, 1997:37 a public service department needs to draw up its recruitment policies to achieve its skills needs in order to meet its operational needs. The Western Cape Provincial Treasury (WCPT) therefore needs individuals with financial management skills and abilities to meet its operational needs.

The PFMA also plays a significant role in the ultimate definition of talent within WCPT as every responsibility requires unique abilities. Section 18 of the PFMA lists the functions and powers of the provincial treasury, which are executed by the accounting officer and his delegated officials. In terms of section 18 a provincial treasury must play a leading role in financial planning in terms of the provincial budget within the province and must also assist other provincial departments in building their capacity for efficient, economic and effective financial management. Section 38 furthermore lists the general responsibilities of accounting officers, who are normally the head of the department. The accounting officer has wide responsibilities in terms of financial planning, accounting and auditing and section 44 grants the accounting officer a mandate to delegate many of these responsibilities to officials with the necessary capabilities.

## **3.7 DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION RETENTION GUIDE (2006)**

The Department of Public Service and Administration Retention Guide, 2006 (hereafter referred to as DPSA Retention Guide, 2006) serves as a guideline to government departments in South Africa to develop their own retention strategies according to their own needs and requirements to retain their most talented employees. The retention guide sketches the background issues that led to the need for the retention of scarce skills such as historical factors, the impact of HIV/AIDS in the workplace, globalisation and the increased mobility of employees with scarce skills. The retention guide furthermore provides a conceptual understanding of staff retention, why talented employees leave while others stay and how to implement strategies to attract and retain talented employees with scarce skills (DPSA Retention Guide, 2006).

Practical ideas and suggestions to departments on how to manage staff retention in practice are the following:

### **3.7.1 Creating a successful retention strategy**

Every department should design a retention strategy that accommodates its unique operations. An effective retention strategy should at least be characterised by the skills that an organisation needs, be informed by the demands of the labour market, be supported by senior management, be implemented by HR/line management partnership and be guided by an HR strategy and execution plan (DPSA Retention Guide, 2006:15).

### **3.7.2 Key steps in staff retention management**

DPSA Retention Guide, 2006 suggests four key steps to staff retention management:

- **Analysing staff mobility and turnover trends** – assessing staff morale, keeping staff statistics, benchmarking with other employers, conducting exit interviews.
- **Identify skills to be retained** – identify skills to be retained to meet service delivery needs of department, classifying skills as scarce, valued or high risk.
- **Designing appropriate interventions to retain staff**–links staff retention to effective recruitment and selection process; links staff retention to effective induction, integrate employee development in staff retention, aligns competencies with job requirements; provides growth opportunities, rewarding high performers, leading by example, conducting exit interviews, compensation, performance management, career-pathing. Mentorship and coaching programmes from senior and middle managers, special retention strategies for knowledge workers, accelerated development programmes, special programmes for promising and talented workers, high performers and designated groups in terms of employment equity.
- **Monitoring and evaluation** – drafting a departmental staff retention policy (DPSA Retention Guide, 2006:15-21).

The steps to staff retention management above, specifically relate to the strategies that an organisation can formulate to retain talented employees as in the definition of talent management in Chapter Two.

This retention guide can only serve as a guide and each and every public service department should identify its own skills needs in order to attract, develop and retain talent that would assist it to achieve its objectives.

### **3.8 HUMAN RESOURCES RELATED LEGISLATION**

The following human resource related legislation plays a role in talent management in the public service and will now be reviewed: Basic Conditions of Employment Act,

1997; Employment Equity Act, 1998; Labour Relations Act, 1995; Occupational Health and Safety Act, 1993 and the Skills Development Act, 1998.

### **3.8.1 Basic Conditions of Employment Act, 1997 (Act 75 of 1997)**

The Basic Conditions of Employment Act (hereafter referred to as BCEA) regulates basic conditions of employment in South Africa and ensures compliance as a member state of the International Labour Organisation, as indicated in the preamble of the BCEA. The BCEA regulates working hours, leave, particulars of employment and remuneration, termination of employment (BCEA, 1997). A short summary of the issues that are critical for talent management follows hereafter:

- **Working hours** – section 7 places a duty on employers to regulate working time to comply with any act governing occupational health and safety; an employer must consider the health and safety of workers; as well as the family responsibilities of employees. Employers may not require from employees to work more than 45 hours per week or more than three hours overtime per day and 10 hours overtime per week, depending on the industry. Employers that do not comply with these minimum conditions will experience not only legislative challenges but also challenges in terms of attracting and retaining talented employees (Armstrong, 2006:395).
- **Leave** – in terms of sections 20, 22, 25, 27 an employer must grant a minimum period of annual leave, sick leave, maternity leave and family responsibility leave to employees. Leave is a service condition that can contribute to an organisation's attractiveness as an employer (Oehley, 2007:26).
- **Particulars of employment and remuneration** – in terms of section 29 an employer must give an employee the information about the terms of employment and section 31 places an obligation on employers to keep proper records of their employees; sections 32 to 35 set out the conditions for the remuneration of employees. As an example, it might be possible that an employer can instate deductions against an employee's salary that have never been agreed upon in the employment contract. The manner that people

are treated by an organisation plays an important role in its ability to attract and retain talented employees (Armstrong, 2006:395).

- **Termination of employment** – section 37 sets minimum conditions for notices of termination of employment and section 39 deals with payment on termination. As an example one can think of a case where an employer informs the employee via another employee that his services are no longer needed and he/she does not have to report for duty again. The legislative requirement in the BCEA will reflect on an employer's ability to attract and retain talented employees in terms of its compliance when it terminates the contracts of employees (Armstrong, 2006:395).

### **3.8.2 Employment Equity Act, 1998 (Act 55 of 1998)**

The Employment Equity Act, 1998 (hereafter referred to as Employment Equity Act) has profound implications for talent management in the Public Service as it seeks to address the promotion of equal opportunities and the elimination of unfair discrimination. In terms of section 15 (2) (d) (ii) affirmative action includes measures to *“retain and develop people from designated groups and to implement appropriate training measures, including measures in terms of an act of Parliament providing for skills development”*.

The definitions in Chapter One of the Employment Equity Act describe the designated groups as black people, women and people with disabilities (Employment Equity Act, 1998:3). In terms of section 20 a designated employer (WCPT is a designated employer in terms of the Act) must prepare and implement an employment equity plan which will achieve employment equity in the employer's workforce. In terms of section 20 (3) (a) – (d) *“a person may be suitably qualified for a job as a result of his qualifications, prior learning, relevant experience and the capacity to acquire, within a reasonable time, the ability to do the job”* (Employment Equity Act, 1998:3). The Employment Equity Act places a duty on employers to implement strategies to attract and retain talented employees from the designated groups in particular to redress the imbalances of the past. In this respect talent

management is of strategic importance to reach the objectives of the Employment Equity Act.

### **3.8.3 Labour Relations Act, 1995 (Act 66 of 1995)**

According to Grobler, Wörnich, Carrell, Elbert and Hatfield (2006:428) the purpose of the Labour Relations Act (1995) is to advance economic development, social justice, labour peace and the democratisation of the workplace. The Labour Relations Act is therefore imperative for the maintenance of sound relations between all role players (including employers, unions, employees, employer organisations, managers) in the workplace and also contributes to higher levels of performance. The Labour Relations Act regulates the individual and collective rights of both the employer and the employee and seeks to ensure stability in the workplace. The implication for talent management is that it might become difficult to attract, develop and retain talented employees that are subjected to conditions where unfair labour practices are inherent to the organisation.

### **3.8.4 Occupational Health and Safety Act, 1993 (Act 85 of 1993)**

The Occupational Health and Safety Act provides for the health and safety of employees at work. Armstrong (2006:395) suggests that a great place to work is an organisation that achieves results, delivers quality products and services, behaves ethically and provides good conditions of employment. The Occupational Health and Safety Act provides for measures that employers as well as employees can follow to ensure health and safety in the workplace. The implementation of the Occupational Health and Safety Act requires talent management strategies to attract and retain talented employees that have the skills, knowledge and experience to ensure healthy and safe conditions in the workplace.

### **3.8.5 Skills Development Act, 1998 (Act 97 of 1998)**

According to the preamble of the Skills Development Act the overall objective of this Act is to improve and develop the skills of the South African workforce. Grobler (2006:337) views the Skills Development Act as an opportunity for employers to

improve competencies of employees. Talent management becomes important to achieve the goals of the Skills Development Act as competent and skilled employees need to be attracted, developed and retained to ensure an organisation meets its skills development objectives.

### 3.9 SUMMARY

The legislative framework for talent management in South Africa is illustrated in the diagram below:

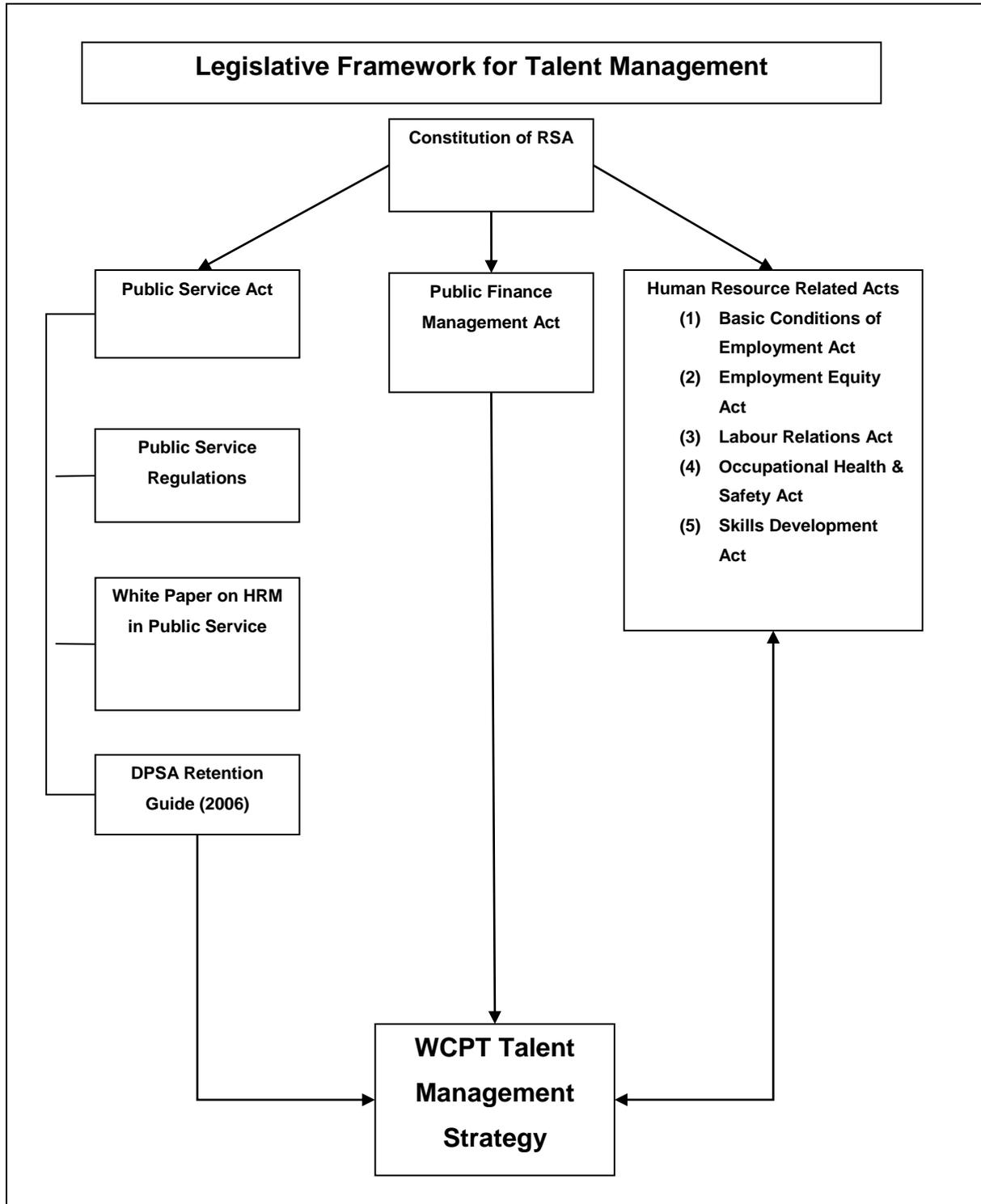


Figure 3.1: Legislative framework for talent management in South Africa

The legislative context for talent management is extensive and can be found in the Constitution, a number of Acts and policy documents that flow out from the Constitution. Talent management can also be legislated by other Acts or policy documents that cover the activities of other government line departments that have to employ specific occupational groups to deliver essential government services such as scientists, legal professionals, teachers, among others.

One can argue that talent management is the practice that can contribute to the Constitution's requirement for a development-oriented, efficient, economic and effective public administration. Talent management therefore derives its legislative mandate from the Constitution first, before any other piece of legislation or policy document.

The following chapter will examine the WCPT as a case study to determine the status of the practice of talent management in this organisation.

## **CHAPTER FOUR: CASE STUDY – WESTERN CAPE PROVINCIAL TREASURY (WCPT)**

### **4.1 INTRODUCTION**

The previous chapter outlined the legislative and contextual framework for talent management in South African public service organisations. It was concluded that talent management derives its legislative mandate from the Constitution, 1996 and various other acts in order to ensure a development-oriented, efficient, economic and effective public administration in South Africa.

This chapter will review WCPT as the unit of analysis of a case study in order to shed light on the practice of talent management as outlined in both Chapters Two and Three. WCPT is considered as an influential organisation within the Provincial Government Western Cape (PGWC) in terms of its mandate to ensure effective, efficient and economic financial management. WCPT plays a pivotal role in service delivery ensuring that all the other provincial government departments, under the umbrella of PGWC, have the financial capacity to deliver much needed services to the citizens of the Western Cape. Talent management within WCPT could therefore serve as a model for how other government departments in PGWC could manage talent and contribute to this development-oriented, efficient, economic and effective public administration in South Africa.

A brief background of WCPT in terms of its history, vision and mission as well as the past and current organisational structure will be provided. This will be followed by a background of talent management within WCPT to highlight whether the practice of talent management exists within WCPT as an organisation. Employee turnover will furthermore be analysed in terms of current Persal statistics.

The WCPT strategic plan for 2010/11 – 2014/15 will be reviewed to determine whether talent management is on the strategic agenda of WCPT as a public service organisation. The strategic plan is normally applicable for a five year period. The Annual Performance Plan for 2009/10 – 2011/12 which was developed with the

WCPT strategic plan and which reflects the performance targets for the current year will furthermore be reviewed.

The strategic human resources plan for 2008 – 2012 will furthermore be reviewed to focus on WCPT's approach towards its requirements for human resources.

## **4.2 BACKGROUND TO WCPT**

### **4.2.1 History of WCPT**

WCPT was established on 1 April 1995 after the first democratic elections in 1994 which led to nine new provincial administrations in the Republic of South Africa in terms of the interim Constitution, 1993. With the establishment of the new Provincial Government Western Cape, the financial management of the province was first the responsibility of the Finance and Corporate Services Department. The Finance and Corporate Services Department also had a mandate to establish similar governance structures in the Northern and Eastern Cape provinces. Specific employees of the old Cape Provincial Administration were seconded to WCPT to implement the stipulations of the new Public Finance Management Act, 1999 (PFMA, 1999) and to establish WCPT as an organisation.

WCPT has had a number of Members of the Executive Council (MEC's) as political heads since 1995, namely Messrs. Kobus Meiring, Lampie Fick, Leon Markowitz, Ebrahiem Rasool, Lynne Browne, Garth Strachan and currently Alan Winde. Dr. JC Stegmann has been the Head of the Department (the Accounting Officer in terms of the PFMA, 1999) of WCPT since the organisation was established. Figure 4.1 below indicates the organisational structure of the organisation after it was established in 1995. In terms of this organisational structure WCPT had an approved establishment of 200 vacancies when it was established ([www.Capegateway.gov.za](http://www.Capegateway.gov.za), 2010-06-23).

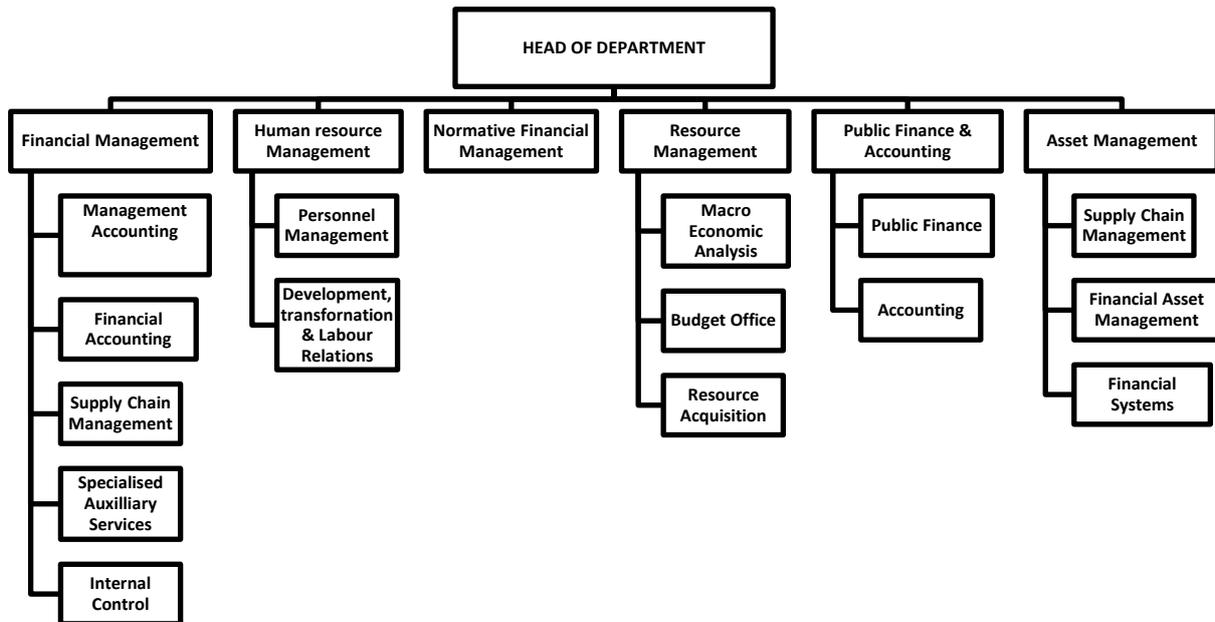


Figure 4.1: Organisational structure of WCPT in 1995

Source: Bastiaanse, 2010.

#### 4.2.2 WCPT Vision, mission and WCPT mandate

The vision, mission and mandate of WCPT will have significant implications for talent management as this will drive the operations of the organisation in a pre-determined direction to achieve certain goals. The vision of WCPT is therefore to become **“a change agent in resource allocation and utilisation practices to achieve the highest possible living standards in pursuing the systematic reduction in social and economic disparities”**. Robbins and Barnwell (2006: 387) suggest that change agents include senior executives, managers or major units who want to implement change within the organisation. The practice of talent management will assist WCPT to attract and retain these change agents.

The mission of WCPT elaborates on what it will do to achieve the vision. The mission of WCPT is **“to obtain financial and supportive means and utilise them to the optimum advantage of the whole community”**. Talent management will play a role in ensuring that the people with appropriate skills and talents are acquired to achieve the mission.

WCPT Mandate is to:

- ensure efficient and effective management of public finances in the PGWC;
- be responsible for fiscal discipline, enhancing the quality of expenditure, the allocation financial resources and improvement of overall financial governance in the provincial and municipal spheres;
- expand the economic base and financial management capability in the PGWC in terms of the PFMA (1999) and the MFMA (2003);
- be accountable to the National Treasury for the effective and efficient financial management of public funds that have been granted to it for service delivery.

The provincial government departments that form part of WCPT's responsibility in PGWC include the following: Department of the Premier; Provincial Parliament; Community Safety; Education; Health; Social Development; Local Government; Human Settlements; Environmental Affairs and Development Planning; Transport and Public Works; Agriculture; Economic Development and Tourism; and Cultural Affairs and Sport.

The local government departments that form part of WCPT's responsibility include the following municipalities in PGWC: City of Cape Town Metropolitan Municipality; Beaufort West Local Municipality; Bergrivier Local Municipality; Bitou Local Municipality; Breede River/Winelands Local Municipality; Breede Valley Local Municipality; Cederberg Local Municipality; Drakenstein Local Municipality; George Local Municipality; Kannaland Local Municipality; Knysna Local Municipality; Laingsburg Local Municipality; Hessequa Local Municipality; Matzikama Local Municipality; Mossel Bay Local Municipality; Oudtshoorn Local Municipality; Overstrand Local Municipality; Prince Albert Local Municipality; Saldanha Bay Local Municipality; Stellenbosch Local Municipality; Swartland Local Municipality; Theewaterskloof Local Municipality; Witzenberg Local Municipality; Cape Wineland District Municipality; Central Karoo District Municipality; Eden District Municipality; Overberg District Municipality; and West Coast District Municipality.

### 4.2.3 WCPT current organisational structure

The organisational structure of WCPT has gone through major restructuring exercises since its establishment in 1995. The PFMA (1999) and MFMA (2003) placed more responsibilities on WCPT in terms of its legislative mandate and led to an expansion of its establishment. Figure 7 below indicates the organisational structure at Senior Management level as on 28 February 2010. The staff complement of WCPT has been increased to 300 vacancies of which 244 are filled with permanent staff, 3 contract workers, 6 interns and a vacancy rate of 18,66 percent.

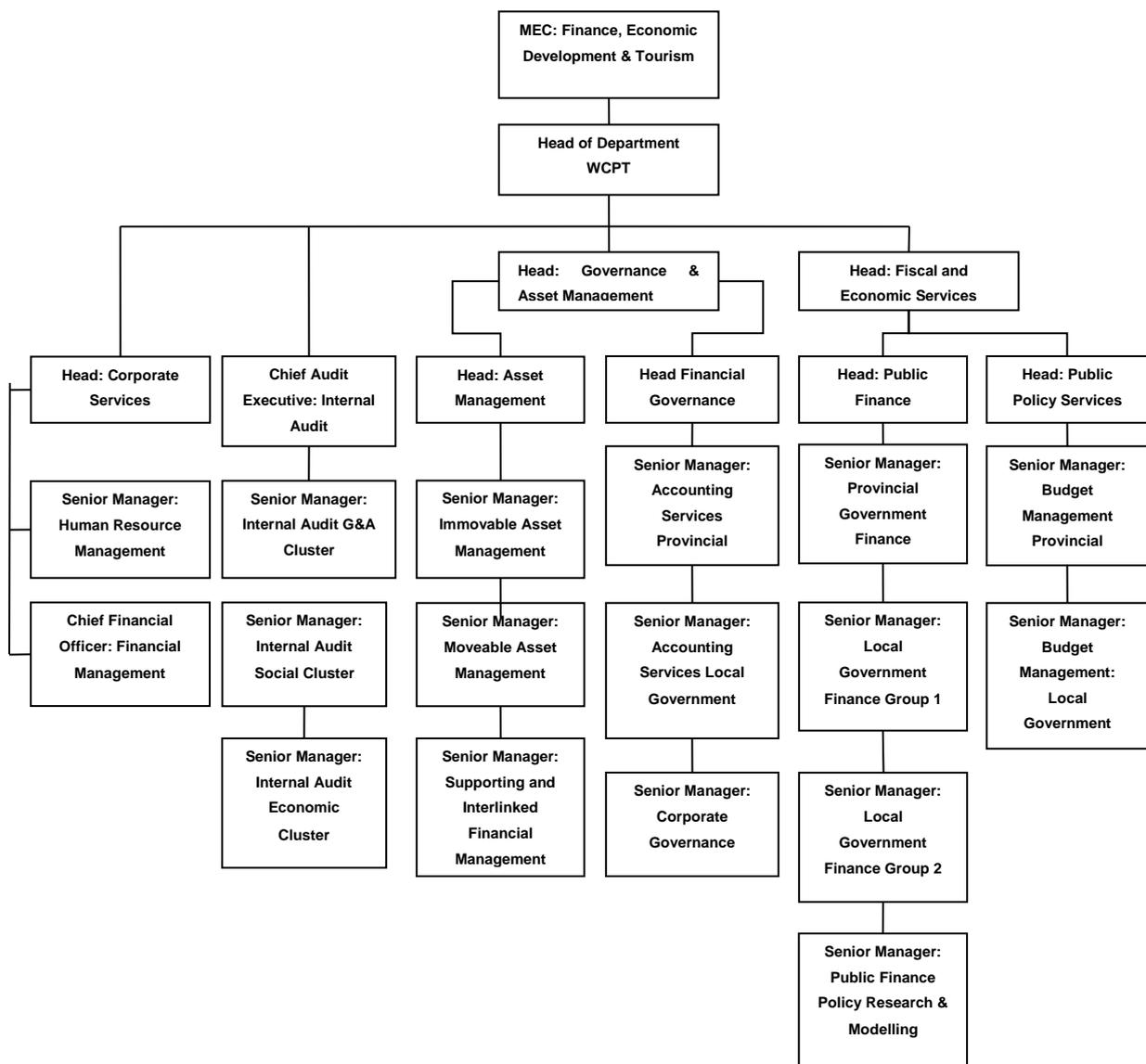


Figure 4.2: Current senior management organisational structure of WCPT

Source: <http://intrawp.pgwc.gov.za> [2010-06-23]

The operations of WCPT are currently organised into the following four programmes:

- **Programme One:** Administration - The purpose of programme one is to conduct the strategic management and overall administration of WCPT and consist of the following sub-programmes: Office of the Minister, Management Services, Corporate Services and Financial Management.
- **Programme Two:** Sustainable resource management - The purpose of programme two is to provide professional advice on economic parameters and fiscal policy, assess and monitor municipal budgets and manages the provincial budget. The sub-programmes of programme two include programme support, economic analysis, fiscal policy, budget management and public finance.
- **Programme Three:** Asset and liabilities management - Programme three provides policy direction; facilitates the effective and efficient management of financial systems, physical and financial assets, public private partnerships and liabilities within the provincial and municipal spheres. The sub-programmes of programme three are programme support, asset management, liabilities management and supporting and interlinked financial systems.
- **Programme Four:** Financial governance - Programme four promotes financial management improvement, accountability and efficiency within the provincial and municipal spheres. The sub-programmes of programme four are programme support, accounting services, norms and standards, risk management and provincial internal audit.

The departmental budget is aligned to each programme, sub-programme and project which is ultimately directed towards service delivery. The departmental budget allocation to WCPT for the 2010/11 financial year amounted to R160 470 000.00. An amount of R111 309 000.00 was allocated for the compensation of employees, which can be calculated as 69 percent of the total budget allocation.

WCPT's organisational structure has been influenced by recent political changes in the PGWC. The new political leadership of the Democratic Alliance has implemented a "modernisation" process which intends to modernise PGWC public service institutions by bringing them in line with local and international best practice, ensuring that these institutions are fit for purpose and that they serve the public in a cost effective and efficient way. The human resources, internal audit and enterprise risk management components of WCPT have been relocated to the Department of the Premier where these functions have been centralised. WCPT therefore does not have a human resources component at the moment to drive the implementation of talent management within the organisation due to this modernisation process.

This section provided a background of WCPT as an organisation whereas the next section will provide a background of talent management within WCPT.

### **4.3 BACKGROUND TO TALENT MANAGEMENT IN WCPT**

Talent management is a relatively new concept within WCPT and became important for the organisation after it realised that a solution is needed for high employee turnover and the need to retain talented employees. In the WCPT Annual Performance Plan 2005/06 – 2007/08 measures have been prioritised to enhance and optimise recruitment processes and the implementation of measures to attract and retain scarce skills. Scarce skills in this context refer to skills that were essential for the organisation in order to reach its objectives.

Measures to attract and retain scarce skills have been addressed in the Annual Performance plans of 2006 – 2008 and 2009 – 2010 and the development of a comprehensive talent management strategy has been suggested eventually in the Annual Performance Plan of 2009-2010. An external service provider, Decipher Consulting, has been approached by WCPT to develop the talent management strategy in line with a competency framework for WCPT. A talent management strategy and competency framework has been developed by the service provider but has not been implemented due to the Modernisation process which was initiated by Premier of the Western Cape (WCPT Human Resources Plan, 2008-2012).

## 4.4 EMPLOYEE TURNOVER IN WCPT

The definition of employee turnover in Chapter Two refers to employee movement out of the organisation. This section will analyse employee turnover from 1 January 2007 until 31 December 2009 within WCPT. A specific period is necessary to calculate a turnover rate in terms of the formulae provided in Chapter Two. Table 4.1 indicates the employee turnover statistics in the above period per type of exit.

**Table 4.1: Employee turnover statistics**

TYPE OF EXIT	NUMBER OF EMPLOYEES	TURNOVER PERCENTAGE
Resignations	64	26.22%
Contract expiry	61	25%
Deceased	2	1.39%
Employee initiated severance package	4	1.64%
Service Period Expired	12	8.33%
Dismissal	1	0.41%
Total Separation Rate	161	69.97%

Source: Persalshare, 2010-07-21.

The turnover percentages were calculated on the basis of an average number of 244 employees for the mentioned period. The exits due to contract expiry, deceased, service period expired and dismissals can be considered as unavoidable turnover and can be deducted from the total turnover rate. The avoidable turnover rate of 27.86percent is calculated by adding the resignations and employee initiated severance package type of exits. Table 4.2 reflects the turnover rate per programme within WCPT.

**Table 4.2: Turnover rate per programme in WCPT**

Programme	Number of employees	Turnover %
Administration	16	6.55%
Sustainable Resource Management	22	9.01%
Asset & Liabilities Management	13	5.33%
Financial Governance	17	6.97%
Total	68	27.86%

Source: Persalshare: 2010-07-22.

Table 4.3 reflects the turnover rate per job title, average age and average number of years of service:

**Table 4.3: Turnover rate per job title, average age and average years of service**

Job Title	% turnover	Average Age	Average no. years of service
Accounting Clerks	1.22%	27	3
Accounting Practitioner	1.22%	31	1.3
Administration Assistants	1.63%	32	2.25
Administration Managers	0.4%	30	3
MEC Appointment Secretary	0.4%	33	4
Ass. Manager Risk Management	0.4%	30	7
Ass. Internal Auditor	0.81%	24	1
Audit Clerk	1.22%	26	3
Cash flow Controller	0.4%	40	19
Chief Accounting Clerk	0.4%	31	8
Chief Data Collator	0.4%	27	0
Chief Financial Analyst	0.4%	33	6
Chief Internal Auditor	1.63%	30	4.5
Deputy Director Administration	0.4%	26	2
Economic Advisor	0.4%	26	2
Economist	1.63%	28	2
Financial Analyst	0.81%	42	6
MEC Head of the Office	0.4%	44	1
Human Resources Practitioner	1.63%	35	17
Internal Auditor	1.63%	26	3
Local Government Expenditure Analyst	0.81%	33	12.5
Local Government Revenue Analyst	0.4%	31	3
Local Government Financial Analyst	0.81%	37	4.5
Manager Internal Audit	0.4%	39	1
Office Assistant	0.4%	31	2
Office Manager	0.4%	63	0
PPP Unit Manager	0.4%	32	3
Procurement & Provisioning Analyst	1.63%	33	7.5
Procurement Specialist	0.4%	32	10
Procurement Manager	0.81%	44	6.5
Risk Data Capturer	0.4%	21	0
Senior Manager: Internal Audit	1.22%	31.6	4.3
Senior Manager Risk Management	0.4%	31	2
System Controller	0.81%	40	11
Transformation Manager	0.4%	29	2

Source: Persalshare: 2010-07-22

Table 4.3 above indicates furthermore that the average employee who left WCPT was 32 years old and had two years of experience. The highest turnover was in the Administration Assistant, Chief Internal Auditor, Human Resources Practitioner,

Internal Auditor, Procurement and Provisioning Analyst and the Economist job categories.

#### **4.5 WCPT STRATEGIC PLAN 2010/11 – 2014/15**

In terms of the National Treasury Regulations (2002), departments are required to submit a strategic plan that reflects their strategic planning over a three year period. The current WCPT strategic plan is effective for the period from 2010 until 2014. The WCPT strategic plan confirms the shift of the internal audit, human resource management and enterprise risk management components from WCPT to the Department of the Premier due to modernisation. These components are housed in a centralised corporate shared services centre at the Department of the Premier. The strategic plan, however, does not detail the administrative arrangements that flow out of the modernisation process. The implications of the shift of the human resources function to the Department of the Premier are that WCPT will not have the capacity to implement its talent management strategy and competency framework. The next section will deal with the Annual Performance Plan for the period 2009/10 – 2011/12, which is a document that flows out of the WCPT strategic plan.

#### **4.6 WCPT ANNUAL PERFORMANCE PLAN 2009/10 – 2011/12**

The Annual Performance Plan 2009/10 – 2011/12 (hereafter referred to as APP 2009/10) details the key performance deliverables for WCPT for the 2009/10 financial year and is dated 2009-02-29. These key performance deliverables are derived from the WCPT strategic plan as outlined above in par.4.4.

In terms of the APP 2009/10, WCPT considers becoming and staying an employer of choice in a competitive market for scarce skills as a key performance deliverable for the 2009/10 financial year. APP 2009/10 does not, however, detail how WCPT would become and stay an employer of choice.

APP 2009/10 identified the following issues in the context of talent management as priorities:

- To build high-level skills and competencies to deal with the changing environment and function.
- To implement measures to improve and optimise recruitment processes.
- To develop and implement measures to attract and retain scarce skills.

The development of a talent management strategy would be high priority for the next three years in terms of APP 2009/10.

#### **4.7 THE STRATEGIC HUMAN RESOURCES PLAN 2008 - 2012**

The purpose of the Strategic Human Resources plan is to link and support the Strategic and Annual Performance plans and focus on the human resources challenges of WCPT. The Strategic Human Resources Plan assesses the current position of WCPT and uses the current position to plan over the short, medium and long term in terms of human resources.

The Strategic Human Resources Plan identifies a high employee turnover rate in the previous year as well as the lack of an employee career development programme as major challenges that must be addressed. The high employee turnover rate resulted in a continuous vacancy rate of 20 percent on average, which will negatively affect WCPT's ability to address the key deliverables in the Annual Performance Plan.

WCPT experiences challenges in its recruitment processes and fails to fill vacancies within the required time frame of three months. WCPT considers skills in economic analysis, supply chain management and financial management as scarce skills which compel the organisation to headhunt individuals with these scarce skills in order to fill the vacancies. In order to attract young individuals who show interest to acquire skills in economics, finance and supply chain management, WCPT formed a partnership with Nedbank and the Department of Education in the Western Cape to hold an essay writing competition for grade 11 students. The winners of the essay writing competition would receive financial assistance for university studies as well as internship at WCPT after their studies (Strategic Human Resources Plan 2008 – 2012).

## 4.8 SUMMARY

This chapter presented WCPT as a case study to investigate the practical application of talent management in a specific organisation. A brief background of WCPT was provided which included the history of WCPT as well as the vision, mission and mandate of the organisation. WCPT plays an important role in executing its legislative mandate in terms of the Public Finance Management Act, 1999 and Municipal Finance Management Act, 2003 on local government, provincial government and as well as national government levels. Modernisation has impacted on the current organisational structure of WCPT with the relocation of the human resources, internal audit and enterprise risk management components to the Department of the Premier. All strategic, operational and technical human resources functions will therefore in future be coordinated from the Department of the Premier which would impact negatively on WCPT to implement its own talent management strategy.

A brief background of talent management reveals that talent management is a relatively new concept in the organisation. WCPT has however realised that there was a need for a broad talent management strategy to address the attraction and retention of talented employees, but also to detail succession planning and a career development framework. A draft talent management strategy and competency framework has been developed for WCPT, but could not be implemented due to the modernisation process as outlined above.

An analysis of the avoidable employee turnover rate in WCPT within the period 1 January 2007 to 31 December 2009 revealed that WCPT experienced an avoidable turnover rate of 27.86 percent which is significantly above the 15-18 percent that organisations set for themselves to become an employer of choice. The average employee who left WCPT was 32 years old, had two years of experience and fell within the Administrative Assistant, Chief Internal Auditor, Human Resources Practitioner, Internal Auditor, Procurement and Provisioning Specialists and Economist job categories.

The WCPT Strategic Plan for 2010/11 – 2014/15 confirms that the human resources function as well as internal audit and enterprise risk management has been shifted to the Department of the Premier due to the modernisation process. WCPT therefore does not have a human resource management component to drive the implementation of the talent management strategy and competency framework.

The WCPT Annual Performance Plan for 2009/10 – 2011/12 emphasizes WCPT's intention to become and stay an employer of choice in the future. The Annual Performance Plan prioritised measures to attract and retain scarce skills as well as the development of a talent management strategy as priority issues for the next three years.

The Strategic Human Resources Plan for the period 2008 – 2012 addresses high employee turnover, high vacancy rates, a lack of a career development programme and the need to attract and retain scarce skills as the major human resources challenges that WCPT must address.

The case study highlights the fact that WCPT experienced a high employee turnover rate as mentioned earlier and is therefore not effective in attracting and retaining talented employees. The strategic objectives and key performance deliverables that address the need for talent management in WCPT's planning documents confirm that WCPT displayed the intentions to address the situation.

The next chapter will outline the data gathering, analysis and results of this study.

## CHAPTER FIVE: RESEARCH DESIGN AND METHODOLOGY

### 5.1 INTRODUCTION

Chapter Four presented the background to the WCPT case study in line with Leedy and Ormrod (2005:135) who suggest that a case study may especially be suitable for learning more about a little known or poorly understood situation. In terms of the case study it is clear that WCPT, a critical organisation in the PGWC, experiences challenges to attract and retain talented employees and that there is a need for an intervention to address these challenges.

The purpose of this research is therefore to understand why employees are leaving WCPT and what the organisation's approach to talent management is. This chapter will therefore first outline the research methodology that was followed to address the research question and objectives. The data sources include unstructured interviews, a survey questionnaire as well as a review of WCPT internal documentation. The interviews, questionnaire and the review of documentation will specifically focus on why talented employees are leaving WCPT as well as the organisation's approach to talent management. The data will be analysed after which the results will be presented.

The research results will then be discussed in terms of the trends and patterns in the data according to the following two research objectives as outlined in Chapter One:

**Objective one:** To determine why some talented employees are leaving WCPT and

**Objective four:** To determine what WCPT's approach is towards talent management.

## **5.2 DATA SOURCES**

The researcher followed a qualitative research design which led him to concur with Mason (2005:52) that it would be more appropriate to speak of data generation than data collection. According to Mason (2005:52) data generation implies intellectual, analytical and interpretive activities compelling a researcher on how to best generate data from the chosen data sources. The data generated for this research can therefore be divided into secondary data and primary data.

### **5.2.1 Secondary data**

This data was generated from a plethora of books, journals, magazine articles, and internet articles to construct the literature review. Many articles were found in journals on the EBSCO Host research database whereas others were found on the internet and in books. The secondary data was analysed and interpreted and organised in the literature review to make sense out of it and to ultimately address the research question. The legislation in Chapter Three was found on the South African government website and were then organised in a meaningful way. The other secondary data was generated through an analysis of documentary sources such as exit interview reports for the periods 2007/01/01 until 2008/01/31; 2008/04/01 until 2008/07/31; 2010/01/01 until 2010/03/31, the WCPT Strategic HR Plan, WCPT Talent Management Strategy as well as the WCPT Competency Framework.

### **5.2.2 Primary data**

The researcher was guided by Leedy and Ormrod (2005:135) to make decisions regarding the generation of primary data. According to Leedy and Ormrod (2005:135) data for case studies often includes observations, interviews and documents. The researcher decided to generate primary data through unstructured interviews and a survey questionnaire. The researcher conducted unstructured interviews with Ms. Pauline Piedt on 2010/05/06 and Mr. Andre Bastiaanse on 2010/06/24 in line with Welman, Kruger and Mitchell (2005:194). These two

individuals were selected because he believed that he would generate the most data from them to address the research question.

Survey questionnaires were used to measure current WCPT employees' opinions and beliefs regarding staff turnover and to verify the reasons why former employees left WCPT which appear in the exit interview reports. These survey questionnaires were e-mailed to all WCPT employees with instructions to them to respond electronically via e-mail. A copy of the e-mail and the questionnaire is attached on page 101 and 102. Due to a low response rate the researcher had to deliver many questionnaires personally to WCPT employees. A response rate of 33.73 percent was eventually obtained after the researcher had delivered questionnaires in person.

The questionnaire consists of two sections, the first covering demographic details of respondents such as years of experience at WCPT, age and race. The next section consists of 10 close ended statements which were derived from the key issues extracted from the exit interview reports. A Likert scale was used to measure the attitudes of the respondents wherein they had to indicate whether they strongly agreed, agreed, are uncertain, disagreed or strongly disagreed with the 10 statements. The 10 statements were as follows:

- **Statement 1** - The salaries at WCPT are not competitive enough.
- **Statement 2** - There is a lack of promotional prospects and career advancement within WCPT.
- **Statement 3** - There is a general lack of challenging work within the organisation.
- **Statement 4** - Skills and competencies are not recognised in WCPT.
- **Statement 5** - Working conditions are inflexible and the working hours are restrictive.
- **Statement 6** - There is a general lack of open communication within the organisation.
- **Statement 7** - Diversity are not managed within WCPT.
- **Statement 8** - There is a lack of training and development within WCPT.

- **Statement 9** - Bad management practices such as poor decision-making, lack of management and leadership skills, poor planning and lack of people skills exist within WCPT.
- **Statement 10** - There is no work-life balance within WCPT.

A later section will deal with an analysis of the unstructured interviews as well as the survey questionnaires.

### **5.3 SAMPLING METHODS**

The researcher used non-probability sampling in his selection of Ms.Piedt and Mr.Bastiaanse with whom he conducted the unstructured interviews in line with Welman, Kruger and Mitchell (2005:204); Neuman (1997:206) and Leedy and Ormrod (2005:145). The authors in the previous sentence all agree that purposive sampling as a non-probability sampling method is common in qualitative research and a researcher normally uses this method to select individuals for interviews from whom the most information can be drawn. Ms.Piedt, in her position as the Human Resources Manager of WCPT, provided detailed information on the reasons why employees left WCPT as well as the organisation's approach to talent management. Mr. Bastiaanse is the longest serving Senior Manager in WCPT and provided information on employee turnover trends since WCPT has been established.

The survey questionnaires were e-mailed to all current WCPT employees (255 employees) of which 86 responded. This constitutes a sample of 33 percent out of a sampling frame (the whole WCPT) of 255.

### **5.4 ANALYSIS OF DATA AND RESULTS**

The next section will include an analysis and presentation of the primary and secondary data as it was generated for objective one. The unstructured interviews have been converted into write-ups according to Welman, Kruger and Mitchell (2005:211). These write-ups have been analysed for recurring themes. The survey questionnaires have been captured into an Excel spreadsheet, analysed according to the responses, and graphs have been compiled to reflect the responses. As

mentioned earlier, the data that was generated, will mainly address objectives one and four as outlined in Chapter One of this study. The interview results with regard to Objective one will therefore first be discussed and will be followed by the results of the exit interview reports. The survey questionnaire results will follow after the exit interview reports in order to assist cross referencing between the questionnaire and the exit interview reports.

#### **5.4.1 Objective One: To determine why some talented employees are leaving WCPT**

##### **5.4.1.1 Interview Results – Ms. Pauline Piedt**

According to Ms. Piedt, the management of WCPT, specifically the Human Resources (HR) department, noticed that talented employees are leaving WCPT from as early as January 2007. The approach of the HR Department was to collect statistics on who left, why they left and for what specific jobs they left. Ms. Piedt mentioned that the HR department collected this information through conducting exit interviews, collecting Persal statistics as well as compiling monthly reports and statistics. The HR department compiled an exit interview report to address the most important issues that were causing employees to leave WCPT. Ms. Piedt mentioned further that some of the main reasons why talented employees are leaving WCPT are the way they are managed, lack of training and development, as well as inadequate salary packages. Many employees complain about outdated management styles and the inability of managers to manage diversity (Piedt, 2010).

Ms. Piedt speculated that the current economic conditions in the Western Cape as well as in the rest of South Africa could have played a role in employees' decisions to leave WCPT. The exact extent to which economic conditions played a role in employees' decisions to leave could not be determined by the exit interviews. Ms. Piedt mentioned further that talented employees are mobile in terms of their skills and move easily to organisations where their skills are required. Ms. Piedt is of the view that many employees who have qualifications and skills in economics, accounting, supply chain management and financial management which are required by WCPT are in demand in other countries. Many talented WCPT employees are

also poached by other provincial treasuries in other government departments locally in South Africa (Piedt, 2010).

Ms. Piedt stated that employees complain about a lack of career progression at WCPT and that there is no clear career progression plan to allow employees to build a career within WCPT. A recent job evaluation exercise to upgrade certain level 9 and level 11 jobs with the exclusion of the rest led to dissatisfaction amongst many talented employees in WCPT (Piedt, 2010).

Ms. Piedt suggested that some employees are staying with WCPT, because of limited choices in the labour market; they do not have the skills that are in demand, others are staying because of employment equity. According to Ms. Piedt, the statistics indicate that younger employees leave whereas the older ones stay. Africans and coloureds, who are part of the designated groups, are the majority who left the organisation. Ms. Piedt reasoned further that the basis for the trend mentioned in the previous sentence, is that designated groups are at an advantage as they are more in demand at other organisations to address employment equity (Piedt, 2010).

#### **5.4.1.2 Interview results - Mr. Andre Bastiaanse**

Mr. Bastiaanse mentioned that many employees are unhappy with the WCPT organisational culture which is goal oriented and places extreme demands on employees. WCPT's leading role in the Western Cape places pressure on the organisation and its employees to ensure high performance standards by all other departments. According to Mr. Bastiaanse, WCPT got limited opportunities for promotion and rotation whereas other departments have more opportunities for career advancement. Mr. Bastiaanse is of the opinion that compensation is better in other public service departments and there are more opportunities for designated groups. Non designated groups stay longer with WCPT because of limited opportunities. Mr. Bastiaanse mentioned that younger managers find it difficult to adapt to the WCPT organisational culture, they have no mentors and it is expected that they deliver immediately after they have been appointed in their positions. Mr. Bastiaanse argued that some talented employees stay with WCPT due to limited

choices and feel that they can make a difference. According to Mr. Bastiaanse another negative factor for employee retention is the absence of work-life balance in WCPT; managers are compelled to work at least 60 hours per week (Bastiaanse, 2010).

#### 5.4.1.3 Exit interview report results

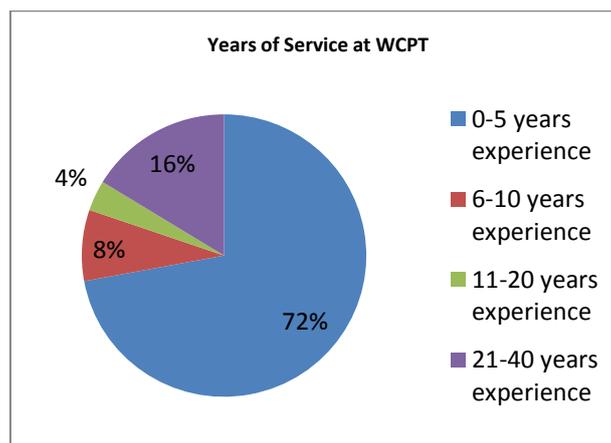
In response to high employee turnover WCPT conducted exit interviews with employees that left the organisation. These exit interviews were analysed and summarised in exit interview reports. Many WCPT employees in exit interviews have indicated dissatisfaction with issues such as management, training and development, communication, diversity and job satisfaction. Hereafter follows a summary of the exit interview reports according to the issues mentioned in the previous sentence:

- **Management** – The exit interview reports show that some of the employees in their exit interviews claimed that some management styles were results-driven, rigid and not people centred. Employees claimed in exit interviews that some managers lack management and leadership skills and that there are limitations when it comes to decision-making. Employees who exited WCPT further claim that there is no trust between management and employees. Some managers are constantly managing crises as a consequence of poor planning. Managers do not appreciate the work done by junior workers and generally lack people skills.
- **Training** – The exit interview reports indicate that most employees who exited WCPT in the mentioned period complained about a lack of training and development in the organisation.
- **Diversity** – According to the exit interview reports many exit interviewees mentioned the improper management of diversity within WCPT.

- **Communication** – According to the exit interview reports, exit interviewees claimed a lack of open communication from management was prevalent in WCPT. Departmental policies are not communicated effectively.
- **Job dissatisfaction** – The exit interview reports indicate that there are many inputs from exit interviewees regarding job dissatisfaction such as lack of clear scope of work, inadequate salary, lack of promotional prospects, favouritism, under utilisation, limited career prospects, lack of recognition, lack of succession planning, lack of challenging work, inflexible working conditions and restrictive working hours, non recognition of skills and competencies (WCPT Exit Interview Report, 2008).

#### 5.4.1.4 Survey questionnaire results

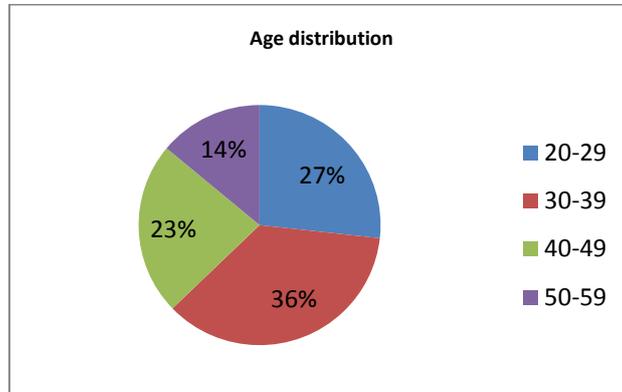
The first part of the survey questionnaire dealt with the demographic details of the respondents in terms of years of experience, gender, age and race. According to Figure 5.1 the majority of the respondents, 72 percent, have between 0-5 years of experience, 8.13 percent have between 6-10 years experience, 3.49 percent have between 11-20 years of experience and 16.28 percent have between 21-40 years experience at WCPT.



**Figure 5.1: Distribution of respondents in terms of years of service at WCPT**

Source: WCPT Survey Questionnaire, 2010

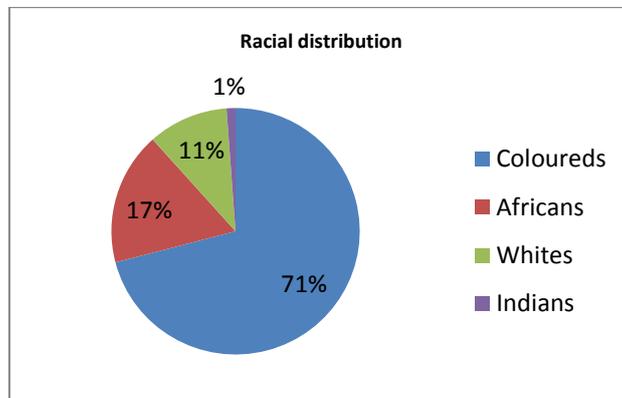
Figure 5.2 below indicates the distribution of the respondents in terms of age. The majority of the respondents, 31, are between 30 and 39 years old. This is followed by the younger employees between 20 and 29 which constitute 26.74 percent of the total respondents.



**Figure 5.2: Age distribution of the respondents.**

Source: WCPT Survey Questionnaire, 2010

The distribution of the respondents in terms of race is indicated in Figure 5.3 below. Coloureds are the majority, followed by Africans, Whites and one Indian.

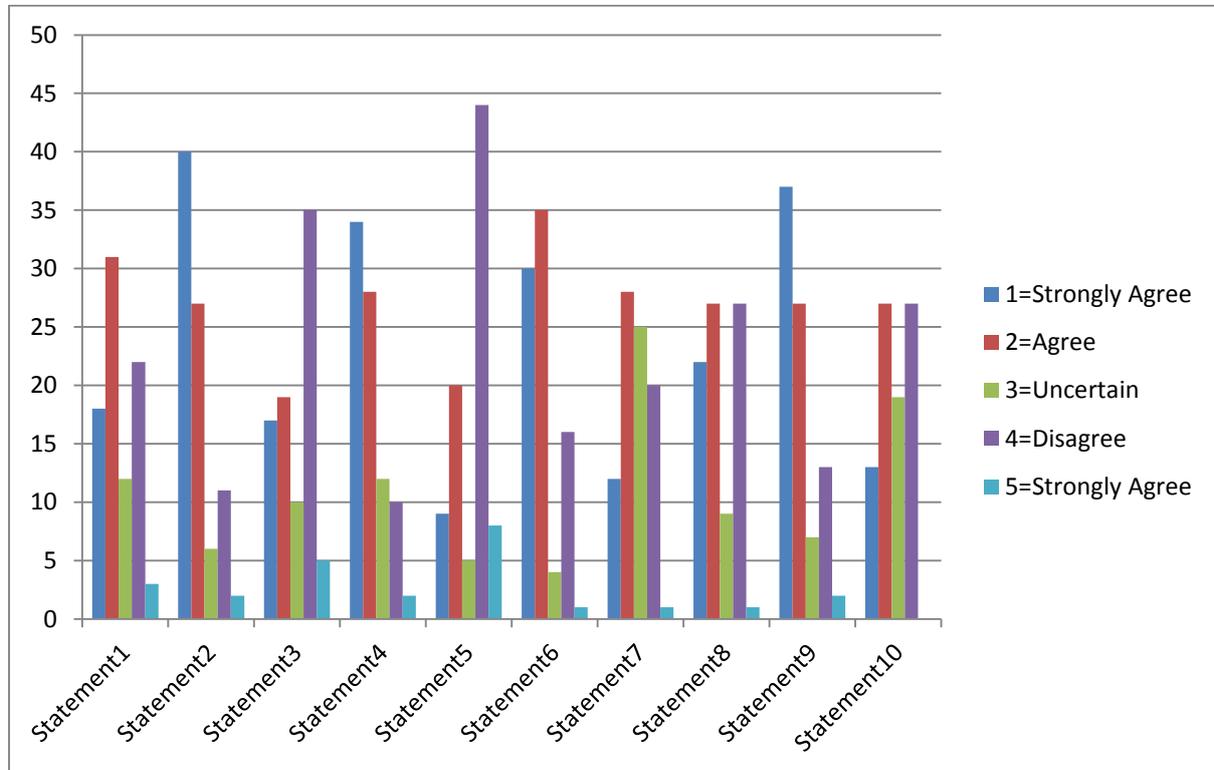


**Figure 5.3: Racial distribution of respondents**

Source: WCPT Survey Questionnaire, 2010

## Statements 1- 10: Overall analysis

Figure 5.4 below indicates the overall response to all the statements in the questionnaire.



**Figure 5.4: Overall analysis of survey questionnaire**

Source: WCPT Survey Questionnaire, 2010

In terms of figure 5.4 many WCPT employees agree with statements 1, 2, 4, 6, 7, 8, 9 and 10:

**Statement 1:** The salaries in WCPT are not competitive enough (56% agree).

**Statement 2:** There is a lack of promotional prospects and career advancement within WCPT (77.9% agree).

**Statement 4:** Skills and competencies are not recognised in WCPT (72.09% agree).

**Statement 6:** There is a general lack of open communication within the organisation (75.58% agree).

**Statement 7:** Diversity is not managed within WCPT (46.51% agree).

**Statement 8:** There is a lack of training and development within WCPT (46.51% agree).

**Statement 9:** Bad management practices such as poor decision-making, lack of management and leadership skills, poor planning and lack of people skills exist within WCPT (74.41% agree).

**Statement 10:** There is no work-life balance within WCPT (46.51%).

Many employees disagree with the statements 3 and 5:

**Statement 3:** There is a general lack of challenging work within the organisation (46.51%).

**Statement 5:** Working conditions are inflexible and the working hours are restrictive (60.47%).

#### **5.4.1.5 Strategic Human Resources (HR) Plan (2008 – 2012)**

According to the Strategic HR Plan many young graduates that are skilled in economics and finances are leaving the country to other international destinations where they acquire international experience. The rest of these skilled employees are poached by other provincial treasuries in other provincial government departments. They are offered better salaries and remuneration packages by these departments as well as by the private sector. Most of the employees who left were mostly from the designated groups in terms of the Employment Equity Act, 1998. Another factor that counts negatively against WCPT is that it does not have a formal career development programme for its employees (WCPT: Strategic HR Plan, 2008 - 2012).

According to the Strategic HR Plan employees are also leaving WCPT because of dissatisfaction with their jobs, their salaries, their working conditions and because of poor relationships between themselves and their supervisors or managers. WCPT employees are unhappy with the organisational culture which is goal oriented and demands high levels of commitment and motivation. WCPT provides limited opportunities for promotion or upward mobility and vacancies are mostly filled by external candidates (WCPT: Strategic HR Plan, 2008-2012).

The next section will include an analysis and presentation of the primary and secondary data as it was generated for objective four.

## **5.4.2 Objective Four: To determine what WCPT's approach is towards talent management.**

### **5.4.2.1 Interview Results – Ms. Pauline Piedt**

Ms. Pauline Piedt mentioned in her interview that WCPT realised that it had to identify the organisation's talent needs. The understanding of the HR department is that talent covers all the skills, competencies and experience that an individual employee possesses. According to Ms. Piedt individuals with skills and qualifications in economics and accounting are considered as talented individuals by WCPT. An external service provider, Decipher Consulting, has been approached to design a comprehensive competency framework which should be used for recruitment of new staff and should also be linked to the Performance Management system (Piedt, 2010).

Ms. Piedt mentioned further that WCPT has recently employed various strategies to attract talented individuals with skills and experience in economics and financial management. An external bursary programme was launched, whereby bursaries are granted to deserving students who want to further their studies in financial management and economics. Ms. Piedt mentioned that these students are then provided with a one year internship after the completion of their studies. WCPT in cooperation with the Western Cape Department of Education and Nedbank, also launched an essay writing competition for grade 11 school students in the Western Cape. The winners of the essay writing competition win cash prizes and study bursaries to further their studies in finance and economics at tertiary institutions. Ms. Piedt suggested that WCPT intends to become and stay an employer of choice but this requires a lot of work in building an employer brand and employee value proposition (Piedt, 2010).

Ms. Piedt mentioned further that WCPT line management is responsible for developing talent within their various components through training, internal bursaries, rotation and allowing employees to be exposed to challenging work. WCPT is currently experiencing challenges in developing its employees and has decided to develop a talent management strategy to address employee turnover as well as

talent management. According to Ms. Piedt WCPT does not have a career management strategy at the moment but this has been addressed in the new talent management strategy. Ms. Piedt mentioned that WCPT intends to fill senior management posts, which become vacant in future, with women as part of its succession plan. Ms. Piedt said that WCPT does not have an employee retention strategy at the moment but has plans to develop one. A draft talent management strategy has been developed by Decipher Consulting, but this cannot be implemented due to the relocation of the HR department to the Department of the Premier as a result of Modernisation, according to Ms. Piedt (Piedt, 2010).

#### **5.4.2.2 Strategic human resources plan results**

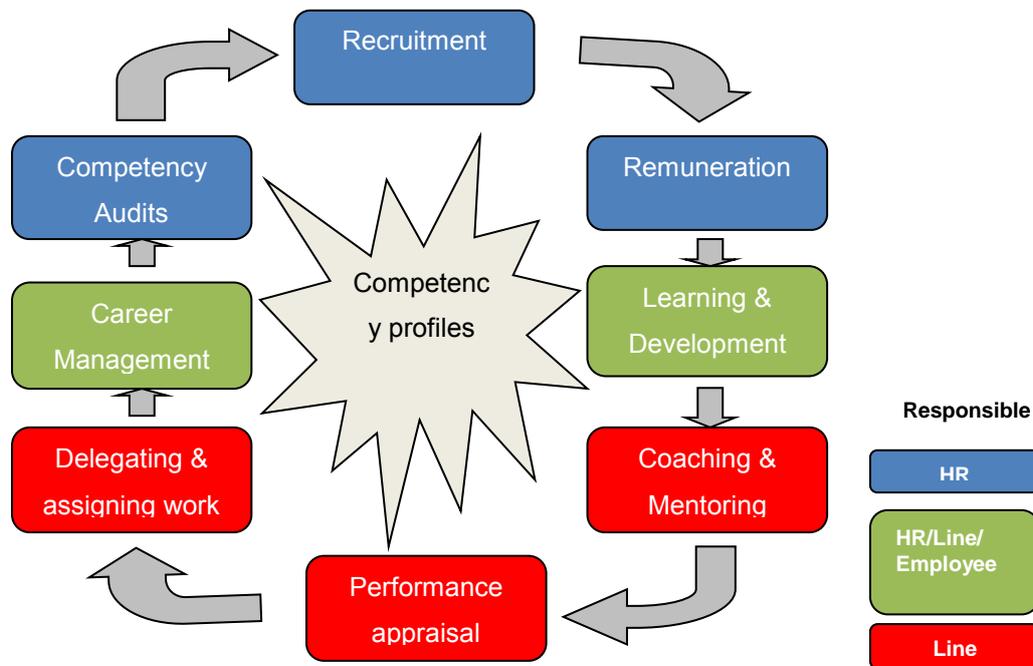
The strategic human resources plan outlines the development of a talent management strategy as well as a competency framework to address talent management within WCPT. The talent management strategy and competency framework would then be used to recruit, develop and retain talented employees.

#### **5.4.2.3 WCPT talent management strategy results**

A talent management strategy was produced for WCPT by Decipher Consulting in May 2009 in order to comply with WCPT's strategic direction in terms of talent management. This talent management strategy has however not been implemented by WCPT due to the modernisation process. The strategy is competency-centred and focuses on making employees, managers and human resources (HR) understand their roles in various talent management processes. A talent management cycle, as illustrated in Figure 5.5 below, is proposed that starts with recruitment and is followed by remuneration, learning and development, coaching and mentoring, performance appraisal, delegating and assigning work, career management and ends with competency audits. The HR department is held responsible for recruitment, remuneration and competency audits (WCPT: Our Approach to Talent Management, 2009).

The talent management cycle described in Figure 5.5 below, further suggests that any one of HR, line management or the employee can take responsibility for career

management and learning and development. Line management should take responsibility for delegating and assigning work, performance appraisal as well as coaching and mentoring. Employee retention is not addressed in the talent management cycle as the intention was to formulate a separate strategy that would specifically address talent retention in WCPT (Piedt, 2010).



**Figure 5.5: Talent management cycle**

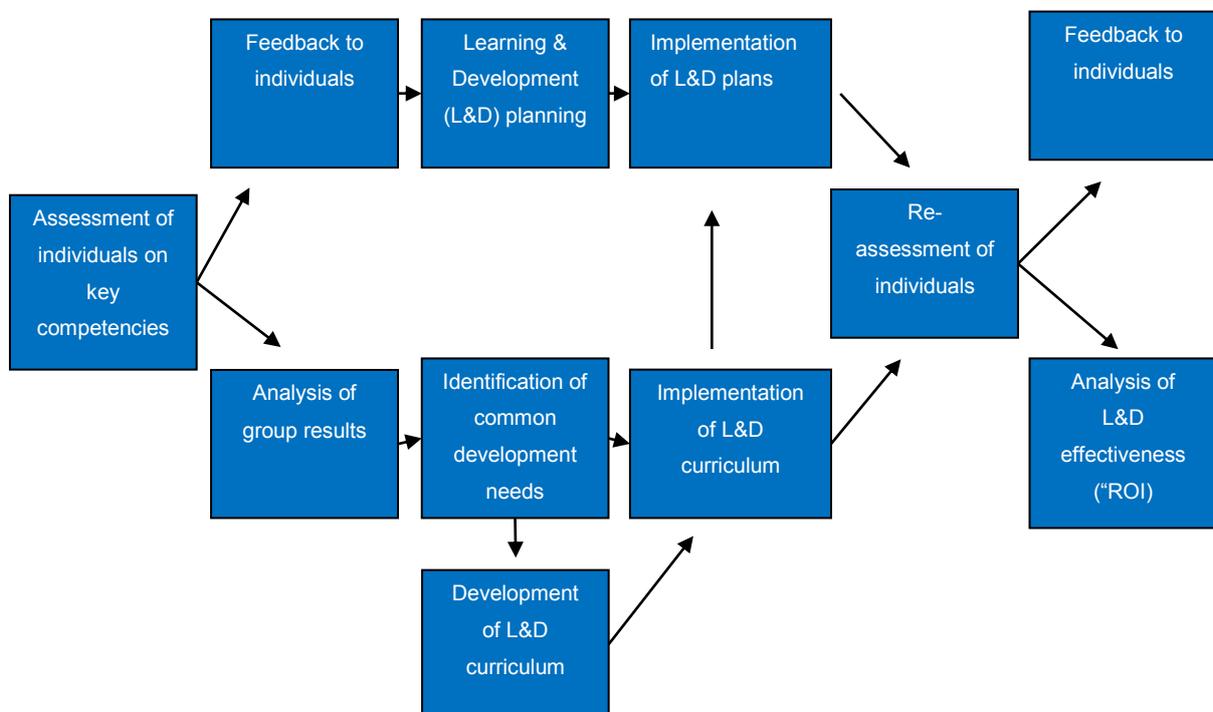
Source: WCPT: Our Approach to Talent Management, 2009:3.

The talent management strategy provides an individual and organisational perspective of career management and suggests further five components for career management. These five components are career planning and support, developmental assignments, career information and advice, initiatives aimed at specific groups and internal job markets. Each of these components includes typical activities that involve the employee, supervisor and manager. Managers and supervisors set objectives for development and do formal appraisals. Human Resources provide informal career support, developmental programmes, career counselling and workshops. Employees avail themselves for critical secondments, career break schemes as well as international assignments (WCPT: Our Approach to Talent Management, 2009:6-9).

The draft talent management strategy furthermore suggests a partnership approach toward performance management wherein line management and HR play different roles. Line management should take the lead in consequence management, performance ethic, WCPT values and objectives and performance dialogues. HR should take the lead with recognition and rewards, performance principles and performance contracts. In terms of talent attraction and retention and learning and development, line management or HR can take the lead.

Learning and development should be using behavioural competencies which could serve the following five purposes as illustrated in Figure 5.6:

- Curricula evaluation and development;
- Identifying individual learning needs;
- Identifying group learning needs;
- Evaluating learning effectiveness; and
- Self-development planning.



**Figure 5.6: The use of behavioural competencies in five purposes**

Source: WCPT: Our Approach to Talent Management, 2009:18.

The recruitment and selection component of the talent management strategy focuses on attracting suitably competent individuals to enable WCPT to successfully deliver on its mandate and effectively achieve its objectives. The talent management strategy suggests that WCPT's recruitment and selection process encompasses the following elements:

- **“Personnel requisition** – to act as a trigger for the recruitment and selection system by the creation of a vacancy (through the exit, transfer or secondment of the current job incumbent) or the identification of a new organisational role (as a response to changing organisational needs and/or strategic objectives)” (WCPT: Our Approach to Talent Management, 2009:25)
- **“Rules of engagement** – to define the requirements of the job/role to be filled and what characteristics or criteria the job applicants must be assessed against”
- **“Ad placement** – to act as internal approval for the filling of the specific job/role via the recruitment process and to attract as many suitable potential candidates for the specified job/role from a broad pool as possible to maximise the likelihood of acquiring a suitably highly skilled recruit”
- **“Response handling** – to evaluate all job applicants using one or more assessment tools against a predetermined set of criteria, as defined in the Job Description and WCPT's Competency Strategy”
- **“Interview** – to choose the most suitable candidate for the job on the basis of his/her performance in the assessment process (especially using competency-based interview techniques) and verify the candidates claims that he/she qualifies for the post”
- **“Appointment** – to submit the proposed appointment and conduct all administrative functions relating to the approved appointment such that the individual may commence employment at WCPT” (WCPT: Our Approach to Talent Management, 2009:25)

#### 5.4.2.4 Competency framework results

A competency framework, which was seen as part of the larger talent management strategy, was produced for WCPT by a service provider during September 2008. In the competency framework six job families have been identified for WCPT. These job families are:

- **Accountants** – includes Chief Accountant Practitioner and accountant practitioners.
- **Analysts** – Provincial and local government analysts, supply chain management unit, governance and risk, management accounting and budget office.
- **Auxiliary** – responsible for clerical, administrative and other office support roles.
- **Corporate governance** – includes internal audit, enterprise risk management and governance systems.
- **Economists** – research into economic phenomena, analysis of economic data, preparation of interpretive reports, the performance of other professional work in economics including supervision and the direction of junior economists.
- **Human resource management** – HR, financial and procurement management support.

A set of behavioural competencies shared by most of the above job families are indicated in table 5.1:

**Table 5.1: Shared behavioural competencies**

WCPT “Vital few” Competencies	WCPT “Should Have” Competencies”
Legislation, Policy and procedure	Resilience
Results Management	Continuous learning
Relationship building	Fostering learning
Client focus	Structured Planning and execution
Leading and managing change	Contextual and conceptual thinking
Analytical thinking	Developing others
Information gathering	Work ethics and values
Interactive communication	
Writing skills	
Teamwork	

Source: Talent Management Competency framework: Analysts, 2008.

## 5.5 DISCUSSION OF RESULTS

### 5.5.1 Objective One: To determine why some talented employees are leaving WCPT.

The primary and secondary data that was generated in terms of Objective One suggest that there are many reasons why employees have left and are leaving WCPT. There is a positive correlation between many of these reasons presented in the data.

The majority of the data presented in the unstructured interviews, survey questionnaire, exit interview reports and strategic HR plan suggest that some employees left WCPT because of job dissatisfaction that stem from the following issues:

- Bad management;
- Inadequate compensation;
- Lack of training and development;
- Better employment conditions in other departments and countries;
- Unhappiness with the WCPT organisational culture;
- Absence of work-life balance;

- Poor relationships between supervisors, managers and employees;
- Limited promotion opportunities;
- Lack of open communication;
- Lack of clear scope of work, absence of succession planning, lack of challenging work and inflexible working conditions and working hours;
- Non-recognition of skills and competencies; and
- Lack of diversity management.

There was however a difference between the exit report and survey results regarding lack of challenging work and inflexible working conditions and working hours. These reasons vary from employee to employee as indicated in the analysis of the exit interview reports. The data in the exit interview reports is supported by the data in the survey questionnaire. The primary data as generated in the unstructured interviews with Ms. Piedt and Mr. Bastiaanse reflects their general impressions, perceptions and understanding of the reasons why talented employees are leaving WCPT. It is clear that there are no positive reasons mentioned for why employees are leaving. The researcher has been unbiased during the unstructured interviews and allowed the interviewees to express their views freely without any interference.

#### **5.5.2 Objective Four: To determine what WCPT's approach is towards talent management.**

The data suggests that WCPT adopted a pro-active approach to high employee turnover amongst talented employees by investigating turnover trends and attempting to determine the causes through conducting exit interviews (Piedt, 2010). WCPT adopted a short-term strategy to attract young students to the organisation by granting study bursaries and offering internships after they completed their studies.

A strategic plan has been formulated to address high employee turnover levels over the longer term, by developing a talent management strategy and competency framework. The talent management strategy and competency framework has been concluded by the service provider but has not been implemented due to the modernisation process that was initiated by the Department of the Premier.

The talent management strategy addresses recruitment, remuneration, learning and development, coaching & mentoring, performance appraisal, delegating and assigning work, career management and competency audits. The WCPT talent management strategy is not specific about competitive pay, work-life balance and challenging work.

The WCPT talent management strategy does not address retention, which according to Chapter Two is a component of the talent management process (Lockwood, 2006:2). A separate strategy would be developed to address the retention of talent, according to Ms. Piedt.

## **5.6 SHORTCOMINGS OF THIS RESEARCH**

The researcher is aware of the fact that more supportive data could have been generated by conducting interviews with the actual employees that left WCPT. In terms of this case this would have been extremely time consuming and would also not be cost effective in terms of locating these employees. The researcher therefore relied on an analysis of the exit interview reports that were conducted with the employees that exited the organisation. These exit interview reports were supported by a survey questionnaire which obtained the beliefs and opinions of current WCPT employees regarding the issues mentioned in the exit interview reports.

## **5.7 SUMMARY**

Chapter Five documents the research design and methodology, a discussion of the research results as well as the shortcomings of this research. The data was gathered to address the following two objectives as stated in Chapter One:

### **5.7.1 Objective One: To determine why some talented employees are leaving WCPT**

Unstructured interviews were conducted with Ms. Pauline Piedt, the Human Resources Manager as well as Mr. Andre Bastiaanse to generate data for Objective One. These interviews are supported by data in documentation such as the exit interviews reports, the survey questionnaire and the Strategic HR Plan. The following interpretations therefore flow out of the data that was generated for Objective One:

- There are many reasons why talented employees are leaving WCPT.
- The majority of the reasons why talented employees are leaving WCPT are as a result of job dissatisfaction.
- Talented employees are leaving WCPT as a result of inadequate compensation and are attracted to other departments for better salary packages.
- Talented employees are dissatisfied with the lack of career progression within WCPT. There is no career development plan within WCPT.
- There is a lack of sufficient training and development in WCPT and this contributes to talented employees leaving the organisation.
- Bad management plays a role in talented employees' decisions to leave the organisation. There are poor relationships between managers and employees.
- There is unhappiness with the organisational culture within WCPT, some talented employees are unhappy with the lack of work-life balance, the organisation is results-oriented and places high demands on employees.
- There is unhappiness with the communication within WCPT, which is not open enough.

- Many talented employees left WCPT as a result of a clear scope of work, non-recognition of skills and competencies as well as a lack of succession planning.

#### **5.7.2 Objective Four: To determine what WCPT's approach is towards talent management.**

An unstructured interview was conducted with Ms. Pauline Piedt as the Human Resource Manager. The interview with Ms. Piedt was supported by documentary data such as the Strategic Human Resources Plan, WCPT Talent Management Strategy and the WCPT Competency Framework. The data suggests that WCPT adopted a pro-active approach to address the high employee turnover rate through the formulation of a talent management strategy and a competency framework. The talent management strategy does not address employee retention which is part of talent management as it is defined in Chapter Two. The WCPT Talent Management Strategy is not clear about competitive pay, work-life balance and challenging work which are top attraction and retention issues according to Chapter Two. These are also issues that were raised in the data that was extracted from the exit interview analysis.

The next chapter will be the concluding chapter of this thesis and will draw all the results of the previous chapters together.

## CHAPTER SIX: SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

### 6.1 INTRODUCTION

Chapter Five outlined the data sources, provided an analysis of the data and produced the research results. According to Mouton (2008:124) the concluding chapter is the most important in a thesis because it presents the end product of a researcher's endeavour. In order to ensure a good product the researcher will first summarise every chapter, then discuss the main conclusions theoretically, conceptually and empirically per research objective as outlined in Chapter One. The researcher gave much thought to the line of argument that he will follow when coming to conclusions in this chapter. For this reason he consulted Mason (2005:176) who suggests that a researcher could be arguing interpretively or narratively to show that the argument is meaningful and reasonable. This research will then be finalised with recommendations after the conclusions. The recommendations will be followed by a list of references of the sources the researcher referred to in this thesis (Mouton, 2008:125).

### 6.2 SUMMARIES OF CHAPTERS

**Chapter One** started off with a broad picture of the movement of South African public servants from one public service department to another. Some of these public servants even moved to organisations within the private sector whereas some others moved to other countries. The position of the Western Cape Province in terms of attracting, developing and retaining skilled public servants was furthermore discussed. The researcher pointed out that the opposite is actually happening in the Western Cape Provincial Treasury (WCPT) as a number of talented employees exited the organisation.

The researcher then set out to determine why some employees are leaving WCPT and what WCPT's approach towards talent management was to attract and retain talent. A qualitative case study research design, with WCPT as the unit of analysis,

was proposed to answer the research question. Chapter One provided a map of each chapter in this research in order to guide the reader.

**Chapter Two** developed and outlined a theoretical framework for the key concepts within the research question. The concepts are:

- Why are employees leaving an organisation (employee turnover)?
- Why are employees staying (talent retention)?
- Talent and talent management;
- Attraction of talent;
- Development of talent; and
- Retention of talent.

Each of these concepts has been defined in terms of the current scholarship. Contemporary talent management strategies, which include employer of choice, attraction and retention strategies were furthermore discussed to conclude the literature in Chapter Two. The most important outcome of Chapter Two was that an understanding of talent management could be obtained.

**Chapter Three** developed and presented a legislative context for talent management in a South African public service context. The legislative context is provided by the South African Constitution (1996), Public Service Act (1994) and Regulations (2001), White Paper on Human Resource Management in the Public Service (1997), PFMA (1999), DPSA Retention Guide (2006), Basic Conditions of Employment Act (1997), Employment Equity Act (1998), Labour Relations Act (1995), Occupational Health and Safety Act (1993) and the Skills Development Act (1998). Most of the legislation provided an indirect context for talent management in the South African public service.

The most important outcome of Chapter Three was that even though talent management was not directly addressed in the South African legislation, there was a strong mandate for good human resources practices to maximise human potential. The conclusion in Chapter Three was that talent management can be considered as a legitimate practice in the South African public service.

**Chapter Four** provided a background for the case study and started off with a brief background of WCPT in terms of its history, vision, mission, mandate and current organisational structure. A background of talent management in WCPT followed which indicated that talent management is a relatively new concept in WCPT. The high employee turnover rate as well as a shortage of appropriate skills motivated WCPT to develop a comprehensive talent management strategy and competency framework to address talent management. The talent management strategy and competency framework have been developed by a service provider, but has not been implemented due to the modernisation process initiated by the Department of the Premier.

The case study confirmed that WCPT experienced an avoidable turnover rate of 27.86 percent in the period from 1 January 2007 until 31 December 2009. This percentage is significantly above the 15-18percent that organisations set for themselves to become an employer of choice as outlined in chapter two.

**Chapter Five** outlines the research design and methodology followed in this research which includes unstructured interviews and a survey questionnaire as primary data collection methods. Secondary data was collected from books, journals, magazines, internet articles, the exit interview report, WCPT Talent Management Strategy and the WCPT Competency Framework.

The primary data was generated to address the following two research objectives as they are numbered in Chapter One:

**Objective One** – to determine why some talented employees are leaving WCPT and

**Objective Four** – to determine WCPT's approach to talent management.

An analysis of the data as well as the research results was provided for each of these research objectives. The following most significant findings came out of the discussion of the research results with regard to Objective One:

- There are many reasons why talented employees left or are leaving WCPT.

- Most employees left WCPT because of job dissatisfaction which covers issues such as competitive salary, training and development, career development, bad management, organisational culture, work-life balance, communication, challenging work and inflexible working conditions.

The most significant findings with regard to Objective Four are:

- WCPT adopted a pro-active approach to high employee turnover by investigating turnover trends and developing a talent management strategy as well as a competency framework.
- Both the talent management strategy and the competency framework have not been implemented due to modernisation.
- The WCPT Talent Management Strategy is not specific about competitive pay, work-life balance and challenging work.
- The WCPT Talent Management Strategy also does not address employee retention, which is a component of talent management according to the theory in Chapter Two.

**Chapter Six** provides the most important outcome of this research which is the conclusions regarding the research questions as well as recommendations.

## 6.3 CONCLUSIONS

The main conclusions of the research as per each research objective stated in Chapter One are as follows:

### **Objective One - To understand why talented employees are leaving WCPT**

The theoretical framework in Chapter Two implies that the reasons why employees leave an organisation are a complex issue that involves not only the employee, but also the employer, the employee's family, the employee's colleagues at work, general economic conditions, the labour market, and demographic factors such as his age, race, gender, skills levels, etc. Most employee turnover, as defined in Chapter Two are motivated by the employee who becomes dissatisfied with his/her

job when job outcomes (compensation or job content) are too low in relation to his/her expectations (March and Simon, 1958).

The overwhelming majority of WCPT employees left because of job dissatisfaction as the data suggests. The issues that relate to job dissatisfaction in the data are as follows:

- WCPT does not have a formal career development plan.
- Poor relationships between supervisors, managers and employees exist.
- The organisational culture is rigid, goal-oriented, demands high levels of commitment and does not promote work-life balance.
- Limited opportunities exist for promotion or upward mobility, vacancies are mostly filled by external candidates.
- Lack of training and development.
- Lack of open communication, departmental policies are not communicated effectively.
- Lack of clear scope of work, succession planning, challenging work, inflexible working conditions and working hours.
- Non recognition of skills and competencies.
- The lack of a competitive compensation system.

There is indeed some correlation between the data and the theory regarding the reasons why employees leave which points to dissatisfaction. Chapter Two also outlines the factors that make an employee stay at an organisation. These factors are positive attitudes towards pay, supervision, chances for promotion, the tasks being performed and co-workers, leadership and managerial strategy, satisfaction of higher order needs and insufficient information about employee performance. The data in Chapter Five suggests that positive attitudes towards pay, supervision, chances for promotion, the tasks being performed, leadership and managerial strategy are absent within WCPT which confirms the reasons why these employees are leaving.

**Objective Two - To explore the concept talent management in organisations globally**

The theoretical framework in Chapter Two clarified talent as a concept that refers to the collection of skills, special abilities, characteristics, knowledge and experience that people possess. This study accepted the definition of Lockwood (2006:2) who suggests that talent management is “*the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs*”. To state it bluntly, talent management entails attracting, developing, retaining and utilising talented people to the advantage of the organisation. Talent must be managed and has become an organisation’s most important asset (Stuart-Kotze & Dunn, 2005:11). Talent management holds many benefits and advantages for the organisation as pointed out in Chapter Two. It can support organisational strategies, reduce expenses, labour costs, improve competitiveness, keep employees satisfied and loyal and ultimately maximise return on investment (Jackson, Schuler & Werner, 2009: 356).

Armstrong (2006:395) argues that the overall strategy that an organisation should implement to attract and retain talent should be to become an employer of choice. An employer of choice involves acquiring the best talent for the organisation, motivating employees to improve performance, keeping them satisfied and loyal, developing employees so that they can grow and contribute skills and ultimately retaining these employees. Becoming an employer of choice furthermore involves interesting and rewarding work, opportunities for learning, development and career progression and a reasonable degree of security. An employer of choice also subscribes to work-life balance and a competitive pay system. These are all issues that contributed to employees leaving WCPT as outlined in Objective One. Becoming an employer of choice would therefore address all the reasons why talented employees are leaving at once in one broad strategy.

**Objective Three - To explore the legislative context for talent management in the South African public service**

Chapter Three concluded that the South African Constitution (2006) requires “*good human-resource management and career-development practices, to maximise the cultivation of human potential*” and does not address talent management in public administration directly. Talent management is indirectly required by the Public Service Act, Public Service Act, PFMA and other HR related acts as pointed out in Chapter Three. The DPSA Retention Guide suggests steps that a government department can take to retain their most talented employees. These retention steps can however not be enforced as every department determines its own skills needs.

**Objective Four - To determine what WCPT’s approach is towards talent management.**

The data in Chapter Five suggests that WCPT adopted a pro-active response to high employee turnover amongst talented employees by investigating turnover trends and attempting to determine the causes through conducting exit interviews. The development of a talent management strategy and competency framework has been formalised in the WCPT strategic plan for implementation. The talent management strategy and competency framework have been developed but have not been implemented due to the modernisation process initiated by the Department of the Premier.

The WCPT Talent Management Strategy does not address retention which is an important component of talent management as defined in Chapter Two. The talent management strategy is also not specifically addressing competitive pay, work-life balance and challenging work as these are factors that have been highlighted by employees who exited WCPT as reasons why they left the organisation.

**Objective Five - To provide inputs and recommendations with regard to the implementation of talent management in WCPT**

The inputs and recommendations with regard to the implementation of talent management follows in the next section.

## **6.4 RECOMMENDATIONS AND FURTHER RESEARCH OPPORTUNITIES**

The theoretical framework in Chapter Two has confirmed that there are no guarantees that any organisation could successfully retain its most talented personnel. Some employees become loyal and committed to an organisation but this is also influenced by the ongoing changes to the psychological contract which implies that the employment term with one employer has become shorter and employees move on as their needs are met. This makes it important that talent be identified as early as possible and it should be managed by the organisation for long-term benefit. The following recommendations therefore apply for the implementation of talent management within the WCPT, as a result of this study:

- Chapter Two has pointed out the strategic importance of talent management for any organisation as well as the benefits thereof in keeping employees satisfied, loyal and maximising return on investment. WCPT has realised the importance that talent management holds for the organisation by making it part of its organisational strategy. WCPT however needs to follow through and implement its talent management strategy in order to steer the organisation away from high employee turnover rates and the negative consequences that it holds for the organisation.
- It is important that all three the elements of talent management, talent attraction, talent development as well as talent retention, be implemented by WCPT. Two of the elements, talent attraction and talent development, are addressed in the WCPT talent management strategy, but talent retention is not addressed. Measures that would address talent retention should therefore be incorporated into WCPT talent management strategy.
- WCPT should therefore consider implementing the talent management strategy that it has developed as this will address some of the factors that

cause high employee turnover. The implementation of the talent management strategy can be driven by the line management in cooperation with the employees.

- The senior management of WCPT should be made aware of the implications of talent management for the organisation, their commitment towards the implementation of talent management should be obtained and this should be included in their performance agreements.
- The strategic objective to become an employer of choice should be operationalised in WCPT's Annual Performance Plans in order to address the attraction, development and retention of talent effectively.
- This research can serve as a basis for the study of employee turnover and the implementation of talent management in other provincial government departments in order to address possible weaknesses in how these departments address similar challenges.

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## APPENDICES

### A: E-mail to WCPT employees

Good morning Provincial Treasury Colleagues

My name is Keith Roman and I'm currently busy with research on the causes of employee turnover in WCPT. I need your assistance in completing the attached (10-question) questionnaire on this topic. Your response will be treated as anonymous and confidential and will only be used for research purposes. The questionnaire will take a maximum of 5 minutes to complete. Your cooperation in this regard is highly appreciated.

Please follow the following steps when completing the questionnaire.

1. **Save** the attachment as a MS Word document on your desktop.
2. Complete the questionnaire by inserting the information into the blocks for the demographic details and thereafter an X into each of the required blocks in the questionnaire.
3. **Save** the document.
4. **Reply** to this e-mail and attach the completed questionnaire before or on 3 November 2010, please.

Thank you and best regards.

Keith Roman  
Supporting & Interlinked Financial Systems  
Western Cape Provincial Treasury.  
021 – 4835434

### B: Questionnaire on the causes of employee turnover in WCPT

#### Part 1 Demographic details

##### Years of experience at WCPT

0 – 5 yrs  1

6 – 10 yrs  2

11 – 20 yrs  3

21 – 40 yrs  4

**Gender**  1  2 M for "Male in the 1<sup>st</sup> box and F for "Female" in the 2<sup>nd</sup>

**Age**

**Race**

African  1Coloured  2White  3Indian  4

**Please indicate with an X to which extent you agree with the statements below, where 1 = Strongly Agree, 2 = Agree, 3 = Uncertain, 4 = Disagree and 5 = Strongly Disagree.**

Q	Statement	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
1	The salaries at WCPT are not competitive enough.					
2	There is a lack of promotional prospects and career advancement within WCPT.					
3	There is a general lack of challenging work within the organisation.					
4	Skills and competencies are not recognised in WCPT.					
5	Working conditions are inflexible and the working hours are restrictive.					
6	There is a general lack of open communication within the organisation.					
7	Diversity are not managed within WCPT.					
8	There is a lack of training and development within WCPT.					
9	Bad management practices such as poor decision-making, lack of management and leadership skills, poor planning and lack of people skills exist within WCPT.					
10	There is no work-life balance within WCPT.					

Thank You, Enkosi, Dankie.