

THE **SABPP™**

# FACT SHEET

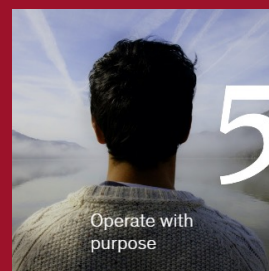
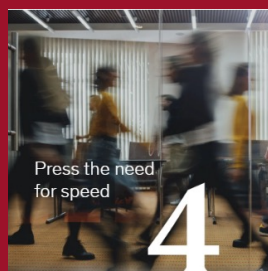
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## TALENT MANAGEMENT POST PANDEMIC

# INTRODUCTION

Many of the long-term trends underpinning the global shortage of talent, such as the changing attitudes of younger employees towards careers, global migration of talent, and the effects of technological development on the nature of work, have been evident for some time, but have been accelerated or brought more sharply into focus during the pandemic and afterwards as the world adjusts to the post-pandemic situation.

The pandemic has both revealed and accelerated a number of trends that will play a substantial role in the shape of the future global economy. What matters most? McKinsey has identified five priorities for CEOs in the next normal:



The CIPD Fact Sheet on Talent Management notes that: “In the future, work will present many new challenges, for example as **automation and AI** replace more routine roles, the labour market for highly-skilled people tightens, and more flexible and hybrid ways of working emerge following the COVID-19 pandemic. Organisations will need to focus even more on developing rather than buying-in their people.”<sup>1</sup>

Labour market analyses showed that in many countries, a rising number of people were leaving permanent employment in 2021, a phenomenon dubbed the Great Resignation. This was thought to be due to the pandemic precipitating people to re-evaluate their life priorities and perceiving employers as being unresponsive to their needs. However, a longer-term analysis has shown that, for example, in the USA, the 2021 figures merely reflected a decade long trend of increasing voluntary

turnover. Five factors are considered to be driving this trend, which is causing widespread labour shortages: “*retirement, relocation, reconsideration, reshuffling, and reluctance*. Workers are retiring in greater numbers but aren’t relocating in large numbers; they’re reconsidering their work-life balance and care roles; they’re making localized switches among industries, or reshuffling, rather than exiting the labor market entirely; and, because of pandemic-related fears, they’re demonstrating a reluctance to return to in-person jobs.”<sup>2</sup>

In South Africa, a 2021 Remchannel survey showed that “**employee turnover had increased by 16% across all sectors**, while just under 69% of its survey respondents indicated that they were battling to attract new employees or retain their existing talent.”<sup>3</sup> This is due to two main factors: highly skilled people leaving permanent employment for the ‘gig’ economy; and emigration. The CEO of Capitec, Gerrie Fourie, notes that South Africa has critical shortages of highly technical professionals such as data scientists, experts in digital systems and software developers (BusinessTech, 2022). The need for these skills persists despite the lingering effects of Covid-19 and other international developments such as the war in Ukraine.

It is therefore clear that talent management, always a critical success factor for organisations, is even more critical today.

**TALENT MANAGEMENT IS A COMPLEX PROCESS**

**ROLES IN THE TALENT MANAGEMENT PROCESS**

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**CONCLUSION**

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2. *The Great Resignation Didn't Start with the Pandemic (hbr.org)* See the August 2021 Fact Sheet as well: [https://cct.mycpd.co.za/SABPP/FactSheets/2021/fact\\_sheet\\_aug\\_2021.pdf](https://cct.mycpd.co.za/SABPP/FactSheets/2021/fact_sheet_aug_2021.pdf)

3. *SA's version of the 'Great Resignation' is a little different – as are reasons for leaving | Businessinsider*

# TALENT MANAGEMENT IS A COMPLEX PROCESS

The definition of Talent Management in the SABPP HRM Systems Model is:

Talent Management is the proactive design and implementation of an integrated talent-driven organisational strategy directed to attracting, deploying, developing, retaining and optimizing the appropriate talent requirements as identified in the workforce plan to ensure a sustainable organisation.

## 1. THE PROCESS FLOW



Managing (sourcing, developing and retaining) talent is a crucial imperative for the new world of work that has evolved mainly due to the development of numerous Fourth Industrial Revolution (4IR) technologies (such as artificial intelligence) and the massive advances in digital technology. This facilitated increased virtualisation and digitalisation of organisations requiring employees to acquire new skills-sets, for example, working with advanced systems, processes, and novel technologies. In the context of the new world of work the following aspects are crucial for talent management (Kokt, 2020).

- The global demand for continuous business improvement is forever increasing and organisations place a high premium on the acquisition, creation, transfer, and retention of knowledge.
- Knowledge and knowledge management drives the new world of work. The demand for certain skills which are essential for organisations, for example, programmers and software engineers generally exceeds the supply. Key skills are hard to find and tough to replace.
- The continuous development of managerial competencies, notably communication, negotiation and inter-personal interaction is indispensable for managing these knowledge workers and the complex processes that drive the new world of work. Management is ultimately responsible for talent management.
- Orientation and integration programmes are crucial for new entrants who need to fit into the culture of the organisation. It can range from six to twelve months for new entrants to understand fully what is expected from them.
- Talent management is dependent on accurate performance data which should be housed in a Human Resource Information Systems (HRIS). Apps that track performance on a daily, even hourly basis, also enable management to make informed decisions related to talent management.

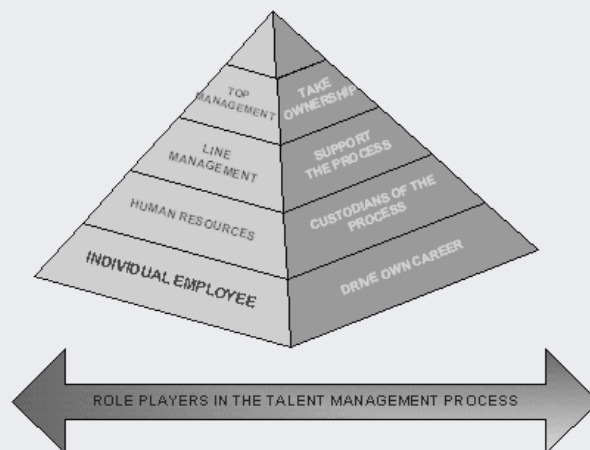
The talent management process is complex and places demands on HR professionals, managers and individual employees. There is thus a huge emphasis on the competencies of these role players to ensure that talent management is a success.

The McKinsey study cited earlier summarises the need: “Cultivate your talent. Talent is the most important natural resource, and leading companies are showing how to develop it. They coach and empower small teams; deploy talent based on skills, not hierarchy; and fill gaps through training and development. The bottom line: a better employee experience delivers better results.”



# ROLES IN THE TALENT MANAGEMENT PROCESS

The talent management process has four role players, top management, line management, HR professionals, and individual employees. This is detailed below.



The roles are explained below.

- **Top management:** Take ownership, provide future focus, ensure the performance of other role players, manage the internal politics, allocate required resources, and model appropriate behaviour.
- **Line management:** Support the process, coach, and mentor talented employees, implement employee development plans, evaluate staff performance and potential objectively and model appropriate behaviour.
- **Human resource professionals:** Act as custodian of the process (including activities such as competency identification, assessment, decision making, ensuring transparency, etcetera), provide HR information, advise on the deployment of employees, and facilitate the process.
- **Individual employees:** Drive own career development and develop insight into their own competence.

# THE ROLE OF ORGANISATIONAL CULTURE IN TALENT MANAGEMENT

Employers are facing daunting challenges in attracting and retaining talent that they expect will continue through 2022. According to a new survey [from the US], 73% of organisations have difficulty attracting employees, up from 26% last year. Similarly, 61% struggle to retain talent, up from 15% last year.

To increase retention, 71% of employers reported that they have taken a broader focus on diversity, equity and inclusion (DEI). Similarly, 70% have increased workplace flexibility and 65% tuition reimbursement. These data highlight a common theme for leadership behaviours that create dignity at, in and from work.

Reducing Talent Risk Through Workplace Dignity ([forbes.com](https://www.forbes.com))

The challenges of identifying and sourcing talent and developing the right skills for an organisation are challenging enough, but the biggest challenge in today's world is talent retention, and that depends to a very large extent on an organisation culture which supports talent management processes.

To cite some problematic organisational cultures, in a study conducted on 37 state departments in South Africa, it was found that 66% of incoming calls were not answered at all (the researchers called three times, letting the phone ring for 30 seconds), indicating that public servants are not responsive to the needs of the public they are supposed to serve (Boonzaaier, 2022). Similar findings were recorded in the same study related to employees not responding to email enquiries. Comparable concerns are continuously reported for other public entities in the South African context notably Eskom, and the South African Airways (SAA) - to name but a few (Barron, 2022).

In contrast, also in the public sector, two entities which are often cited as among the best performers in the sector have cultures which have encouraged talent retention. The focus on talent nurturing at the Auditor General of South Africa's office has resulted in the internal promotion of the current Auditor General, Ms Tsakani Maluleke, the first woman to hold this position in the supreme audit institution's 109-year history. She was also the first female deputy auditor-general. The Auditor General's office underwent an HRM performance audit in 2016 and achieved certification on many aspects of its Talent Management practices. Similarly, the National Treasury has maintained an organisational culture which has retained a long succession of senior officials, and most recently promoted Mr Ismail Momoniat to the position of Acting Director General after 27 years with the Treasury and 22 years as Deputy Director General. He took over from Mr Dondo Mogajane, who was with the Treasury for 23 years, the last 5 of which were in the role of Director General.

Organisational culture encompasses the values that characterise organisations and it is often explained as the 'glue' that keeps organisations together (Schein, 1992). The culture of an organisation is very much established and maintained by either the founder(s) and/or managers in positions of authority and power. Founder(s) and/or managers need to set the example and provide guidance to employees related to the organisational expectations, this also includes what constitutes acceptable and unacceptable behaviour. If expectations are consistently instilled, strong organisational cultures develop and employees are clear on what is expected from them.

In the absence of clearly articulated expectations, including what constitutes acceptable behaviour, employees are generally unsure of expectations – this often leads to the development of weak cultures where individuals do not pursue the goals of the organisation in a coordinated way. Founder(s) and/or managers are thus instrumental in creating strong organisational cultures that naturally extends to aspects such as work ethic and service delivery. If founders(s) and/or managers do not live ethical values themselves, they set poor examples that can adversely affect employee behaviour by imploring them to also disrespect these

Research on employee expectations in today's world clearly shows that, as explained in the text box from Forbes above, employees expect to be treated with dignity, and their needs as a whole person must be acknowledged.





# TALENT MANAGEMENT AND THE GIG ECONOMY

As highly skilled people leave permanent employment and become free-lancers in the gig economy, the nature of the pool of talent available to organisations changes. It will no longer be enough to look internally for the skills of the future - a talent management strategy and process will have to consider a wider pool of people who are less attached to the organisation, and may be on a variety of types of contract, or even simply on an outsourcing platform which delivers skills on demand.

It seems clear that workforce planning for the future based on organisational positions is not viable due to the probable fundamental changes in the shape and nature of the workforce needed to meet future challenges. Careful interpretation of the purpose and long-term strategy of the organisation is needed to identify key skills which will need to be obtained through a variety of sources. The ways in which to attract the people in whom those skills will reside and to engage them with the organisation will need to be creative and wide-ranging.

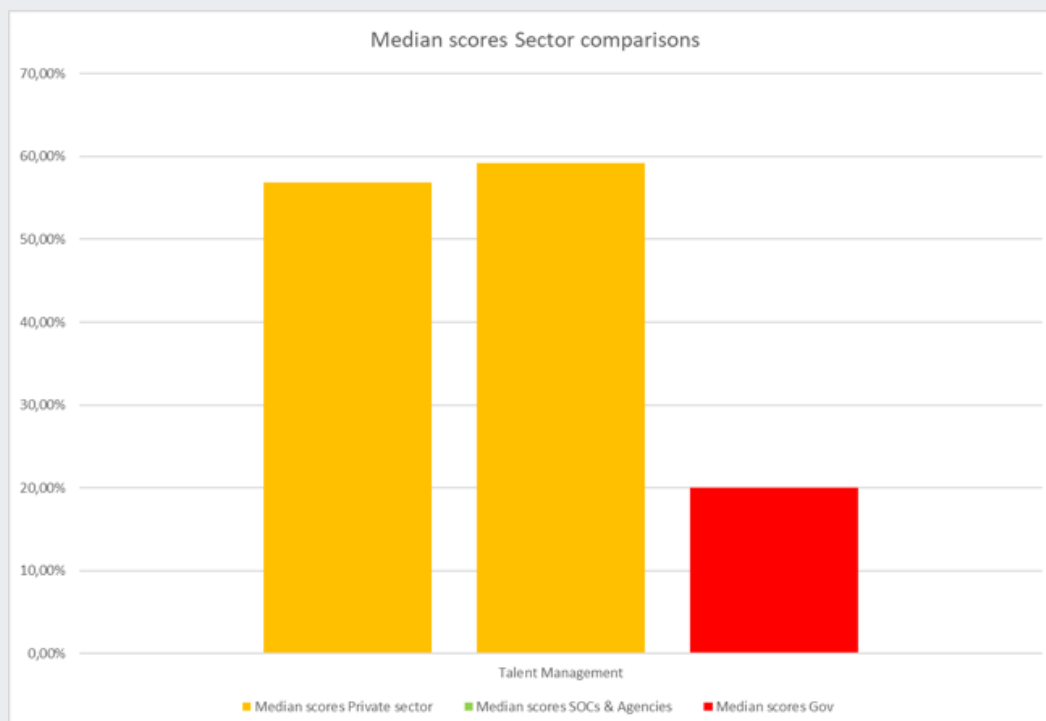
# CHANGING SKILLS FOR LEADERSHIP DEVELOPMENT

As discussed earlier, the leadership competencies and skills which have traditionally been included into leadership development programmes are most probably outdated. As one example of the thinking around new leadership capabilities, Herminia Ibarra, Charles Handy Professor of Organisational Behaviour at London Business School, has identified five key skills:

- cross-cutting - building broader, more diverse networks;
- collaborative - constructive collaboration through creating psychological safety for team members;
- coaching as a leadership culture;
- culture-shaping;
- connecting with team members to build trust and engagement.

# HRM AUDIT RESULTS ON TALENT MANAGEMENT

An analysis of the results of SABPP's HRM performance audits from 2014 to 2018 shows that in the private sector, more attention should be paid to Talent Management as a strategic priority. The median scores are below the 60% threshold set as a benchmark for certification. The same goes for State Owned Companies and Agencies, while, as can be seen from the graph below, the situation in the public sector is very concerning.



# CONCLUSION

Management literature continuously advocates the importance of talent management, especially given the need for organisations to attract and retain the best talent amidst the highly competitive national and international business environment. Talent management relates to a pro-active action from management to anticipate and secure the future talent needs of organisations. If this does not happen organisations will lag and become obsolete. This is especially pertinent in the new world of work where organisations face stiff competition in continuously meeting the needs of customers. Despite talent management being an important imperative, it is not always a top priority. Managers have a key role to play in driving and managing the talent management process. Given the shortage of certain key competencies, managers need to show commitment and grit in leading and advancing talent management in the new world of work.

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# PREVIOUS EDITIONS OF THE FACT SHEET

## 2021

## 2022

