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Management Practices For Retaining Highly Talented Employees In A Large South
African Organisation

Robert Lötter Koetser

A research project submitted to the Gordon Institute of Business Science,
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Abstract

The management practices used by predominantly large organisations for the purpose of retaining talented people is key to the greater success and longer term sustainability of the business. However, these organisations continue to wrestle with appropriate management practices to retain their talented people. It is therefore of critical importance that organisations are aware of the retention practices that work, and those that don't, in the global war for retaining talent.

A non-probability sampling method was used to select a sample of high potential or talented employees that either are, or have been participants of the Leadership Academy at a large South African organisation, to participate in a series of focus groups utilising the nominal group technique which enabled the quantification of qualitative data. A total of 36 highly talented employees participated in the focus groups which were split in terms of age in order to establish if different age groups had different views.

The findings of the research enabled the development of a structured argument in terms of what organisations need to start doing, stop doing and continue doing with respect to the management practices employed for the retention of highly talented people. The research further enabled the identification of a number of components to an employee value proposition (EVP) geared specifically at the retention of highly talented people in a large organisation.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Robert Lötter Koetser (25482132)

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Dedication

For my wife, Shelley, my son Matthew, and my daughter Tayla.



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1 Chapter 1: Introduction To Research Problem

1.1 Introduction

According to Leonardi (2008, p. 57), "While organisations have never had a more confusing and more contradictory time in finding, managing and nurturing talent, wasting and losing talent is also a lot easier". The growth of the global economy has resulted in a change to a knowledge-based economy which enables the ease with which knowledgeable employees can move between companies and countries. The competitive environment in which companies find themselves operating is one where their core competencies and overall performance is most often in the minds of their good people, i.e. their talent.

This view is supported in a newspaper article by Harris (2008) wherein she reports the findings of a recent survey conducted by Avusaq which reveals that 55% of South Africans noted financial package as the main criterion for changing jobs. She further reports that this result appears to contradict the view that the retention of staff is more than pay issues. In the same article, she reports that 8 in 10 South Africans are considering moving to a new job with 32% of them looking to move in the next 6 months. She concludes by reporting that approximately 70% of the readers of the Business Times are actively looking for a new job. However, this article is not academically justified and the claims therefore need to be verified through an academic study.

Given the commentary above, it is imperative that the talent within a business is carefully managed so as to ensure that they are retained in order for the business to grow, remain profitable, competitive and sustainable in the future.

1.2 Problem Formulation

Horwitz (2007) stated that "a key contributing factor in the skills shortage is the inability of organisations to retain talent". This is in essence what the research problem is all about, i.e. how does an organisation retain good, high performing people?

A common term that has received varying degrees of attention is the "War for Talent". It has become increasingly difficult to attract and retain talented people which is exacerbated by the fact that demand outstrips supply of talented employees as noted by Chambers, Foulon, Handfield-Jones, Hankin and Michaels (1998, p. 47) who commented on the future supply of executives in the U.S.A. by stating that "the number of 35 to 44 year-olds in the United States will decline by 15% between 2000 and 2015". This view is supported by Woolridge (2006) where he argues that the global talent pool is getting smaller every year as the baby boomer generation retires resulting in a shortage of knowledge and skills.

The views expressed above are supported with statistical data by Adams Bedington and Tarant (2006) in a "Corporate Leadership Council" report wherein they publish the following facts about the global skills shortage:

- Global GDP was recorded as 4.75% for the period 2003 to 2007 which is indicative of a strong global economy - an inference may accordingly be drawn about increased job opportunities for talented people. This is reported as the highest GDP growth recorded since the period 1970 to 1974 where GDP growth was recorded as 4.9%.
- Arising from a selection of developed countries, it was noted that unemployment declined from 7.2% in 2003 to 6.6% in the first quarter of 2006.
- When countries that typically have low wages were examined, it was found that despite their large pools of labour, an average of only 13% of university graduates were regarded as employable by global companies.
- There appears to be an accelerated retirement trend in developed countries where the over 65 age group is expected to increase from 14% in 2000 to 23% in 2030.

The statistical data outlined above illustrates the point that a worldwide shortage of skills exists which places awareness and pressure on organisations to retain their talented / skilled employees. Phillips (2007) argues that the supply of scarce skills is simply not enough to sustain a future demand within the next 10 to 15 years based on research conducted in the United Kingdom in 2006. A study into what retention practices are required is therefore necessary to assist organisations in developing their own retention strategies.

According to McKinsey research conducted in 2001, the success of an organisation is dependant upon the talent within the organisation. Their findings conclude that talented employees holding key positions within an organisation have had a direct impact on the performance of that organisation. The study makes further predictions that the war for talent will continue for at least the next two decades as organisations increasingly begin to value their people (Axelrod, Handfield-Jones & Welsh, 2001).

It was reported by Hay (2002) that there has been a swift change from the wide-scale retrenchments that took place in the late 1980s and early 1990s to a situation where employee turnover has increased by 25% and now one third of people plan to move companies within the next 2 years. According to Hay (2002), the reasons are primarily poor management, poor training and career development. Hay (2002) further notes that this problem is exacerbated when companies face tough economic times as the people that leave are most often the company's talent who would be best positioned to assist the company during its difficult period.

According to the International Organisation on Migration (2008), one of the most defining global issues in the early part of the 21st century is that of migration which has peaked in recent years more than any other time in human history. The Organisation notes that approximately 3% of the world's population are not currently living in the country in which they were born. This trend has been fuelled

by globalisation which has driven the demand for skilled labour in developed economies, thus leaving a void in historically developing economies (Migration, 2008).

This view is echoed by (Glen, 2007) where he notes that the skills shortage has resulted in a global shortage of talented workers. Glen (2007, p. 4) suggests that the only way to overcome this is to embark on what he refers to as 'global hunting'. Furthermore, he notes that the so-called talent pools are shifting away from traditional work and are moving between industries, sectors and geographical regions. As a result of this, he concludes that organisations are increasingly attempting to keep up with their talent management practices in an effort to respond to this dilemma versus procuring new talent. He further argues that talented people are being driven by their own objectives, and not those of the organisation. This is a significant paradigm change for most organisations.

1.3 Motivation For Research: Relevance Of The Topic To South Africa

South Africa has been rated poorly by the International Monetary Fund (IMF) with respect to the quality of its people. One of the measures used in this study included the availability of skilled labour (Botha, 2005). Consequently, the term 'War for Talent' has developed over the last few years to describe the loss of knowledge and skill from organisations both locally and internationally. A McKinsey study conducted in 2001 found that companies experienced greater difficulty in retaining talent compared to three years earlier (Axelrod *et al.*, 2001).

Employees considered to fall within the definition of talented South Africans are by international standards highly educated and skilled. Their loss either from the country or to an alternate company results in a skills shortage that has to be replaced. The replacement of these skills absorbs a number of resources, such as time and money and it is therefore critical that once these employees are in a business, they are retained for the longest period. The future potential threat is therefore self-evident in that South Africa may face increasing skill shortages in the foreseeable future.

It is widely accepted that the threat of the Chinese and Indian economies is set to upset global economies. If South Africa is to compete, skills and expertise are required. The methods of achieving this include addressing issues such as education, on-the-job skills training and talent management. In the absence of talent management, it is likely that the educated and skilled people will not only leave the business they are in, but possibly the country altogether. Accordingly, the management of talent in terms of specific talent management practices is an essential key to the success of the organisation which has a direct impact on its performance (Axelrod *et al.*, 2001).

1.4 Purpose Of Study

The overall purpose of the study is to add academic knowledge to the above debate by identifying, exploring and evaluating management practices for retaining highly talented people.

1.5 Scope And Research Goals

The scope of the research is limited to talented employees in a large South African organisation due to the ease with which the desired sample may be accessed and the high degree of control of the variables in the study. The goal of the research is to identify the reality being experienced by talented workers so as to establish whether or not there is a disconnect between how people want to be managed/led, and the reality they experience through talent management practices and the frustrations that they may be experiencing. The desired practices may include offshore work assignments, stretch assignments, improved compensation management and performance management. The need therefore exists for a study to identify the management practices organisations should be implementing, discontinuing, and maintaining in order to improve their retention of highly talented people, i.e. management practices that organisations should be starting, stopping and continuing.

1.6 Sappi Limited

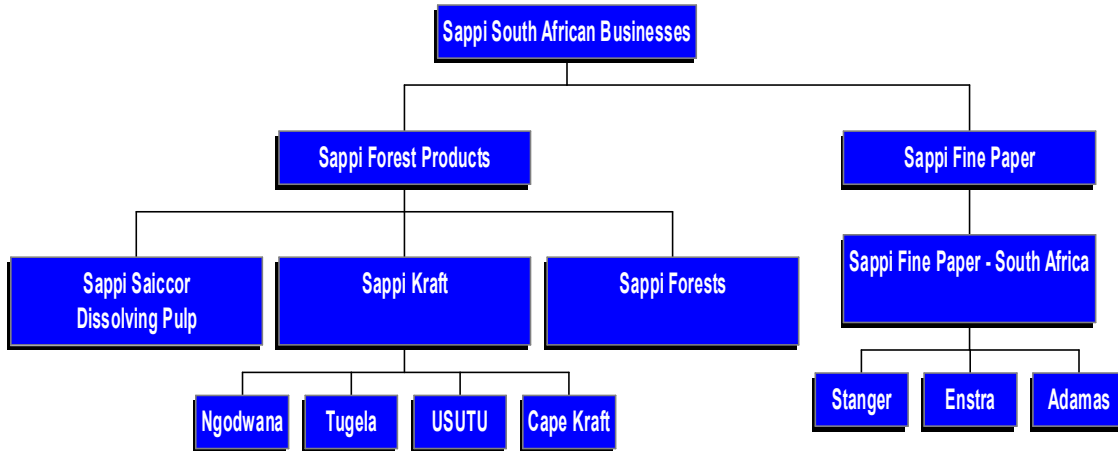
Sappi Limited is a global pulp and paper company with customers in more than 100 countries around the world. The total workforce numbers 15,100 people employed at 18 pulp and paper mills and 50 trading and sales offices around the world, producing and selling 5,1 million tons of paper and 3,4 million tons of pulp per year (Investor Relations, 2008).

The company consists of 3 divisions:

- **Sappi Fine Paper** is the leading producer of coated fine paper in the world with operations in North America, Europe and South Africa. It has a customer base in 100 countries which include leading printers, advertisers, publishers and designers. The fine paper products are used for books, wine labels, magazines, brochures and catalogues (Investor Relations, 2008).
- **Sappi Forest Products** is the pulp, packaging and newsprint business based in South Africa and is the world's largest producer of chemical cellulose (dissolving pulp). The division owns 540,000 hectares of plantations and produces uncoated graphic and business paper, packaging paper and a range of specialty papers (Investor Relations, 2008).
- **Sappi Trading** with its head office in Hong Kong markets the group's products internationally both inside and outside the home markets of the company's various operating divisions (Investor Relations, 2008).

The Southern African operations as set out in figure 1 below which constitutes ownership and management of 8 pulp and paper mills and approximately 550,000 hectares of forests employing a total of approximately 6,000 people.

Figure 1: Organogram Of Sappi Southern African Operations



Given the nature and size of this business, the retention of human capital is of critical importance in terms of both the competitiveness and the longer term sustainability of the business. The pulp and paper industry use much of the same technology and equipment, thus competitive advantage within the industry is largely dependent upon how this technology is leveraged to achieve the business objectives. It is argued that this can only be realised utilising highly talented people. Furthermore, the consequences of a lack of, or absence of, highly talented / skilled people could be as serious as unsustainable business practices, closure of certain operations and / or workplace fatalities, as all Sappi operations are highly hazardous installations fraught with danger.

The global and local skills shortages currently being experienced exacerbate competitiveness issues in this industry as the demands for critical and scarce skills increase. Similar to most businesses of this size, higher than anticipated labour turnover continues to reflect the current conditions of the South African job market,

occurring across departments and in a variety of disciplines. As a result, the retention of highly talented people by Sappi is of critical importance. Given that the focus is on retaining highly talented people, new insights and practices are required if the business is to realise this objective and reverse the high rate of labour turnover. Sappi was accordingly chosen as the organisation within which the study would be conducted due to the accessibility of the sample required and the degree of control of the variables that exist.

2 Chapter 2: Literature Review

2.1 Introduction

The literature review seeks to explore the debate amongst academics in terms of their divergent views of the term *talent*, the management thereof and specifically the retention of talent. In view of this, the literature review set out below initially defines what constitutes talent management practices in the workplace. Thereafter, the application of talent management practices in their generic format is set out, followed by the importance of employee retention, i.e. the *war for talent*. Against that back-drop, a variety of talent management practices and how they relate to employee retention is discussed as integrated retention strategies. The literature review has therefore been divided into various sections with sub-sections as the term talent management practices is explored through academic views and debate. The literature review begins with a broad overview of talent management practices and seeks to narrow down to the specific issues surrounding the management practices for employee retention.

2.2 Definition Of Talent

2.2.1 Introduction

The definition set out below seeks to identify the terminology known as talent management practices so as to identify what it is, and what is not.

2.2.2 Definition Of Talent

According to Heckman and Lewis (2006), talent management is an extremely broad field encompassing a variety of human resources strategies which includes talent strategy, the creation of what is commonly referred to as talent pools, talent management systems and talent management practices. Talent management practices, although a somewhat elusive term, includes succession planning, recruitment, selection, compensation management, training and human resources planning. Heckman and Lewis (2006) suggest that these practices represent the individual components of the greater topic of talent management, albeit that confusion exists in terms of its official definition.

According to Hansen (2007), talented employees are in essence the core group of employees within an organisation that have the ability to take the business forward in the future. This view is supported by Berger and Berger (2004) as they go further to describe talented employees as those who are a small percentage of the total workforce and which represent the core competencies of the business.

2.2.3 Conclusion

It is evident from the discussion above that there is confusion as to precisely what the term talent management means. It appears to be a collection of typical human resources practices, which implemented collectively, describe more recent terminology . talent management. Given this, the literature review is structured around the common themes that best describe the term talent management as defined by Heckman and Lewis (2006).

2.3 Talent Management Practices

2.3.1 Introduction

The definition offered by Heckman and Lewis (2006) in section 2.2.2 pertaining to talent management practices is discussed in its generic form in more detail below based on a variety of academic literature. The talent management practices discussed below include recruitment, training and development, networking, succession planning, performance management, and performance-based pay.

2.3.2 Recruitment

According to Grobler, Warnich, Carrell, Elbert and Hatfield (2002, p. 11), the effectiveness of an organisation depends on the effectiveness of its employees. Without a high-quality labour force, an organisation is destined to have mediocre performance. This view is further supported by Byars and Rue (2000) where they highlight the importance of recruiting the right person for the right job. They go on to explain that jobs should be well-defined in order for the recruitment process to effectively and efficiently attract the right person with the right qualifications, experience and aptitude to the organisation.

Phillips (2007) reports that the battle to recruit employees who possess scarce skills is likely to increase as a result of international mobility and employers fighting to retain these skills. Phillips (2007) further reports that two of the most important challenges facing Human Resources professionals in 2007 were that of recruitment and retention of talented staff. However, a differentiating factor noted by Phillips

(2007) is that he does not refer to talent as a group of high achievers or skilled people, but rather everyone in the business who contributes to its success. This is a significant departure from the thinking of most other authors who discuss the talent of a business.

Analoui (2007) notes the importance of flexible recruitment practices and the degree to which an organisation can be flexible in ever-changing business environments. Specifically, he argues that the attraction and selection of the right people for the right jobs requires a flexible and different recruitment system and practice for different sections of the workforce.

2.3.3 Training And Development

Training and development is defined by Byars and Rue (2000, p. 210) as a learning process that involves the acquisition of skills, concepts, rules, or attitudes to enhance employee performance. They further argue that the external environment in which an organisation operates is constantly changing which more than often requires its people to acquire new skills and ways of conducting business.

Grobler *et al.* (2002) explain that an organisation's growth is closely aligned with the development of its staff in so far as the organisation's growth will be curtailed if its employees are not growing. Grobler *et al.* (2002) further explains that most successful companies have experienced growth and have sophisticated training and development programmes to support such growth. They go on to support their

own view by noting that training expenditure in South African companies is at an all-time high which supports their claim that training and development is an important issue which justifies the allocation of significant financial resources.

2.3.4 Networking

An interesting report conducted in 2005 by the Corporate Leadership Council analysed data from more than 90,000 employees in 135 organisations worldwide. In this report which dealt with the management for high performance and retention, the major determinant of the retention of talent was found to be the construction of networks in which talented employees can communicate. It was also found that the establishment of these networks provided a foundation for increased retention as employees connected with similar talented co-workers (Bedington, 2005).

2.3.5 Human Resource Planning

Analoui (2007) explains that human resource planning is the same as what used to be referred to as manpower planning. It is essentially having an appreciation for the strategic objectives of a company and forecasting the future demand and supply of the skills that will be required to meet the defined objectives. Analoui (2007) goes on to note that it is a process of getting the right people in the right job at the right time.

Grobler *et al.* (2002) points out the linkages between human resource planning, training and development and succession planning and further argues that successful human resource planning is characterised through the alignment of

these practices. Byars and Rue (2000) echo the views of Analoui (2007) and go on to state that the human resource planning process goes beyond the planning phase in that it requires the construction of plans to meet the forecast.

2.3.6 Succession Planning

According to Clutterbuck (2005, p. 11), succession planning is about:

- Making sure that there are enough suitable people to step into any significant role as it becomes vacant or is created.
- Motivating and developing them to adapt to the new role as fast as possible, with the minimum damage.
- Ensuring that every role is a learning resource, in which the incumbent can develop not only skills relevant to that job, but the capability to embrace different and/or larger jobs.

Guinn (2000) notes that succession planning can no longer be driven in its traditional form. He argues that succession planning has to be done based on individual key competencies and with a longer term strategic view of the company. He suggests that this will enable much needed flexibility of the plan and assist with ensuring that the right people occupy the right jobs.

2.3.7 Performance Management

Grobler *et al.* (2002) notes that the term performance management was adopted by the Total Quality Management initiatives in the 1980s which sought to make use of all the management tools available to manage and maximise employee

performance. Grobler *et al.* (2002, p. 260) notes that some of these management tools include but are not limited to the following: reward systems, job design, leadership and training.

Performance management is noted by Martin (2001) as management's intervention to achieve maximum productivity from its employees in its attempt to achieve its goals. He describes the management of employee performance as an outcome through which the individual motivation of the employee is influenced. However, he notes that employees are different, and experience different personal circumstances, and as a result need to be treated differently.

2.3.8 Performance-Based Pay

Performance-based pay enables flexibility, an increase in the quality of work and improved customer service (Analoui, 2007). The specific advantages of a performance-based pay system are set out by Analoui (2007, p. 237) and include:

- Increasing the motivation of employees.
- Encouraging certain behaviour.
- Helping in recruitment and retention.
- Facilitating change in organisational culture.
- Encouraging the internalisation of performance norms.
- Increasing the role of the line manager.
- Greater financial control and value for money.
- Encouragement of flexibility.

According to Grobler *et al.* (2002), most employers are gravitating to performance-based pay systems which typically see them integrating their performance management process with their reward structures, i.e. pay. Grobler *et al.* (2002) note a few reasons for doing this, one of which is incentivising employees to perform at the workplace which would see them getting better pay increases.

2.3.9 Conclusion

The talent management practices discussed above set out not only what each practice entails, but also the reasoning behind, and importance of conducting such practices. It may be argued the talent management practices set out above are in fact generic human resource strategies and practices, however the differentiating factor is that employees are treated differently through the practices outlined above which is what ultimately sets them apart from generic human resource practices.

2.4 The Importance Of Retention

2.4.1 Introduction

It has been widely reported that there is a worldwide shortage of skilled people to the extent that demand outstrips supply. The discussion set out below therefore seeks to explore the debate in an attempt to explain why it is, and continues to be important to retain good people in a business. The debate draws from a few academic literature sources in an attempt to position the importance of retention in businesses today.

2.4.2 War For Talent

The idea that there is and would be a future war for talent was introduced by McKinsey consultants in the 1990s. It is reported that the most important corporate resource in the foreseeable future will be that of talented staff. The current reality and prediction for the future is that this resource is, and will be scarce which sees a situation where the demand outstrips the supply. The consequence of this fact is known by most large organisations that now compete against each other for this scarce resource. The war for talent is predicted to persist for at least another 20 years as is the propensity of people to move between companies. This suggests that apart from attracting talent to the company, the importance of retaining that which is in short supply and upon which an organisation relies so heavily in terms of its competitiveness has become critical (Axelrod *et al.*, 2001).

Hay (2002) notes that the loss of talent within an organisation can spell disaster for it as the best people, i.e. talent, are able to seek and find employment elsewhere. He further argues that given the escalating direct and indirect costs of people leaving, organisations have to direct more of their efforts to retaining their talented people. Hay (2002) concludes that an organisation's talented staff are the ones that are critical to the business during bad times and as such need to be retained.

Glen (2006, p. 37) notes that amongst other things, key skills retention is a critical strategic issue as it has a direct effect on organisation costs, productivity and

business performance+. Glen (2006) highlights that the shortage of talent has been recognised by organisations who are beginning to regard the retention of talent as a strategic imperative through the allocation of financial resources. He concludes that the area that is likely to be the largest beneficiary of financial investment over the next few years is that of employee retention schemes.

Chambers *et al.* (1998, p.47) notes 3 key challenges that all large organisations will face; %a more complex economy which will demand more sophisticated talent with global acumen, multi-cultural fluency, technological literacy, entrepreneurial skills and the ability to manage increasingly delayed, disaggregate organisations.+ In view of this, it is imperative that organisations proactively work towards the attraction and retention of talent if they are going to remain competitive.

2.4.3 Conclusion

The discussion of various literature sources outlined above indicate that there is currently a global problem with regard to the supply of skilled people which is likely to persist in the foreseeable future. The expansion of the global market place has further increased the mobility with which skills may move between organisations and countries. The implication for businesses who employ such people is that it highlights the importance of keeping skilled people within the business for the longest possible time so as to address issues of continuity, performance, sustainability, growth and competitiveness.

2.5 Retention Strategies

2.5.1 Introduction

Glen (2007) criticises organisations that spend exorbitant amounts of money on talent management consultants and talent management strategies. He concludes that the management of talent should be regarded as a strategic imperative of the business and led by its leader at all levels of the business. Finally, he concludes that the attraction of talent to the business is one thing, but the retention of such talent is quite another, each requiring its own strategies. What follows is a discussion of retention strategies aimed at retaining talented people.

2.5.2 Alignment With Organisational Culture

According to Harris and Brannick (1999), successful recruitment requires the alignment of the company's employment efforts with the company's organisational culture. They go on to suggest that a culture of customer service, innovation and operational excellence should be pursued so as to attract and retain the right people and further propose the following key best practices:

- Marketing what is unique about the company and utilising this uniqueness in recruitment processes.
- Treating all applicants as customers by ensuring that all applicants, even if unsuccessful, have a positive experience.
- Inculcating an image of leadership and industry experts in the communities in which they operate.

- Being frank, honest and pragmatic about both the positive and negative aspects of working for the company.
- Recruiting a talented applicant without regard to whether or not a vacancy exists.
- Utilising a multitude of recruitment methods and involving different people from different departments in the process.
- Pursuing the applicants who fit the organisation's culture.

2.5.3 Performance-Based Pay

According to Grobler *et al.* (2002), there may be many reasons why people leave organisations, however they note that inadequate compensation is often the main reason. Grobler *et al.* (2002) argue that if employees believe that they are being treated unfairly, particularly in terms of their remuneration, tension will result and their propensity to leave will increase. They go on to suggest that efforts should therefore be made to engage employees and incentivise them to perform. Such performance should be met with reward, and the ability to retain good people should naturally follow.

Byars and Rue (2000) note that job satisfaction is largely dependant upon the organisation's reward system which is most often referred to as *pay*. They further explain that these extrinsic rewards can have a significant impact on the intrinsic rewards of employees which may ultimately render them dissatisfied. Byars and Rue (2000) conclude that if the pay increases of employees is directly related to their individual or group performance, they are more likely to feel that they have

accomplished something and should theoretically be satisfied, thus decreasing their propensity to leave the organisation.

Sigler (1999) notes that although talented employees are a source of advantage for an organisation, there are inherent difficulties in retaining them. In his article, he notes two important discussion items. Firstly, he argues that job satisfaction and incentivised pay may be the answer to retaining highly talented people in the organisation who would otherwise leave a huge gap should they elect to seek employment elsewhere. Secondly, he notes that in order to retain talented employees, poor performing employees have to be eliminated. In other words, it cannot be expected of good performing employees to be satisfied with their work and working environment if poor performing employees are tolerated.

Research conducted by Smith and Rupp (2004) suggests that employees have a realistic, and in some cases legitimate expectation in terms of being rewarded for good performance. Amongst other things, the research concludes that employees deem it to be unfair when their counter-parts are rewarded with the same or similar pay when their performance is sub-standard. The research even reports cases where employees were recorded as poor performers in their official assessments yet received above average pay increases. One of the findings of the study is the negative effect that this perceived or real unfairness has on the retention of knowledge workers.

2.5.4 Employee Value Proposition

A tight labour market in the late 1990s led to the development of the employer of choice approach as a mechanism to mitigate labour turnover through the provision of better terms and conditions of employment (Cappelli, 2008). This thinking continues today through what is commonly referred to as an employee value proposition.

Research conducted by the Corporate Leadership Council in 2007 reports that the factors that attract employees are different from those that make them stay and further suggests that employers should therefore devise employee value propositions that will address both of these facets (Rowen, 2007). Adams *et al.* (2006) note in their Corporate Leadership Report that in order for a company to increase its attractiveness and by implication its talent pool, they need to manage the company's employee value proposition. This they describe as being a set of attributes that the company possesses and which is perceived by the labour market to be of value. Adams *et al.* (2006) note that the employee value proposition typically constitutes rewards, opportunities, the work, the people and the organisation. If the employee is able to identify with those components at a personal level, then the fit with the company is increased which then leads to their commitment. This supports the views of Harris and Brannick (1999) where they suggest that organisations should pursue applicants who fit the organisation's culture and that the organisation should market that which makes them unique from other organisations.

Adams *et al.* (2006) go on to argue that the company will be better positioned to not only attract that part of the labour market that is actively seeking employment, but also the passive part of the labour market. According to Adams *et al.* (2006), the passive labour market represents 60% of the total labour market and typically constitutes high performers who are more likely to stay with their new employer who are managing their employee value proposition. They reach this conclusion by suggesting that an employee will be more committed to the organisation if they are able to identify with its employee value proposition and it is then inferred that committed employees perform better and stay with the organisation longer.

In a separate article, Glen (2007) suggests that talented people actively seek employment with the best organisations which are most likely to provide them with the best growth opportunities, and leave those organisations that do not make the grade in terms of leadership, employee engagement and an appealing employee value proposition. This is further re-inforcement of the work by Adams *et al.* (2006) wherein the importance of a company's employee value proposition is noted for attraction strategies. Interestingly, Glen (2007) now notes this as being important for retention strategies.

2.5.5 Succession Planning

Clutterbuck (2005) suggests that organisations can improve their succession plans for amongst other reasons employee retention by:

- Having informed senior managers who are able to manage the career needs of their talent against the needs of the business.

- Viewing and treating people differently, i.e. not labelling people and putting them in boxes.
- Encouraging individual performance by giving them the freedom within which to operate and deliver.
- Mentorship and coaching initiatives to facilitate the growth of individuals and ultimately ready them for succession.

Cappelli (2008) argues that traditional and often bureaucratic models of succession planning are being phased out as predictions around human capital become increasingly difficult. He notes that although there are inherent disadvantages, there is evidence to suggest that employers are increasingly allowing employees to control their own career paths and in so doing, they are better enabled to manage the retention of their own talent. The justification offered for this shift in approach is that organisations would rather allow their talent to move within their own organisation than lose it to another.

2.5.6 Training And Development

Rothwell, Jackson, Knight and Lindholm (2005) note that the turnover of talent is likely to increase if there are inadequate career opportunities. They further note that this can also lead to a disconnect with training which impacts on competencies and which further impacts on the employees' promotability. In addition, they state that the retention of talent may depend on the successful implementation of a mentorship programme which they further argue is extremely cost-effective. As part of the greater management of talent, they conclude that the successful

retention of talented employees lies in the ability to not only plan for an individual future for the employee, but to create opportunity for that future within the organisation.

Cunningham (2007) notes that talent management is a hot topic and that many organisations are extremely concerned about it because they realise that they require talented people to take their businesses forward. As a result of this, these businesses often focus their attention on the acquisition of talent as a quick-fix and whilst they may succeed initially, problems seem to creep in as these businesses are unable to retain such talent. Cunningham (2007) explains that there are essentially two main strategies that can be employed to successfully manage talent, namely the alignment of people with existing job roles and the alignment of job roles with people. Ultimately, he suggests that a successful talent management strategy that addresses key issues such as retention lies in the ability of an organisation to intertwine these two dimensions. In a separate article, Cunningham (2007) suggests the establishment of talent pools from a wide variety of people by providing development opportunities to people that may not initially have been considered as talent.

This view is supported by Cappelli (2008) where he argues that one of the most important tools available to organisations in their pursuit to retain their talent is that of employee development. This gives employees an opportunity to advance their careers which has a direct correlation to decreased labour turnover.

Beal (2005) notes from a talent management study of UPS that advice offered to a young, talented employee a number of years previously was for him to leave the company if he wished to get ahead in that same company. Years later, UPS have employed a variety of talent management practices such as job rotation, stretch work assignments and cross-functional movements which have proven successful in the retention of talented employees.

This view is further supported by Hay (2002) wherein he describes the results of research conducted by the Hay Group Limited which found that the top 3 reasons for people intending to leave their current employers within 2 years was a lack of use of their skills and abilities, unhappiness with their boss, and a lack of opportunity to learn new skills. Hay (2002) further notes that companies need to realise that they will not be able to keep all their people forever. Companies should therefore direct their efforts towards firstly accepting and then managing the processes of people joining a company, developing them while they remain employed, and managing their ultimate departure from the company.

No business is immune to labour turnover and as noted in the introduction, it is likely to continue, if not increase, based on the general worldwide shortage of skill and the demand for such skill. Branham (2005) suggests that the reasons advanced by employees when leaving a business are not the real reasons behind their ultimate decision to leave. He notes that employees typically do this because they couldn't be bothered any more because they are leaving the company and

also because they do not want to burn their proverbial bridges. Branham (2005) goes on to suggest that the 7 real reasons why people leave are as follows:

- Expectations of new employees are not met.
- The jobs employees are doing do not fit their strengths.
- Employees do not receive real and honest feedback.
- The employee feels that their career is not going anywhere.
- The employee does not feel valued.
- There is a perceived or real lack of, or absence of, appropriate work life balance.
- The employee no longer trusts or believes in the organisation.

Glen (2006, p. 38) notes that amongst other things, key skills retention is a key operational and potentially even strategic issue for most businesses. He argues that amongst other things, key skills within a business have a direct impact on cost, productivity and business performance. Glen (2006) concludes that through a holistic approach, key talent must be retained in order for the organisation to remain competitive.

2.5.7 Talent Management Interventions

As an organisation endeavours to retain its talent, Cappelli (2008) suggests that more focus be directed towards matching employees needs with the needs of the organisation. He argues that employees are less likely to leave if their needs are matched with that of the organisation, or at least flexibility in this regard. These thoughts are closely aligned with that of Harris and Brannick (1999) where they

discuss that successful recruitment requires the alignment of the company's employment efforts with the company's organisational culture.

A retention strategy advocated by Cappelli (2008) is the organisational alumni concept. This enables the organisation to track the on-goings of its past employees and target those that it wants back. Harris and Brannick (1999) note that if companies want to retain great employees, they need to adopt the following key practices / behaviours:

- Appeal to the hearts and minds of their employees.
- Promote the organisation's values by rewarding that behaviour which is desired.
- Look at intangible benefits in addition to, and in conjunction with, typical competitive pay benefits.
- Promote a learning organisation and establish on-going training as a part of the organisation's culture.
- Promote and actively ensure that employees have a work-life balance.
- Assist employees to see how they fit in with the organisation's overall goals and objectives.
- Allow employees a healthy degree of freedom within defined parameters so that they may have freedom with responsibility.

According to Cappelli (2008), an important yet under-utilised retention strategy is that of project work which allows for the employee to have control and ownership

over a piece of work. The effect is improved retention as the employee is committed to the project, which needless to say, should be meaningful.

2.5.8 Generation Theory

Mazengwa (2007) argues that the key to retaining talent is understanding the people (talent pool) as a collective, for instance as a group of 20 to 30 year olds, and then ultimately as individuals. He maintains that this is because different factors motivate and engage differing age groups, profiles and personalities at different times.

Glass (2007) refers to the Society for Human Resource Management in the United States when defining the varied generations of employees found in a typical organisation. These consist of:

- Veterans . born between 1925 and 1940.
- Baby boomers . born between 1941 and 1960.
- Generation X . born between 1961 and 1976.
- Generation Y or Millennials . born between 1977 and 1992.

Glass (2007) notes that the above generations have their own make-up and as such need to be managed differently. She concludes from her research that each generation group has its own interpretation and meaning of work ethic, the organisation and its structures, the management of change and the relationships that exist in the workplace. She suggests that in view of this, organisations may need to do things differently to compensate for these generational differences.

Cappelli (2008) notes that different employee age groupings desire different things at different stages of their working lives. He concludes that the younger baby boomer generation are likely to stay in their current jobs for a period of 2 years. This is a significant departure from older workers whose tenure at a particular organisation is likely to be much longer, and in many instances, life-long.

Research conducted by Bova and Kroth (2001) into specifically generation X employees highlighted a few key concepts that veterans and baby boomers should be aware of since they are the ones typically found in the upper echelons of organisations and accordingly responsible for the management of talent, one generation of which is generation X. Bova and Kroth's (2001) findings in terms of the characteristics of generation Xers were that they are: parallel thinkers; independent and resourceful; accepting of change; they want it now; comfortable with diversity; have expectations of work-life balance; technologically literate; free agent approach to careers; life-long learners.

This view is supported by Westerman and Yamamura (2007) where their research revealed significant differences in environmental fit and employee outcome variables. Specifically, the working environment fit predicts the employee outcome of particularly the younger generations, i.e. generations X and Y. Their study further notes that these two generations are impatient and highly mobile, the result of which is that if their working environment is not conducive to their needs and wants, they will leave the organisation.

2.5.9 Conclusion

Given the importance of retention strategies outlined in section 2.4, organisations will be required to recognise the importance of retaining their talented staff and will have to develop comprehensive and flexible retention strategies to address same. These strategies are set out in section 2.5 which resolves that the talent in any business may be described as complex groups of people within an organisation who have varied desires and needs. There are a variety of practices discussed above which may be employed to address issues of retention of talented people, however it is noted from the discussion that a flexible approach in terms of the application of the retention strategies discussed should be adopted if the talent in a business is to be retained.

2.6 Conclusion

In order to understand the relationship between the literature discussed above and the topic being researched, it was necessary to have an understanding of the talent management practices being used in business today. The focus of the research is that of retaining talent and as such it was necessary to be aware of the critical position most global organisations find themselves in which is that of retaining their critical and scarce skills for the sake of their continuity and competitiveness. The literature discussed above set out the importance of retention in the global working environment. The connection in the literature is finally made between the management practices used by organisations and the inferences that may be drawn with employee retention.

In view of the varied literature discussed above, a number of questions come to mind where simple answers cannot be given in the affirmative or negative. The war for talent sees organisations worldwide attempting to not only attract, but retain the best people to their organisations. Many of the talent management practices set out in the literature review are currently being used by organisations, some to a greater degree than others, and with varied success. However, even where implemented properly, the inferences that may be drawn as to which of these management practices act as retention factors are limited. It would therefore be of value to establish exactly what employers should start, stop and continue doing to retain this group of employee in a South African organisation, i.e. talent. Furthermore, it would be of interest to establish if the age of the talented employee

has any bearing on what employers should start, stop and continue doing to retain highly talented employees as organisation interventions may have to be tailored differently for different groups of employees.

It is therefore necessary to establish which management practices identified in the literature review should be used by employers in order for them to retain highly talented people. In other words, what should they start doing in order to retain highly talented people in their business. This implies that the management practice would be something that they may or may not be aware of, or is currently not being used but is suggested that it should be implemented. Furthermore, the organisation may be using some of the management practices set out in the literature review which may have real or perceived negative ramifications in terms of the retention of highly talented people. It is therefore necessary to establish which of these practices should be stopped by the organisation. Finally, the organisation may be using some of the management practices set out in the literature review which may be rendering positive results in terms of the retention of highly talented people. It would be of value for an organisation to be aware of what specific management practices they should continue to devote resources to, and continue implementing if these practices are identified as yielding positive results in terms of employee retention.

In an attempt to address the ever-increasing labour turnover of what Sappi has defined as its talent and future leadership, it is important to establish a workable

retention strategy aimed at addressing what is increasingly becoming a globally mobile group of people. Although defined as a homogenous group as they have been identified by the company as talent, they represent different age groups and with reference to the literature in section 2.5, are likely to have different desires and aspirations and should therefore be treated differently.

Given the global problem of a shortage of skills where demand outstrips supply, Sappi needs to establish what retention strategy would work best for them as they seek to compete for limited skills. In their attempt to develop such a retention strategy, they would need to explore the management practices that would best suit their requirements as they endeavour to retain their talent. To this end, they would need to establish what they should start doing to retain highly talented people in the organisation, what they should stop doing to retain highly talented people in the organisation and lastly what they should continue doing to retain highly talented people in the organisation. Finally, it would be of value to establish what flexibility would be required in terms of the application of their management practices in terms of the demands placed upon them by varied age groups. The risk of not establishing these variables may result in inappropriate and ineffective retention strategies which will not have the desired effect of mitigating the war for talent concerns.

3 Chapter 3: Research Questions

3.1 Introduction

The research questions have been identified and informed from the literature review. They are set out below and will be explored through exploratory research as outlined in the research design.

3.2 Research Question 1

What should Sappi start doing to retain highly talented people in the organisation?

3.3 Research Question 2

Does age matter in terms of what Sappi should start doing to retain highly talented people in the organisation?

3.4 Research Question 3

What should Sappi stop doing so that they may improve their retention of highly talented people in the organisation?

3.5 Research Question 4

Does age matter in terms of what Sappi should stop doing to retain highly talented people in the organisation?

3.6 Research Question 5

What should Sappi continue doing in order to retain highly talented people in the organisation?



3.7 Research Question 6

Does age matter in terms of what Sappi should continue doing to retain highly talented people in the organisation?

4 Chapter 4: Research Methodology

4.1 Research Design

The summary of the literature enabled the exploration of existing knowledge on the subject of talent management practices which formed the basis for the construction of the research questions. As shown in the literature review, the retention of staff, never mind talented staff, is not a simple issue and for which there is no simple solution. It is a subject that requires in-depth understanding.

Zikmund (2003) notes that exploratory research aims to provide the researcher with a better understanding of a concept and further explains that the problem may not quantify or provide exact measurements. He further notes that exploratory research does not limit the researcher in terms of identifying trends based on interpretation, descriptions, observations and the like (Zikmund, 2003). Zikmund (2003) further identifies three purposes that would result in a researcher electing to conduct exploratory research. These include a desire to: (a) diagnose a situation, (b) consider alternatives and finally (c) discover new ideas. In this case, the research to be conducted surrounds issues pertaining to talent management practices and its effect on the retention of talent.

In view of Zikmund's (2003) comments, the purpose for electing exploratory research is that of diagnosing the situation so as to assist with the development of some form of understanding about the complex and changing nature of the retention of talent. Furthermore, it was anticipated that the research would

highlight the concerns of employees with respect to some of the reasons why talented people ultimately decide to leave an organisation. A second purpose noted by Zikmund (2003) is that of creating an environment which is conducive to the discovery of new ideas and suggestions which is likely to be of benefit as it presents opportunities for doing things differently, thereby meeting some of the needs of talented employees.

The purpose of this research was to evaluate, understand and interpret the effects that talent management practices have on the retention of talented employees. Furthermore, since the term *talent management* is relatively new and undefined as described by (Heckman and Lewis, 2006), it was concluded that this research was best suited to an exploratory research design. The broad areas that were explored through the structured focus group interviews included an introduction to the respondents providing them with the background to the study followed up with 3 questions which were addressed through the Nominal Group Technique (Tague, 2004).

4.2 Population and Sampling

4.2.1 Population Definition

Sappi employs approximately 6,000 people in Southern Africa. In an effort to plan for the future leadership of the company and to ensure its sustainability, Sappi has identified 400 employees who form part of their leadership pipeline. These employees have been used to populate a computer database programme called

Talent Managerq Within this group a sub-group of approximately 100 employees exist who are regarded as high potential or talent and either are, or have been participants of the Sappi Leadership Academy (SLA). This Academy exists in order to develop leadership skills and capabilities throughout the Sappi Group. In view of this and in the context of this research, these 100 employees are considered to be the population from which the sample was drawn.

4.2.2 Sample Definition

Based on the description of the population outlined in 4.2.1, a non-probability sampling method was used so as to select a sample of high potential or talented employees that populate the database who either are, or have been participants of the Sappi Leadership Academy to voluntarily participate in focus group interviews. This non-probability sampling technique constituted judgemental or otherwise known as purposive sampling. According to Zikmund (2003), judgemental sampling is typically used by a researcher when he/she wants to ensure that the appropriate characteristics of the sample exist. Excluding the pilot study, a total of 6 focus groups with a total of 36 participants were held. Each focus group was approximately 1,5 to 2 hours in duration.

In the case of this research, it was appropriate to use judgemental sampling as a technique to ensure that only employees out of the 100 high potentials or talented employees who either are, or have been participants of the Sappi Leadership Academy were requested to participate in the research (Zikmund, 2003). Given that the Sappi Leadership Academy is geared towards the future leadership of the

business, the ages of employees invited to participate in the Academy ranged from 25 to 45 years. This sample was further divided into age categories as it was anticipated that this variable would result in varied responses to the same questions. The sample was accordingly divided into 2 age categories, 25 to 35 year olds and 36 to 45 year olds. The sample of all focus groups is set out in Table 1 below.

Table 1: Diagrammatical Representation Of Sample Of Focus Groups: Total Sample 25-45

| Age Category: 25-35 | Focus Groups | | | Total |
|----------------------------|---------------------|------------------|------------------|--------------|
| | Group 1 n = 5 | Group 5 n = 8 | Group 6 n = 6 | 19 |
| Age Category: 36-45 | | | | |
| | Group 2 n = 4 | Group 3 n = 6 | Group 4 n = 7 | 17 |
| Total | | | | 36 |

The sampling technique was selected as a result of the known database and existence of the sub-group of 100 employees who have either graduated from and/or are current participants of the Sappi Leadership Academy. The details of all the participants to all the focus groups are set out in Appendix 1. This decision

was influenced knowing the advantages associated with the technique which also includes the simplicity with which the sample could be drawn and the accessibility of the sample.

4.3 Data Collection

The participants were provided with an opportunity to respond in their own words to the questions, providing the researcher with information on their perceptions regarding their view of the talent management practices employed by the organisation and any association and effect that these practices have on the retention of talent.

According to Phillips and Connell (2003), the Nominal Group Technique (NGT) process is a modified form of traditional and perhaps more structured focus groups. The main differences set out by Buddenbaum and Novak (2001) is that the discussion that occurs when making use of the Nominal Group Technique is typically orderly and culminates in a group decision or consensus.

Broadly defined, the Nominal Group Technique may be described as a structured method of brainstorming which ensures that all participants contribute. The NGT technique ensures equal opportunity for each group member to make a contribution in the session and to enable better generation of independent ideas as the members note their contributions in silence prior to sharing them with the rest of the group. In this way, group-think is also avoided (Tague, 2004).

Kubr and Prokopenko (1989) describe the Nominal Group Technique (NGT) as being a particularly useful data collection method in situations where a decision is needed which cannot be made by one person. Although previously described as a variation of typical focus groups, NGT involves several non-interacting individuals who follow a structured format in developing information which is ultimately voted on and ranked.

According to Kubr and Prokopenko (1989), the main steps in the process include:

- Forming a non-interacting group.
- Generating individual ideas.
- Recording the listed ideas on a flip chart.
- Clarifying, simplifying and organising the listed ideas in a logical grouping.
- Individual voting on the ideas with a view to establishing the most important factors.

According to Phillips and Connell (2003), this technique is most useful and productive when seeking to examine the causes of employee turnover. Since this is closely aligned with the writer's topic, the Nominal Group Technique (NGT) was the chosen data collection process employed by the writer.

4.3.1 Pilot Study

The Nominal Group Technique was an unfamiliar method of conducting focus groups to the writer. In order to ensure that rich quality information was collected through the correct application of the technique, a pilot study was conducted on the

10th of July 2008 with a random sample of managers at Sappi Saiccor in Umkomaas, KwaZulu Natal. The level of managers sampled extended from Peromnes grades 5 to 7 . middle to senior management and the study consisted of 6 participants.

Once the focus group was convened, an explanation was offered in terms of the writer's research and all participants obliged by signing an informed consent letter. The process of the Nominal Group Technique was explained to the participants and the focus group proceeded without any issues. The key learning from this focus group was that one hour was insufficient in terms of time allocated to conduct the focus group thoroughly. Furthermore, the writer identified that more time was required to explain the nominal group technique so as to avoid confusion and inaccurate voting processes.

4.3.2 Nominal Group Technique

The questions followed the start, stop and continue technique and formed the basis of the research questions which were informed by the literature review. It should be noted that follow-up questions for the purposes of clarity and grouping of ideas during the focus group sessions were permitted. The same questions were asked of each focus group where each question was asked separately immediately followed by the collection of data. Once the data in response to the first question had been recorded, the second question was posed following the nominal group technique. The questions posed were derived from the debates set out in chapter 2 which discussed and reviewed relevant academic literature.

Question 1

What should Sappi **start** doing to retain highly talented people in the organisation?

The aim of this question was to identify the most important factors that Sappi should consider putting in place to improve the retention of highly talented employees? i.e. What strategies / practices should they put in place to improve?

Question 2

What should Sappi **stop** doing so that they may improve their retention of highly talented people in the organisation? The aim of this question was to identify the most important practices that Sappi were using, but not assisting in the retention of highly talented employees? i.e. What strategies / practices are they doing that is not working and should therefore be discontinued / discouraged?

Question 3

What should Sappi **continue** doing in order to retain highly talented people in the organisation? The aim of this question was to identify the most important practices employed by Sappi that were working in its effort to retain highly talented employees? i.e. What strategies / practices are working well and should therefore be continued?

Notes were also taken by the writer during the process and a copy of all flip chart notes were retained for consideration and consolidation during the analysis process. When dealing with any form of research involving human subjects, the

researcher should be mindful of the ethical implications and accordingly deal with same prior to the commencement of the research. To this end, a document was prepared for signing by all participants so as to obtain their voluntary and informed consent, and further to assure them of anonymity and confidentiality (Zikmund, 2003). Participants were requested to sign an informed consent letter requesting their participation in the research and assuring them about issues of confidentiality. Participants to the focus groups were further advised of their right to withdraw from the group at any time without penalty.

4.3.3 Actual Data Collection

A total of 6 focus groups with a total of 36 participants were held using the nominal group technique. Three focus groups for the age category 25 to 35 were held consisting of an average of 6 participants in each group. Three focus groups for the age category 36 to 45 were held consisting of an average of 5 participants in each group. The focus groups were held at a various venues in Johannesburg and were approximately 1,5 to 2 hours in duration. Subsequent to being welcomed to the session and other related formalities, the first of 3 questions was posed to the group. They were given 5 to 10 minutes in silence to note their thoughts in response to the posed question as part of a brainstorming exercise. Each member was then in turn requested to contribute 1 of their ideas in a round robin format in response to the question which was captured on a flip chart. Each participant was only asked to contribute 1 of their ideas before moving onto the next participant. The process continued going around the table where participants shared their views one at a time, until all views were exhausted by all participants. Although

difficult to control at times, discussion was permitted to facilitate clarification, explain logic and raise questions as opposed to the resolution of differences of opinion and / or general discussion on the items raised.

All of these views and ideas were captured on a flip chart visible to all participants. Once all the ideas of the participants had been exhausted, they were informed that they were to select the 5 most important ideas / issues visible to them on the flip chart paper displayed around the room. The number of ideas generated at each focus group from which participants were required to firstly select and then rank in order of their importance is illustrated in Table 2.

The table below (Table 2) sets out the total and average number of ideas generated per focus group. In addition, it sets out the total and average number of ideas generated per question posed during the focus group, i.e. focus group 1 generated a total of 55 ideas in response to all 3 questions and generated an average of 18 ideas in response to all 3 questions. Similarly, a total of 400 and an average of 67 ideas were generated across all focus groups in response to all 3 questions.

Table 2: Number of Focus Group Ideas Generated Per Focus Group

| Focus Group | Start | Stop | Continue | Average | Total |
|----------------|-------|------|----------|---------|-------|
| 1 | 22 | 17 | 16 | 18 | 55 |
| 2 | 23 | 18 | 21 | 21 | 62 |
| 3 | 26 | 19 | 11 | 19 | 56 |
| 4 | 32 | 20 | 14 | 22 | 66 |
| 5 | 49 | 38 | 19 | 35 | 106 |
| 6 | 26 | 19 | 10 | 18 | 55 |
| Average | 30 | 22 | 15 | * | 67 |
| Total | 178 | 131 | 91 | * | 400 |

Participants were requested to vote on the top 5 items noted on the displayed flip chart paper with their allocated votes. Once they had selected and recorded their personal 5 ideas / issues, they were advised that they each had 5 votes, 5 being the most important and 1 being the least important. This was done individually and confidentially, i.e. no names were recorded on the pieces of paper noting the name of the participant. Once all the voting sheets had been received, the number of votes was recorded against the idea on the flip chart displayed on the wall around the room. The 5 ideas with the most votes were then ranked in order according to the number of votes received. The ranking process was decided upon from the most votes to the least votes against the idea recorded on the displayed flip chart paper thereby displaying the top 5 factors as noted by the group as being the 5 most important factors emanating from that specific group through a ranking process (Tague, 2004).

4.4 Data Analysis

4.4.1 Design

According to Leedy and Ormrod (2001, p. 47), the purpose of content analysis is to identify the specific characteristics of a body of material in order to identify patterns, and, or themes. They further note that generally the process is systematic so as to come to the assistance of the researcher in terms of rendering the process as objective as possible. Content analysis was therefore chosen as the design of choice as part of the data analysis in the instance of this research.

4.4.2 Method

Leedy and Ormrod (2001) explain that when conducting content analysis, the body of work for analysis needs to be identified which in the case of this research constituted the results from the sample of the population. The volume of information obtained through the focus groups was large and as such the next step in the process was to collate the notes from the focus groups in terms of the 3 questions posed so as to organise the raw data. This assisted in the identification of themes prior to editing the raw data.

4.4.3 Actual Data Analysis

Zikmund (2003) notes that the primary purpose of editing is to ensure that the data is accurate, consistent and reliable. To this end the writer analysed his notes from the focus groups in conjunction with the flip chart notes so as to minimise error and maximise accuracy.

Once the editing process was completed, the raw data was ready for identifying and classifying each answer with a numerical score (Zikmund, 2003). These numerical scores were then transferred to a computer programme to facilitate the processing of the data. As suggested by Zikmund (2003), this process is based more on thought arising out of the group sessions versus actual words spoken. To this end, the thoughts and comments to each question were listed in the coding process with a view to tabulating the responses.

Leedy and Ormrod (2001) note that a tabulation of the frequency of each characteristic should be conducted which in itself renders the content analysis process as both quantitative and qualitative. Once this tabulation was conducted, the writer was in a position to interpret the data as it began to answer the research questions. The constructs were then ranked in order of their importance based on the number of total votes received between the 2 age categories. The constructs were further divided and ranked by the 2 age categories in order of importance based on the total votes each construct received per age category. This analysis was performed in this manner so as to answer the research questions and is set out in chapter 5.

4.5 Research Limitations

The limitations of this research are that the chosen sampling methodology was judgemental and may therefore not be generalised to the population. Furthermore, the study was conducted using one South African company utilising a sample of

their employees whom they have defined as their talent and / or future leadership. The findings of the research may accordingly not be generalised to a greater population that may be defined as talent. The analysis of the data collected was coded and analysed as part of a qualitative research study which has the limitation of introducing bias into the analysis and interpretation of the results of the study. Any further generalisation to a population based on these findings would therefore be inappropriate.

Zikmund (2003) notes that the inherent disadvantage associated with this technique is the obvious bias that exists on the part of the researcher and the inappropriateness of projecting the collected data beyond the sample. However, he further points out the advantage associated with this non-probability sampling technique as the sample meeting the objectives set out by the researcher which renders it attractive as a sampling technique in this research.

5 Chapter 5: Results

5.1 Introduction

The results from the 6 focus groups are set out below and discussed in further detail in Chapter 6. A total of 36 employees participated in the 6 focus groups. The 36 employees were divided in terms of the pre-defined age categories which resulted in a total of 19 participants in the three 25 to 35 focus groups and 17 participants in the three 36 to 45 focus groups. The details of the participants to these focus groups are set out in Appendix 1. A common construct was decided upon in terms of the analysis of the information from the 6 focus groups and the votes to each construct tallied in order to rank the importance as noted by all the groups.

The results / raw data of each focus group are tabled from Appendix 3 to Appendix 8. This information was further analysed into the 2 age categories in order to establish the differences between the variables. In terms of the results tabled below, the highest vote is ranked as the most important construct, the second highest vote the second most important construct and so on. A total vote of zero indicates that the construct was raised in the focus group but did not receive any votes and is therefore ranked last in terms of its order of importance. Finally, it should be noted that in some instances, constructs may be ranked the same in terms of their order of importance as a result of a shared total vote.

5.2 Research Question 1

The results set out in Table 3 below indicate the responses of the total sample of 36 participants to the focus groups to the question of what Sappi should start doing to retain highly talented people in the organisation. In this instance, the highest total vote of 111 for revisiting the remuneration policy results in it being ranked as the most important issue / idea by the total sample that Sappi should start doing if they are to retain highly talented people. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 3: What Should Sappi Start Doing To Retain Highly Talented People:

Total Sample

| Rank | Construct | Total Vote |
|------|-------------------------------------------------------------------------------------------------------------------|------------|
| 1 | Revisit remuneration policy - start paying market related salaries | 111 |
| 2 | Transparent and improved succession planning | 64 |
| 3 | Culture change . modern, transparent, flexible | 59 |
| 4 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) | 42 |
| 4 | Reward and recognition | 42 |
| 5 | Flexible work practices | 37 |
| 6 | Create hard to leave strategy, i.e. crèches, gyms, housing allowances etc. | 18 |
| 7 | Identify and then treat talent differently | 17 |
| 7 | Introduce more challenges / opportunities for growth | 17 |
| 8 | Pay for performance | 16 |
| 9 | Branding Sappi as an employer of choice | 14 |
| 10 | Training and development - the right stuff | 13 |
| 11 | Create supportive systems for the development of talent, i.e. job shadowing, mentorship and coaching | 12 |
| 11 | Management programmes that are practical and make use of skills | 12 |
| 12 | Retention of talent | 11 |
| 13 | Manage output, not input | 9 |
| 14 | Encourage entrepreneurship within the organisation | 7 |
| 15 | Focus on people versus costs and bottom line | 6 |



| Rank | Construct | Total Vote |
|------|----------------------------------------------------------------------------------------------------------------------------|------------|
| 15 | Effective support from leadership | 6 |
| 16 | Employee engagement | 5 |
| 16 | Psychometric testing / career counselling for all employees and their children to identify potential to learn and develop | 5 |
| 17 | Elevate marketing stature / skills | 4 |
| 17 | Equal working environment for all Sappi employees | 4 |
| 18 | Improved communication practices | 3 |
| 18 | Review policies | 3 |
| 19 | Getting rid of deadwood occupying talent potential positions | 2 |
| 19 | Giving / providing the necessary resources to do the job, i.e. laptops for grade 7 and above to work after hours from home | 2 |
| 19 | Increased responsibility and accountability | 2 |
| 20 | Trusting employees | 1 |
| 20 | Unpacking and showing relevance of vision, mission and values | 1 |
| 21 | Improved and consistent application of HR polices and practices | 0 |
| 21 | Transparency | 0 |
| 21 | Create a safe environment to work in | 0 |
| 21 | Environmental impact | 0 |
| 21 | Global knowledge sharing | 0 |
| 21 | Increase benefits | 0 |
| 21 | Managing at the right levels | 0 |
| 21 | Marketing of available tools for programmes | 0 |
| 21 | Matrix reporting structures | 0 |
| 21 | Networking - internal / external | 0 |
| 21 | Understand generation differences, i.e. generation X and Y | 0 |
| 21 | Advertise for talent on TV | 0 |
| 21 | Focusing on individuals versus the job - treat people differently | 0 |
| 21 | Increase organisational development resources | 0 |
| 21 | Increased communication with respect to performance appraisals, i.e. monthly meetings | 0 |
| 21 | Measuring leadership skills | 0 |
| 21 | Offering bursaries for the children of employees | 0 |
| 21 | Putting a real focus on research and development | 0 |
| 21 | Use the talent inside versus going outside | 0 |

5.3 Research Question 2

This research question seeks to establish whether or not there are any differences between age categories. The results set out in Table 4 below indicate the responses of the focus groups which had a total sample of 19 participants in the 25 to 35 age category. The results set out in Table 5 below indicate the responses of the focus groups which had a total sample of 17 participants in the 36 to 45 age category. Their responses were ranked in order of importance to the question of what Sappi should start doing to retain highly talented people in the organisation. In this instance, the highest total vote of 44 for revisiting the remuneration policy results in it being ranked as the most important issue / idea by the 25-35 age group and the highest total vote of 67 for revisiting the remuneration policy results in it being ranked as the most important issue / idea by the 36-45 age group. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 4: What Sappi Should Start Doing To Retain Highly Talented People:

Sample Age 25-35

| Rank | Construct | Total Vote |
|------|-------------------------------------------------------------------------------------------------------------------|------------|
| 1 | Revisit remuneration policy - start paying market related salaries | 44 |
| 2 | Transparent and improved succession planning | 41 |
| 3 | Culture change . modern, transparent, flexible | 35 |
| 4 | Reward and recognition | 33 |
| 5 | Flexible work practices | 18 |
| 6 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) | 17 |
| 7 | Management programmes that are practical and make use of skills | 12 |
| 8 | Branding Sappi as an employer of choice | 11 |
| 9 | Training and development - the right stuff | 10 |
| 9 | Create supportive systems for the development of talent, i.e. job | 10 |



| Rank | Construct | Total Vote |
|------|----------------------------------------------------------------------------------------------------------------------------|------------|
| | shadowing, mentorship and coaching | |
| 10 | Introduce more challenges / opportunities for growth | 7 |
| 11 | Identify and then treat talent differently | 6 |
| 11 | Pay for performance | 6 |
| 11 | Effective support from leadership | 6 |
| 12 | Psychometric testing / career counselling for all employees and their children to identify potential to learn and develop | 5 |
| 13 | Retention of talent | 4 |
| 13 | Elevate marketing stature / skills | 4 |
| 13 | Equal working environment for all Sappi employees | 4 |
| 14 | Getting rid of deadwood occupying talent potential positions | 2 |
| 14 | Giving / providing the necessary resources to do the job, i.e. laptops for grade 7 and above to work after hours from home | 2 |
| 14 | Increased responsibility and accountability | 2 |
| 15 | Improved communication practices | 0 |
| 15 | Trusting employees | 0 |
| 15 | Improved and consistent application of HR policies and practices | 0 |
| 15 | Transparency | 0 |
| 15 | Advertise for talent on TV | 0 |
| 15 | Focusing on individuals versus the job - treat people differently | 0 |
| 15 | Increase organisational development resources | 0 |
| 15 | Increased communication with respect to performance appraisals, i.e. monthly meetings | 0 |
| 15 | Measuring leadership skills | 0 |
| 15 | Offering bursaries for the children of employees | 0 |
| 15 | Putting a real focus on research and development | 0 |
| 15 | Use the talent inside versus going outside | 0 |

Table 5: What Sappi Should Start Doing To Retain Highly Talented People:

Sample Age 36-45

| Rank | Construct | Total Vote |
|------|-------------------------------------------------------------------------------------------------------------------|------------|
| 1 | Revisit remuneration policy - start paying market related salaries | 67 |
| 2 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) | 25 |
| 3 | Culture change . modern, transparent, flexible | 24 |
| 4 | Transparent and improved succession planning | 23 |
| 5 | Flexible work practices | 19 |

| Rank | Construct | Total Vote |
|------|------------------------------------------------------------------------------------------------------|------------|
| 6 | Create hard to leave strategy, i.e. crèches, gyms, housing allowances etc. | 18 |
| 7 | Identify and then treat talent differently | 11 |
| 8 | Introduce more challenges / opportunities for growth | 10 |
| 8 | Pay for performance | 10 |
| 9 | Reward and recognition | 9 |
| 9 | Manage output, not input | 9 |
| 10 | Retention of talent | 7 |
| 10 | Encourage entrepreneurship within the organisation | 7 |
| 11 | Focus on people versus costs and bottom line | 6 |
| 12 | Employee engagement | 5 |
| 13 | Branding Sappi as an employer of choice | 3 |
| 13 | Training and development - the right stuff | 3 |
| 13 | Improved communication practices | 3 |
| 13 | Review policies | 3 |
| 14 | Create supportive systems for the development of talent, i.e. job shadowing, mentorship and coaching | 2 |
| 15 | Trusting employees | 1 |
| 15 | Unpacking and showing relevance of vision, mission and values | 1 |
| 16 | Management programmes that are practical and make use of skills | 0 |
| 16 | Improved and consistent application of HR policies and practices | 0 |
| 16 | Transparency | 0 |
| 16 | Create a safe environment to work in | 0 |
| 16 | Environmental impact | 0 |
| 16 | Global knowledge sharing | 0 |
| 16 | Increase benefits | 0 |
| 16 | Managing at the right levels | 0 |
| 16 | Marketing of available tools for programmes | 0 |
| 16 | Matrix reporting structures | 0 |
| 16 | Networking - internal / external | 0 |
| 16 | Understand generation differences, i.e. generation X and Y | 0 |

5.4 Research Question 3

The results set out in Table 6 below indicate the responses of the total sample of 36 participants to the focus groups to the question of what Sappi should stop doing so that they may improve their retention of highly talented people in the organisation. In this instance, the highest total vote of 58 for unnecessary controls

/ red tape / bureaucracy results in it being ranked as the most important issue / idea by the total sample that Sappi should stop doing if they are to retain highly talented people. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 6: What Should Sappi Stop Doing To Retain Highly Talented People:

Total Sample

| Rank | Construct | Total Vote |
|------|--------------------------------------------------------------------------------------------------------------------------------|------------|
| 1 | Unnecessary controls / red tape / bureaucracy | 58 |
| 2 | Tolerating non-performers and incompetent individuals | 49 |
| 2 | Traditional management practices - not progressive enough | 49 |
| 3 | Waiting for talent to leave before you find out why they were unhappy | 37 |
| 4 | Treating everyone the same - too many HR policies - need to recognise individuals | 28 |
| 5 | Culture . conservative corporate culture | 24 |
| 5 | Planning people's careers behind closed doors without talking to them | 24 |
| 6 | Breaching policies and procedures | 21 |
| 6 | Culture re discipline | 21 |
| 7 | Not trusting employees | 19 |
| 8 | Being secretive | 17 |
| 9 | Considering age, experience and recent promotions into salary and grade discussions | 15 |
| 9 | Nepotism | 15 |
| 10 | Poor communication | 14 |
| 11 | Over-working staff | 11 |
| 11 | Talking and start acting, i.e. walk the talk | 11 |
| 12 | Appointing people who cannot do the job | 10 |
| 12 | Bad / poor leadership | 10 |
| 13 | Disregarding experienced and talented people in place of formal qualifications (preference for qualifications over experience) | 9 |
| 14 | Building silos | 8 |
| 15 | Hierarchical structures | 7 |
| 16 | Focussing on cost | 6 |
| 16 | Giving orders - start getting involved | 6 |
| 16 | Inflexible working hours | 6 |
| 16 | Paying increases on the bell curve | 6 |
| 16 | Unrealistic budgeting | 6 |



| Rank | Construct | Total Vote |
|------|-------------------------------------------------------------------------------------------------------------------------------|------------|
| 17 | Focussing outside - direct attention inward | 5 |
| 17 | Overworking staff | 5 |
| 17 | Taking so long to appoint people into critical and / or leadership roles | 5 |
| 18 | Inequality of benefits between senior and other staff | 4 |
| 18 | Losing talented people | 4 |
| 18 | Managers from blocking growth of their people for their own gain, i.e. not releasing them for growth opportunities | 4 |
| 18 | Measuring only hard objectives | 4 |
| 18 | Paying little attention to training and development | 4 |
| 18 | Turning high potential studies down due to budgets | 4 |
| 18 | Unions having so much power | 4 |
| 19 | Being short term focused with regard to everything | 3 |
| 19 | Making Head Office out as the key centre of attraction | 3 |
| 19 | Outsourcing work that can be done by people internally | 3 |
| 19 | Sacrificing people development | 3 |
| 19 | Thinking that people want to work for Sappi forever | 3 |
| 20 | Grading positions according to the mill size | 2 |
| 20 | Talking about market related salaries without back-up of who the market is, i.e. which companies are Sappi being compared to? | 2 |
| 20 | Window dressing for audits | 2 |
| 21 | Ignoring the impact of the current economic situation | 1 |
| 21 | Not listening to people | 1 |
| 21 | Thinking that career development is only for management level people | 1 |
| 22 | Abusing loyalty to get results | 0 |
| 22 | Assuming that experience counts more than education | 0 |
| 22 | Being backward re travel re-imburements | 0 |
| 22 | Being complacent of individual needs | 0 |
| 22 | Boundaries between regions and Divisions | 0 |
| 22 | Changing strategies | 0 |
| 22 | Complicating things | 0 |
| 22 | Creating a new policy when someone abuses the existing one | 0 |
| 22 | Designing strategies that do not carry any accountability and with little idea how to implement | 0 |
| 22 | Egos' and emotions in emails and meetings | 0 |
| 22 | Hindering growth | 0 |
| 22 | Imposing new policies before abolishing old ones | 0 |
| 22 | Issuing Sappi shares - replace with alternative benefit | 0 |
| 22 | Management's ambiguity of employee job roles | 0 |
| 22 | Managing through fear | 0 |
| 22 | Mismatch of training versus the position | 0 |
| 22 | Neglecting electronic opportunities | 0 |
| 22 | Performance appraisals | 0 |

| Rank | Construct | Total Vote |
|------|-----------------------------------------------------------|------------|
| 22 | Prescribing to people how to solve problems | 0 |
| 22 | Short term thinking in terms of the development of people | 0 |
| 22 | Too many initiatives thereby spreading people too thin | 0 |
| 22 | Trying to develop everyone | 0 |
| 22 | Using the type of industry as an excuse for issues | 0 |

5.5 Research Question 4

This research question seeks to establish whether or not there are any differences between age categories. The results set out in Table 7 below indicate the responses of the focus groups which had a total sample of 19 participants in the 25 to 35 age category. The results set out in Table 8 below indicate the responses of the focus groups which had a total sample of 17 participants in the 36 to 45 age category. Their responses were ranked in order of importance to the question of what Sappi should stop doing to retain highly talented people in the organisation. In this instance, the highest total vote of 36 for un-progressive management practices results in it being ranked as the most important issue / idea by the 25-35 age group and the highest total vote of 36 for bureaucratic practices results in it being ranked as the most important issue / idea by the 36-45 age group. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 7: What Sappi Should Stop Doing To Retain Highly Talented People:

Sample Age 25-35

| Rank | Construct | Total Vote |
|------|--------------------------------------------------------------------------------------------------------------------------------|------------|
| 1 | Traditional management practices - not progressive enough | 36 |
| 2 | Waiting for talent to leave before you find out why they were unhappy | 25 |
| 3 | Unnecessary controls / red tape / bureaucracy | 22 |
| 4 | Culture . conservative corporate culture | 19 |
| 5 | Being secretive | 17 |
| 5 | Tolerating non-performers and incompetent individuals | 17 |
| 6 | Over-working staff | 11 |
| 6 | Talking and start acting, i.e. walk the talk | 11 |
| 7 | Bad / poor leadership | 10 |
| 7 | Breaching policies and procedures | 10 |
| 8 | Considering age, experience and recent promotions into salary and grade discussions | 9 |
| 8 | Disregarding experienced and talented people in place of formal qualifications (preference for qualifications over experience) | 9 |
| 9 | Treating everyone the same - too many HR policies - need to recognise individuals | 8 |
| 9 | Not trusting employees | 8 |
| 10 | Hierarchical structures | 7 |
| 11 | Giving orders - start getting involved | 6 |
| 11 | Inflexible working hours | 6 |
| 11 | Paying increases on the bell curve | 6 |
| 11 | Unrealistic budgeting | 6 |
| 12 | Taking so long to appoint people into critical and / or leadership roles | 5 |
| 13 | Focusing on cost | 4 |
| 13 | Losing talented people | 4 |
| 13 | Measuring only hard objectives | 4 |
| 13 | Unions having so much power | 4 |
| 14 | Being short term focused with regard to everything | 3 |
| 14 | Culture re discipline | 3 |
| 14 | Outsourcing work that can be done by people internally | 3 |
| 14 | Sacrificing people development | 3 |
| 15 | Grading positions according to the mill size | 2 |
| 15 | Managers from blocking growth of their people for their own gain, i.e. not releasing them for growth opportunities | 2 |
| 15 | Talking about market related salaries without back-up of who the market is, i.e. which companies are Sappi being compared to? | 2 |



| Rank | Construct | Total Vote |
|------|-------------------------------------------------------------------------------------------------|------------|
| 16 | Ignoring the impact of the current economic situation | 1 |
| 16 | Thinking that career development is only for management level people | 1 |
| 17 | Abusing loyalty to get results | 0 |
| 17 | Being backward re travel re-imburements | 0 |
| 17 | Changing strategies | 0 |
| 17 | Complicating things | 0 |
| 17 | Designing strategies that do not carry any accountability and with little idea how to implement | 0 |
| 17 | Egos' and emotions in emails and meetings | 0 |
| 17 | Hindering growth | 0 |
| 17 | Imposing new policies before abolishing old ones | 0 |
| 17 | Management's ambiguity of employee job roles | 0 |
| 17 | Mismatch of training versus the position | 0 |
| 17 | Neglecting electronic opportunities | 0 |
| 17 | Poor communication | 0 |
| 17 | Too many initiatives thereby spreading people too thin | 0 |

Table 8: What Sappi Should Stop Doing To Retain Highly Talented People:

Sample Age 36-45

| Rank | Construct | Total Vote |
|------|-----------------------------------------------------------------------------------|------------|
| 1 | Unnecessary controls / red tape / bureaucracy | 36 |
| 2 | Tolerating non-performers and incompetent individuals | 32 |
| 3 | Planning people's careers behind closed doors without talking to them | 24 |
| 4 | Treating everyone the same - too many HR policies - need to recognise individuals | 20 |
| 5 | Culture re discipline | 18 |
| 6 | Nepotism | 15 |
| 7 | Poor communication | 14 |
| 8 | Traditional management practices - not progressive enough | 13 |
| 9 | Waiting for talent to leave before you find out why they were unhappy | 12 |
| 10 | Breaching policies and procedures | 11 |
| 10 | Not trusting employees | 11 |
| 11 | Appointing people who cannot do the job | 10 |
| 12 | Building silos | 8 |

| Rank | Construct | Total Vote |
|------|--------------------------------------------------------------------------------------------------------------------|------------|
| 13 | Considering age, experience and recent promotions into salary and grade discussions | 6 |
| 14 | Culture . conservative corporate culture | 5 |
| 14 | Focusing outside - direct attention inward | 5 |
| 14 | Overworking staff | 5 |
| 15 | Inequality of benefits between senior and other staff | 4 |
| 15 | Paying little attention to training and development | 4 |
| 15 | Turning high potential studies down due to budgets | 4 |
| 16 | Making Head Office out as the key centre of attraction | 3 |
| 16 | Thinking that people want to work for Sappi forever | 3 |
| 17 | Focusing on cost | 2 |
| 17 | Managers from blocking growth of their people for their own gain, i.e. not releasing them for growth opportunities | 2 |
| 17 | Window dressing for audits | 2 |
| 18 | Not listening to people | 1 |
| 19 | Assuming that experience counts more than education | 0 |
| 19 | Being complacent of individual needs | 0 |
| 19 | Boundaries between regions and Divisions | 0 |
| 19 | Creating a new policy when someone abuses the existing one | 0 |
| 19 | Hierarchical structures | 0 |
| 19 | Issuing Sappi shares - replace with alternative benefit | 0 |
| 19 | Managing through fear | 0 |
| 19 | Performance appraisals | 0 |
| 19 | Prescribing to people how to solve problems | 0 |
| 19 | Short term thinking in terms of the development of people | 0 |
| 19 | Trying to develop everyone | 0 |
| 19 | Using the type of industry as an excuse for issues | 0 |

5.6 Research Question 5

The results set out in Table 9 below indicate the responses of the total sample of 36 participants to the focus groups to the question of what Sappi should continue doing so that they may improve their retention of highly talented people in the organisation. In this instance, the highest total vote of 130 for continuing with training and development initiatives results in it being ranked as the most important

issue / idea by the total sample of what Sappi should continue doing to retain highly talented people. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 9: What Should Sappi Continue Doing To Retain Highly Talented

People: Total Sample

| Rank | Construct | Total Vote |
|------|--------------------------------------------------------------------------|------------|
| 1 | Training and Development | 130 |
| 2 | Culture change . modernising and flexibility | 55 |
| 3 | Focus on people | 54 |
| 4 | Talent Management programme | 34 |
| 5 | Promotion of young / diverse people to senior / leadership positions | 19 |
| 6 | Focusing on being an industry leader and making profit | 16 |
| 6 | Communication | 16 |
| 8 | Social responsibility | 15 |
| 9 | Employee benefits | 14 |
| 10 | Branding Sappi as an employer of choice | 13 |
| 11 | Succession planning | 11 |
| 11 | Open door policy | 11 |
| 11 | Offshore assignments | 11 |
| 14 | Promoting leadership as opposed to management | 10 |
| 15 | Keeping up with technology | 9 |
| 16 | Product development and looking for new markets | 8 |
| 16 | Bursary scheme | 8 |
| 16 | Being a caring company in terms of individual safety and the environment | 8 |
| 19 | Soft benefits | 7 |
| 19 | Engaging people | 7 |
| 19 | Acquisitions and expansions | 7 |
| 22 | Performance management | 6 |
| 22 | Networking | 6 |
| 22 | Creating a competitive working environment | 6 |
| 25 | Transparency around strategic efforts | 5 |
| 25 | Freedom of speech | 5 |
| 25 | Continue to have surveys regarding talent | 5 |
| 25 | Company values | 5 |
| 25 | Being global | 5 |
| 30 | Reducing HR policies | 4 |

| Rank | Construct | Total Vote |
|------|-----------------------------------------------------------------------------|------------|
| 30 | Innovation | 4 |
| 32 | TPM and lean manufacturing | 3 |
| 33 | Lack / absence of politics | 2 |
| 34 | Rewarding long service - loyalty | 1 |
| 34 | Mentorship programme | 1 |
| 36 | South African based Head Office | 0 |
| 36 | Research and development | 0 |
| 36 | Marketing graduate training | 0 |
| 36 | Investing in technology to assist with assessment and development of talent | 0 |
| 36 | Exit strategy - ex employees feel welcome back | 0 |
| 36 | Acquisition of talented people | 0 |

5.7 Research Question 6

This research question seeks to establish whether or not there are any differences between age categories. The results set out in Table 10 below indicate the responses of the focus groups which had a total sample of 19 participants in the 25 to 35 age category. The results set out in Table 11 below indicate the responses of the focus groups which had a total sample of 17 participants in the 36 to 45 age category. Their responses were ranked in order of importance to the question of what Sappi should continue doing to retain highly talented people in the organisation. In this instance, the highest total vote of 71 for continuing training and development initiatives results in it being ranked as the most important issue / idea by the 25-35 age group and the highest total vote of 59 for continuing training and development initiatives results in it being ranked as the most important issue / idea by the 36-45 age group. A total vote of zero results in the construct being ranked last, i.e. least important.

Table 10: What Sappi Should Continue Doing To Retain Highly Talented

People: Sample Age 25-35

| Rank | Construct | Total Vote |
|------|----------------------------------------------------------------------|------------|
| 1 | Training and Development | 71 |
| 2 | Focus on people | 20 |
| 3 | Promotion of young / diverse people to senior / leadership positions | 19 |
| 4 | Focusing on being an industry leader and making profit | 16 |
| 5 | Employee benefits | 14 |
| 6 | Talent Management programme | 12 |
| 7 | Offshore assignments | 11 |
| 7 | Open door policy | 11 |
| 8 | Promoting leadership as opposed to management | 10 |
| 9 | Branding Sappi as an employer of choice | 9 |
| 10 | Bursary scheme | 8 |
| 10 | Product development and looking for new markets | 8 |
| 11 | Communication | 7 |
| 11 | Social responsibility | 7 |
| 11 | Soft benefits | 7 |
| 12 | Performance management | 6 |
| 12 | Networking | 6 |
| 13 | Company values | 5 |
| 13 | Continue to have surveys regarding talent | 5 |
| 13 | Freedom of speech | 5 |
| 14 | TPM and lean manufacturing | 3 |
| 15 | Lack / absence of politics | 2 |
| 16 | Mentorship programme | 1 |
| 16 | Rewarding long service - loyalty | 1 |
| 17 | Acquisition of talented people | 0 |
| 17 | Exit strategy - ex employees feel welcome back | 0 |
| 17 | Marketing graduate training | 0 |
| 17 | South African based Head Office | 0 |

Table 11: What Sappi Should Continue Doing To Retain Highly Talented

People: Sample Age 36-45

| Rank | Construct | Total Vote |
|------|-----------------------------------------------------------------------------|------------|
| 1 | Training and Development | 59 |
| 2 | Culture change . modernising and flexibility | 55 |
| 3 | Focus on people | 34 |
| 4 | Talent Management programme | 22 |
| 5 | Succession planning | 11 |
| 6 | Communication | 9 |
| 6 | Keeping up with technology | 9 |
| 7 | Social responsibility | 8 |
| 7 | Being a caring company in terms of individual safety and the environment | 8 |
| 8 | Acquisitions and expansions | 7 |
| 8 | Engaging people | 7 |
| 9 | Creating a competitive working environment | 6 |
| 10 | Being global | 5 |
| 10 | Transparency around strategic efforts | 5 |
| 11 | Branding Sappi as an employer of choice | 4 |
| 11 | Innovation | 4 |
| 11 | Reducing HR policies | 4 |
| 12 | Promotion of young / diverse people to senior / leadership positions | 0 |
| 12 | Performance management | 0 |
| 12 | Acquisition of talented people | 0 |
| 12 | Investing in technology to assist with assessment and development of talent | 0 |
| 12 | Research and development | 0 |

6 Chapter 6: Discussion Of Results

6.1 Introduction

The goal of the research was to offer a solution to the high rate of labour turnover being experienced by Sappi. Specifically, the research aimed to identify what Sappi needs to do differently in terms of their management practices currently being used to retain highly talented people in the organisation. 6 research questions were derived in order to assist with the solving of the business problem. These questions were constructed to identify the management practices that Sappi should stop, start and continue doing to retain highly talented people in the organisation. The discussion set out below is an interpretation and critical analysis of the findings of the research set out in Chapter 5, how the literature discussed in Chapter 2 relates to the findings of the research, and what may be concluded as a response to each of the research questions. It may be inferred that the employees that have been identified by the organisation as highly talented employees desire the implementation of the constructs set out and discussed below. It may further be inferred that the likely consequences for the organisation of failing to implement these constructs is the same or increased labour turnover of their talented employees.

6.2 Research Question 1: What Should Sappi Start Doing To Retain Highly Talented People In The Organisation?

The discussion below is of the top 6 ranked constructs from the total sample of 36 participants to the focus groups as set out in Table 3 in Chapter 5.

Table 12: Summary Of Top 6 Constructs – What Should Sappi Start Doing To Retain Highly Talented People: Total Sample

| Rank | Construct |
|-------------|-------------------------------------------------------------------------------------------------------------------|
| 1 | Revisit remuneration policy - start paying market related salaries |
| 2 | Transparent and improved succession planning |
| 3 | Culture change . modern, transparent, flexible |
| 4 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) |
| 4 | Reward and recognition |
| 5 | Flexible work practices |

6.2.1 Revisit Remuneration Policy

This construct ranked as the number 1 issue from the total sample of what Sappi should start doing if they are to retain highly talented people. It is often said that perception is reality until proven otherwise. In this instance, it is evident that the perception of the total sample is that the Company does not pay market related salaries. In fact, a carefully worded comment made by one of the participants in one of the focus groups was that "talented people should be paid above the median of the market". What was interesting from this comment was that reference was not made to the grade ranges used by the Company. The implication of this statement is that there is clearly a belief that the Company is not

paying market-related salaries and if they are to retain highly talented people, then they need to revisit their remuneration policy and pay market-related salaries.

Assuming that this finding is factually correct, it is widely supported by literature, but specifically by Byars and Rue (2000) where they argue that job satisfaction is largely dependant upon the organisations reward system which is most often pay. The implication of this is that if people do not feel that they are being rewarded fairly, their propensity to leave will increase. This is further supported by Grobler *et al.* (2002) where they acknowledge that there are many reasons for labour turnover, however they note that if employees perceive that they are being treated unfairly from a compensation perspective, tension will result and their propensity to leave the organisation will increase. Harris and Brannick (1999) conclude that if employers are to retain great people, they should ensure that their pay packages are competitive in the market. It may be inferred that not to do so may result in increased labour turnover where the employee concerned ensures that they are paid what they are worth. It is concluded that this is a must if the organisation is to retain highly talented people.

6.2.2 Transparent And Improved Succession Planning

Although the participants to the focus groups acknowledged that succession planning is currently being performed at various levels in the organisation, significant improvement to the process was noted as the second most important construct. In other words, the views of the participants are that the process does not work effectively and is too secretive. Highly talented people often do not know

where their next move will be and little is done to ready them for the next position, assuming that some form of communication occurs at all. These views are supported by Clutterbuck (2005) where he suggests a number of initiatives that may be used to improve succession planning with a view to improving employee retention. It is concluded that transparent succession planning where expectations are carefully managed is the correct thing to do. Furthermore, it has to deliver visible results otherwise it is viewed as a paper exercise and frustrates all parties to the process.

6.2.3 Culture

The corporate culture of the organisation is often referred to as being conservative and not open to fresh ways of thinking and conducting business. The views of the participants are that highly talented people leave the organisation as a result of this because they are typically dynamic and do not wish to be placed in a proverbial rigid box where strict rules of conduct govern their day-to-day work life. Although it was acknowledged in the focus groups that the corporate culture is showing signs of change towards becoming more flexible and people-centred, the view was that significant movement in this area is still required.

Harris and Brannick (1999) note that as part of the retention of the right people, there should be a fit between the individual employee and the organisation's corporate culture. They note that this may be described as best practice and it may be inferred from their comments that the retention of highly talented employees will be increasingly difficult should there be conflict between the

individual employee and the organisation's corporate culture. Furthermore, they specifically argue that if organisations are to retain great people, employees should be given a healthy degree of freedom within parameters so that they may have freedom with responsibility. It is concluded that more direct focus should be directed towards changing the corporate culture which allows for individuality, challenging and yet comfortable working environments with people friendly policies to improve the retention of highly talented employees.

6.2.4 Exposure At All Levels - Job And / Or Functional Rotation And / Or Secondments (Including Offshore Opportunities)

The views of the participants to the focus groups were that there is little to no exposure for talented employees from a functional and secondment perspective, including offshore opportunities. The widely held belief is that such exposure could quite easily be started in the organisation which employs in excess of 15,000 people around the world in a variety of disciplines. Beal (2005) notes that the implementation of talent management practices such as job rotation, stretch work assignments and cross-functional movements has proven to be successful in the retention of talented employees. It is concluded that such exposure is desired which has potential benefits to the organisation where new and divergent views may be shared which should improve the quality of decision making. Furthermore, varied opportunities for growth are supportive of an effective retention strategy. Should these opportunities not be forthcoming, yet desired by the talented employees in the organisation, the likelihood of them actively seeking these

opportunities elsewhere increases and consequently the retention of these employees becomes more problematic.

6.2.5 Reward And Recognition

Reward and recognition refers to all types of reward and recognition initiatives, including financial. This construct was ranked the same in terms of its importance as the exposure at all levels (set out above) whether it be functional or offshore work opportunities as both constructs received the same number of votes, i.e. they are ranked as being equally important. The literature supports reward and recognition initiatives and practices as a retention tool where Harris and Brannick (1999) note that best practice for the retention of great people is rewarding those employees with intangible benefits in addition to and in conjunction with typical competitive pay benefits. It is concluded that the implementation of non-financial reward and recognition practices go a long way in terms of retaining highly talented employees where their contributions are recognised and appreciated. It is however noted that in order for reward and recognition practices to be effective, the corporate culture needs to be supportive of such practices.

6.2.6 Flexible Work Practices

Given what has been described as a conservative corporate culture in 6.2.3, work practices are fairly rigid in most instances, and often more so at the organisations manufacturing operations which for example sees a firm daily start and finish time. This issue is something that is demanding more attention as predominantly knowledge workers demand flexibility, particularly in an age of advanced

technology and the concept of virtual offices. In their description of generation Xers, Bova and Kroth (2001) point out that there are high expectations of particularly generation Xers who are technologically literate. It is concluded that organisations ignore this issue to their own detriment. Although Sappi is a manufacturing operation, flexible working arrangements could be implemented at little to no cost to the organisation. This issue may go a long way to assist retaining highly talented employees as it is increasingly moving from a request to a demand. Should the demand not be met, the employee, particularly the knowledge worker is likely to seek the desired work practice flexibility elsewhere.

6.2.7 Conclusion

The 6 constructs discussed identify the practices that the organisation should start doing to retain highly talented people. In particular, it is interesting to note that there is a resounding call for the organisation's remuneration policy to be reviewed. A total of 111 votes were recorded for this construct versus a total of 64 votes for the second highest construct, namely transparent and improved succession planning. It is therefore concluded that these constructs, and in particular the remuneration policy, should be reviewed and / or marketed differently so as to ensure that their implementation adds value to the retention of highly talented employees.

6.3 Research Question 2: Does Age Matter In Terms Of What Sappi Should Start Doing To Retain Highly Talented People In The Organisation?

In order to establish differences between the two age categories, a summary of the top 6 constructs per age category are set out in Tables 13 and 14.

Table 13: Summary Of Top 6 Constructs – What Should Sappi Start Doing To Retain Highly Talented People: Sample Age 25-35

| Rank | Construct |
|------|-------------------------------------------------------------------------------------------------------------------|
| 1 | Revisit remuneration policy - start paying market related salaries |
| 2 | Transparent and improved succession planning |
| 3 | Culture change . modern, transparent, flexible |
| 4 | Reward and recognition |
| 5 | Flexible work practices |
| 6 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) |

Table 14: Summary Of Top 6 Constructs – What Should Sappi Start Doing To Retain Highly Talented People: Sample Age 36-45

| Rank | Construct |
|------|-------------------------------------------------------------------------------------------------------------------|
| 1 | Revisit remuneration policy - start paying market related salaries |
| 2 | Exposure at all levels - job and / or functional rotation and / or secondments (including offshore opportunities) |
| 3 | Culture change . modern, transparent, flexible |
| 4 | Transparent and improved succession planning |
| 5 | Flexible work practices |
| 6 | Create hard to leave strategy, i.e. crèches, gyms, housing allowances etc. |

It is evident from the above that there are definite similarities between the ranking of the top 6 constructs between the two age categories, 25 to 35 and 36 to 45. In particular, the matter of revisiting the company's remuneration policy is ranked as the most important of all constructs in both age categories. This is supported by the literature and conclusion arrived at and discussed in 6.2.1.

Although ranked at various degrees of importance within the top 6 ranked constructs, all constructs with the exception of 1 construct is the same. This means that the two age categories noted the same 6 constructs, albeit that they were ranked at varied levels of importance as being the most important issues that the organisation should start doing if they are to retain highly talented people. It is concluded that given the average number of ideas generated (30 ideas) as per Table 2 across the two age categories for the question of what Sappi should start doing to retain highly talented people, the fact that 3 of the top 6 constructs are ranked as slightly more important than the other is insignificant. The literature and conclusions derived in respect of these common constructs therefore remain as discussed in 6.2.

6.3.1 Create Hard To Leave Strategy

The one difference between the constructs noted by the two age categories is that of creating a hard-to-leave strategy. It was noted that in order to retain highly talented people, the organisation should ensure that it has a strategy and / or has facilities and benefits that make it difficult for such an employee to leave. Examples that were offered in the focus groups included ideas such as workplace

gym facilities, crèches for young children and assistance with renting / owning a home. This matter is discussed in general by Cappelli (2008) where he argues that talented employees are less likely to leave the organisation if there is at least flexibility in terms of matching the needs of the individual with that of the organisation. It is concluded that in this way, the decision to leave becomes all that more difficult for the talented employee and so effort should be directed at making it difficult for particularly talented employees to leave, however without the proverbial golden handcuffs, i.e. commitment is desired, but not to the extent where the employee is beholden to the employer and has little choice but to stay.

6.3.2 Conclusion

There is little to no difference between the constructs of the 25 to 35 year age category and the 36 to 45 year age category. However, it is interesting to note that the 25 to 35 year age category scored a total of 44 votes versus the 36 to 45 year age category who scored a total of 67 votes for reviewing the remuneration policy . a difference of 23 votes. Both groups ranked it as the most important construct, however there is more of an even spread of the votes in the 25 to 35 year age category.

The 36 to 45 year age category recorded votes in the twenties and teens after recording their high of 67 votes for reviewing the remuneration policy. This suggests that although important to both age categories, this construct may be of more importance to the 36 to 45 year age category. Having said that, an organisation would not necessarily apply different remuneration practices between

the two age categories. It is therefore concluded that age does not matter in terms of what Sappi should start doing to retain highly talented people in the organisation given the overall similarity of the rankings of the top 6 constructs. This assists the organisation to determine which management practices to implement to retain different generations of highly talented employees, i.e. the management practices that require focus are essentially the same and are not dependant upon age.

6.4 Research Question 3: What Should Sappi Stop Doing So That They May Improve Their Retention Of Highly Talented People In The Organisation?

The discussion below is of the top 6 ranked constructs from the total sample of 36 participants to the focus groups as set out in Table 6 in Chapter 5.

Table 15: Summary Of Top 6 Constructs - What Should Sappi Stop Doing To Retain Highly Talented People: Total Sample

| Rank | Construct |
|-------------|-----------------------------------------------------------------------------------|
| 1 | Unnecessary controls / red tape / bureaucracy |
| 2 | Tolerating non-performers and incompetent individuals |
| 2 | Traditional management practices - not progressive enough |
| 3 | Waiting for talent to leave before you find out why they were unhappy |
| 4 | Treating everyone the same - too many HR policies - need to recognise individuals |
| 5 | Culture . conservative corporate culture |

6.4.1 Unnecessary Controls / Red Tape / Bureaucracy

The overwhelming views of the focus groups resulted in the unnecessary controls / red tape / bureaucracy construct being ranked number 1 in terms of what Sappi should stop doing to retain highly talented people. This was not a surprise given that it was a dominating theme in each focus group. It is a clear point of frustration and many examples were cited ranging from unnecessary reports to report back meetings which add little value to the absence of decisiveness. It is evident that these frustrations are closely linked to the corporate culture of the organisation. Sigler (1999) notes that job satisfaction is one of two key issues that may determine whether organisations succeed or fail in the retention of key staff. It is concluded that if the company do not desist from continuing and implementing unnecessary bureaucratic processes and systems the likelihood is that talented employees will become less satisfied in their jobs and are likely to seek alternative employment free of such bureaucracy.

6.4.2 Tolerating Non-Performers And Incompetent Individuals

It is noted from the focus groups that the organisation seeks to reward high performing individuals and the principle of performance-based pay is supported as a way of achieving this. However, the criticism arising from the focus groups is that there is a lack of managerial courage with respect to dealing with non-performing and incompetent employees. Given this, the perception is that there is little difference between high, moderate and poor performing employees when interim and / or annual increases are effected. This concern is supported by Smith and Rupp (2004) where they conclude that employees deem it to be unfair when their

counter-parts are rewarded with the same or similar pay when their performance is sub-standard. Furthermore, they note the negative impact that this has on the retention of specifically knowledge workers. Given this, it is concluded that if a performance-based pay system is to have credibility within the organisation, there should be meaningful differences between the rewarding of talented employees so as to differentiate between desired and non-desired behaviour / performance. In addition, it is inferred that highly talented people need to work alongside other highly talented people and demand differential treatment from non-performing / incompetent employees.

6.4.3 Traditional Management Practices - Not Progressive Enough

This construct includes issues raised by the focus groups such as:

- One size fits all thinking.
- Being conservative.
- Silo mentality in terms of performing work for other mills, departments and projects.
- Being rigid and inflexible with regard to general issues.
- Following versus leading which is fuelled by being risk averse.

The details of this construct is not specifically covered by any of the literature discussed in Chapter 2, however it may be concluded from the focus groups that highly talented employees desire working environments characterised by innovation, flexibility and on-going challenges. Should these needs not be met,

the overwhelming likelihood is that these employees will seek such a working environment elsewhere where these needs can be met.

6.4.4 Waiting For Talent To Leave Before You Find Out Why They Were Unhappy

The perception of the focus groups is that the organisation typically waits for talented employees to submit their resignations before they not only attempt to establish the reasons for the resignation, but also explore opportunities to resolve the concerns of the employee for the sake of retention. Such opportunities range from promotions, salary increases, an absence of opportunities for growth and development to poor work environment fit issues. The result is that the employee concerned has usually committed to another organisation with improved terms and conditions of employment which often results in a bidding contest for the employee.

It is concluded that if this is in fact the case, such action is counter-productive to the rest of the organisation, specifically for other highly talented employees who then view the securing of alternate employment as the fastest way to changing their reality, either internally or externally, i.e. either the organisation changes their personal reality or they leave for another organisation which results in the desired change. Berger and Berger (2004) define talented employees as those employees who represent a small percentage of the total workforce which represent the core competencies of the business. Given this, the organisation needs to be appraised of their desires and frustrations at all times so as to avoid being in a position where the talent within the organisation are unhappy and enquiries as to the reasons for

such unhappiness are explored at the eleventh hour for the sake of retention. It should be noted that stay interviews are in fact conducted throughout the organisation to address the retention of highly talented employees, however the results of such enquiries need to be resolved more speedily. It is argued that this interview creates expectations of resolution to concerns and frustrations identified which may result in the talented employee leaving the organisation if no speedy resolution occurs. It is therefore concluded that there has to be a principle commitment from senior management to be flexible, treat people differently and effect changes where it makes sense to do so on issues arising from stay interviews. Not to do so renders these interviews as serving no valuable purpose whatsoever.

6.4.5 Treating Everyone The Same - Too Many HR Policies - Need To Recognise Individuals

It is said that to treat people fairly is to treat them differently. This is certainly what is being advocated by the focus groups in their call not to be treated the same as everyone else. The focus groups identified that treating people the same is often a result of weak management in that they (management) do not have the courage to treat people differently for a fear setting precedents and in some cases, lacking the ability to have the tough conversations with poor performing employees. The easy way out is then to treat people the same or similarly. An example from academic literature with regard to the effect of treating talented employees the same is the wide-scale dissatisfaction of these employees when awarded the same or similar percentage increases as discussed in 6.2.1. It is concluded that by failing to

differentiate between highly talented and non-highly talented / non-performing employees, the likely result is highly talented employees electing to work for an alternate organisation.

6.4.6 Culture

As discussed in 6.2.3, the focus groups acknowledged that the corporate culture is currently changing as a result of newly appointed senior leadership within the organisation, however it was noted that there are certain aspects of the corporate culture that remain. These aspects of the corporate culture which were noted as issues that should be stopped if the organisation wishes to retain highly talented employees include a blame culture, ostracizing people who go against the grain and an absence of fun in the workplace.

It is concluded that this specific construct of culture is directly related to 6.2.3 in that it is its direct opposite. In other words, paragraph 6.2.3 set out that the positive change that was becoming visible in the corporate culture should be given more focus if the organisation is to retain highly talented people. The construct referred to and discussed in this instance is that if the current corporate culture persists, highly talented employees are likely to become frustrated and seek a corporate culture more conducive to their needs and desires. The conclusions arrived at based on the literature discussed in 6.2.3 are essentially the same in this instance which is that the current corporate culture should be stopped and a fresh corporate culture started.

6.4.7 Conclusion

It is interesting to note the higher than anticipated levels of frustration with respect to the constructs identified by the participants to the focus groups. What is of further interest are the linkages that may be drawn between practices that should be stopped and started by the organisation. For instance, unnecessary controls / red tape / bureaucracy could be curtailed through the introduction of flexible work practices as discussed in 6.2.6. It may further be concluded that the majority of the constructs described in 6.4 could be curtailed or eliminated altogether with relatively little effort and minimum cost. In so doing, the frustration levels of a group of people an organisation can ill-afford frustrated is likely to be significantly reduced thereby assisting with the retention of this highly talented group of people.

6.5 Research Question 4: Does Age Matter In Terms Of What Sappi Should Stop Doing To Retain Highly Talented People In The Organisation?

In order to establish differences between the two age categories, a summary of the top 6 constructs per age category are set out in Tables 16 and 17.

Table 16: Summary Of Top 6 Constructs - What Sappi Should Stop Doing To

Retain Highly Talented People: Sample Age 25-35

| Rank | Construct |
|------|-----------------------------------------------------------------------|
| 1 | Traditional management practices - not progressive enough |
| 2 | Waiting for talent to leave before you find out why they were unhappy |
| 3 | Unnecessary controls / red tape / bureaucracy |
| 4 | Culture . conservative corporate culture |
| 5 | Being secretive |
| 5 | Tolerating non-performers and incompetent individuals |

Table 17: Summary Of Top 6 Constructs - What Sappi Should Stop Doing To

Retain Highly Talented People: Sample Age 36-45

| Rank | Construct |
|------|-----------------------------------------------------------------------------------|
| 1 | Unnecessary controls / red tape / bureaucracy |
| 2 | Tolerating non-performers and incompetent individuals |
| 3 | Planning people's careers behind closed doors without talking to them |
| 4 | Treating everyone the same - too many HR policies - need to recognise individuals |
| 5 | Culture re discipline |
| 6 | Nepotism |

It is evident from Tables 16 and 17 that although some of the constructs are ranked at varying levels of importance, two common constructs were ranked within the top 6 constructs, namely unnecessary controls / red tape / bureaucracy and tolerance of non-performers. These constructs were discussed and concluded in 6.4.1 and 6.4.2 respectively and it is evident that they are important issues to both age categories. Given this, the remaining 4 constructs in each age category is different and discussed below.

6.5.1 Traditional Management Practices - Not Progressive Enough

The 25 to 35 year age category ranked the lack of progressiveness and its firm grasp of traditional management practices as their most important construct in terms of what Sappi should stop doing to retain highly talented people. The details surrounding this construct are discussed in 6.4.3 as it was included in the final top 6 ranking of the constructs across both age categories. Bova and Kroth (2001) findings in terms of the characteristics of generation Xers may be summarised as follows: parallel thinkers; independent and resourceful; accepting of change; they want it now; comfortable with diversity; have expectations of work-life balance; technologically literate; free agent approach to careers; life-long learners. Given this, the fact that this construct was ranked as the number 1 construct by the younger 25 to 35 year age category makes sense and is supported by the academic literature of Bova and Kroth (2001).

Furthermore, it is concluded that there is a difference between the two age categories as this construct was not ranked within the top 6 constructs by the 36 to 45 year age category which is a baby boomer generation as identified by Glass (2007). The baby boomer generation are likely to not only be more accepting but have been indoctrinated into a particular management practice that they are now comfortable with and do not view as a major issue in terms of the retention of highly talented employees. If this was not the case, then it would be reasonable to conclude that it would have been included by the 36 to 45 year age category as

one of the top 6 ranked constructs. As such, age does matter in terms of what Sappi should stop doing to retain highly talented people.

6.5.2 Waiting For Talent To Leave Before You Find Out Why They Were Unhappy

This construct was discussed in 6.4.4 as it was included in the final top 6 ranking of the constructs across both age categories. It is interesting to note that this construct was raised by the younger 25 to 35 year age category and not the 36 to 45 year age category. A possible explanation offered for this is provided for by Westerman and Yamamura (2007) where their research concluded that generations X and Y are impatient and highly mobile, the result of which is that if their working environment is not conducive to their needs and wants, they will leave the organisation. It may further be concluded that age does matter in terms of what Sappi should stop doing to retain highly talented people as this construct is not of similar relative importance to both age categories.

6.5.3 Culture

This construct is discussed in 6.4.6 as it was included in the final top 6 ranking of the constructs across both age categories, however it is ranked as being the third most important construct by the 25 to 35 year age category. It may be argued that this construct is closely aligned with traditional / unprogressive management practices discussed in 6.5.1, albeit that each construct is defined differently. It is concluded that the younger generation (generation X) experiences the corporate culture as being conservative, old fashioned and restrictive which needs to change

if younger talented employees are to be retained. As discussed in 6.5.1, the 36 to 45 year age category do not seem to view the broader corporate culture as an area of concern as regards the retention of highly talented employees.

6.5.4 Being Secretive

This construct entails the secrecy surrounding the issues of salary grade ranges and general business-related matters which are not discussed / shared openly and freely amongst staff. It is suggested that the perception of secrecy breeds mistrust particularly amongst employees who believe that either the organisation does not trust them with the information and / or the organisation is attempting to withhold the truth from them. Either scenario is not good for the retention of highly talented staff and it is therefore concluded that a balance be struck between issues that could be shared and those that cannot. This view is supported by Harris and Brannick (1999) where they note one of the best practices for retaining key people is that organisations are frank, honest and pragmatic about both the positive and negative aspects of working for the company.

It may be concluded that this matter is closely aligned with that of 6.2.1 because if all salary related information is withheld in a veil of secrecy, it fuels the perception that salaries are not market related. It is noted that that this matter was ranked as one of the 6 top important constructs by the younger age category (25 to 35 years) because they (generation X and Y) believe that they have a right to this sort of information and do not see the need for all the secrecy whereas this is evidently less of an issue for the older of the two age categories. Furthermore, it may be

concluded that this construct is aligned with that of corporate culture discussed in 6.5.3.

6.5.5 Planning People's Careers Behind Closed Doors Without Talking To Them

This construct refers to the organisation's succession planning process and is critical of it being performed in the absence of the individual under discussion / whose next career move is being planned. The substance of this construct is aligned with 6.2.2 where conclusions for improved succession planning are set out. Having said that, the implementation of transparent and improved succession planning is an issue that was noted as being significantly important by the 25 to 35 year age category when asked about what Sappi should start doing to retain highly talented people (Table 13). It is accordingly concluded that the views of the 25 to 35 year age category is that the current succession planning system is not so poor as to warrant stopping it for the sake of retention.

Cappelli (2008) argues that employers are increasingly allowing employees to control their own career paths and in so doing, they are better enabled to manage the retention of their own talent. This view supports the finding of this construct in that career planning should not be done behind closed doors in the absence of the employee concerned. Therefore, it is concluded that age does matter in terms of this specific construct as it was not mentioned at all by the 25 to 35 year age category whereas it was ranked in the top 6 constructs by the 36 to 45 year age category in terms of what Sappi should stop to retain talented people.

6.5.6 Treating Everyone The Same - Too Many HR Policies - Need To Recognise Individuals

Although this construct was raised by both age categories in the focus groups, it was ranked as a significantly more important issue by the 36 to 45 year age category. It may accordingly be inferred that this construct is more important to the 36 to 45 year age category versus other constructs which took precedence over this one in the 25 to 35 year age category. The academic literature discussed in 6.2.1 supports the view that people do not wish to be treated the same and desire acknowledgement of their individual accomplishments. Given this, it is concluded that age does matter in terms of the ranked importance of this construct by the 36 to 45 year age category regarding what Sappi should stop doing to retain highly talented people.

6.5.7 Culture Regarding Discipline

This construct was raised by both age categories and suggests that a culture of discipline prevails in the organisation which is being used as an all encompassing problem solving mechanism. Again, this construct was ranked as being significantly more important when viewed in the context of other constructs by the 36 to 45 year age category. The academic literature discussed in 6.2.3 notes that a fit between the employee and the organisation's culture is required to improve their employee retention. If the employee has a strong opposing view to a culture of solving problems through disciplinary action, it is concluded that there will be a serious misfit between the employee and the organisation. This construct is essentially indicating a misfit between highly talented employees and the

organisations pre-disposition to using disciplinary action. It is concluded that age does matter in terms of the ranked importance of this construct to the 36 to 45 year age category regarding what Sappi should stop doing to retain highly talented people.

6.5.8 Nepotism

This construct was only raised by the 36 to 45 year age category which immediately implies that there is a difference between the two age categories in terms of the importance of this construct. In fact, this construct was never mentioned in any of the 25 to 35 year age category focus groups. Cappelli (2008) argues that the younger generations are likely to stay in their current jobs for a period of 2 years versus older generation groups who are likely to stay with an organisation for a much longer time. Given this, it may be inferred that this construct is an issue for the older of the 2 age categories as they are likely to be longer-serving employees and have possibly been exposed to such practices versus the younger of the 2 age categories which are likely to not have long service and hence limited exposure to such practices. Perceptions aside, Sappi uses comprehensive tools and corporate governance standards to guard against such practices.

6.5.9 Conclusion

Although 2 common constructs were ranked within the top 6 constructs, namely unnecessary controls / red tape / bureaucracy and tolerance of non-performers most of the constructs identified by the two age categories are different. This

finding suggests that different issues frustrate and perhaps irritate different age groups. This knowledge assists the organisation in determining which constructs should be halted by the organisation if they are to retain highly talented employees in specific age categories.

6.6 Research Question 5: What Should Sappi Continue Doing In Order To Retain Highly Talented People In The Organisation?

The discussion below is of the top 6 ranked constructs from the total sample of 36 participants to the focus groups as set out in Table 9 in Chapter 5.

Table 18: Summary Of Top 6 Constructs - What Should Sappi Continue Doing To Retain Highly Talented People: Total Sample

| Rank | Construct |
|------|----------------------------------------------------------------------|
| 1 | Training and Development |
| 2 | Culture change . modernising and flexibility |
| 3 | Focus on people |
| 4 | Talent Management programme |
| 5 | Promotion of young / diverse people to senior / leadership positions |
| 6 | Focusing on being an industry leader and making profit |

6.6.1 Training And Development

It was acknowledged in the focus groups that training and development is taking place at various levels within the organisation to the extent that it was ranked as the top construct amongst the 25 to 35 and 36 to 45 year age categories. As such, this construct is ranked as the most important issue that the organisation should

continue doing if they are to retain highly talented people. This finding is supported by Rothwell *et al.* (2005) where it is noted that the turnover of talent is likely to increase if there are inadequate career opportunities within an organisation. This view is further supported by Cappelli (2008) where he argues that one of the most important tools available to organisations in their pursuit to retain their talent is that of employee development. Training and development gives employees an opportunity to advance their careers which has a direct correlation to decreased labour turnover. It is accordingly concluded that the organisation should continue with its training and development efforts as part of its strategy to retain highly talented employees in both age categories.

6.6.2 Culture Change

As discussed in 6.2.3, the focus groups acknowledged that the corporate culture is currently changing as a result of newly appointed senior leadership within the organisation. This construct practically involves a mental shift in the way things have traditionally been done where greater emphasis is placed on issues such as trust, freedom with responsibility, tolerance of mistakes, general work practices and intra-divisional teamwork. The focus group participants acknowledged that such a culture shift is appropriate which will assist other retention strategy initiatives. It is therefore concluded that changing the corporate culture is a construct which should be pursued with passion so as to effect meaningful changes which will have many positive results, one of which is the improved retention of talent.

6.6.3 Focus On People

It was noted in the focus groups that for the first time in the history of the organisation, the theme for the 2008 management conference was people issues. This focus has been applauded from all areas of the organisation and was noted by the focus groups as an important strategy in terms of the retention of talent. Cappelli (2008) supports such a strategy where he argues that effort needs to be spent matching employees with the business so that they identify with the organisation. Branham (2005) further explains that one of the reasons that talent leaves an organisation is that they do not feel valued and also lose trust and belief in the organisation. When people issues go wrong, they generally go terribly wrong. It is therefore concluded that to focus on the people aspect of the organisation is a sound business practice for many reasons, but particularly for productivity and the retention of talent. However, the momentum needs to be maintained through specific action plans and aligned with the greater corporate culture change initiatives.

6.6.4 Talent Management Programme

The organisation's talent management programme is noted by the focus groups as an initiative that should continue as it serves as a retention strategy. Specifically, the perceptions of the talent management programme include practices such as succession planning, individual talent growth, building tools / programmes for employee development, and sponsorships of academic qualifications / programmes. The literature pertaining to the implementation of successful succession planning is discussed in 6.6.2, career growth in 6.2.4 and training and

development in 6.6.1 where the over-arching conclusions are that such practices need to be implemented correctly so as to add value in the pursuit of the retention of highly talented people.

6.6.5 Promotion Of Young / Diverse People To Senior / Leadership Positions

This construct acknowledged the achievements of establishing a more diverse workforce representative of the population of South Africa. Specifically, it was acknowledged that younger people have recently been promoted into leadership positions and often do not have a traditional leadership background. In addition, there was broad based support of the appointment of female senior managers. Although the literature in Chapter 2 does not specifically deal with diversity matters in terms of the retention of highly talented employees, it may be inferred that highly talented employees would enjoy greater job satisfaction from a diverse workplace where varied ideas and thinking may be shared. It may also be inferred that this construct has some alignment with that of a changing corporate culture insofar as younger people often from diverse backgrounds are given larger portfolios which historically would not have received support from senior management.

6.6.6 Focusing On Being An Industry Leader And Making A Profit

The focus groups highlighted that highly talented employees want to be on a winning team and associated with a profitable organisation. Although fairly elementary, it was acknowledged through the focus groups that organisations that make money are more sustainable in the future and offer job security. If

employees fear their job security, they are more likely to move at the first opportunity. Furthermore, profitable organisations are likely to offer more training and development opportunities for their talented employees. Although not discussed directly in the literature in Chapter 2, it is reasonable to conclude that highly talented people want to work for highly successful organisations.

6.6.7 Conclusion

The organisation currently uses all of the identified constructs in one or other form. It may therefore be concluded that the organisation should leverage off these management practices in order for them to yield improved value and as a result improve the retention of highly talented employees. This requires a comprehensive marketing and communication drive where the value of these management practices may be demonstrated.

6.7 Research Question 6: Does Age Matter In Terms Of What Sappi Should Continue Doing To Retain Highly Talented People In The Organisation?

In order to establish differences between the 2 age categories, a summary of the top 6 constructs per age category are set out in Tables 19 and 20.

Table 19: Summary Of Top 6 Constructs - What Sappi Should Continue Doing To Retain Highly Talented People: Sample Age 25-35

| Rank | Construct |
|------|----------------------------------------------------------------------|
| 1 | Training and Development |
| 2 | Focus on people |
| 3 | Promotion of young / diverse people to senior / leadership positions |
| 4 | Focusing on being an industry leader and making profit |
| 5 | Employee benefits |
| 6 | Talent Management programme |

Table 20: Summary Of Top 6 Constructs - What Sappi Should Continue Doing To Retain Highly Talented People: Sample Age 36-45

| Rank | Construct |
|------|----------------------------------------------|
| 1 | Training and Development |
| 2 | Culture change . modernising and flexibility |
| 3 | Focus on people |
| 4 | Talent Management programme |
| 5 | Succession planning |
| 6 | Communication |

It is evident from Tables 19 and 20 that although some of the constructs are ranked at varying levels of importance, 3 common constructs were ranked within the top 6 constructs, namely training and development, focussing on people and the organisation's talent management programme. These constructs were discussed and concluded in 6.6.1, 6.6.3 and 6.6.4 respectively. The remaining constructs are discussed below.

6.7.1 Focusing On Being An Industry Leader And Making A Profit

This construct is discussed in 6.6.6 and is noted as being more important to the 25 to 35 year age category. It is accordingly concluded that age does matter in terms of this construct as regards what Sappi should continue doing to retain highly talented people.

6.7.2 Succession Planning

This construct is discussed in 6.2.2 and its importance is brought to the fore again by the 36 to 45 year age category where it is ranked as one of the top 6 management practices that Sappi should continue doing to retain highly talented people. This construct is not ranked by the 25 to 35 year age category as being one of the 6 most important constructs even though it was raised during their focus groups. It may be concluded that the 6 constructs ranked by this age category (25 to 35 years) represent more important issues that should be continued by the organisation to retain highly talented people. As a result of this, it is concluded that age does matter in terms of this specific construct.

6.7.3 Employee Benefits

This construct was ranked as being one of the top 6 constructs of what the organisation should continue doing to retain highly talented people by the 25 to 35 year age category. The term *employee benefits* is loosely used to describe the medical and retirement benefits offered to employees by the organisation. This is interesting to note as Bova and Kroth (2001) explain that this generation (generation X) of employees increasingly demand flexibility, stay with organisations

for shorter periods and are typically more independent. The findings from the focus groups for this age category appears to contradict the findings of Bova and Kroth (2001) as the focus group findings indicate that this generation want the organisation to continue providing paternalistic type benefits. It is concluded that there is a contradiction between the findings of this research and the literature on the matter. Furthermore, it is interesting to note that the older age category (36 to 45 years) did not rank this construct at all which leads to the conclusion that age does matter in terms the relative importance of this construct.

6.7.4 Communication

This construct was ranked as being one of the top 6 constructs of what the organisation should continue doing to retain highly talented people by the 36 to 45 year age category. The focus groups noted that subsequent to the findings of the engagement survey sponsored by the organisation in 2007, communication in the organisation's operations had received renewed focus and had improved. This construct was accordingly ranked as an important issue deserving of continued effort and resource allocation. This construct was raised by both age categories during their respective focus group sessions however its profile was only elevated by the 36 to 45 year age category indicating that age does matter in respect of this construct.

6.7.5 Culture Change

Continued effort at changing the corporate culture of the organisation is discussed in 6.2.3 and 6.6.2. What is interesting to note is that this construct was not even

mentioned once by the 25 to 35 year age category regarding what the organisation should continue doing to retain highly talented people. This is interesting because the literature, specifically that of Bova and Kroth (2001) indicates that generation Xers desire change, are impatient and are accepting of diversity versus an older baby boomer generation where it may be inferred that they are more old school in their approach. Yet, the baby boomer generation's votes resulted in the ranking of culture change as something the organisation needs to continue doing and it is accordingly concluded that age does matter in terms of this construct.

6.7.6 Conclusion

There are 3 constructs which are ranked within the top 6 constructs by both age categories. It is interesting to note that training and development is ranked as being the most important construct by both age categories. This construct received a total of 71 votes by the 25 to 35 year age category and 59 votes by the 36 to 45 year age category. The remainder of the votes apportioned in the 25 to 35 year age category decreased significantly where the second most important construct received only 20 votes. Although the 36 to 45 year age category also ranked training and development as the most important construct, the apportionment of their votes to less important constructs are more evenly spread. This construct is clearly viewed as an important management practice currently being used to retain highly talented people. It is therefore concluded that the organisation should continue to direct resources to this area.

Other than the 3 constructs in common, it is concluded that there are various examples set out above substantiating the view that age matters in terms of what Sappi should continue doing to retain highly talented people. It is accordingly concluded that different age categories assign varied degrees of importance in terms of the management practices being used to retain highly talented people. The organisation therefore has to take cognisance of these differences when developing their retention strategies.

6.8 Conclusion

It may be concluded that the majority of management practices for the retention of highly talented people discussed in the literature in Chapter 2 were raised at some point through the focus groups where the findings of the research complemented the literature. Interestingly, there were 2 occasions where there appeared to be some form of contradiction between the literature and the findings of the research. It is of further interest to note that some of the issues discussed in the literature such as mentorship were raised in the focus groups, however were not sufficiently important so as to rank it with the top 6 constructs. Although the constructs are specifically defined, it is evident that some of the constructs are closely aligned with, or dependant upon one-another, such as culture change, promotion of young and diverse people to senior positions, focusing on people, and culture regarding discipline. The implications of this are that if action is to be taken in terms of inter-linked constructs, cognisance has to be taken of the links with and to other constructs if the initiative is to succeed.

Although there are differences noted between the 2 age categories in terms of the relative importance of certain constructs, there are insufficient differences which support the construction of a convincing argument that different age categories of highly talented people should be subjected to separate retention strategies. In other words, the nature of the different constructs are not issues upon which one would typically base the development of a separate retention strategy.

7 Chapter 7: Conclusion

7.1 Introduction

Chapter 1 of this research report identified a worldwide business problem commonly referred to as the ~~war~~ war for talent+. It is against this background that the problem was formulated as being the inability of organisations to retain their talented people. Specifically, the goal of this research was to identify management practices that should be used by an organisation in order for them to keep talented, high performing people.

The results of this research project are set out in Chapters 5 and 6 and answer the research questions set out in Chapter 3. Specifically, the research findings identified the most important factors that Sappi should consider putting in place to improve the retention of highly talented employees. The research findings identified the most important factors that Sappi should be aware of which are currently being practiced but not working in their effort to retain highly talented employees in the organisation. Finally, the research findings identified the most important current practices being used by Sappi that are working in its efforts to retain highly talented employees. The over-arching conclusions derived from these findings and recommendations for the organisation are set out below.

7.2 Conclusion And Recommendations

The findings are the perceptions of the focus group participants. Furthermore, these employees are likely to base their future decisions on their reality which is likely to be informed by their perceptions and not necessarily the facts. This means that the organisation has to direct more focus towards marketing and / or improving certain management practices so as to not only inform, but demonstrate the value that these management practices actually deliver. In so doing, the incorrect perceptions are likely to be replaced by facts, and the positive results of these management practices should influence the retention of highly talented people more favourably.

The findings of the research suggest that there are management practices that the organisation should start, stop and continue to retain highly talented people in the organisation. What is of particular interest are the perceptions of the participants to the focus groups with respect to most of the constructs. It is noted that the majority of their contributions specifically in terms of what should be started and continued to retain highly talented employees are current management practices in the organisation. Thus, one of the key findings of this research is that it may be inferred that the organisation is either poor in the execution of the management practices concerned, or alternatively poor in the execution of its marketing and delivery of results. Either way, highly talented people have their own views and perceptions in terms of the execution and delivery of these management practices and it is clear from the research findings that they view them with suspicion and

mistrust. It may be concluded that they accordingly act on these views and perceptions and given the negative nature of same, they are more likely to leave the organisation at some point as they do not believe that their needs and interests are being served.

As part of the research process, the focus group participants noted issues that the organisation should continue doing if they are to retain highly talented employees. It is noted that the contributions at this stage of the focus groups were somewhat limited where the participants had to dig deep to think about matters that the organisation was doing well and which had a positive effect on the retention of highly talented people. It may be inferred from this that if people do not instinctively know the answer to such a question, then the management practices employed cannot be all that effective in terms of retaining talented people. It is concluded that more emphasis and focus should be devoted to these management practices if they are to have a positive effect on the retention of highly talented people.

Given the findings of the research, it is recommended that the management practices currently being used by the organisation be critically and honestly reviewed by the human resources fraternity so as to establish areas for improvement in an attempt to match the needs of the highly talented employees with that of the organisation. Once the identified management practices have been

reviewed, specific improvement interventions should be effected so as to deliver the desired results for the employee and the employer.

Furthermore, these reviewed management practices may then form part of an all-encompassing employee value proposition (EVP). The literature makes reference to the development of an employee value proposition which is described by Cappelli (2008) as being an organisation which offers better terms and conditions of employment compared with its competitors. Adams *et al.* (2006) note that such a proposition should be perceived by the employment market as being of value. They go on to suggest that when employees are able to identify with the EVP at a personal level, commitment and ultimately retention of the employee concerned is likely to increase.

It may be inferred from the above that the development of a hard-to-leave strategy or employee value proposition is likely to increase commitment to the organisation. Should a highly talented employee consider leaving the organisation or be invited to join another organisation, the employee value proposition would certainly result in the employee seriously considering the option carefully in view of the benefits they receive through this proposition. This would be particularly true when a highly talented employee is able to identify with the employee value proposition. It is concluded that the development of an attractive employee value proposition which includes the key management practices tabled in 7.3 below completes the goal of

this research which was to identify management practices that should be used by the organisation in order for them to retain high performing people.

7.3 Components Of An Employee Value Proposition For Highly Talented People

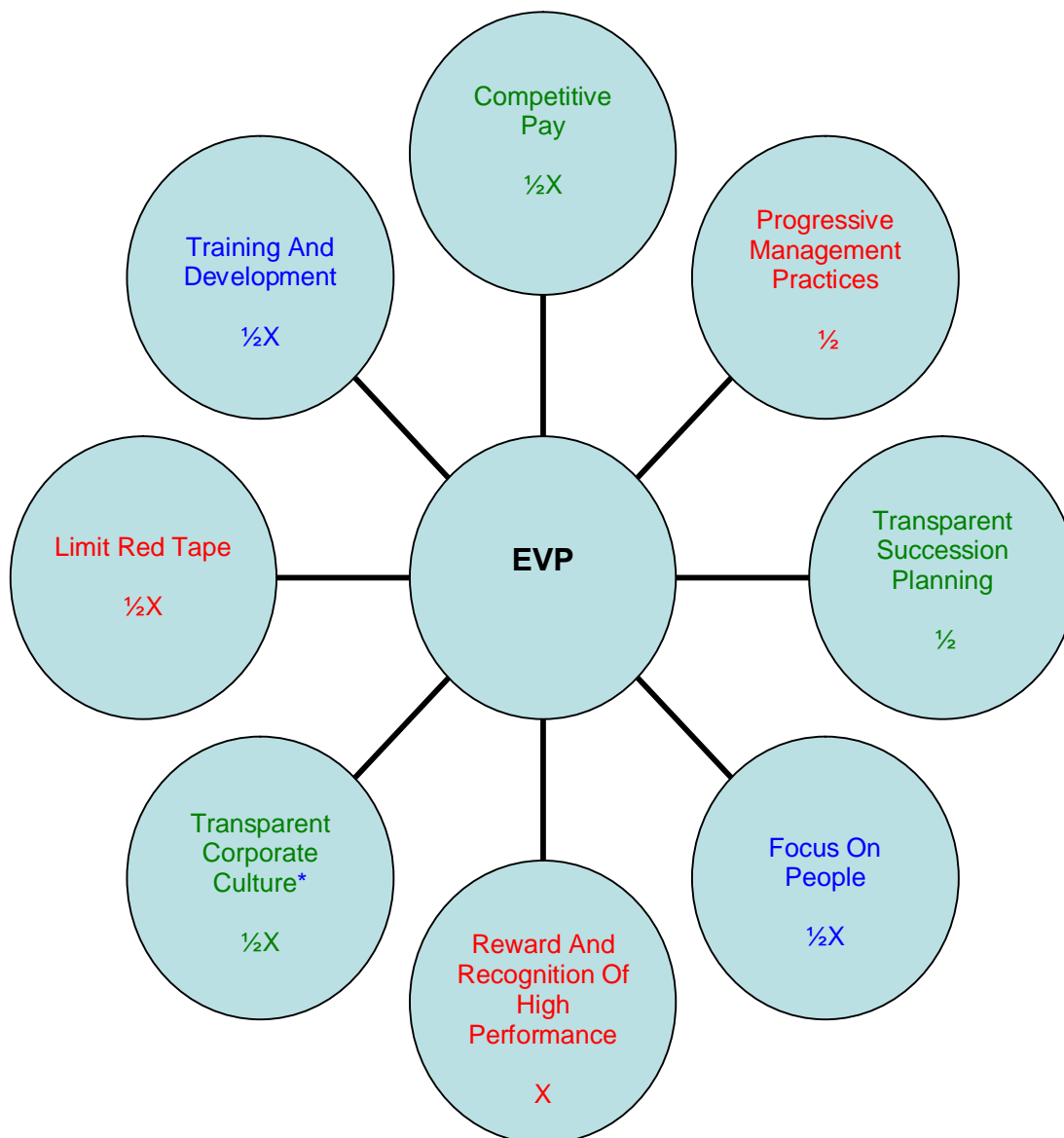
The model tabled below has been developed based on the literature set out in Chapter 2 complemented by the findings of the research set out in Chapter 6. The model seeks to visually represent the key management practices that should be incorporated into the organisations retention strategy specifically for the retention of highly talented people. It is offered as part of a greater solution to addressing the high labour turnover of this group of people, regardless of their age, i.e. it is applicable to all age categories. A healthy degree of sensitivity should be given to the fact that different age categories / generations have different needs / desires. However, it is recommended that one retention strategy is more appropriate given the conclusions of this research. This recommendation is informed by the findings of the research which indicates that although there are certain differences between specific constructs in the 2 age categories, there is little difference at the heart of what highly talented employees desire, need, and perceive in terms of their retention.

One of the key findings from the focus groups is that many of the identified management practices currently exist within the organisation. However, these management practices are either under-utilised, poorly implemented, not viewed

as retention mechanisms and / or are not communicated. The result is limited value added to the organisation as a method of retaining highly talented people. It should be noted that one of the key components which will determine the success of the employee value proposition is the marketing and communication of the proposition. There is little point to having the components of an employee value proposition when these components are not communicated to employees and / or leveraged by the organisation.

The objective is therefore to firstly identify the components of a suitable employee value proposition that the highly talented people in the organisation can identify with at a personal level. Once this has been done, the objective is to communicate and market the employee value proposition in such a way that it achieves the objective of retaining highly talented people. In this way, their commitment to the organisation may be increased which decreases their propensity to exit the business. Given that the components of the employee value proposition (EVP) in the model below have been derived from the findings of the research, this employee value proposition is specific for Sappi. It presents a unique employment proposition which encompasses the culture, values and management practices for the highly talented people at Sappi.

Figure 2: Employee Value Proposition For Highly Talented People



Key To Model

- Green** Top 3 startqissues.
- Red** Top 3 stopqissues, re-phrased in the affirmative (as what to do).
- Blue** Top 3 continueqissues.
- *** Noted as a start and continue issue.
- 1/2** 25 to 35 age category.
- X** 36 to 45 age category.

7.4 Future Research Ideas

In view of the conclusions derived in respect of the retention of highly talented employees, it would be of value to explore whether or not there should be a difference in approach by organisations between their chosen retention strategies for highly talented and other employees. It would also be of value to present the findings of this research to Human Resources Directors of large manufacturing organisations for the purposes of determining firstly what their views are in terms of the findings of the research, and secondly, how they intend to address the desires and needs of their highly talented people. In other words, what specifically are employers prepared to do differently in terms of their current retention strategies so as to improve their retention of highly talented people. Further research may also be directed at establishing the under-lying reasons for the absence of real differences between the 2 age categories given the extensive generation theory literature on the matter.

7.5 Conclusion

The on-going shortage of skills particularly in South Africa is likely to continue for the foreseeable future. This means that organisations have to be better positioned relative to their competitors regarding the retention of their highly talented people. This research was conducted with the perfect sample, i.e. a group of employees identified by an organisation as being their highly talented people and / or future potential candidates for leadership positions. This enabled the ability to obtain in-

depth insight into the needs, perceptions, frustrations and desires of highly talented people. The results of this research therefore add value to an existing general employee value proposition (EVP) body of knowledge. The real benefit in this instance is that this body of knowledge is specific to highly talented employees and can therefore have far-reaching positive consequences for an organisations retention of highly talented people. This research adds additional value in that it creates new knowledge in the field of retaining highly talented people. Given this knowledge, organisations are well positioned to direct their focus to specific management practices identified in this research which will assist them in retaining their highly talented people.

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Appendices

Appendix 1: Details Of Focus Group Participants

Pilot Study: 10 July 2008

Pilot Group: 25-45

| Name | Designation | Service Period | Age |
|------------------------------|------------------------------------------|-----------------------|------------|
| Antonie, Mark John | Financial Manager - Ligno Tech | 19y02 | 41 |
| Machell-Cox, Michael Neville | Commercial Manager | 04y04 | 43 |
| Manana, Bongani James | Industrial Relations Manager | 06y02 | 34 |
| Bramdeow, Evelyn | Communications & Commun. Affairs Manager | 04y10 | 47 |
| Toward, Linda | Personnel Administration Manager | 01y03 | 52 |
| Daniel, Craig | SHEQ Manager | 07y01 | 41 |

Sappi Leadership Academy Alumni Group: 7 August 2008

Group 1: 25 to 35

| Name | Designation | Service Period | Age |
|------------------------------|-------------------------------|-----------------------|------------|
| Dimitrov, Silvana Delcheva | Product Manager - MG | 04y10 | 31 |
| Ernst, Etienne Adalbert | Divisional Commercial Manager | 07y01 | 31 |
| Moodley, Pramy Govindarajulu | Financial Manager | 06y01 | 32 |
| Tayob, Siddiqa | Senior Tax Manager | 03y05 | 30 |
| Truter, Berdine | Group e-commerce Manager | 04y11 | 34 |

Sappi Leadership Academy Alumni Group: 7 August 2008

Group 2: 36 to 45

| Name | Designation | Service Period | Age |
|-------------------------|--------------------------------------------|-----------------------|------------|
| Lewis, Renee Magret | Talent Development Manager | 08y00 | 36 |
| Moodley, Palaniveloo | Group Management Accountant - Acc & Rpt | 20y01 | 40 |
| Pires, Antonio Pedro | Marketing Manager: Office Channel | 00y03 | 37 |
| Hattingh, Dawid Jacobus | Skills Development Manager | 16y10 | 46 |

Sappi Leadership Academy Alumni Group: 13 August 2008

Group 3: 36 to 45

| Name | Designation | Service Period | Age |
|----------------------------|-----------------------------------------|-----------------------|------------|
| Krummeck, Liezel | Senior Process Engineer (Specialist) | 09y10 | 36 |
| Pillay, Gnanesh | General Manager Finance | 11y00 | 38 |
| Sefara, Nelson Legohu | Programme Leader | 05y01 | 38 |
| Gengan, Nirmalam | Skills Development Manager | 23y11 | 44 |
| Ricketts, Zeld Venicia | Treasury Manager | 13y04 | 38 |
| Farnworth, Michael Anthony | Technical Manager | 17y07 | 39 |

Sappi Leadership Academy Group: 19 August 2008

Group 4: 36 to 45

| Name | Designation | Service Period | Age |
|---------------------------|---------------------------------------------|-----------------------|------------|
| Moonsamy, Madhavan | Manager-Tissue Production & Process Eng | 21y03 | 40 |
| Bartleman, John | Manager - Paper Production | 07y08 | 38 |
| Duwarkah, Jenny | Financial Manager | 12y05 | 37 |
| Olivier, Jaco | Maintenance Manager - Pulp | 15y08 | 39 |
| Zorab, Craig Richard Kars | Manager : Process (PM2) | 01y11 | 39 |
| Pillay, Selvan | Manager : Procurement | 00y11 | 39 |
| Joshua, Donovan Ferris | Regional SAP/MM Engineer Systems Manager | 05y00 | 39 |

Sappi Leadership Academy Group: 19 August 2008

Group 5: 25 to 35

| Name | Designation | Service Period | Age |
|--------------------------------|----------------------------------------|-----------------------|------------|
| Lund, Raymond Martin | Technical Manager | 07y11 | 31 |
| Govender, Donovan | Production Superintendent | 06y05 | 28 |
| Mcfadden, Tracey Edwina | HR Practitioner: Talent and Retention | 05y07 | 27 |
| Jacobs, Johannes Jacobus Steyn | IT Maintenance Support Manager | 06y09 | 32 |
| Groenewoud, Mariette | Key Accounts Manager | 05y01 | 30 |
| Mzileni, Nondumiso Lorraine | Commercial Officer | 01y03 | 27 |
| Gianadda, Paolo | Programme Leader: Energy and Emissions | 04y10 | 31 |
| Wessels, Tracy Lee | Technical Manager | 07y03 | 33 |



Sappi Future Leadership Group: 25 August 2008

Group 6: 25 to 35

| Name | Designation | Service Period | Age |
|-----------------------------------|--------------------------------|-----------------------|------------|
| Swart, Cindy | Process Engineer Pulp | 02y09 | 25 |
| Knock, Jason Ivo | Process Engineer | 02y03 | 26 |
| Singh, Nitesh | Production Superintendent | 05y05 | 27 |
| O'Kelly, Carol Anne | Process Engineer Pulp Mill | 05y05 | 29 |
| Ferreira, Isabel Maria Moreira | Environmental Process Engineer | 05y05 | 31 |
| Govender, Jaysalen | Financial Accountant | 11y03 | 33 |

Appendix 2: Results from Pilot Study Focus Group

Pilot Group: Continue

| Issue | Vote | Total Vote | Rank |
|---------------------------------------|-------|------------|------|
| Training Opportunities | 1;3;3 | 7 | 4 |
| Promoting from within | 3;4;4 | 11 | 1 |
| Engagement initiatives | 2;1 | 3 | - |
| To strive to be the best / excellence | 4;1;4 | 9 | 2 |
| Footprint as a global player | 1;1 | 2 | - |
| Communication initiatives | 2;4;3 | 9 | 2 |
| Empowering people | 3;2;2 | 7 | - |
| Rewarding good performance | 2;2 | 4 | - |
| Corporate image | 3;1;4 | 8 | 3 |
| BBBEE | | | - |

Pilot Group: Stop

| Issue | Vote | Total Vote | Rank |
|-----------------------------------------|---------|------------|------|
| Procrastinating with decisions | 4;1;2;2 | 9 | 2 |
| Staff exodus | 3 | 3 | - |
| Using CPI as a basis for %age increases | 3;4 | 7 | 3 |
| Bureaucracy | 2;2;1;2 | 7 | 3 |
| Tolerating non-performers | 1;4;1 | 6 | 4 |
| Treating people as expendible resources | 3;3;3 | 9 | 2 |
| Hiring the wrong people | 4;1 | 5 | - |
| Being people unfriendly | 0 | 0 | - |
| Element of mistrust of employees | 3 | 3 | - |
| Ignoring the impact of crime | 1;2;4;4 | 11 | 1 |

Pilot Group: Start

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------|---------|------------|------|
| Paying competitive remuneration | 1;4;4;4 | 13 | 1 |
| Career growth | 3 | 3 | - |
| Flexible remuneration | 1 | 1 | - |
| Engagement | 3;1;2 | 6 | 3 |
| Reward and recognition | 3 | 3 | - |
| Career advancement planning / succession planning | 4;2 | 6 | 3 |
| Development of employees | 2 | 2 | - |
| Wider and more frequent communication | 0 | 0 | - |
| Progressiveness | 4 | 4 | - |
| Speed of Human Resources at Head Office | 2 | 2 | - |



| Issue | Vote | Total Vote | Rank |
|-------------------------------------|-------|------------|------|
| Limiting bureaucracy | 3 | 3 | - |
| Leading Human Resources initiatives | 2 | 2 | - |
| Empowering with accountability | 2;3 | 5 | 4 |
| Work-life balance | 4;3 | 7 | 2 |
| Having fun | 1;1;1 | 3 | - |

Appendix 3: Results from Focus Group 1

Group 1: Continue

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|------|
| Freedom of speech | 4;1 | 5 | 5 |
| Global exposure for people | 5;2;4 | 11 | 2 |
| Mentorship programme | 1 | 1 | - |
| Managing Directos' monthly feedback sessions | 0 | 0 | - |
| Promoting younger people into leadership positions and from non-traditional leadership functions / feedstock, i.e. Accountants appointed as CEO | 1;5;5 | 11 | 2 |
| Female senior managers | 3;5 | 8 | 3 |
| Training and Development - general | 2;5;1;4 | 12 | 1 |
| Open door policy | 4;2;3;2 | 11 | 2 |
| Sappi Leadership Academy | 4;3 | 7 | 4 |
| South African based Head Office | 0 | 0 | - |
| Employee benefits | 0 | 0 | - |
| Sponsorships of MBA studies | 1 | 1 | - |
| Lack / absence of politics | 2 | 2 | - |
| Focus on people | 3 | 3 | - |
| Quarterly feedback sessions by Sappi Limited CEO | 0 | 0 | - |
| Open plan office culture | 3 | 3 | - |

Group 1: Stop

| Issue | Vote | Total Vote | Rank |
|-----------------------------------------------|-------|------------|------|
| Being secretive | 4 | 4 | - |
| Not trusting people to deliver | 5 | 5 | 5 |
| Unnecessary controls / red tape / bureaucracy | 3;1;5 | 9 | 4 |
| Hierarchical structures | 5 | 5 | 5 |
| Functional Directors | 0 | 0 | - |
| Breaching policies and procedures | 1 | 1 | - |



| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------------------------------------------------------------|---------|------------|------|
| Considering age, experience and recent promotions into salary and grade discussions | 2;4;2;1 | 9 | 4 |
| Tolerating non-performers and incompetent individuals | 5;3;2;3 | 13 | 1 |
| Hindering growth | 0 | 0 | - |
| Bad / poor leadership | 1;4;5 | 10 | 3 |
| Managers from blocking growth of their people for their own gain, i.e. not releasing them for growth opportunities | 2 | 2 | - |
| Talking and start acting, i.e. walk the talk | 4;3;4 | 11 | 2 |
| Treating everyone the same - too many HR policies - need to recognise individuals | 0 | 0 | - |
| Taking so long to appoint people into critical and / or leadership roles | 3 | 3 | - |
| Egos' and emotions in emails and meetings | 0 | 0 | - |
| Questioning people | 0 | 0 | - |
| Being short term focused with regard to everything | 1;2 | 3 | - |

Group 1: Start

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------------------------------------|-------|------------|------|
| Focusing on individuals versus the job - do away with the grading system | 0 | 0 | - |
| Improving the HR department as it is not effective | 0 | 0 | - |
| Branding Sappi as a dynamic employer providing growth and opportunity | 5;1;4 | 10 | 3 |
| Revisit remuneration policy - start paying market related salaries | 3;4;5 | 12 | 1 |
| Consistent application of HR polices | 0 | 0 | - |
| Career discussions with people other than your boss, i.e. HR involvement | 4 | 4 | - |
| Transparent succession planning with evidence that it is working | 4 | 4 | - |
| Performance-based succession - know where you are going | 3 | 3 | - |
| Effective support from leadership | 5;1 | 6 | - |
| Skilling line managers with people skills | 3 | 3 | - |
| Increased responsibility and accountability | 2 | 2 | - |
| Introduce more challenges | 2;5 | 7 | 5 |
| Exposure at all levels - job and / or functional rotation | 5;3 | 8 | 4 |
| Recognition for job well done | 0 | 0 | - |
| Increased communication with respect to performance appraisals, i.e. monthly meetings | 0 | 0 | - |
| Making use of MBA skills in the company | 2 | 2 | - |
| Culture of respect and professionalism | 4;2;5 | 11 | 2 |
| HR to play a more active role in the mentorship process | 2 | 2 | - |
| Managers to free up people to move outside of Division | 0 | 0 | - |

| Issue | Vote | Total Vote | Rank |
|----------------------------------------------------------------------------------------------------------------------------|-------|------------|------|
| Elevate marketing stature / skills | 4 | 4 | - |
| Flexible practices where applicable, i.e. employees could have 2 jobs / work from home | 1;1;3 | 5 | - |
| Communication with employees on successes and failures of business initiatives and on general business related information | 0 | 0 | - |

Appendix 4: Results from Focus Group 2

Group 2: Continue

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------------------------------------------------------------|-------|------------|------|
| Developing individuals with talent | 4;1;5 | 10 | 1 |
| Community support and sponsorships | 0 | 0 | - |
| Engaging people | 1;4;2 | 7 | 4 |
| Making efforts to change the culture | 5;3 | 8 | 3 |
| Acquisition of talented people | 0 | 0 | - |
| Current / new leadership style under Sappi Limited CEO, i.e. specifically open door policy | 0 | 0 | - |
| Creating a competitive working environment | 5;1 | 6 | 5 |
| Investment in intellectual capital | 5;2;2 | 9 | 2 |
| Investing in technology to assist with assessment and development of talent | 0 | 0 | - |
| Being a caring company in terms of individual safety and the environment | 0 | 0 | - |
| Communication initiatives | 0 | 0 | - |
| Transparency around strategic efforts | 1;4 | 5 | - |
| Branding Sappi as an employer of choice | 0 | 0 | - |
| Talent management programme / practices such as succession planning and individual talent enhancement | 3;3 | 6 | 5 |
| Innovation and taking the lead in industry | 4 | 4 | - |
| Being global | 2;3 | 5 | - |
| Dual career paths - marketing it and developing it | 0 | 0 | - |
| Building tools / programmes for employee development | 0 | 0 | - |
| Benchmarking best operating practices for the development of employees | 0 | 0 | - |
| Encouraging exceptional performance | 0 | 0 | - |
| Promotion / recognition of younger generations | 0 | 0 | - |



Group 2: Stop

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------------------------|-------|------------|------|
| Expecting years of experience before recognising individuals | 4;2 | 6 | 4 |
| Allowing mediocrity in the organisation | 5;5;5 | 15 | 1 |
| Boundaries between regions and Divisions | 0 | 0 | - |
| Putting people in boxes, i.e. labeling them | 3;1 | 4 | 5 |
| Planning people's careers behind closed doors without talking to them | 5;4;4 | 13 | 2 |
| Treating people the same | 3;1 | 4 | 5 |
| Applying different standards, i.e. one mill to the next whenever it suits | 0 | 0 | - |
| Appointing people who cannot do the job | 2;4;3 | 9 | 3 |
| Making assumptions about people | 3 | 3 | - |
| Focusing on cost | 2 | 2 | - |
| Trying to develop everyone | 0 | 0 | - |
| Being complacent of individual needs | 0 | 0 | - |
| Short term thinking in terms of the development of people | 0 | 0 | - |
| Using the type of industry as an excuse for issues | 0 | 0 | - |
| Traditional management practices - not progressive enough | 1 | 1 | - |
| Protecting / keeping talent for yourself | 2 | 2 | - |
| Managing through fear | 0 | 0 | - |
| Not listening to people | 1 | 1 | - |

Group 2: Start

| Issue | Vote | Total Vote | Rank |
|------------------------------------------------------------------------------------------------------|------|------------|------|
| Awareness of career paths for talented people | 1 | 1 | - |
| Practical management programmes for talent | 0 | 0 | - |
| Sappi name in public, i.e. sponsorship of a sports team | 0 | 0 | - |
| Create supportive systems for the development of talent, i.e. job shadowing, mentorship and coaching | 2 | 2 | - |
| Transparency within the organisation | 0 | 0 | - |
| Flexibility of organisational structures | 1;2 | 3 | 5 |
| Internal networking across Divisions | 0 | 0 | - |
| Encouraging networking at other organisations | 0 | 0 | - |
| Create more opportunities for growth | 4;4 | 8 | 1 |
| Mobilise and utilise people expertise in different areas | 1;4 | 5 | 4 |
| Facilitate challenges for talented people | 2 | 2 | - |
| Engage your talented people more | 5 | 5 | 4 |
| Encourage entrepreneurship within the organisation | 3;4 | 7 | 2 |
| Building functional brands in the marketplace, i.e. Sappi to be known for its Engineers | 0 | 0 | - |
| Understand generation differences, i.e. generation X and Y | 0 | 0 | - |

| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------------------------|------|------------|------|
| Paying competitive remuneration packages | 5;3 | 8 | 1 |
| Identify and then treat talent differently | 5;1 | 6 | 3 |
| Tapping into individual aspirations | 5 | 5 | 4 |
| Transparent succession planning | 3 | 3 | 5 |
| Considering geographical locations, i.e. flexibility from where people operate | 0 | 0 | - |
| Recognising that talent are loyal to people and not organisations | 0 | 0 | - |
| Programmes with incentives for reward and recognition | 2;3 | 5 | 4 |
| Marketing of available tools for programmes | 0 | 0 | - |

Appendix 5: Results from Focus Group 3

Group 3: Continue

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------------|-------------|------------|------|
| To expand on the EIT programme | 2;1;3 | 6 | 4 |
| The new flexible approach by some Exco members | 5 | 5 | - |
| To support research and development | 0 | 0 | - |
| Identifying high flyers and developing same | 4;2 | 6 | 4 |
| Efforts to change the culture | 4;4;4;3;5 | 20 | 1 |
| Training managers with coaching skills | 3 | 3 | - |
| 360 degree feedback | 5 | 5 | 5 |
| Dual career path | 1;3;5;2 | 11 | 3 |
| Talent management programme and practices and focus on people | 2;5;1;2;2;4 | 16 | 2 |
| Reducing HR policies | 3;1 | 4 | - |
| Acquisitions and expansions | 1 | 1 | - |

Group 3: Stop

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------|-------|------------|------|
| Treating people the same | 2;3;4 | 9 | 3 |
| Poor communication | 3;5;3 | 11 | 2 |
| Prescribing to people how to solve problems | 0 | 0 | - |
| Promoting for the sake of it | 1 | 1 | - |
| Covert succession planning | 2;4;5 | 11 | 2 |
| Issuing Sappi shares - replace with alternative benefit | 0 | 0 | - |
| Assuming that experience counts more than education | 0 | 0 | - |
| Paying little attention to training and development | 3;1 | 4 | - |



| Issue | Vote | Total Vote | Rank |
|-----------------------------------------------------------------------|-------|------------|------|
| Making Head Office out as the key centre of attraction | 1;2 | 3 | - |
| Turning high potential studies down due to budgets | 4 | 4 | - |
| Hanging on to deadwood | 5;2 | 7 | 5 |
| Performance appraisals | 0 | 0 | - |
| Thinking that people want to work for Sappi forever | 1;2 | 3 | - |
| One size fits all thinking | 5;3 | 8 | 4 |
| Waiting for talent to leave before you find out why they were unhappy | 5;5;2 | 12 | 1 |
| Creating a new policy when someone abuses the existing one | 0 | 0 | - |
| Inequality of benefits between senior and other staff | 4 | 4 | - |
| Rewarding under performers by giving them average increases | 4;4 | 8 | 4 |
| Policing people | 1;1;3 | 5 | - |

Group 3: Start

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------------------------------|---------|------------|------|
| Dual career paths | 2 | 2 | - |
| Supporting line managers in skills retention | 0 | 0 | - |
| Retention bonuses | 3 | 3 | - |
| Taking advantage of technology, i.e. allowing people to work from home | 5 | 5 | - |
| Paying market related salaries | 5;4 | 9 | 2 |
| Secondments - global opportunities | 4;2 | 6 | 5 |
| Create opportunities for movement between divisions | 2;4;4;1 | 11 | 1 |
| Flexibility in terms of further education | 1;2 | 3 | - |
| Transparent succession planning | 0 | 0 | - |
| Day care and gyms in the workplace | 3;3 | 6 | - |
| Clear career paths and communication thereof | 5;3 | 8 | 3 |
| Recognition of value that good people bring to the business | 0 | 0 | - |
| Transparency of senior opportunities | 3 | 3 | - |
| Flexible remuneration package | 1;1 | 2 | - |
| Reduce the number of HR policies | 0 | 0 | - |
| Having fun at work | 5 | 5 | - |
| Flexibility in terms of career paths | 5 | 5 | - |
| Releasing people to move | 3 | 3 | - |
| Measuring our human potential | 0 | 0 | - |
| Matrix reporting structures | 0 | 0 | - |
| Empowerment of unit HR Manager and General Manager to address retention | 4 | 4 | - |
| Unpacking and showing relevance of vision, mission and values | 1 | 1 | - |



| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------------------------------|------|------------|------|
| Branding the company | 2 | 2 | - |
| Create a more caring culture | 2;5 | 7 | 4 |
| Promote people into leadership positions because they have leadership qualities | 1 | 1 | - |
| Leaders to be trained in management skills | 0 | 0 | - |

Appendix 6: Results from Focus Group 4

Group 4: Continue

| Issue | Vote | Total Vote | Rank |
|---------------------------------------------------------|-------------|------------|------|
| Focus on people | 4;4;5;5;5;5 | 28 | 1 |
| Acquisitions - closure of non profitable business units | 4;2 | 6 | - |
| Sappi brand - being profitable | 3;1 | 4 | - |
| Giving more autonomy to the mills | 3 | 3 | - |
| Sappi newsletters | 1;1 | 2 | - |
| Keeping up with technology | 5;4 | 9 | 4 |
| Communication of new strategy | 3;4 | 7 | - |
| Recognition that culture change is necessary | 5;3;3;5;3 | 19 | 2 |
| EWB committee and all its work | 1;2;3 | 6 | - |
| Education programme sponsorship, i.e. protec | 2;2 | 4 | - |
| Training and development | 1;3;4;2;2 | 12 | 3 |
| Developing Sappi leadership | 4 | 4 | - |
| Safety and environmental efforts | 1;5;1;1 | 8 | 5 |
| Social responsibility | 2;4;2 | 8 | 5 |

Group 4: Stop

| Issue | Vote | Total Vote | Rank |
|----------------------------------------|---------|------------|------|
| Document duplication | 2 | 2 | - |
| Nepotism | 5;5;5 | 15 | 3 |
| Restrictive policies | 2;2 | 4 | - |
| Treating our people like children | 2;4 | 6 | - |
| Excessive bureaucracy | 5;4;4;3 | 16 | 2 |
| Building silos | 3;4;1 | 8 | - |
| Too many systems | 4;1;3;4 | 12 | 4 |
| Inconsistent application of policies | 4;2;2 | 8 | 5 |
| Being conservative | 3;1 | 4 | - |
| Expecting people to be on standby 24/7 | 5 | 5 | - |
| Tolerating non-performers | 1;1 | 2 | - |



| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------------------|-------------|------------|------|
| Performance assessments | 0 | 0 | - |
| Changing goal posts during the year | 3 | 3 | - |
| Hierarchy structure | 0 | 0 | - |
| Focusing outside - direct attention inward | 5 | 5 | - |
| Blaming culture | 1;4 | 5 | - |
| Window dressing for audits | 2 | 2 | - |
| Duplication of reports | 2 | 2 | - |
| Culture of discipline solves everything - whipping until morale improves | 1;1;5;3;3;5 | 18 | 1 |
| Poor communication | 3 | 3 | - |

Group 4: Start

| Issue | Vote | Total Vote | Rank |
|----------------------------------------------------------------------------|-------------|------------|------|
| Increase benefits | 0 | 0 | - |
| Company branding - all want to work / associate with a good brand | 1 | 1 | - |
| Succession planning | 0 | 0 | - |
| Practicing our values | 0 | 0 | - |
| More flexible culture | 2 | 2 | - |
| Decent overseas exchange programme | 0 | 0 | - |
| Managing at the right levels | 0 | 0 | - |
| Celebrate success | 0 | 0 | - |
| Effective communication | 2;1 | 3 | - |
| Create hard to leave strategy, i.e. crèches, gyms, housing allowances etc. | 3;5;4 | 12 | 2 |
| Standardise job roles, policies and procedures | 0 | 0 | - |
| Environmental impact | 0 | 0 | - |
| Fun at work, i.e. teambuilding | 2 | 2 | - |
| Review share options | 3 | 3 | - |
| Training and development - the right stuff | 2;1 | 3 | - |
| Reward and recognition | 4 | 4 | - |
| Review remuneration packages | 5;4;4;5;4;5 | 27 | 1 |
| Pay for performance | 5;5 | 10 | 3 |
| Freedom with responsibility | 4;3;1 | 8 | 5 |
| Flexitime, i.e. from home | 2;1;5 | 8 | 5 |
| Review MIS | 2;4;3 | 9 | 4 |
| Keep it interesting | 0 | 0 | - |
| Manage output, not input | 3;3;3 | 9 | 4 |
| Review policies | 3 | 3 | - |
| Global knowledge sharing | 0 | 0 | - |
| Create a safe environment to work in | 0 | 0 | - |
| Focus on people versus costs and bottom line | 5;1 | 6 | - |
| Trusting our people | 1 | 1 | - |



| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------|------|------------|------|
| Review company car scheme | 0 | 0 | - |
| Flexible remuneration package | 4;2 | 6 | - |
| Generic incentive scheme for non-participating MIS employees | 0 | 0 | - |
| Pay quarterly MIS | 1;2 | 3 | - |

Appendix 7: Results from Focus Group 5

Group 5: Continue

| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------|---------|------------|------|
| With the new communication trend and style | 3;4 | 7 | 4 |
| Training and developing people | 2;4 | 6 | 5 |
| Sappi Leadership Academy | 1;5;5;1 | 12 | 2 |
| Executive focus on people as a priority | 5;4;1;5 | 15 | 1 |
| Continue to have surveys regarding talent | 5 | 5 | - |
| Including the people component into the strategy | 2 | 2 | - |
| Talent Manager | 5;4;3 | 12 | 2 |
| Holistically continue the existing strategy | 0 | 0 | - |
| Rewarding long service - loyalty | 1 | 1 | - |
| Study grants / assistance | 3;3 | 6 | 5 |
| Focusing on being an industry leader and making profit | 4 | 4 | - |
| Promoting leadership as opposed to management | 2;4;4 | 10 | 3 |
| Conferences between regions that allow networking | 1;1;2;2 | 6 | 5 |
| Hiring talented people | 0 | 0 | - |
| Product training | 3;2 | 5 | - |
| Exit strategy - ex employees feel welcome back | 0 | 0 | - |
| Providing soft benefits, i.e. gym, sauna etc | 5;2 | 7 | 4 |
| Pension / medical aid with current benefits | 1;3 | 4 | - |
| Marketing graduate training | 0 | 0 | - |

Group 5: Stop

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------------------------|-----------|------------|------|
| Silo mentality to work for other mills, departments, projects etc | 1;5 | 6 | 5 |
| Appointing the wrong people into the wrong job | 4 | 4 | - |
| Mismatch of training versus the position | 0 | 0 | - |
| Stop talking, more action | 0 | 0 | - |
| Red tape and bureaucracy | 1;2;1;2;5 | 11 | 2 |



| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------------------------------------------------------------------------|-----------|------------|------|
| Paying increases on the bell curve | 5;1 | 6 | 5 |
| Secrecy around succession planning | 2;3;3 | 8 | 4 |
| Being rigid and inflexible | 2 | 2 | - |
| Designing strategies that do not carry any accountability and with little idea how to implement | 0 | 0 | - |
| Disregarding experienced and talented people in place of formal qualifications (preference for qualifications over experience) | 5;4 | 9 | 3 |
| Secrecy around the grading system and salary scales | 2 | 2 | - |
| Increasing the hierarchy | 1 | 1 | - |
| Abusing loyalty to get results | 0 | 0 | - |
| Imposing new policies before abolishing old ones | 0 | 0 | - |
| Thinking that people are guilty | 0 | 0 | - |
| Culture of disciplinary action | 3 | 3 | - |
| Losing talented people | 4 | 4 | - |
| Poor communication about HR personnel changes | 0 | 0 | - |
| Unions having so much power | 0 | 0 | - |
| Outsourcing work that can be done by people internally | 3 | 3 | - |
| Too many initiatives thereby spreading people too thin | 0 | 0 | - |
| Neglecting electronic opportunities | 0 | 0 | - |
| Talking about market related salaries without back-up of who the market is, i.e. which companies are Sappi being compared to? | 2 | 2 | - |
| Ostracizing people who go against the grain | 0 | 0 | - |
| Complicating things | 0 | 0 | - |
| The lack of fun | 0 | 0 | - |
| Ignoring the impact of the current economic situation | 1 | 1 | - |
| Measuring only hard objectives | 4 | 4 | - |
| Waiting for people to resign before offering a better position | 5;1;4;5;3 | 18 | 1 |
| Using the clock card system to see if employee is at work | 2 | 2 | - |
| Being backward re travel re-imburements | 0 | 0 | - |
| Strict working hours | 4 | 4 | - |
| Grading positions according to the mill size | 2 | 2 | - |
| Thinking that career development is only for management level people | 1 | 1 | - |
| Using old remuneration strategies | 3;1;5 | 9 | 3 |
| Expecting people to do 3 people's work as a result of poor succession planning | 4;3;4 | 11 | 2 |
| Sacrificing people development | 3 | 3 | - |
| Grade and salary increase approvals through Head Office | 3 | 3 | - |



Group 5: Start

| Issue | Vote | Total Vote | Rank |
|--------------------------------------------------------------------------------------------------------------------------|---------|------------|------|
| Measuring leadership skills | 0 | 0 | - |
| Considering people as individuals, i.e. what will work for them | 2;4 | 6 | 5 |
| Getting rid of deadwood occupying talent potential positions | 2 | 2 | - |
| Paying salaries that will successfully keep and attract talented people | 5;4;1 | 10 | 2 |
| Giving one Friday off per month | 0 | 0 | - |
| Develop performance KPI's and measure and reward those rather than hours worked | 2 | 2 | - |
| Petrol reimbursement for those on travel allowance | 1 | 1 | - |
| Ensure everyone has a succession plan even if they want to leave | 4 | 4 | - |
| Giving employees more ownership and trust | 0 | 0 | - |
| Initiatives for assisting working parents to transport children to school | 0 | 0 | - |
| Advertise for talent on TV | 0 | 0 | - |
| Introducing prestige back into pulp and paper | 1 | 1 | - |
| Loyalty and long service awards that incentivise staying | 0 | 0 | - |
| Consider and implement all employees career development | 0 | 0 | - |
| Equal working environment for all Sappi employees | 4 | 4 | - |
| Develop and expect more from line managers wrt people | 5 | 5 | - |
| Job shadowing for the next level job | 5 | 5 | - |
| Allow line managers to develop staff without HR red tape | 0 | 0 | - |
| Culture of proactiveness / necessary meetings | 0 | 0 | - |
| A successful vitality programme in Sappi | 0 | 0 | - |
| Making career opportunities transparent and what you need to do to get there | 1;1;1;4 | 7 | 4 |
| Exercise effective communication with all employees | 0 | 0 | - |
| Stable manpower planning - reduce vacancy factor | 1 | 1 | - |
| Implement real performance-based pay | 3;1 | 4 | - |
| Start including families into the business from a social point of view | 4;2 | 6 | 5 |
| Introduce flexitime where possible | 2;5 | 7 | 4 |
| Putting a real focus on research and development | 0 | 0 | - |
| Change the grading system to allow for more frequent promotions | 0 | 0 | - |
| Grading visibility | 0 | 0 | - |
| Psychometric testing / career counseling for all employees and their children to identify potential to learn and develop | 2;3 | 5 | - |
| Giving more freedom to more recognition initiatives | 0 | 0 | - |



| Issue | Vote | Total Vote | Rank |
|-----------------------------------------------------------------------------------------------------------------|-----------|------------|------|
| Rewarding / recognising people who take on additional workload to cover vacancies | 0 | 0 | - |
| Introduce more non-monetary benefits | 2;3;3;3;4 | 15 | 1 |
| An exposure programme to expose all to other operations | 3 | 3 | - |
| Transport from city to outlying mills | 2 | 2 | - |
| Updating job descriptions as and when necessary | 0 | 0 | - |
| Changing the study grant policy to allow people to study outside their field | 0 | 0 | - |
| Implementing better time management strategies - employee self service e.g. ability to print their own pay slip | 0 | 0 | - |
| Increase organisational development resources | 0 | 0 | - |
| Create a professional career path in addition to the management & specialist route | 1 | 1 | - |
| Overseas secondments | 2 | 2 | - |
| Actively develop more people | 0 | 0 | - |
| Start having fun at work | 1;5;3 | 9 | 3 |
| Rewarding linked to skills | 0 | 0 | - |
| Fill strategic deficiencies with training now | 0 | 0 | - |
| Communicating the excitement of our business | 0 | 0 | - |
| More activity required at University level and create a mind-set that Sappi is an employer of choice | 0 | 0 | - |
| Recognising the cost of losing people | 4 | 4 | - |
| Offering bursaries for the children of employees | 0 | 0 | - |

Appendix 8: Results from Focus Group 6

Group 6: Continue

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------|-------------|------------|------|
| Performance management system | 4;2 | 6 | - |
| EIT programme | 2;2;4;4;5;5 | 22 | 1 |
| Living the Company's values | 5 | 5 | - |
| TPM and lean manufacturing | 3 | 3 | - |
| Corporate image | 3;5;1 | 9 | 4 |
| Product development and looking for new markets | 5;1;2 | 8 | 5 |
| Medical aid | 3;4;3 | 10 | 3 |
| Community and environmental projects | 1;1;2;1;2 | 7 | - |
| Bursary scheme | 3;1;4 | 8 | 5 |
| Being profitable | 4;5;3 | 12 | 2 |



Group 6: Stop

| Issue | Vote | Total Vote | Rank |
|-----------------------------------------------------------------------------------------|-----------|------------|------|
| The blame culture | 4;5;5;5 | 19 | 1 |
| Meetings with no decisions | 1;1 | 2 | - |
| The silo thinking | 4 | 4 | - |
| Giving orders - start getting involved | 2;4 | 6 | - |
| Hierarchical structures | 1 | 1 | - |
| Delaying appointments to fill gaps | 2 | 2 | - |
| Following - start taking risks | 2;4;2;2;5 | 15 | 2 |
| Only realising the worth of people when they decide to leave | 3;4 | 7 | 5 |
| Pleasing the union | 3;1 | 4 | - |
| Managing with the bottom line | 4 | 4 | - |
| Unrealistic budgeting | 3;3 | 6 | - |
| Changing strategies | 0 | 0 | - |
| Sending negative messages, i.e. closing the mill | 0 | 0 | - |
| Centralisation - decentralise decision making | 0 | 0 | - |
| General inconsistencies e.g. with promotions and other business practices | 5;1;1;2 | 9 | 3 |
| The secrecy | 3 | 3 | - |
| Expecting people to be available 24/7 without some form of compensation | 0 | 0 | - |
| Dealing with professionals the way you would wage earners, i.e. manage output not input | 5;3 | 8 | 4 |
| Management's ambiguity of employee job roles | 0 | 0 | - |

Group 6: Start

| Issue | Vote | Total Vote | Rank |
|-------------------------------------------------------------------------------|---------|------------|------|
| Overseas opportunities | 1;3 | 4 | - |
| Streamlining bureaucratic processes | | 0 | - |
| Investing in people - specifically the dual career path | 5;3;3 | 11 | 3 |
| Recognition of employees | 4;5;5;4 | 18 | 1 |
| Promoting from within | 1 | 1 | - |
| Increase the quality and pool of mentors | 1;2;5 | 8 | 4 |
| Use the talent inside versus going outside | | 0 | - |
| Programme for post EIT, i.e. life after the EIT programme for the participant | | 0 | - |
| Caring for employees | 4;1 | 5 | - |
| Employing / appointing competent managers with people skills | 2 | 2 | - |
| Encouraging employees to uplift their skills | 1;5 | 6 | 5 |
| Create a more dynamic and vibrant environment | | 0 | - |



| Issue | Vote | Total Vote | Rank |
|----------------------------------------------------------------------------------------------------------------------------|---------|------------|------|
| Increase the support for those trying to increase their skills | 4 | 4 | - |
| Remunerate above the median of the market | 3;5;3;3 | 14 | 2 |
| Living the words freedom with responsibility | | 0 | - |
| Allowing more flexibility in terms of study leave | | 0 | - |
| Incentives / perks for jobs well done | | 0 | - |
| Giving / providing the necessary resources to do the job, i.e. laptops for grade 7 and above to work after hours from home | 2 | 2 | - |
| Allowing 80% work time and 20% time for creativity / innovation | | 0 | - |
| Share options for grade 7's | 4;1 | 5 | - |
| Skills transfers / exposure to other departments and companies | | 0 | - |
| Teambuilding exercises | 2;2 | 4 | - |
| Diversification of processes to allow growth and advancement into other areas | | 0 | - |
| Flexibility of remuneration package, i.e. CTC / medical aid etc. | | 0 | - |
| Being more transparent | | 0 | - |
| Flexitime arrangements | 2;4 | 6 | 5 |



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