FACTORS AFFECTING THE APPLICATION OF TALENT MANAGEMENT

Abstract:
The field of talent management has received considerable attention in management and practitioner literature over the past two decades. Most scholars are in agreement that talent is a key to the sustainability and competitiveness of any country. However, empirical research on talent management and its potential contribution in Southern Africa is limited. This paper reports on the available research of the significance of talent management and the subsequent factors affecting the effective application thereof in South African organisations. This paper is motivated from the fact that Southern Africa as a developing continent is in need of effective talent management for sustainable growth and economic development.

Our research shows that a great diversion of opinion still exists on a suitable definition for “talent”. As a result, managers and practitioners are challenged to apply an inclusive versus an exclusive approach to talent management. Moreover, our findings also highlight that management commitment towards talent remains a fundamental problem in many Southern African organisations and have a subsequent impact on the retention of scarce skills.

The effective implementation and execution of talent management practices require the adherence to legislative policies and frameworks. Our research paints a bleak picture as far as the effective and ethical applications of labour legislation towards talented employees are concerned. Gender inequality is slow to be eradicated in male-dominated work environments. Age differentials prevail with talent management practices being mostly focused on Generation X employees as opposed to an older generation workforce.

Talent Management also have a significant impact on individual and organisational level outcomes. We found that poor talent management practices have a negative impact on psychological contracts, organisational commitment, work engagement, motivation, job satisfaction, happiness, meaningfulness, well-being, and retention of employees in various settings. For the organisation talent management can result in improved employee performance and subsequent quality of service delivery.

In conclusion, we present an integrated talent management strategy that provides a holistic guideline for how to apply the talent management process from start to finish.

Keywords:
Economic growth, Legal compliance, Talent, Talent Management
JEL Classification: J24
Introduction
Talent Management is a concept increasingly on the minds of managers and practitioners as it becomes more difficult to attract and retain talented employees in a fierce competitive business world. This situation is problematic in the Southern African context as The Global Competitiveness Report continues to rank the country low in terms of labour market efficiency and people development. Without a skilled workforce no organisation will be able to keep up with the competition and survive in an ever changing business world. Effective talent management is therefore of strategic importance for emerging markets such as South Africa.

Unfortunately talent management appears to be rarely a strategic or operational priority in many South African organisations. The available research shows that only half of the companies have a department formally dedicated to talent management. More than half of the companies surveyed stated that it is difficult to implement talent management practices. Therefore it is not surprising that the field and practice of talent management is still enshrouded with a thick veil of confusion.

In this paper we clarify the ontological confusions relating to the concept of talent in organisations. We discuss the management side of talent and highlight the epistemological legal failures in the effective management of talented employees. This is followed by a focus on the interactive relationship between talent management, individual and organisational outcomes. We conclude this paper with an integrated strategic approach to talent management for sustainability and business success.

Clarifying the concept of talent
Despite some early attempts to coin the term talent, a general lack of clarity about this concept and its scope still prevails. Modern times classify talent as follows (see Meyers, Woerkm & Dries, 2013):

- **Talent as giftedness** – Gifted individuals are believed to possess extraordinary talents or special gifts that allow them to display outstanding skills in a specific domain;

- **Talent as strength** – Strengths refer to the characteristics of individuals that will allow them to perform well;

- **Talent as (meta-) competencies** – Competencies are the behavioural manifestations of talent and include the measurable human capabilities (i.e. knowledge, skills and abilities) needed to perform effectively;

- **Talent as high potential** – Talent potential refers to the possibility of individuals to become more than what they currently are. In this context potential needs to be developed to achieve outstanding performance;

- **Talent as high performance** – Talent is displayed in the current
performance and realised outputs through the actions and behaviours of employees.

We expand further on the above classifications by including “Talent as willingness” and “Talent as self-belief”. From our view a person can be able to achieve something but if they are not willing or believe that they are able to achieve they will not succeed and vice versa. We therefore concur with Goff (2008) who states that talent includes the right combination of inborn abilities, complemented by the knowledge, skills, attitudes (competence) and experience needed to perform in a given situation. We further belief that these different classifications of talent are mutually dependent and reciprocal in nature.

**Figure 1: The reciprocal nature of talent**

![Image of reciprocal nature of talent]

*Source: Authors own*

The application of talent in the workplace is also not without its challenges. Currently there are two perspectives on managing talent in the workplace: Exclusivity versus Inclusivity. The *exclusivity* perspective on talent can be described as an elitist and exclusive approach with talent reserved for high-value staff, high performers and high potentials (Iles, Preece & Chuai, 2010). However, this more individual approach can limit social capital and teamwork development (Preece, Iles & Chuai, 2011)
The inclusivity perspective involves everyone and sees all employees as having the potential for talent. In this way every employee has an equal opportunity to make a valuable contribution to the success of the organisation. However, viewing talent in this way can hinder succession planning and early identification of potential and fast tracking (see Preece et al., 2011).

**The management side of talent**

Leadership mind-sets are key imperatives for successful talent management. Talent management involves the implementation of integrated human resource strategies to attract, develop, retain and productively utilize employees with the required skills and abilities to meet current and future business needs (Kontoghiorges & Frangou, 2009). It is a culture that contributes to and unleashes passion, commitment, and performance of people which in turn contributes to the organisation achieving its mission, vision, and business goals (McArdle & Ramerman, 2008).

According to Lawler (2008) senior managers should spend at least 30 to 50% of their time managing talent in human capital centric organisations. However, management commitment to talent management still remains a fundamental challenge in many South African organisations. Most studies to date indicate that managers are either rarely, or not at all, committed to talent management in organisations. Barkhuizen, Welby-Cooke, Schutte and Stanz (2014) found that executives do not spend sufficient time in strengthening talent pools and are not trained in the best practices and latest techniques to develop, mentor and nurture talent. Furthermore a study by Barkhuizen and Veldman (2012) showed that middle management perceived that company leaders do not apply talent management practices as effectively compared to the rest of the management groups in an electricity supply company. Middle management was also more likely to leave the organisation because of the lack of commitment of executive management towards talent management.

Human resource departments are usually perceived to be the custodians of talent management strategies and practices in a traditional organisation. The role of human resource professionals in talent management however is still widely debated. A study by Du Plessis and Barkhuizen (2011) showed that human resource managers in the South African context are not yet playing a strategic role in organisations and as a
result cannot make a contribution towards implementing talent strategies effectively in organisations. Schuler et al., (2011) maintain that human resource professionals have an important role to play in establishing talent management strategies that are aligned with the business strategy.

**Talent compliance: a legal (con) – fusion?**

The effective implementation and execution of talent management practices requires the adherence to legislative policies and frameworks. In this section I discuss the extent to which South African organisations currently comply with legislative frameworks in the application of talent management practices.

**The Employment Equity Act**

The Employment Equity Act (Act 55 of 1998) stipulates that “No person may unfairly discriminate, directly or indirectly, against an employee in any employment policy or practice” on 21 grounds including amongst others gender and age. In what follows next I will briefly highlight the key findings relating to gender and age in the workplace.

Our research on talent management paints a bleak picture as far as women career advancement in male dominated work environments is concerned. The graph below demonstrates the results of the factors that hinder the career advancement of females in a car manufacturing environment (Barkhuizen, Stanz & Hajee-Ozman, 2012). The results showed that that males and females differ greatly in their perceptions of the factors that constrain female’s career advancement. Some of the largest gaps observed were between a lack of equity in pay, training and promotion. Other gaps included perceptions relating to inadequate job knowledge, lack of mentoring and child responsibilities.

Similar results were observed in a study among female academics (Lyons, Barkhuizen & Du Plessis, 2013). Male academics in this study ranked conflict with family responsibility, job characteristics, childcare responsibilities and difficulty in establishing credibility as the main constraining factors that have a negative impact on women academics career advancement. Women academics ranked conflict with
family responsibilities, childcare responsibilities, lack of support systems at work and old boy network as the most constraining career factors. Both males and females rated conflict with family responsibility as the main constraining factor followed by child care responsibilities, lack of support systems at work and difficulty in establishing credibility. The two gender groups were in disagreement regarding old boy networks, job characteristics and lack of equity in pay as a career constraint for females.

A study by Du Plessis and Barkhuizen (2015) showed that women engineers perceive discrimination, and lack of training and real exposure to engineering practice as the key barriers for them entering senior engineering positions. Participants indicated that there is still a perception in the engineering environment and companies that women are not as competent as men in the technical fields. Some of the women felt that male colleagues do not respect them, and refuse to accept their recommendations or expertise, simply because they are women or are perceived to have less expertise.

The general trend to emerge is that younger generations perceive talent management practices to be more effectively applied compared to the older counterparts. A study among public sector employees showed that those aged between 20-29 years perceived that talent retention strategies are more effectively applied compared to employees aged between 30 and 39 years of age (Barkhuizen 2014b). The results of another study showed that academics aged between 50 to 59 years of age experienced a higher level of talent demands than academics aged between 20 to 29 years of age (Barkhuizen, Roodt & Schutte, 2014).

The above findings combined with years of work experience also yield some alarming results. Barkhuizen (2014b) found that public sector employees with 0-10 years of work experience in their institutions perceived more management commitment towards talent management and talent retention practices than those employed for 30 years and longer in the organisation. Arguably managers who want to keep young talent in an organisation need to actively support and commit to their talent management (Du Plessis, Schutte & Barkhuizen, 2010). However neglecting older generations in the workplace can result in a significant loss of mentorship opportunities, succession planning, knowledge sharing and transfer (Ramsey & Barkhuizen, 2011).
The Labour Relations Act (Act 66 of 1995)

The Labour Relations (LRA) Act and Amendments (Act 66 of 1995) provides a framework for the regulation of discipline in the workplace and the resolution of employment disputes. Section 185 (a) of the LRA (1995) provides that: “Every employee has the right not to be unfairly dismissed and subjected to unfair labour”. Employers, accordingly, have to exercise their right to discipline employees in a manner that is fair. A study by Mogotsi, Barkhuizen and Maubane (2015) showed that managers in a provincial government department do not comply with the rules and regulations for disciplinary actions as stipulated in the LRA. The findings also showed that non-compliance with disciplinary procedures contributed to a poor corporate image for the department and institution. In addition managers did not play an active role in ensuring compliance with disciplinary codes which in turn resulted in a substantial loss of funds.

Another study by Makhuzeni, Barkhuizen and Maubane (2015) revealed that precautionary suspensions for misconduct are not fairly applied and according to prescribed legislative frameworks in local government departments. The precautionary suspensions further had a negative effect on the service delivery and performance. Moreover unfair suspensions had a negative impact on the moral of directors and subsequent employee motivation.

The Basic Conditions of Employment Amendment Act

The Basic Conditions of Employment Amendment Act (Act 20 of 2013) regulates that employers may not require or permit an employee to work more than 45 hours in any ordinary work week. Schedule 1 of this Act establishes procedures for the progressive reduction of the maximum ordinary hours of work to a maximum of 40 ordinary hours of work per week and eight ordinary hours of work per day. Barkhuizen (2014b) found that public sector employees working between 20 to 40 hours in a week perceived more management commitment to talent management practices and better talent review processes than those working between 0-20 hours and more than 40 hours a week. Employees working between 20 to 40 hours a week experienced better staffing, talent acquisition practices, talent development, performance management and talent retention practices than those working for more
than 40 hours a week. Employees working between 20 to 40 hours in a week perceived better staffing practices than those working between 0-20 hours in a work week.

The Occupational Health and Safety and Amendments Act

The Occupational Health and Safety and Amendments (Act 181 of 1993) provides for the health and safety of employees at work. Janse van Rensburg, Barkhuizen and Stanz (2012) found that mine managers (shift bosses) displayed a low concern towards the health and safety of miners in a South African mining company. In this study the behaviour of shift bosses had a spill over effect on their subordinates (miners). The miners had a significant lower concern for the safety of their physical work environment and did not take ownership of their work. These results are concerning as South African mines are exposed to the highest fatality rates in the world.

The Companies Act

The Companies Act (Act 71 of 2008) provides clear guidelines in prohibiting directors from making personal gain at the expense of a company. Corporate fraud however is a common practice in South Africa. Research by PricewaterhouseCooper (2014) revealed that senior management was the main perpetrator of economic crimes committed in the country to the detriment of the company and workforce. Consequently crime-ridden organisations underpay valuable employees and subsequently fail to recognise good performance.

A study by Makuzeni and Barkhuizen (2015) found that teachers considered quitting their profession as a result of poor compensation. The participants in this study also indicated a considerable lack of recognition and incentives for performance. Another study by Nthebe, Barkhuizen and Schutte (2015) showed that a lack of rewards increased the burnout among school principals and reduced quality service delivery. Moreover school principals also consider quitting schools as a result of poor remuneration. These results are concerning as both quality teachers and school principals are rapidly becoming scarce skills in South African schools.
Consequently the lack of quality teachers negatively impacts the performance of school pupils.

**Talent management as a contributor to individual and organisational outcomes**

Talent management impacts both individual and organisational outcomes. From an individual perspective our research showed that talent management has a significant impact on individual outcomes such as psychological contracts (Mtila, Barkhuizen & Mokgele, 2013), work engagement (Barkhuizen, Mogwere & Schutte, 2014), motivation (Smit & Barkhuizen, 2015), job satisfaction (Magolego, Barkhuizen & Lesenyeho, 2013), happiness and meaningfulness (Saurombe & Barkhuizen, 2015) and burnout (Kekgonegile & Barkhuizen, 2015). Our research pointed out that poor talent management practices had a negative impact on all the above mentioned individual outcomes. The talent management practices that had the most profound impact on individual outcomes were talent acquisition, talent review process, staffing, talent retention practices and talent development (See Table 1 below).

**Table 1: Individual outcomes relating to Talent Management in the workplace**

<table>
<thead>
<tr>
<th>TALENT MANAGEMENT PRACTICES</th>
<th>Psychological Contract</th>
<th>Work engagement</th>
<th>Motivation</th>
<th>Job Satisfaction</th>
<th>Burnout</th>
<th>Happiness</th>
<th>Meaningfulness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent alignment</td>
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<tr>
<td>Talent acquisition</td>
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<tr>
<td>Talent review process</td>
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<td>Talent responsibility</td>
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<td>Talent resources</td>
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<td>Talent culture</td>
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<td>Talent results</td>
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<td>Workforce planning</td>
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<td>Staffing</td>
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</table>
For the organisation talent management can impact significantly on employee performance (Magolego et al., 2013; Masale & Barkhuizen, 2015) and subsequent quality service delivery (Barkhuizen et al., 2014; Smit & Barkhuizen, 2015). Talent management furthermore significantly impacts productive organisational energy (Mpofu & Barkhuizen, 2013) and labour turnover (Barkhuizen & Veldman, 2012; Kekgonegile & Barkhuizen, 2015; Theron, Barkhuizen & Du Plessis, 2014). The talent management practices that seem to contribute mostly to organisational level outcomes were talent acquisition, talent review process and staffing (see Table 2 below).

<table>
<thead>
<tr>
<th>Talent retention practices</th>
<th>X</th>
<th>X</th>
<th>X</th>
<th>X</th>
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<tbody>
<tr>
<td>Performance management</td>
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<tr>
<td>Talent development</td>
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</table>

Source: Authors own

Table 2: Organisational outcomes relating to Talent Management

<table>
<thead>
<tr>
<th>Service orientation</th>
<th>Productive Organisational energy</th>
<th>Performance</th>
<th>Labour turnover</th>
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<tbody>
<tr>
<td>Talent alignment</td>
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<tr>
<td>Talent acquisition</td>
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<td>Talent review process</td>
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<td>Talent responsibility</td>
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<td>Talent resources</td>
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<td>Talent culture</td>
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<td>Talent results</td>
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<tr>
<td>Talent commitment</td>
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<tr>
<td>Workforce planning</td>
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<tr>
<td>Staffing</td>
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<tr>
<td>Talent retention practices</td>
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<tr>
<td>Performance management</td>
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<td>Talent development</td>
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Source: Authors own

Towards an integrated approach for talent management

An integrated talent management strategy needs an organisation’s human resource strategy and business strategy to be aligned. Once this is in place, the organisation
can focus on attracting and recruiting a desirable pool of project talent. The organisation will then need to develop an employee brand that will attract the right people. It will also need to develop an approach that acknowledges and values talented individuals as a key resource to project and organisational success.

As soon as the right people are selected they need to be deployed in the right positions. After that, sound talent management practices, for example talent development, rewards and performance management, should be maintained through continuous management commitment.

Applying talent management practices effectively either directly leads to reduced turnover or improved individual outcomes such as the psychological contract, work engagement, vigour, job satisfaction and motivation. This, in turn, has a positive influence on organisational related outcomes such as increased service quality and performance, which eventually leads to critical project success factors. Below is a framework that provides a holistic guideline for how to apply the talent management process from start to finish.
Figure 2: The holistic guide to talent management – start to finish

Source: (Barkhuizen, 2014a)
Conclusion

Talent management is an emerging research field in the Sub-Saharan African context. As a result the concept of talent and consequently talent management remains vague. Whilst some consider talent to be an exclusive concept focusing on a limited number of employee talents, others believe it is better practice to be more inclusive in the talent management process and consider all staff as talented.

We believe that an integrated talent management approach should be followed which includes all possible stakeholders as key participants in talent management. This should work towards the achievements of individual outcomes such as psychological contract, work engagement, job satisfaction and motivation.

By adopting an appropriate strategic talent management approach organisations will benefit from increased service quality, performance, project energy and reduced turnover intentions. An organisation’s view regarding the value of its people or its talent reflects externally and will invariably affect its value proposition and brand in the market. This will in turn affect its ability to attract and retain a talented workforce.

Leaders thus need to understand their talent mindset, specifically in relation to the new uncertain environment and legislation, in order to truly encapsulate the dynamic nature of talent management and to obtain the rewards resulting thereof.

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