



**KNOWLEDGE MANAGEMENT AS A TOOL FOR TALENT RETENTION IN THE  
PHARMACEUTICAL INDUSTRY**

By

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## DECLARATION OF ORIGINAL AUTHORSHIP

I, Refilwe Mapulane Nthongoa, declare that “*Knowledge management as a tool for talent retention*” is my own work. All the resources I used for this study are cited and referenced in the List of References, by means of a comprehensive referencing system. I declare that the content of this thesis has never before been used for any qualification at any tertiary institution.

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30 September 2014



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## ABSTRACT

**Orientation:** The pharmaceutical environment in South Africa is highly competitive, and each player is striving for an increased share of the market. This competitive environment has evolved over the past few years from a sales-based to a service-orientated environment. Clients now expect to be offered clinically based selling, which is complemented by sound medical research. Talent retention has become a problem in this environment with the organisation losing knowledge to its competitors.

**Research Purpose:** The objective of the study was to assess whether knowledge management can be used as a tool for talent retention in the pharmaceutical environment. The organisation studied is referred to as Company X in this report. The aim of this work was to define knowledge management and talent retention clearly and then attempt to show an interrelation between these two concepts.

**Research Approach, design and method:** A qualitative research approach was used in the study. Thus, constructivist grounded theory was used as a methodology of data analysis to assist the researcher to assess information from the participant's perspective and to understand the depth of knowledge management and talent retention. A sample of key opinion leaders was selected within Company X using purposive sampling. The aim was to gain access to the knowledge that senior managers have and then to assess how they view the talent retention and knowledge attrition problem within that organisation. By applying an in-depth interviewing process and data analysis, codes and themes were developed which guided the study.

**Main Findings:** This research found that the loss of knowledge workers to other organisations was a growing concern among the key opinion leaders in the organisation studied. Knowledge management was now viewed as an important aspect of talent retention.

Subsequently, the researcher was able to formulate guidelines and recommendations that will assist participants and the organisation studied, Company X, to manage talent retention within that organisation.

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## CHAPTER 1

### 1.1 BACKGROUND

White males once predominated in the pharmaceutical industry but it is now experiencing an influx of multiracial generation Y; in other words, people born after 1980. This means that the bulk of the knowledge in this industry is “in the heads” of the ready-to-retire employees who may be viewed as rigid in their business approach.

In the war for talent, pharmaceutical companies are realising that people are at the heart of any business strategy and any organisation wishing to attain and maintain competitive advantage has to have a dynamic sales force/team behind it.

Various regulatory bodies (Medicines Control Council [MCC] and Marketing Code) have come into being to ensure fair play and to see that the interests of the end user (the patient) is protected. The presence of these regulatory bodies has called for a more clinical approach to selling, where every player is forced to up-skill their sales force/team in order to ensure intellectual engagement with clients, healthcare providers or doctors. Investment in research and development is therefore important.

Organisations need to have a solid knowledge management programme aligned to their business strategy in order to ensure that there is proper knowledge transfer for continuity and business improvement. In order to do this it is necessary to understand the concept of knowledge management and the role it can play in assisting organisations to gather, compile and use valuable information held by experienced employees, in order to retain highly mobile talented employees.

Moreover, members of the sales force are also realising the importance of being competitively marketable not only in terms of salary but also skills; therefore, the decision to invest time in an organisation is also influenced largely by an individual's (skills) developmental gain, which means that knowledge is at the core of the competitive advantage.

**Keywords/Terms:** Talent management, Talent retention, knowledge management, knowledge retention.

## 1.2 INTRODUCTION

The pharmaceutical environment in South Africa was previously open mainly to white males and it is currently experiencing a scarcity of skills especially in the black population. The existing business critical skills are mostly held by a pool of experienced employees who are ready for retirement; this is a result of a lack of planning and foresight by strategic management. It is a daunting task to attempt to harvest and disseminate the knowledge of employees close to retirement, without making those employees feel exploited and without the knowledge being lost to the company.

Most companies take the easy way out by keeping these employees as consultants. With changing workforce demographics, retaining quality employees is not as easy as it used to be. Companies have to work much harder in order to retain employees and it is no longer a question of offering job security, competitive salaries and then hoping that employees will be loyal to the company (Tarran, 2004).

We are now faced with an era where generation Y is entering the job market and they are upwardly mobile, which means that they will move on at the first lucrative opportunity presented to them. Companies are faced with a mammoth task of keeping these youngsters engaged in their work.

Since the dawn of the industrial age, talent management has been a widely debated phenomenon with most organisations coming to realise the importance of managing the talent that exists within the business and attracting the right quality of talent to the business. The 21<sup>st</sup> century has seen developments in technology, the economy, labour unions, retiring baby boomers and globalisation which have proven that talent is the most important corporate resource (Frank & Taylor, 2004).

It is expected that the labour market will experience a severe shortage of skills as the changes in market trends become more apparent: these changes include constant economic growth, a decline in the workforce, changing demographics, increased marketable skills and increased demand for products and services.

Research has shown that investing in human capital will ensure sustainable competitive advantage thereby building organisational capabilities.

Many companies are in a race to create a productive work environment where employees feel valued, thus ensuring that the company becomes an employer of choice (Hedger, 2007).

Talent management is gaining top priority in most organisations today due to the demands of the knowledge economy. Talent management was initially a strategy intended for recruitment and selection in organisations and now has a broadened scope; that of meeting the current organisational needs in terms of skills (people) and organisational development (Bhatnagar, 2007).

The world of talent has become more fluid with employees recognising the need to be valued by their organisations and therefore moving around in search of such an environment. Competition and scarcity of skills have forced organisations to realise the value of talent and to create a strong and positive employer brand intervention (Bhatnagar, 2007). Talent is the one thing that separates top organisations from their struggling counterparts. Through human capital management companies can have competitive advantage.

Talent within an organisation should be preserved and developed to create an environment where employees are employable and also to give an organisation the edge as an employer of choice. GlaxoSmithKline, a multinational pharmaceutical company, views knowledge management as encompassing the capabilities by which communities within an organisation capture the knowledge that is critical to them, constantly improve it and make it available in the most effective manner to those who need it, so that they can exploit it creatively to add value as a normal part of their work (Glaxo Smith Kline, 2009).

Knowledge management is a widely used measure to assist organisations in this process. If used properly, it can create a cycle of good quality employable human capital with the company becoming a destination workplace. Knowledge has emerged as the currency of the new economy, and is the most elusive management problem in the corporate world today (Bhatnagar, 2007). Knowledge is an intangible asset which is well-developed and requires a highly systematic approach in its management to ensure that its essence is harnessed and captured (Moitra & Kumar, 2007, p. 148).

The speed of globalisation is forcing organisations to recognise knowledge as being their most valuable resource and most of them are distributing this knowledge across borders to leverage global resources.

Important developments have been made in the knowledge management discipline. However, there are still challenges which are intensified by globalisation, cultural differences and socio-political factors. This means that managing knowledge has become a necessity for all knowledge based environments (Moitra & Kumar, 2007). Over the past decade there has been a considerable increase in the ground covered in the development of the body of knowledge of knowledge management and this development will go far in addressing talent retention issues.

### **1.3 PROBLEM STATEMENT**

South Africa is in its second decade of democracy and has covered much ground on the political, economic and legislative fronts, and so the country can now be regarded as being part of the progressive world. However, attraction and retention of the best and brightest talent remains a challenge in our corporate world (Babb & Meyer, 2005). Talent and skills are considered to be any company's source of sustainable competitive advantage; however, making the best use of these seems to be the main challenge in most companies.

A survey conducted with several big companies in the pharmaceutical industry has shown that talent remains the top priority of most CEOs; however, few of these companies actually focus their attention on talent retention and so a big gap still exists between the current and desired state of affairs (Gregoire, 2007).

High quality talent is the only resource that cannot be replicated by competitors (Bersin, 2006). As a developing country South Africa constantly has to prove itself against the economic giants as a force to be reckoned with. The pharmaceutical industry in South Africa is growing rapidly in order to keep up with the demands of the country and the neighbouring countries. Healthcare has become a national priority and the government is doing all it can to offer better and affordable products to all its citizens.

South Africa is slowly moving to an environment that prefers, or at least, uses generic medication in order to make medication more accessible and affordable for all. The new marketing code is also ensuring that companies play by the rules while competing for a larger slice of this business pie. The implementation of the proposed National Health Insurance scheme will also see many medical practitioners and health institutions making a shift towards the use of generic medication which will increase the demand for generics.

The pharmaceutical environment will have to be fully equipped to deal with the increasing demands for generic medication and also to deal with shortages of skills and inability to retain key staff. Progress will be hindered if skills development is not well planned for (Mattox & Jinkerson, 2005).

### **1.3.1 PROBLEM FORMULATION**

Within this fast paced environment of pharmaceutical sales, companies have become more reactive than proactive in response to company needs, thus neglecting human capital needs. Employee turnover in this environment is rapid and management requires a change in mindset and perception and needs to throw out old habits; this will force an organisation to employ a more rigorous, analytical and strategic approach to internal business needs (Hiltrop, 1999).

Employees can also exploit their companies and use the challenge of talent retention as an opportunity to make unreasonable financial demands and to engage in job hopping.

One should note that the pharmaceutical industry is relatively small; therefore, staff movement between companies will create a cycle of information sharing which will result in competitive information of companies being interchanged and thereby restricting the generation of innovative ideas through diversity.

Retaining talent is becoming a critical performance requirement for a management role and for the business; retention is largely dependent on non-monetary factors.



It is worth re-iterating that the one common factor that businesses have to possess in order to be successful is the ability to make best use of the skills, knowledge and experience of its employees (Mattox & Jinkerson, 2005).

Knowledge workers form a growing percentage of the staff in knowledge based organisations and generate more profit than other workers (Currie & Kerrin, 2003). High quality talent is the only resource that cannot be replicated by competitors (Bersin, 2006).

The main research question is therefore:

- How can knowledge management be used as a tool for retention of talent in the pharmaceutical environment?

### **1.3.2 SIGNIFICANCE OF THE PROBLEM**

Employees nowadays are interested in more than just job security and long-term service. They want to be more engaged and intellectually challenged in their roles. We are now living in an era where employees are driven to get ahead in their careers and seek fulfilment in organisations that invest in training and development. The stakes are high and retention no longer means just offering a stable and secure environment but also taking time to invest in the development of the employees.

Many companies are in a race to create a productive work environment where employees feel valued as part of the business thus ensuring that the company becomes an employer of choice (Hedger, 2007). Therefore it is no surprise that talent management is gaining top priority in most organisations today, its scope has grown from what was initially intended for recruitment and selection purposes in organisations into meeting the current organisational needs in terms of skills development (Bhatnagar, 2007).

Competition and scarcity of skills has forced organisations to realise the value of talent and the need to create a strong and positive employer brand intervention (Bhatnagar, 2007).

Talent is the one thing that separates top organisations from their struggling counterparts but talent needs human capital management to ensure a competitive advantage.

It is therefore surprising that many organisations fail to implement a proper talent management strategy to ensure the best use of their talent (Guthridge, Komm and Lawson, 2008). With a sound talent retention strategy and a knowledge sharing environment an organisation will be able to achieve and maintain its competitive advantage.

## **1.4 USE OF LITERATURE**

A qualitative research approach can be termed as an exploratory process of matching subjects and then creating a larger body of knowledge. In using this approach the researcher aims to gather as much information as possible about the participants' environment or a specific topic from the participants' points of view; this is done in their own setting, typically the research site (Creswell, 2009).

According to Creswell (2009), literature is to be presented at pre-defined stages of the research study, which results in three placements location of literature review: in the introduction – to present the problem; in a separate section; and the final section – thus becoming the basis for comparison and contrasting findings of the study.

In this study, the literature review will be presented in chapters two and three in order to present the two topics: knowledge management and talent retention. This literature review will involve the analysis of unpublished and published documents, internet sources and articles to establish the relationship, if any, between these two constructs.

## 1.5 PURPOSE STATEMENT

The purpose of the study is to examine if any relationship exists between effective use of knowledge management and talent retention in a pharmaceutical environment. In this era of knowledge workers a company that has processes to gather, manage and disseminate knowledge among its employees might have a higher retention rate than those that do not.

The research described in this study will attempt to provide insight into knowledge management and into the possible role that it can play in retaining talent in an organisation.

This information will be used to create awareness of knowledge management among key opinion leaders in the organisation with a view to retaining talent. Furthermore it should enhance interest in taking an active role in the process of talent retention.

Thus the research will provide a solid background and an understanding of these two main constructs: knowledge management and talent.

### 1.5.1 RESEARCH OBJECTIVES

The research objectives are as follows:

- Create awareness regarding the role that knowledge management can play in the process of talent retention.
- Explore the perception of key opinion leaders concerning talent in the organisation.
- Assess how tacit and explicit knowledge in the organisation is perceived by key opinion leaders in this organisation.
- Assess the perceived benefits of tacit and explicit knowledge gathering, storing and transfer for the organisation.

- To provide guidance to pharmaceutical companies in identifying talent according to the specific unique needs of each business.
- To evaluate an understanding of the value of talent in an organisation and how it may affect, or is affecting, the respective business units.
- To evaluate the knowledge/understanding of the current talent management model that exists (if any exists) in the business as seen by key opinion leaders in the business.
- To propose/recommend possible solutions to Company X that can be implemented at a low cost or at no cost at all, to assist with effective knowledge management and thereby ensure talent retention.

### 1.5.2 RESEARCH QUESTIONS

- Will this study (knowledge management as a tool for talent retention) be viewed as beneficial to the organisation?
- Is talent retention and its value to the organisation understood in the organisational environment?
- What are the unique challenges/barriers to the implementation of a sound talent retention strategy/initiative?
- How much support and understanding will the initiative get from the sales management teams and key opinion leaders?
- How will this research contribute towards addressing the issue of high turnover of valued and talented employees in this organisation?
- How will the process of knowledge collection be planned, implemented and executed without alienating knowledge workers?

Research questions (interview questions) are attached as Appendix 1.

### **1.5.3 RESEARCH APPROACH AND DESIGN**

A qualitative research method approach will be used to collect, analyse and classify the data. To ensure a broad coverage of the concepts and also to create an understanding of the concepts involved, a literature review and interviews will be used.

### **1.5.4 SAMPLING PROCEDURE AND STUDY SAMPLE**

A qualitative method of data gathering was used for the research: open-ended interviews, observation and notes from interviews for reference during data analysis. Text analysis was followed by identification of themes and interpretation of patterns.

The writer has purposefully identified ten key opinion leaders in the pharmaceutical company selected for this study; those leaders will serve as the sample for this research project. These opinion leaders include human resources managers, departmental heads and divisional heads who are constantly faced with the challenge of filling vacancies and retaining talent at a time when this industry is experiencing a scarcity of skills. The interviews that were conducted with them were seeking to provide answers to the questions they had regarding this retention crisis.

### **1.5.5 SCOPE, LIMITATIONS AND ASSUMPTIONS**

The aim of this study is to assess the extent to which knowledge management can be used as a tool for talent retention. The study therefore will analyse the way in which the selected organisation manages its knowledge and retention strategies. Furthermore it will assist with defining talent for this environment while aiming to increase awareness regarding perception of talent in the organisation. This research project will attempt to create awareness of knowledge management as a topic to be considered as a method of talent retention in the company.

Note that certain assumptions were made and possible limiting factors were identified. These are as follows:

- Although the findings of the study might be applicable to other companies, the information is gathered within the context of Company X, which has its own “unique” environment.
- Company X being a highly competitive and dynamic environment might be a challenge with securing appointments and completing the research project in the stipulated time.
- Even though talent retention is a sought after topic by the company there is a challenge of possibly exposing the competitive intelligence of the organisation. This might cause key opinion leaders to hold back on critical information during interviews.
- The organisational culture might not support knowledge gathering and sharing because of the fear that this makes employees replaceable.

An implementation plan will require a sound change management plan that supports the requirements of the environment.

A proper understanding of the business of the selected organisation, its organisational culture and environment are also key to successful interpretation and implementation of the findings. Most organisations attempt to manage change and try to make the transition as smooth as possible for everyone involved in the process (Currie & Kerrin, 2003).

Although we live in an ever changing world where businesses transform all the time and organisations have to keep up with new developments in their environment, caution has to be taken when planning to implement any new programme.

### **1.5.6 SIGNIFICANCE OF THE RESEARCH**

This study was conducted at Company X, one of Southern Africa’s leading generic medication pharmaceutical companies. This company is currently experiencing the problem of retaining talent; in other words, it has high staff turnover.

The study attempts to create a relationship between Company X's HR strategies and knowledge management, focusing particularly on staffing strategies.

This research project aims to create awareness of the subject of knowledge management, its benefits and the role it can play in talent retention. It is also an attempt to assist key opinion leaders in identifying key talent for their respective business units' needs while aligning talent retention needs to business needs.

## 1.6 DEFINITION OF KEY CONCEPTS

This research is supported by several concepts adapted from existing literature. These concepts are defined in some detail below for clarity:

**Table 1: Definition of key concepts**

KEY TERMS	MEANING
Qualitative Research	<p>Creswell (2009, p. 4) defines qualitative research as <i>“a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. It involves emerging questions and procedures, data typically collected in the participants' setting”</i>.</p> <p>This is scientific research consisting of an investigation that asks questions to collect evidence and produce findings. This process seeks to understand a problem or topic by posing questions to a sample of the specific people involved. This is a very effective method of obtaining culturally specific information (Endacott, 2005).</p>
Constructive Grounded Theory	<p>Strauss and Corbin (1998, p. 7) define grounded theory as a strategy of handling data in research, providing modes of conceptualization for describing and</p>

	<p>explaining.</p> <p>This is based on a system generating theory from data, which means developing theory from data that was systematically gathered. It addresses the “how” rather than the “why” of the question, therefore giving a fresher point of view (Goulding, 2005).</p>
Talent	<p>McGarrity (2007, p. 3) defines talent as <i>“smart, sophisticated business people who are technologically literate, globally astute and operationally agile”</i>.</p>
Talent Management	<p>Talent management as defined by Bersin (2003) is <i>“a mission critical process that ensures organisations have quantity and quality of people in place to meet their current and future business priorities”</i>.</p>
Talent Retention	<p>Sarvadi (2005) defines talent retention as <i>“holding on to people you’ve worked hard to recruit into your company”</i>. Employees are no longer driven by wages to remain in a company, and instead they require a sound retention strategy focused on and set out to address performance, communication, loyalty and competitive advantage (Sarvadi, 2005).</p>
Knowledge Management	<p>Knowledge management (KM) is defined by Haesli and Boxall (2005) as the process for gathering, managing and sharing employees’ knowledge capital throughout the organisation. Wamundila (2008:p20) defines KM as an <i>“integrated approach to manage both tacit and explicit knowledge for the purpose of meeting desired organisational goals”</i>. The knowledge is therefore strategically leveraged to enhance</p>



	performance in organisational operations.
Knowledge	Kalkan (2008) defines knowledge as justified beliefs which are context specific, based on values and prior understanding of individual and increases ones capacity for effective action. This belief has to be linked to effective action so that creation of new knowledge means creating something of value. Furthermore new knowledge is created through conversion of tacit and explicit knowledge.
Tacit Knowledge	Narasimhan (1997) defines tacit knowledge as knowledge that underpins our behaviour in the perceptual-motor domain, and plausibly also much of our communication competence in natural language. Tacit knowledge includes what is commonly referred to as common sense or craft knowledge that everyone has and that is acquired through informal means. Most times it is not easily visible or expressible.
Explicit Knowledge	This is knowledge that is visible and that can be expressed through various means when communication occurs between people. It is acquired formally and is measurable. (McBriar et al., 2001)
Methodology	This term refers to the method used for a study. A qualitative data analysis process will be used to determine the connection between knowledge management and talent retention in the pharmaceutical industry. Data will be collected through open-ended interviews with key opinion leaders within the selected organisation.

## **1.7 ORGANISATION OF THE DISSERTATION**

This dissertation comprises six chapters. Chapter one gives the background and introduction pertaining to the topic. This sets the scene and gives an overview of subjects to be covered in the dissertation. Chapters two and three give a detailed presentation of knowledge management and talent retention while chapter four reviews the research methodology. Chapter five covers the research findings. In the closing chapter six, findings are analysed with some discussion and then conclusions and proposed recommendations are made.

## **1.8 SUMMARY**

The aim of the study is to provide greater insight into the two concepts of talent retention and knowledge management. The first chapter provided an overview of the study, introduced the concepts and described the context in which the study was conducted.

The purpose was to set the scene for readers and to give a clear framework of the problem, purpose of study, aim, research methodology and design used in the research. Finally an outline of the chapters to follow was provided.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

This chapter examines the issue of putting people at the heart of the selected organisation, through the use of a people centred management system. The chapter looks at increasing the awareness of management concerning the value of the knowledge that people within the organisation hold. This organisation has a high staff turnover which is disruptive and it disturbs continuity of strategic intent of the organisation.

Much money is spent on attraction, recruitment and training of new staff and no effort is made on retention. This means that the company ends up losing money in the vicious cycle of employing people training them and then losing them to competitors. Creating awareness of this issue will encourage management to invest in a talent retention strategy suitable for this organisation's environment.

This chapter will look at discussing talent, the management thereof and processes supporting talent retention. This will be done through a thorough review of the two concepts of knowledge management and talent retention and their relationship to one another. The focus here will also be on achieving the purpose of this study which is to establish or emphasise the connection between the two concepts.

### **2.2 BACKGROUND**

The global community is currently recovering from a recession that brought even the most powerful economy to its knees and resulted in many uncertainties when it comes to deciding what takes priority in building the organisation back to its former glory, talent or business as usual?

Changes such as economic uncertainty, global competition and a dramatic increase in mergers and acquisitions in the past decade have forced organisations to improve organisational effectiveness and streamline operations through downsizing, outsourcing and restructuring and these changes are coupled with large scale workforce reductions (Hartley, Jacobson, Klandermans & Van Vuuren, 1991).

Hughes and Rog (2008) identify two benefits of talent management. The first is “recruiting and retaining” and the second is “employee engagement”. Literature on talent management suggests that these two benefits seem to be the outcome of any great talent management strategy and the ability to reap these benefits will ensure organisational survival and success.

- **Recruiting and retaining talent**

Workforce demographics are changing, with more and more of the younger generation of employees entering the world of work. This shift to a younger workforce profile is fuelling the looming talent shortage as members of the younger generation have changing needs and are more mobile than their older counterparts. This may result in high staff turnover which can cause lack of continuity in business processes or even delay progress. This forces organisations to discuss recruitment and retention at the level of the Board of Directors and increases the value of Human Resource as a business partner. Recruitment goes beyond getting the right people for the job. It includes creating an environment that values employees and treats them as the company’s most valuable asset.

- **Employee engagement**

This term lacks precise definition which makes it difficult for organisations to get a firm understanding. It refers to the emotional and intellectual connection that employees have with their jobs, and it is said that high engagement equals high performance (Hughes & Rog, 2008).

Hughes and Rog (2008) furthermore explain the top drivers of employee engagement as follows:

- Trust and integrity
- Nature of the job

- Connection between employee and organisation
- Career growth opportunities
- Pride about company
- Co-workers and team members
- Employee development
- Relationship with own manager

All of these drivers are considered to be management philosophies that managers at all levels should incorporate into their strategies which will ultimately have an effect on the bottom line (Hughes & Rog, 2008). Globalisation has made our economic world inter-connected and has also increased talent mobility; organisations now need to develop strategic retention plans in order to keep their most talented staff on board (Beechler & Woodward, 2009).

The move from product-based to knowledge-based economies has forced organisations and economies to shift investment towards intangibles or human assets. These human assets include high-value decision makers who have grown in numbers and importance, which makes companies more dependent on their staff. People are hired to perform complex jobs which require higher cognitive ability, thus forcing organisations to put measures in place to hire and retain knowledge workers with the required talent (Beechler & Woodward, 2009).

Keeping critical employees motivated and dedicated is one of the most important demands on management in today's business: it is not who you hire but who you keep that is important. It makes business sense to have a sound retention strategy as research indicates that it is more expensive to recruit a new employee than it is to retain current talent within an organisation (Kennedy & Daim, 2010).

When employees leave, their departure has a ripple effect as it impacts on morale, opens doors for the remaining employees to start looking and spurs rumours (Mattox II & Jinkerson, 2005). Thus for any organisation to develop a sound retention strategy it has to determine the three critical elements of the human equation:

- What does the workforce look like?
- What should it look like, given the business goals?
- How does an organisation retain an optimised workforce once it has acquired it?

Once these questions have been answered it will be easier for an organisation to develop a tailor made retention strategy that will satisfy its specific business needs and goals. There are several retention strategies that can be implemented in an organisation to control employee turnover and also to ensure employee engagement; these are centred on prevention and response (Reiche, 2008). There are different employment relationships within organisations and these require different retention strategies; effective retention requires diverse bundles of practices to respond adequately to various turnover experiences from different time frames and employment relationships.

Reiche (2008) identifies four distinct types of retention practices:

Relational employment contract	<p><b>Responsive practices in relational employment contracts</b></p> <ul style="list-style-type: none"> <li>• Job enrichment</li> <li>• Job autonomy</li> <li>• Teamwork</li> <li>• Employee participation / empowerment</li> <li>• Joint performance evaluations</li> <li>• Firm specificity of training</li> <li>• Promotions</li> </ul>	<p><b>Preventive practices in relational employment contracts</b></p> <ul style="list-style-type: none"> <li>• Review of candidates' personal attributes/interests</li> <li>• Training with general content</li> <li>• Mentoring programmes</li> <li>• Nurturing of a strong corporate culture that stresses interpersonal relationships</li> <li>• Distributive and procedural justice</li> <li>• Seniority-based pay</li> <li>• Career planning and internal labour markets. Attractive working conditions</li> </ul>
Transactional employment contract	<p><b>Responsive practices in transactional employment contracts</b></p> <ul style="list-style-type: none"> <li>• Pay/benefits contingent on task and contextual performance</li> <li>• Allocation of office space</li> <li>• Reduction of role ambiguity/conflict</li> </ul>	<p><b>Preventive practices in transactional employment contracts</b></p> <ul style="list-style-type: none"> <li>• Assessment of candidates' job mobility</li> <li>• Tailoring of jobs to employee skills</li> <li>• Realistic job previews</li> <li>• Timely performance feedback</li> <li>• Flexible and organic work structures</li> </ul>
	Responsive nature	Preventative nature

Figure 1: A typology of retention practices (Reiche, 2008, p. 678)

Figure 1 above indicates two different employment relationships and the talent retention measures that can be implemented in each instance to suit that specific relationship. Looking at the above figure one would assume that organisations should have their bases covered or should at least have measures in place to respond to specific retention requirements. A lot of companies are battling to retain talent (Reiche, 2008).

In the next sections of this chapter the study will explore extensively the topic of talent and will seek to create a better understanding of this concept, and will look at the importance of its application for any organisation.

## 2.3 TALENT

The word “talent” is often used in organisations to describe certain traits of an individual which are viewed as being valuable to an organisation. It is only fitting that the first step should be to define the term. Over the years there have been debates regarding this term. McGarrity (2007, p. 3) defines talent as “smart, sophisticated business people who are technologically literate, globally astute and operationally agile”. This definition is close to the one given by the Collions Dictionary (2007, p. 1643) explaining talent as “a special natural ability or aptitude, a capacity for achievement or success”.

These two definitions suggest that talent is a special quality possessed by an individual which sets that person apart from others. Therefore one can understand why it would be important not only to have talented knowledge workers in an organisation but to also retain their talent. The focus here is on how an organisation views talent and the value attached to it.

Talent is not only relevant to certain levels and positions within the organisation. It is relevant to those employees at all levels in the organisation who have potential to influence the business outcomes. The concept of talent is related to talent management. Thus, what good is it to have talent in the organisation if it is not managed or well taken care of? This introduces the next concept of talent management.

## 2.4 TALENT MANAGEMENT

The evolution of talent management began at the level of personnel management which was originally concerned mainly with business functions such as payroll and benefits. This personnel function grew into strategic HR which was considered to be a business partner, becoming involved in recruiting, organisational design, total compensation and communication. Strategic HR eventually included talent management which involves business integration handling competency and performance management and also succession planning (Bersin, 2006). Past literature indicates a “disturbing lack of clarity” when it comes to the definition, scope and overall goals of talent management (Hughes & Rog, 2008).

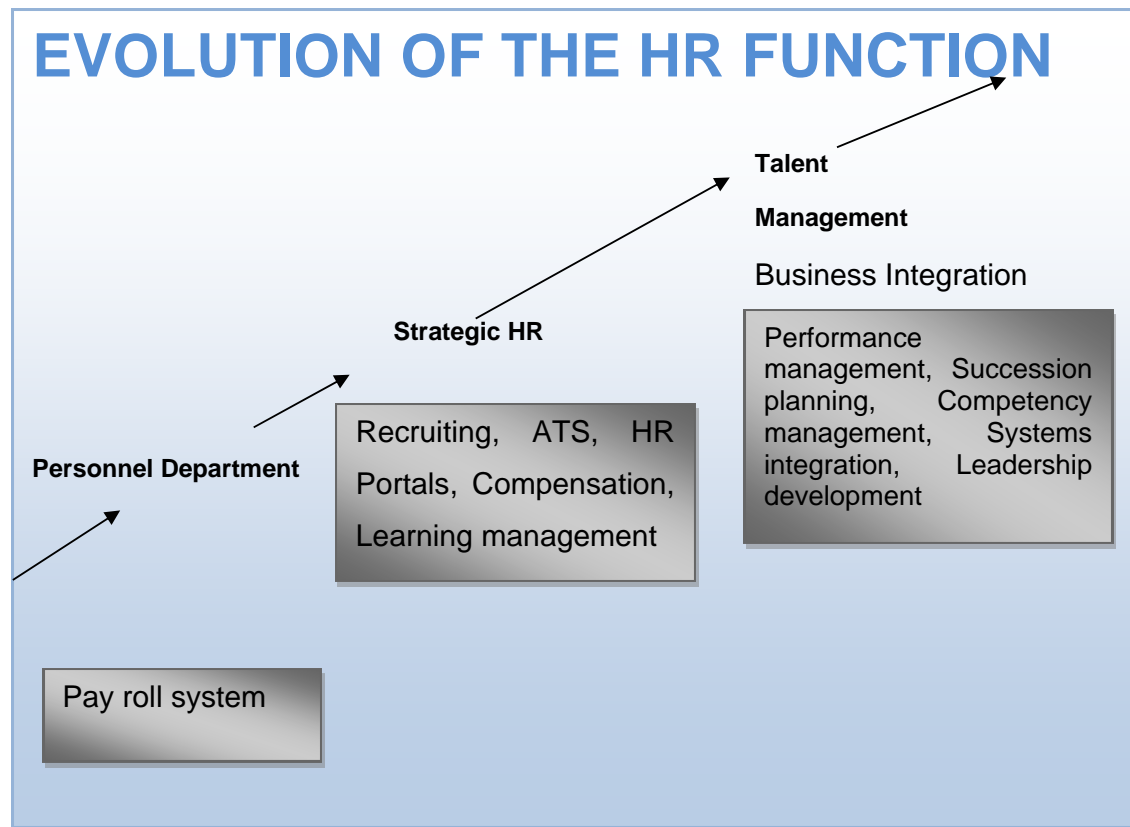


Figure 2: Human Resource Evolution (Bersin, 2006, p. 2)

According to Cappelli (2008, p. 3) talent management is not aiming to avert uncertainties that may arise in the organisation or environment.



However it involves finding, building and keeping the right people who will meet an organisation's financial needs and who will also identify ways to respond and deal with the uncertainties that may arise.

Talent management as defined by Bersin (2006) is “a mission critical process that ensures [that] organisations have [the] quantity and quality of people in place to meet their current and future business priorities.” The focus of Bersin (2006) is on seeing how the organisation views talent and the value attached to it; this focus aims at assisting the organisation to align its talent management strategies with its business strategies.

Collings and Mellahi (2009, p. 306) define talent management as:

*“both a philosophy and a practice. It is both an espoused and enacted commitment – shared at the highest levels and throughout the organisation by all those in managerial and supervisory positions – to implementing an integrated, strategic and technology enabled approach to HRM, with a particular focus on human resource planning, including employee recruitment, retention, development and succession practices, ideally for all employees but especially for those identified as having high potential or in key positions”.*

## 2.5 TALENT RETENTION

“*The war for talent*” is the title of a study by McKinsey in 1997 that highlighted the shortage of skills which continues to worsen (Guthridge, Komm & Lawson, 2007). This can only mean that it is becoming increasingly hard for organisations to attract and retain the right calibre of talent. Employees in the workforce are becoming more aware of their individual needs and money no longer plays a major role in determining the longevity of an employee in an organisation. Talented employees are now searching for a place where growth and development are the order of the day (Guthridge *et al*, 2007). This can only mean that organisations have to find innovative and competitive ways to attract and retain the right calibre of talent, forcing organisations to recognise talent issues as belonging at the top of boardroom agendas.

For most organisations, replacing a knowledgeable employee is costly and difficult. The departure of talented employees also has an effect on staff morale and opens doors for others to start leaving as well (Mattox & Jinkerson, 2005).

Moreover, high turnover can make the effects on staff morale even worse, especially when employees leave with several years of practical industry experience. Talent is the only true source of competitive advantage that even competitors cannot replicate, and so the pressure is on organisations not only to attract and develop talent but also to ensure that the talent is engaged enough to stay with the organisation.

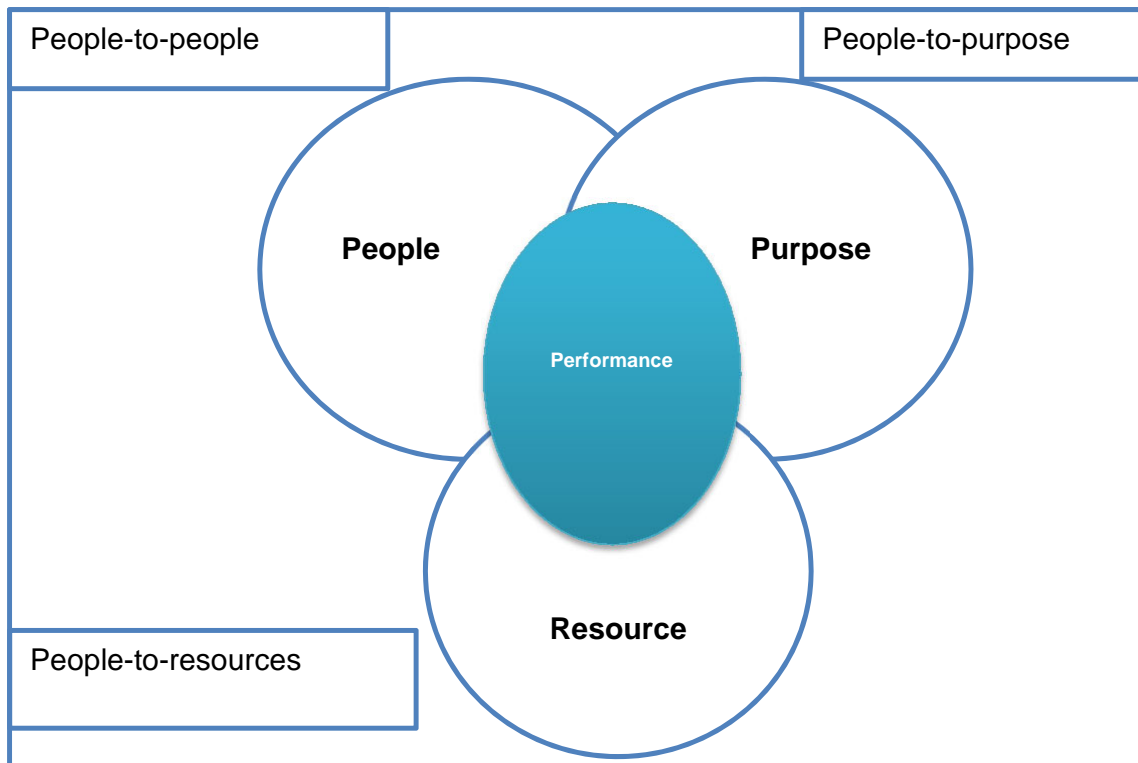
## **2.6 TALENT RETENTION APPROACHES**

In this highly competitive environment, organisations tend to engage in a war for talent. Potential employees are offered money as opposed to an offer of personal development and placement in functions that will keep them engaged, thus enhancing their performance (Athey, 2008).

Employee engagement is the most important aspect of talent retention and can determine whether an organisation is successful or even survives. Therefore it is important to understand the value that talent retention can bring to any organisation.

Athey (2008) mentions “connect” as the most important but least understood and managed aspect of ensuring that talent is engaged within the organisation and performs at a level that is conducive for its success and survival.

There are three means of connecting which will be discussed in detail below and these are: connect people-to-people, connect people-to-resources, and finally connect people-to-purpose:



**Figure 3: A framework for connecting people (Athey, 2008, p. 5)**

### 2.6.1 CONNECTING PEOPLE-TO-PEOPLE

People learn through various means of which the most effective is to learn from others through networking and sharing ideas. Research has shown that the most successful managers are those who dedicate more time to networking activities and communication (Athey, 2008). This writer also mentions five factors which make workplace relationships important:

- Complexity – working with colleagues and depending on one another to come up with solutions.
- Learning and knowledge – learn from others how to solve complex problems.
- Decision making – good decisions made by considering diverse perspectives, using a fresh outlook.
- Energy – inspired to give extra effort through workplace relationships.

- Innovation – bringing ideas together and having variety.

These five factors ensure that knowledge is shared and circulated not only among internal employees but also with their counterparts from other organisations, through networking.

### **2.6.2 CONNECT PEOPLE-TO-PURPOSE**

Athey (2008) identified the following four factors:

- Motivating work – people who enjoy what they do are continuously motivated to do it better. They accept challenges and growth to move forward.
- A sense of belonging – every person has an identity and a set of values that govern them, people want to belong and having an environment that reflects common values gives a sense of belonging to people.
- Pride of mission – employees feel a sense of pride in an organisation that mirrors their values.
- Strategic direct – having a purpose and working towards a strategic goal.

Organisations that manage to engage their employees at a senior level are able to inspire their employees and encourage innovative ideas (Athey, 2008).

### **2.6.3 CONNECT PEOPLE-TO-RESOURCES**

We live in an information era where cyberspace has made communication and information sharing much easier than before. This has enabled people to connect and respond quicker than ever before.

Employees are always inundated with information and therefore ensuring that they have the right resources to perform at work is essential for any organisation's success.

With the right people and the right resources, decisions and plans can be made more accurately and efficiently.

Connecting people to resources is a valuable talent retention strategy or method; this keeps employees in touch with changes that happen in their line of work across the world. Employees with continuous access to information can keep up with developments and be competitive in the market.

Any organisation needs to ensure that its employees are cushioned from information overload as this can have an adverse effect on their performance and success (Athey, 2008). Thus, connection becomes an important factor in managing people, resources and purpose and in shaping the direction of any organisation. Individuals and their organisations need to work together to make the connections work for their environment.

## **2.7 PRINCIPLES OF MANAGING TALENT**

Talent management entails hiring the right people for the right position and then continuously developing them to improve their performance. This is a never ending process which if done correctly can take the organisation to higher levels of performance and excellence.

With the rapid pace of change in the world of business today, companies need to ensure that not only do they have talented employees but also that these employees are resilient enough to roll with the punches (Hedger, 2007). Several strategies have been identified over the years for talent management. Hedger mentions the following as some of the principles of managing talent:

- Making informed hiring decisions
- Ensuring the right fit
- Inspiring performance
- Selecting the best leaders

These four principles will be discussed in detail below:

## 2.7.1 MAKING INFORMED HIRING DECISIONS

The process of talent management does not start when the employee is on board and expected to perform. This process starts well before an employee is identified for a role through the recruitment process.

Talent management should be tailored in a way that speaks to the organisation's needs and future plans. However, in most organisations, planning is so poor that this requirement is overlooked.

The challenge will always be to predict which of the many candidates will be a success in the role; several methods can be used for this (Hedger, 2007). Targeted selection, assessment centres and competency based interviews are just some of the methods that can be used to determine whether an individual will be the perfect fit not only for the company but for its culture and they can also determine if this individual will be motivated to perform successfully in the designated role.

If the initial steps in recruitment and selection are carried out properly in alignment with the business needs for talent, it will give the organisation a head start in the talent management process.

## 2.7.2 ENSURING THE RIGHT FIT

If employees are in a position that fits their skills and career paths, they will contribute meaningfully to the success of the organisation. Therefore, if an organisation has the right people in the right positions, then the possibilities of business growth are endless.

The goal is not only to ensure that employees have the correct skills for the role but also to be sure that they have the motivation to do the job; without this, employees will not be able to perform satisfactorily in their role (Hedger, 2007).

Skills can be taught and acquired but motivation is intrinsic: if it is not there, then a person is not the right fit for the role.

In order to determine whether the person is the right fit for the role, an organisation needs to go beyond the job description and determine what competencies are required for success in a specific role. The organisation can then centre its search on these competencies.

Any business object or goal and even the best ideas are worthless without the right people in the right jobs (Sarvadi, 2004). Once a fit has been established then the real work of keeping the employee engaged begins.

### **2.7.3 INSPIRING PERFORMANCE**

The investment in the organisation's most valuable assets (its people) does not end with ensuring that the right people are in the right positions. To get maximum performance from people in specific roles, an organisation needs to ascertain that all employees in all roles are motivated and engaged enough to perform at their peak at all times.

A sound performance management process that clearly defines job accountabilities and objectives (goals) of each role in line with the objectives (goals) of the organisation can assist with ensuring that employees understand their roles and the contribution they need to make to the organisation (Hedger, 2007).

Employees who understand organisational goals also understand their contributions to the bigger picture and will continuously find ways of taking their organisation to the next level as a market leader, through their performance. Furthermore a performance management process ensures that managers are able to measure performance and to motivate employees, through an incentive or recognition for superior performance. This process also encourages a continuous dialogue between managers and their subordinates about their performance and development within the organisation, thereby ensuring a uniform and consistent approach to a team of employees (Sarvadi, 2004).

## **2.7.4 SELECTING THE BEST LEADERS**

As more and more baby boomers retire and leave their positions open for the next generation to fill, companies need to evaluate their internal talent carefully to assess who will be able to move up swiftly in the ranks and take leadership positions within the organisation. In today's knowledge intensive environment, careful consideration should be taken when making these decisions.

A comprehensive leadership development programme should be in place to identify talent early in order to ensure that skills transfer and training happens soon enough to capture the knowledge from outgoing senior employees. An organisation with a well-developed leadership pipeline is prepared for any eventualities that the ever-changing world of business might impose. Furthermore, an organisation's employees are motivated to perform at their best as there are clear criteria set for how to get ahead within that organisation.

Once top performers have been identified for key roles (business integral roles: such as sales and marketing positions) in the company and take them on, there should also be a well-developed support structure to ensure a smooth transition by the top performers into the roles (Hedger, 2007).

These principles of talent management can be regarded as pieces of a puzzle, that need to be put together to form an integrated whole. It is understandable that talent management should remain at the heart of every organisation's business objectives. This will give the organisation a competitive advantage over others (Sarvadi, 2004).

## **2.8 DEVELOPING PROCESSES THAT EMPOWER PEOPLE**

Most organisations in this day and age rely on various processes to ensure smooth functioning. The transformation of organisations from the industrial age to the information age has encouraged organisations to pay more attention to the subject of talent management.



Because of this trend, employees have come to realise their value in their organisations and so continuous development has become an important part of any career development (Stedt, 2006). It is often said that people are the drivers of value within an organisation and so it is important to ensure that they give and get the best value out of being in a specific role.

Processes should be put in place to make matters easier and more manageable for employees who have to use them. There are two processes that come to mind which, if implemented correctly, will benefit both the organisation and the employee. These are: Performance Management and Training and Development.

Processes to manage performance and development help to ensure consistency within the organisation, and help to create one culture. The processes also increase the employees' sense of control over their careers (Millar, 2007). The two processes will be discussed in detail below:

### **2.8.1 PERFORMANCE MANAGEMENT**

Every organisation is working towards specific goals (its business and competitive advantage) and needs its employees to assist in reaching such goals. The success of any organisation is reliant on individual contributions to the bigger picture. Performance management is designed to measure and evaluate an individual's contribution to the organisation's goals and objectives.

Furthermore, performance management can also be used to communicate behaviour and results that are valued and rewarded by an organisation, this also emphasises its culture and values (Aguinis, Joo & Goffredson, 2011).

This procedure is the most accurate way to get a clear view of the organisation's talent profile for succession planning and leadership pipelining. This procedure creates a shared vision of what should be achieved and it can be used for the management and development of employees as well. Job descriptions are often used to outline job accountabilities for each role and thereby give employees a map of what is expected of them in their roles (Striteska, 2012).

Striteska (2012, p. 1104) defines performance management as a strategic approach to management which provides managers, employees and stakeholders at different levels with instruments necessary in order to (*sic*) regularly plan, continuously monitor, periodically measure and review performance of an organisation.

From Striteska's definition it is clear that performance management is an integral process in identifying, developing and managing talent within an organisation and that it also ensures consistency in managing people.

A structured performance management process will allow or encourage feedback and coaching for employees to gain a better understanding of their strengths and weaknesses.

It allows managers to develop employees and helps organisations achieve their goals and maintain their competitive advantage.

Most importantly, performance management can be incorporated into a compensation model to reward good performers and encourage a high performance environment (Aguinis *et al*, 2011).

## **2.8.2 TRAINING AND DEVELOPMENT**

The concept of training and development has evolved over the years and what was once considered as just providing training is now seen as a strategic way to develop and grow the organisation (Auluck, 2007).

Training and development has taken a different shape which enables organisations to make plans for future growth and invest in employees' development to achieve company objectives. It is no surprise that organisations are giving this subject the attention and priority it should be getting. According to Wills (1994, p. 10), training is defined as "transfer of defined and measureable knowledge or skills". From this definition it is clear that training is aimed at changing behaviour for the better and upskilling people.

For any training and development process to work effectively and efficiently there should be clearly defined guidelines and policies to support it. These will allow for consistency and for better management control, making it easy to train and monitor progress of employees. The process enables the organisation to audit the skills available to the organisation and to determine the training needs or requirements that will take the organisation to the next level.

A development plan ensures that employees are in charge of their own career development with the assistance of the organisation and can monitor their development within the organisation (Wills, 1994). Training and development plays an important role in succession planning and leadership pipelining because, through this process, talent can be developed and remain engaged in their roles.

Not only formal training or learning processes (classroom scenarios) play an important role in the development of employees in an organisation, informal methods such as coaching, mentoring and on-the-job training also contribute to the process of developing employees (Coetzer, Redmond & Sharafizad, 2012). Investing in talent through training and development ensures a return on that investment through high performance, communication, consistency, and engaged employees.

An organisation that invests in its employees often has a competitive advantage with a ripple effect because strong performers attract other strong performers and so the organisation becomes an employer of choice. This is one effect that competitors cannot duplicate; a high calibre of talent (Coetzer *et al*, 2012). Once an organisation has developed and sustained such a strategy it will surely maintain its competitive advantage in the market.

## **2.9 CONCLUSION**

With rapid changes in the world of business, the role of talent management goes beyond forcing managers and employees to attend training and conduct performance management processes; it entails ensuring sustainability and longevity of the business through the achievement of business objectives.

As discussed above, the success of any business is dependent on the individual contributions of its employees. Talent management aims at instilling good people management skills and educating the business regarding the value of talent within the business.

Global mobility has also changed the previous rules: not only will an organisation lose talent to competition locally but as the global market is easily accessible the organisation runs the risk of losing talent internationally.

To summarise: it is important for any organisation to have a clearly defined talent management strategy which will assist not only with attracting the right people to the right roles but also in developing and retaining these people so that they can contribute meaningfully towards achieving business objectives.

Recent economic and demographic changes also force companies to be innovative and adapt to these changes. Therefore, an alignment of talent management objectives with business objectives will ensure a sustainable and competitive organisation. Chapter 3, which follows, will give an overview of knowledge management.

## CHAPTER 3: KNOWLEDGE MANAGEMENT (knowledge workers)

### 3.1 INTRODUCTION AND BACKGROUND

The concept of knowledge management or knowledge economy is developing in importance, with more and more organisations and institutions researching it to assess its value and relevance. It is an important subject for any organisation that wants to be a major player in the economy for a sustainable period.

According to Brinkley (2006, p. 3) “the science of describing, understanding, and measuring knowledge will always be an imperfect one”. This assessment is made simply because knowledge is often self-evident and rarely tested against hard data. A skilled labourer or employee is an important part of any organisation as a source of competitive advantage.

In order to build a performance driven organisation there has to be a quality that sets it apart from other organisations; here, knowledge management and knowledge workers seem to be at the top of the list. The era of the high-tech environment will now be replaced by the knowledge economy where the success of the organisation will depend largely on the efficiency of its people in terms of skills (Brinkley, 2006). Knowledge management is a multi-facet concept that depends on how services rendered are combined and applied by tangible resources; this, in turn is referred to as the organisation’s knowledge (Alavi & Leidner, 2001).

The importance of having the right people allocated to the right jobs and understanding the impact of their actions on the overall organisation is the essence of knowledge management and knowledge workers.

A knowledge economy will require an organisational culture that encourages learning and development. It also requires a culture where knowledge becomes the essence of the organisation’s existence. How knowledge is harnessed, collected, stored and shared will be a very important determinant of a sustainable competitive advantage. Organisations in the 21<sup>st</sup> century will have to ensure that they meet all these requirements in order to continue competing in this economy.

In this chapter we review the concepts of knowledge management and knowledge workers in order to understand the role they play in the success of an organisation's retention strategy.

### 3.2 KNOWLEDGE MANAGEMENT UNPACKED

The world of business has evolved and knowledge rather than finance is now viewed as a limited resource; this is often referred to as the knowledge age (Armistead, 1999). Knowledge management is an essential tool in the era of the knowledge economy. The advent of the knowledge economy has compelled companies to turn to knowledge management in order to build and sustain their organisations.

There have been several questions raised regarding the role that knowledge management can play in closing gaps that exist and in opening new possibilities in situations where organisations are moving towards what is generally termed a knowledge based view.

In knowledge based organisations the measurement of knowledge as a form of intellectual property has become an important part of the management control system (Armistead, 1999). It will be useful to start by defining knowledge in order to have a greater understanding of what knowledge management is. Knowledge is defined by the Collins Dictionary (2007, p. 900) as:

1. *Fact, feelings or experiences known by a person or group of people.*
2. *State of knowing.*
3. *Awareness, consciousness, or familiarity gained by experience or learning.*
4. *Erudition or informed learning.*"

Wikipedia ("Knowledge," 2011, para. 1) defines knowledge as "a familiarity with someone or something that can include descriptions, facts, information, and/or skills acquired through experience or education. It can refer to both the theoretical or practical understanding of a subject."

According to Biggam (2001), knowledge must meet the following criteria:

- It must be true.
- The perceiver must believe that it is true; and
- The perceiver must be in the position to know this to be the case.

From these definitions of knowledge we can deduce that knowledge appears in three forms: factual; practical or theoretical knowledge; and knowledge of people, places and things: all of which are important in determining the knowledge source of any organisation. Knowledge is an integral part of any organisation that would like to participate successfully in this knowledge economy and therefore knowledge is the organisation's intellectual capital. Knowledge management is a phenomenon that has gained momentum over the past few years and has led to organisations that value knowledge workers.

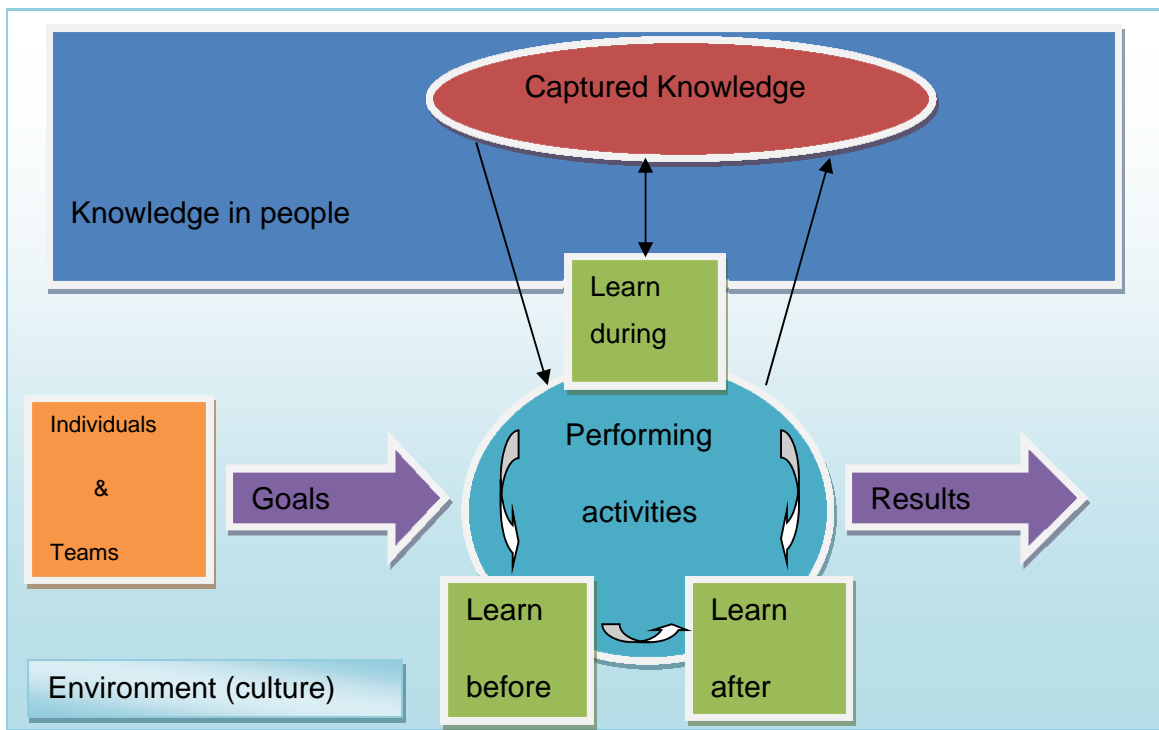
To obtain a greater understanding of the knowledge economy it is important to understand what knowledge management is and the role it plays in this type of economy. The design of knowledge management is centred on providing strategies, processes and technologies in order to increase organisational learning (Biggam, 2001). Knowledge management is a subject that has been evolving and gaining importance in the 21<sup>st</sup> century. It has emerged as a distinct theme in today's corporate world, with organisations realising that they have a vast amount of knowledge that has to be managed well in order to extract maximum value (Gupta, 2008).

Knowledge management is important to assist organisations to gain competitive advantage and to work effectively. If an organisation does not know or understand the contribution that knowledge management can make to its environment it will fall behind in the contest for knowledgeable employees. As mentioned earlier the selected organisation, Company X, is a fast paced environment where its divisions are chasing high budgets (sales driven environment) and unless senior management can understand the contribution of knowledge management to the bottom line, they will be reluctant to invest time or money in the process.

For any knowledge management programme or plan to be successful in an organisation, the culture has to support or embrace it.

King (2007) refers to what he terms “knowledge culture”, which is a variety of organisational cultures and sub-cultures that exists within the organisation and represent the rules of organisational life that ensure that employees perform.

King (2007, p. 226) then defines knowledge culture as “a way of organisational life that enables and motivates people to create, share, and utilize knowledge for the benefit and enduring success of the organisation”. Culture has a major influence over several factors in any organisation, including the way things are done, people are managed and information is shared. The easiest way to effect knowledge management and organisational learning is through organisational culture. Therefore it is important for organisations to have a culture conducive to learning and information sharing, for knowledge management to be used as a talent retention strategy.



**Figure 4: Knowledge management process adapted from Collison and Parcell (2004)**

Figure 4, above, indicates how culture and environment play a vital role in learning and knowledge transfer.



It will be important to establish and understand the role that organisational culture will play in this process; for example, in ensuring ‘buy in’ and the successful implementation of a plan that will benefit the selected organisation.

The connection between knowledge management and Human Resource (HR) strategies will change the way in which recruitment is done in Company X. The organisation should have a long-term view of talent retention. Company X is a fast growing organisation that is increasing its footprint across several continents and for the company to succeed there must be sound HR strategies in place that are in line with Company X’s business strategies.

### **3.3 KNOWLEDGE ASSESSMENT**

As mentioned in previous chapters, knowledge is sometimes intangible and so it may be difficult to assess or even measure using scientific methods. Knowledge assessment relies largely on measurable information and practice: since knowledge continue to evolve, if an organisation is trying to assess where its knowledge lies then the answer will not always be clear. Knowledge assessment might be a process that extends over years as people grow and acquire knowledge every day.

Every organisation has something that sets it apart from other organisations and that “something” is typically the knowledge embedded in its employees. This kind of knowledge should be groomed and guarded.

In the pharmaceutical industry, manufacturing and selling are the corner stones of the business. What and how a company sells will determine its competitive advantage. Sales and marketing employees are therefore the core skills of the pharmaceutical business and these employees should be in an organisation that will offer them an opportunity to be more innovative and creative while encouraging learning and development to ensure that employees are competitively marketable.

The main purpose of this section is to explore methods available to assess the knowledge that is crucial for an organisation’s success.

The world of work has changed drastically during the past few years as a result of advancements in technology: messages that took days even months to deliver to another country are now delivered in a matter of seconds.

Many organisations are moving towards working in cyberspace where interactions with people who are miles away can happen instantaneously and this has ensured that knowledge can be shared anywhere and at any time. This makes managing talented employees more complex because the next competitor might not even come from the same industry as industrial boundaries become less distinct. This means that organisations must be flexible enough to adjust to changes in the work environment and remain competitive (Lerro, Lacobone & Schiuma, 2012).

Knowledge is an intangible asset of an organisation and its assessment has become a key concern in ensuring competitiveness. The success of any organisation nowadays depends on its ability to continue being innovative and creative and to value the know-how of its employees.

Understanding what knowledge is, especially knowledge key to the success of the business, is integral for the survival of an organisation; such knowledge is the source of competitive advantage. Flexibility is required to enable an organisation not only to play a role but also to adjust its processes as and when needed, to keep up with its competitors (Lerro *et al.*, 2012).

It is apparent that knowledge can be considered as an asset to any organisation. In the current knowledge revolution, organisations are expected to capitalise on existing knowledge and to be on the lookout for new knowledge to acquire.

Lerro *et al.* (2012) discuss the three fundamentals of knowledge asset assessment which are relevant and applicable to this study: these are the what, why and how of knowledge assets. As shown in Figure 5, the “what” deals with meaning and contents, the “why” with the managerial reasons and purpose while the “how” approach deals with assessment of knowledge assets.

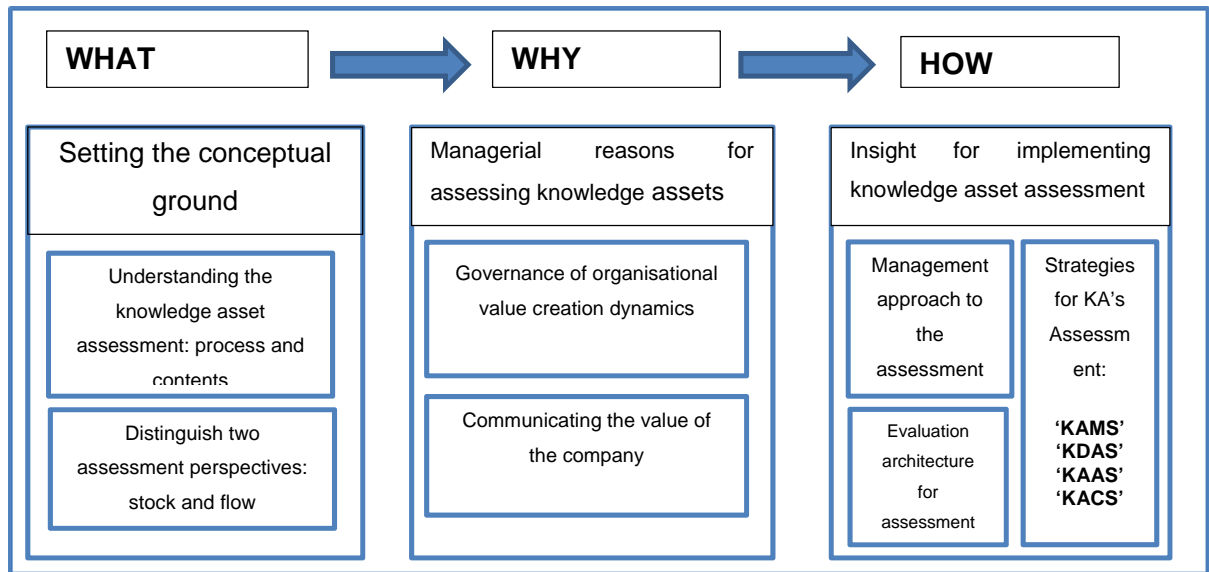


Figure 5: The structure and content of the paper (Lerro et al, 2012, p. 567)

By understanding these three basic fundamentals, an organisation will know exactly what is valuable information, how to gather and distribute such information, and the purpose in terms of sustainable competitive advantage. The globalisation of business has led to a rise in the need to assess and measure an organisation's intangible assets to the extent that management knows exactly where key knowledge in the organisation is located.

Once knowledge has been assessed and identified, the organisation should mobilise management to choose and arrange all the critical information which is classified as the intellectual capital of the organisation. After successfully assessing the knowledge assets of an organisation, the knowledge transfer strategy can follow.

### 3.4 KNOWLEDGE TRANSFER

The main purpose of knowledge transfer is to ensure that important information including intellectual capital is maintained and shared within the organisation. The value of knowledge in an organisation has indicated that an employer can pay employees very generously but if they do not feel they are adding value or gaining knowledge from an organisation then they will still leave; this applies even if employees are free to choose their own salaries (Duan, Nie & Coakes, 2010).

This indicates that employees need much more than a good salary to remain engaged at work. Knowledge transfer is an important aspect of any organisation that wishes to compete in the 21<sup>st</sup> century; despite this, it is not well researched. Joshi, Sarker and Sarker (2006) emphasise the importance of knowledge transfer to mobilise the organisation and also to assist in achieving and maintaining competitive advantage.

The challenge is that most of this key knowledge is held by people and the ideal would be for them to share it with their colleagues and their organisation. This would require an organisational culture that encourages this kind of behaviour and it has to be done in a way that is not threatening to any individual, as this can often be viewed as an attempt to make people dispensable.

Seeking to define knowledge transfer was not difficult as literature on this subject is readily available. Joshi *et al* (2006) define knowledge transfer as occurring when knowledge is diffused from one entity (an individual, group or organisation) to other entities. This transfer may be purposeful or unintentional as a result of activities occurring in the organisation.

Xu & Ma (2008) explain knowledge transfer as a process through which one unit is affected by the experiences of another; that is, communication from one source is learned and used by the recipient.

Duan, Nie and Coakes (2010, p. 357) define knowledge transfer as a process by which:

- *one organizational unit (e.g. a group, department, or division) passes its experience to another.*
- *Systematically organized information and skills are exchanged between entities.*
- *Knowledge is exchanged between or among individuals, teams, groups, or organisations.*

It is clear from these definitions that knowledge transfer is a key element of the knowledge management process and talent retention, but it is one of the most difficult elements.

The challenge is that the organisation does not always know who needs what information at any particular time and most importantly does not always know who has this information.

Therefore there is a need for a thorough assessment which will indicate where this knowledge is kept and how it should be best transferred.

Before reaching the crux of knowledge transfer and the actors involved, it will be beneficial to understand the types of knowledge in order to understand the different transfer criteria to be used in different contexts. Various researchers have studied this subject, leading to the identification of two forms of knowledge: tacit and explicit knowledge.

These two knowledge forms are interdependent. An example quoted by Narasimhan (1997) states that common sense is tacit knowledge when it comes to everyone; it underpins the ability of an individual's competency to acquire and use skills. In other words, the information or knowledge a person acquires, and its intricacy, is largely determined by the person's inherent abilities and competencies.

The difference between these two forms of knowledge is in the acquisition, application and transfer of the knowledge. For instance, tacit knowledge will be much more difficult to transfer than explicit knowledge as it is held by individuals, in a form generally classified as common sense or craft.

### 3.4.1 CHARACTERISTICS OF KNOWLEDGE: TACIT AND EXPLICIT

Tacit and explicit knowledge are defined by McBriar, I., *et al* (2003, p. 31) as follows:

- ***Tacit knowledge*** is defined as knowledge that is not easily visible and expressible. It is hard to formalize, making it difficult to communicate or to share with others.
- ***Explicit knowledge*** is defined as knowledge that can be represented in words, drawings, plans, equations, or numbers, which can easily be communicated between people.

We are in a knowledge revolution and for an organisation to attain and maintain its success it has to establish a competitive advantage through effective knowledge management.

The differences between the two forms of knowledge can be best described in the metaphor “Explicit Island in a Tacit Sea” (EITS) and this metaphor is explained in the diagram below (Hicks, Dattero & Galup 2007):

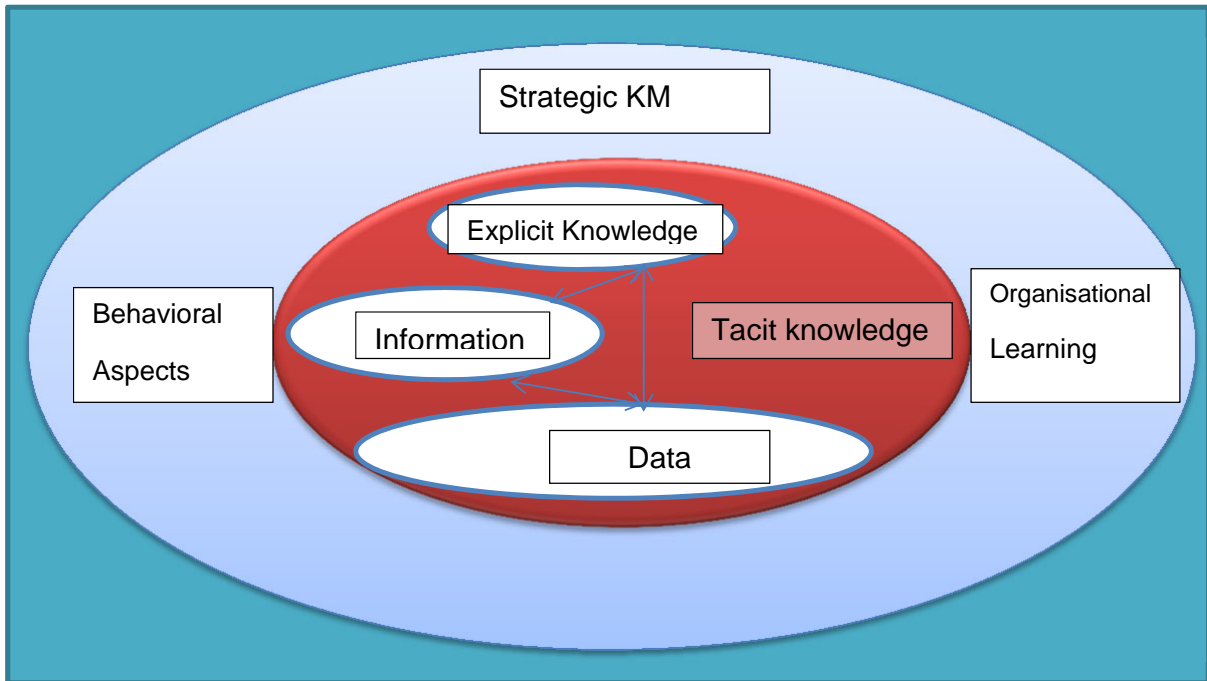


Figure 6: IETS Paradigm (Hicks et al, 2007, p. 9)

### 3.4.1.1 EXPLICIT KNOWLEDGE – the islands

Explicit knowledge, data and information (referred to as the islands) are captured and stored in expert systems and best practices; they may be shared by applications and users. Among these three islands explicit knowledge is in a more actionable class hence it is placed at the top in the figure followed by information and then data. As shown in Figure 5, data plays a more prominent role than information and explicit knowledge hence it appears larger than the two islands.

These three islands are interrelated as data can be transformed into information and information can be transformed into knowledge thereby creating bridges between these three islands.

### **3.4.1.2 BRIDGES BETWEEN THE ISLANDS**

The bridges between these islands (represented by the arrows) indicate the flows in both directions ensuring constant information transmission between the islands. These bridges are there to indicate the knowledge flows and transformations that occur between the explicit systems. This happens through transformation of data into information and then information into knowledge.

### **3.4.1.3 THE SEA OF TACIT KNOWLEDGE**

The sea is represented by the tacit knowledge that is surrounding data, information and explicit knowledge (the islands). Tacit knowledge is in various forms which can be gained, transformed or transferred through discussions with knowledgeable people and through learning. It's around us all the time however it doesn't mean it's always visible to us.

### **3.4.1.4 THE SHORE – where tacit meets explicit knowledge**

The shore is represented by the interaction of tacit and explicit knowledge which separate the sea from the island and the beach. Furthermore knowledge is created through the interactions between tacit and explicit knowledge, the shore acts as a mechanism for knowledge transfer.

### 3.4.1.5 ON THE BEACH

The beach which comprises of three components namely: behavioural aspects, organisational learning and strategic knowledge management. These three components represent KM theories which are mainly focused on tacit knowledge.

- Behavioural aspects – creating a platform for social interaction for knowledge transfer to take place
- Organisational learning – using new tools and methods to improve the processes
- Knowledge management – corporate strategy aimed at exploiting knowledge-based services

The above illustration captures the sentiments of Bhardwaj and Monin (2006) about tacit knowledge. These writers describe how tacit knowledge lays the foundation for acquiring explicit knowledge and also describe the interaction with various systems to shape the knowledge base. It can therefore be concluded that the basis of all knowledge is tacit knowledge and what determines the extent of an individual's explicit knowledge acquisition is the foundation of the tacit knowledge. The exposure the person has before being introduced to any form of formal education or learning is thus important.

This review of the two types of knowledge sets the stage to explore the process of knowledge transfer. As explained above, tacit knowledge is rather more difficult to transfer than explicit knowledge; organisations should therefore seek to have systems in place that capture explicit information and should implement informal or formal social processes to capture tacit information (Bhardwaj & Monin, 2006).

Many organisations have social initiatives but fail to use these as a form of accessing tacit information that lies in their employees. Bhardwaj and Monin (2006) further mention that tacit knowledge lies in the accounts that people tell about their experiences; therefore, having a platform that allows people to share experiences will ensure that such tacit knowledge is easily transferred and captured. This tacit knowledge of an individual will have relevance if only it can be captured for the benefit of the organisation.



There are many methods that have been explored for transfer of knowledge and it is therefore important to understand the multidimensional nature of knowledge in order to use it effectively in an organisation. Even though organisations could have measures and processes in place to capture and transfer knowledge, they might run into difficulties when they actually have to transfer the knowledge. Duan, Nie and Coakes (2010) identified key factors that affect knowledge transfer as follows:

- *Actors: involved in the knowledge transfer process. Always central to the process. Three key actors are generally identified: sender; recipient; and intermediary.*
- *Context: where the interaction takes place. Transferring knowledge is contextually bound, so its transfer is constrained by the contexts in which it is embedded.*
- *Content: to be transferred between actors.*
- *Media: by which the transfer is carried out.*

If the abovementioned factors are not managed well then problems will arise concerning the quality of knowledge acquired and transferred. The organisation will to some extent have financial muscle to keep these problems in check, especially in a multinational organisation where employees are spread around the globe. Therefore, the process of knowledge transfer is more difficult than it seems because if these factors are not controlled, the outcome could be that incorrect or even useless information is shared and this will be of no benefit to the organisation.

It is therefore apparent from the above points that communication is an integral part of knowledge transfer. Joshi *et al* (2012) mention that communication and frequent meetings build interpersonal relationships and are important knowledge transfer mechanisms.

They gave three reasons why communication is important for knowledge transfer:

- *Communication leads to socialization which nurtures relationships important for team-oriented values, collaboration, cooperation, harmony, consensus, participative decision making, and team accountability.*
- *Frequent communication helps in building and maintaining a team's social capital embedded in team members' relationships.*

- *By building on the knowledge of the various team members, teams facilitate the exchange and internalization of knowledge and insights.*

For effective knowledge transfer to happen, organisations must have an organisational culture that promotes good communication and that creates platforms for people to interact and share knowledge in a non-threatening environment. Moreover an organisation needs to acknowledge the socially embedded nature of the knowledge its employees possess.

One interesting feature of knowledge transfer is that it can happen without two individuals noticing it; this applies especially to knowledge that people might feel is not important to share. Hence communication and informal forums will serve well as mechanisms for knowledge transfer. With many developments having been made to date with regard to knowledge management, especially in this fast paced world of technological advancement, it can be expected that organisations should have systems or at least a culture, in place, that support knowledge transfer.

This will not be a labour intensive exercise or even an exercise that requires the organisation to spend much money. The organisation could use resources that are already available within it, such as email, shared folders and sales meetings, to transfer knowledge.

Knowledge transfer, if done well, can create an environment where employees are free to ask questions and share information both informally and formally, ensuring that valuable information stays within the organisation and its useful to its employees.

### **3.5 KNOWLEDGE RETENTION**

As established in previous chapters, human capital is the most important asset of any organisation. Knowledge management is therefore an essential function for any organisation. For knowledge to be managed effectively, an organisation has to develop a knowledge management framework specifically designed for the needs of the organisation.

According to Gupta (2008) this framework will be a guideline according to which the organisation will implement a knowledge management system, generate knowledge and create a climate allowing free flow of knowledge.

The framework will allow the organisation to keep a close watch on the development of its staff, and will show where the knowledge is at any given time and will help the development of strategies to retain the knowledge.

Leadership in any organisation should ensure that knowledge remains within the organisation and that they support the retention initiative fully. The most important aspect of knowledge retention is ensuring that the knowledge gathered and stored can be easily accessible to use later. The purpose is to ensure that employees are aware of the storage systems and know how to use them.

Retaining knowledge will have its challenges especially in the case of tacit knowledge.

The organisation will therefore have to ensure that informal knowledge sharing forums are also managed to some extent. The retention strategy for key roles should be in place as soon as the organisation identifies a key position.

According to Levy (unknown year, p. 6) there are three (high level) stages of knowledge retention and these are as follows:

- *“Decision making – whether and at what level is vertical knowledge transfer required.*
  - *This is done through assessing and understanding the risk of losing the knowledge and at what magnitude.*
- *Planning – defining the knowledge to be retained and how.*
  - *This phase is when transfer and retention is determined for the organisation.*
- *Practical implementation of the plan*
  - *This part deals with the how and what”*

In most organisations the line managers will usually be the best people to guide in terms of these three retention issues. The inclusion of line managers in the process should ensure that accurate information is used.

The human resources department is also integral in developing systems that are conducive to retaining knowledge and supporting the business in its aim to retain knowledge.

Workplaces are changing as a result of developments in technology and globalisation. Similarly, it is expected that they will continue to change in response to developments in knowledge management, especially in the quest for knowledge retention. This of course refers not only to visible changes in technology but also to changes that are not seen which nevertheless involve knowledge and how it is managed. Sanders, Steward and Bridges (2009) speak of various changes that employees will experience in the workplace and these include increased reliance on temporary teams.

It is therefore expected that as a result of these changes, organisations will have to put much effort into their knowledge retention strategies. The models that any organisation chooses to implement should be people-centred and create an environment of continuous learning within the organisation.

Although knowledge management has been practiced for some time, there is still only limited material that organisations can use. However, good progress is being made to develop comprehensive material that can be used as a guideline. Any knowledge management model will have to adapt to the needs and nature of a specific business. With this in mind, note the suggested framework for knowledge retention stages as developed by Levy (unknown).

- **Preliminary stage – initiating the process.** This is the stage of getting buy-in regarding knowledge retention from senior management of an organisation. Situational analysis should happen here, involving an analysis of why people are leaving and also an assessment of the risk associated with losing key knowledge.
- **Scope** – determining what knowledge will be retained and what will not. At this stage, managers are involved as they know what is needed, what the key knowledge in the organisation is, and who has it.
- **Transfer** – this is the core of any knowledge retention strategy. Organisations wish to retain valuable knowledge and to transfer it or make it accessible to others within the organisation.

This is the stage that actually produces the knowledge: documented knowledge will be shared and undocumented knowledge will be documented. Various formats of documentation can be used here.

- **Integration** – in this era of knowledge overflow, simply documenting knowledge does not mean that it will be used.

At this integration stage an effort is made to organise knowledge or information in a way that will make it accessible to employees using a system to which they are accustomed.

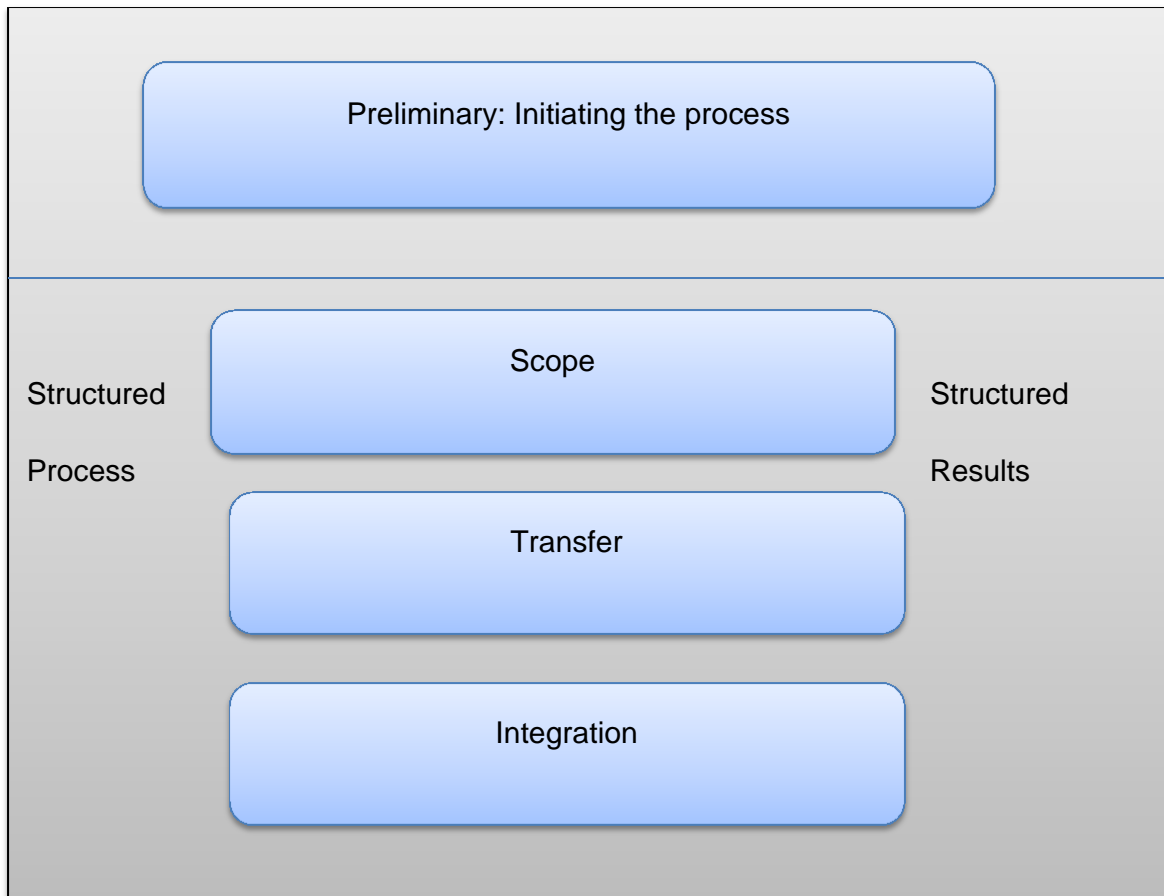


Figure 7: Knowledge retention stages - suggested framework (Levy, Unknown Year, p. 21)

The preceding explanation, together with Figure 6, shows that knowledge retention is a concern for organisations. The one key factor is that people are at the centre of it.

The knowledge which organisations wish to retain is held by its employees. The aim is to have a knowledge management process that covers all the bases when addressing knowledge retention.

Although knowledge retention is a fairly new field that organisations are exploring, it is beneficial for organisations to invest in it.

The point remains that in this fluid world where employees are exposed to many options, it is necessary for an organisation to ensure that it retains valuable knowledge.

### **3.6 CONCLUSION**

Knowledge is what keeps today's organisations running and what gives them their competitive advantage. We live in a knowledge economy that uses knowledge workers. These people are attracted and retained by means that are intellectually stimulating. Organisations must appreciate that people become emotionally involved with their work, and if this emotional engagement is supported with worthwhile assignments, then employees will "bring out their best". People remember those events which really challenged them and therefore organisations should strive to stretch their people.

The process of knowledge management allows an organisation to have the foresight to anticipate changes in the market place counter them before they impact on the organisation and allow their teams to do what they are employed to do, with proper guidance, in order to contribute to success.

## **CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY**

### **4.1 INTRODUCTION**

This research was conducted to determine the role that knowledge management can play in talent retention in a high performing environment to ensure greater returns for both the organisation and its employees. This study aims at exploring an important concept and therefore gives in-depth feedback as provided by interviewees. The following section will describe in detail the research methodology and approach used for this study.

The research was conducted by interviewing key decision makers in the selected organisation to obtain their views on the subject and to determine their perceptions of how knowledge management can help address the problem of talent retention in this organisation.

Interviews were conducted in divisions within the selected organisation to assess how different parts of that organisation experience and handle this problem of talent retention. The discussion points in this chapter will be: research approach, design, sampling and data collection and analysis.

### **4.2 RESEARCH APPROACH**

The research approach appropriate for this study is one that will obtain in-depth information; a qualitative approach was therefore chosen. Qualitative research focuses on seeking to understand a problem from the perspective of the local population involved in the study. According to Endacott (2005), qualitative research consists of an investigation that:

- Seeks answers to a question.
- Systematically uses a predefined set of procedures to answer the question.
- Collects evidence.

- Produces findings that were not determined in advance.
- Produces findings that are applicable beyond the immediate boundaries of the study.

Therefore this study will also aim at understanding the stand-points of the participants and will also evaluate their opinions and ideas.

### **4.3 RESEARCH DESIGN**

According to Maree (2010), research design is a plan or strategy which moves from the underlying philosophical assumption to specifying the selection of respondents, the data gathering techniques to be used and the data analysis to be done. Therefore the choice of research design is based on the researcher's assumptions, skills, and practices and it influences the way data are collected. Hofstee (2009) explains research design as the process in which the researcher names and discusses the overall approach used to test the researcher's thesis.

The design of the research refers to the research structure, the approach, assessment of the information gathered and the method used to gather the information.

Two phases were followed in this research; the first was information gathering in terms of literature related to the subject matter and the second was in-depth interviews, used to gather information from the participants.

Interviewees were given structured questions that covered the main constructs and both verbal and non-verbal communication was captured for reference.

The interviews were intended to last for an hour but if more information was to be shared then this period was extended to accommodate that.



## 4.4 QUALITATIVE RESEARCH

Qualitative research is a method of research that has been used for several decades in an effort to understand human behaviour. It falls outside the typical scientific research approach and is rather hard to define (Strauss & Cobin, 1998). It is mainly concerned with collecting and analysing words.

According to Strauss and Cobin (1998), qualitative research makes findings without using statistical methods; this implies that information is quantified. This method explains or investigates not only the what, where and when but also the how and why. It is a method of investigation used by various academic disciplines with the aim of obtaining an in-depth understanding of human behaviour.

Qualitative research means different things to different people, which can be confusing. Information is gathered through interviews and observations and is assessed through coding which entails a statistical method. Here the researcher is attempting to understand an issue or problem and to gain a novel understanding (Strauss & Cobin, 1998).

There are three major components of qualitative research (Strauss & Cobin, 1998, p. 11):

- Data that can be gathered from various sources such as interviews, observations, records and films
- Procedures that a researcher can use to interpret and organise data, such as conceptualizing, reducing and elaboration.
- Written and verbal reports such as scientific journals and talks.

Maree (2010) mentions that qualitative research is an umbrella term for a range of qualitative research strands that developed over the years. According to this writer, qualitative research is an inquiry process of understanding, in which a researcher develops a complex, holistic picture, analyses words, and reports detailed views of informants and conducts the study in a natural setting. The aim is to study the subjects in their natural settings and thereby observe behaviour as it happens; this allows the research to have multiple meanings of individual experiences.

The main purpose of qualitative research is to explain or develop a theory about a relationship. The aim is to discover a deeper truth while studying subjects in their own natural setting. There are six approaches that can be used here: narrative; phenomenology; case study; grounded theory; action research; and, ethnography. The researcher should include background information explaining the connection between the researcher and participants and should also indicate the steps taken to gain access to the research site.

In the case of data collection, analysis and interpretation there are specific methods that can be used: these include observation, interviewing, documentation and visual or audio materials. These all involve protocols that should be adhered to.

Reliability and validity of the research procedure should also be considered here to ensure accuracy and consistency respectively (Creswell, 2009). The goal is to explore and understand and this presupposes that the researcher has a broad idea and seeks to use it to understand a participant's experiences with a defined phenomenon.

This type of research provides information on the human side of any issue and allows one to identify intangible factors in a situation.

In this study the researcher will use qualitative research methods. However, before describing the actual method used, it is important to be aware of the differences between qualitative and quantitative research. A comparative analysis of the two research types is given in Table 4 that follows.

#### 4.4.1 DIFFERENCES BETWEEN QUALITATIVE AND QUANTITATIVE RESEARCH

The two research methodologies have some differences as shown in Table 4:

**Table 2: Comparison of Qualitative and Quantitative research approach (Unknown Author: 3 Retrieved from: <http://emeraldinsight.com>) 1**

	<b>Quantitative</b>	<b>Qualitative</b>
General Framework	<ul style="list-style-type: none"> <li>• Seek to confirm hypotheses about phenomena</li> <li>• Instruments use more rigid style of eliciting and categorizing responses to questions</li> <li>• Use highly structured methods such as questionnaires, surveys, and structured observation</li> </ul>	<ul style="list-style-type: none"> <li>• Seek to explore phenomena</li> <li>• Instruments use more flexible, iterative style of eliciting and categorizing responses to questions</li> <li>• Use semi-structured methods such as in-depth interviews, focus groups, and participant observation</li> </ul>
Analytical Objectives	<ul style="list-style-type: none"> <li>• To quantify variation</li> <li>• To predict causal relationships</li> <li>• To describe characteristics of a population</li> </ul>	<ul style="list-style-type: none"> <li>• To describe variation</li> <li>• To describe and explain relationships</li> <li>• To describe individual experiences</li> <li>• To describe group norms</li> </ul>
Question format	closed-ended	open-ended
Data format	<ul style="list-style-type: none"> <li>• Numerical (obtained by assigning numerical values to responses)</li> </ul>	<ul style="list-style-type: none"> <li>• Textual (obtained from audiotapes, videotapes, and field notes)</li> </ul>
Flexibility in the study design	<ul style="list-style-type: none"> <li>• Study design is stable from beginning to end</li> <li>• Participant responses do not influence or determine how and which questions researchers ask next</li> <li>• Study design is subject to</li> </ul>	<ul style="list-style-type: none"> <li>• Some aspects of the study are flexible (for example, the addition, exclusion, or wording of particular interview questions)</li> <li>• Participant responses</li> </ul>

	statistical assumptions and conditions	affect how and which questions researchers ask next <ul style="list-style-type: none"> <li>• Study design is iterative; that is, data collection and research questions are adjusted according to what is learned</li> </ul>
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The above table gives a comprehensive summary of the fundamental differences between the two research methods. The main difference between the two methods is the flexibility: qualitative research is relatively more flexible than quantitative.

Furthermore the method chosen will determine the type of information that will be gathered: with qualitative research, a researcher would like to gather as much in-depth information as possible and understand the concepts from the participant's point of view. In the case of quantitative research, the researcher is trying to determine a relationship between variables (Maree, 2010).

#### 4.5 DATA COLLECTION METHOD

There are six approaches that can be used in qualitative data collection (Endacott, 2005).

The researcher should include background information explaining the connection between the researcher and participants. Furthermore the researcher should indicate the steps taken to gain access to the research site. Table 5, below, gives a comprehensive presentation of qualitative research methods and their focus:

**Table 3: Key features of qualitative research (Endacott, 2005)**

<b>Research Method</b>	<b>Focus</b>
Ethnography	<ul style="list-style-type: none"> <li>• Understanding cultural rules</li> <li>• Observer role includes some participation in the situation</li> <li>• Observation is a key data collection method, with informal and formal interviewing</li> </ul>
Phenomenology	<ul style="list-style-type: none"> <li>• Exploring a phenomenon in depth</li> <li>• May include 'lived experience'</li> </ul>
Grounded theory	<ul style="list-style-type: none"> <li>• Developing theory inductively from the data</li> <li>• Relies on iterative process of data collection and data analysis</li> <li>• Generating hypotheses which are then tested through data collection</li> </ul>
Action Research	<ul style="list-style-type: none"> <li>• Attempts to bring about change in practice during the research</li> <li>• Attempts to influence the real world through a spiral process of change and evaluation</li> </ul>
Narrative Research	<ul style="list-style-type: none"> <li>• Uses filed text such as stories, autobiographies, journals etc.               <ul style="list-style-type: none"> <li>○ Emerged from management science field and later developed in knowledge management</li> <li>○ Aimed at organizing human knowledge and not just at gathering data</li> </ul> </li> </ul>

As mentioned above, there are four methods of qualitative data collection identified by Creswell (2009). These are: observation, interviews, documents and audio-visual materials. In this study, the main method used was to conduct interviews with structured open-ended questions and complete observation. This involved the interviewer asking the interviewee questions in a precise manner and it offered the opportunity to gather spoken ideas, information, and opinions as well as to observe the behaviour of participants. This method is best suited to a small sample (Creswell, 2009).

The following steps were followed in the data collection phase:

- Conduct interviews with key opinion leaders in the selected organisation to see how they define talent and what their section's talent requirements are.
- Perform an environmental analysis to see if the organisation is ready to manage talent retention through knowledge management.

Steps followed during the interview process:

- Introduce the constructs being measured: knowledge management and talent. Also explain the purpose of the study/research.
- Explain the role the interviewees play as key opinion leaders in the organisation and how their involvement will assist in the matter.

Qualitative research gives the researcher an opportunity to follow chronological flow, go beyond the initial perceptions and also give a fruitful explanation; in view of these advantages, the researcher chose this approach for this study.

As mentioned earlier, the aim of this study is to create awareness about knowledge management and the role it could play in talent retention. A qualitative research approach will assist the researcher in gathering data and in developing an understanding of knowledge management and talent retention from the line manager's point of view.

This approach creates a platform to explore theories about the subject under review and gives the researcher and interviewee an opportunity to debate such subjects, allowing them to explore them in depth and to consider various points of view.

Qualitative research allows the researcher to analyse data as the work progresses and this shapes the process of data collection which is a crucial part of producing a high quality of qualitative data (Broom, 2005).

## 4.5.1 INTERVIEWS

The interview was selected as the main method of data collection, in order to get detailed information from the participants. Interviews are a two-way conversation between two or more people, mainly used to get the participant's point of view. Maree (2010) mentions three types of interview methods that can be used to gather data and they are as follows:

- **Open-ended interviews:** these consist of a series of interviews and conversations spread over a period of time.
- **Semi-structured interviews:** these allow the researcher to probe and dig further for information.
- **Structured interviews:** these consist of detailed questions developed in advance, used for larger groups.

In this research a semi-structured and in-depth interview method was used to interview various participants and gather detailed information. The aim was to obtain rich descriptive data that will assist the researcher to understand the participant's environment and point of view. This approach of using both semi-structured and in-depth interviews allowed flexibility for interviewees to expand on the topics and also to give a broader view from their perspective without any limitations.

## 4.5.2 RESEARCH SETTING

Company X is a leading generics manufacturer in the southern hemisphere. It is the leading supplier of generic medicines to both the private and the public sectors in South Africa. Company X is one of the top twenty generic manufacturers worldwide and South Africa's number one generic brand.

Company X is listed on the JSE Ltd and is Africa's largest pharmaceutical manufacturer. It is a supplier of branded and generic pharmaceuticals in approximately one hundred countries across the world and of consumer and nutritional products in selected territories.

Company X has businesses in South Africa, Australia, Brazil, Mexico, Venezuela, Kenya, Tanzania, Uganda, Mauritius, Dubai, Germany and Hong Kong.

Company X has fourteen pharmaceutical manufacturing facilities at nine pharmaceutical manufacturing sites on four continents.

Four of the sites are located in South Africa, one in Kenya, one in Tanzania, one Brazil, one in Mexico and one in Germany.

Company X has production capabilities for a wide variety of product types including tablets, capsules, steriles, injectables, oral contraceptives, penems, infant milk formulations, lyophilized vials, cytotoxics, suppositories, vials, fine chemicals, form-filled seals, liquids and semi-solids. Company X is one of the leading global players in generic antiretrovirals. Company X has an outstanding generic pipeline.

These products are developed under the direction of highly skilled scientists employed by Company X and in collaboration with other global pharmaceutical companies and research facilities.

Company X is a production, sales and marketing centred environment where there is a race for product launches and sales. The business plan in this company is centred on achieving the numbers: in other words, setting high budget targets for divisions and having a pressurised environment for all to achieve the goals.

What drives the organisation is being at the top and staying at the top, which it has done comfortably for the past few years. The business is however not people centred or people orientated; to the organisation, people are just numbers and can be replaced.

#### **4.5.2.1 SAMPLING**

This section will discuss how participants were chosen by the researcher to take part in the study. The participants are key opinion leaders within the selected organisation, and are mostly members of the senior management team.



Purposive sampling was used as the information required would only be available from these participants. The team includes males and females between the ages of 35 – 60.

The intention was to include the key decision makers within the organisation as far as talent management and putting teams together are concerned. The profile follows:

**Table 4: Participants' demographic information**

Participant	Date	Gender	Race	Age Group	Designation
1	07/04/2011	Male	African	30 – 40	HEAD OF SPECIALITY CARE DIVISION
2	06/07/2011	Female	African	40 - 50	HEAD OF NUTRITIONALS DIVISION
3	13/07/2011	Male	Coloured	50 – 60	HEAD OF CONSUMER DIVISION
4	13/07/2011	Female	African	40 – 50	CONSUMER MARKETING MANAGER
5	21/07/2011	Male	African	30 – 40	TALENT DEVELOPMENT EXECUTIVE
6	06/082011	Male	Indian	30 - 40	HEAD OF COMMERCIAL DIVISION
7	11/08/2011	Female	African	30 – 40	GROUP COMMERCIAL MANAGER: PHARMA
8	17/08/2011	Female	White	30 - 40	GROUP COMMERCIAL MANAGER: BU1/BU2

## 4.6 DATA COLLECTION

The researcher approached Company X's CEO to present the idea of the study and also to gain access to senior management for interviews.

A presentation giving an overview of the study was made and the CEO agreed that the study should be carried out in the organisation: the list of participants was approved as well.

A sample of ten senior managers was selected for interviews and an email requesting their participation was sent to gain access. Participants showed interest in the study and agreed to be interviewed. Face to face interviews, which would be an hour long, were scheduled with the participants. A copy of the questions was sent to them beforehand to allow them to prepare well for the interviews.

A broad overview of the study was also discussed with the participants to give them an indication of the themes that were going to be discussed. The participants were also given a consent form to read and sign. An assurance of confidentiality was provided to each participant in the study to reassure them and facilitate honest and open communication.

Although each interview was scheduled to last an hour, this was largely controlled by the intensity of the discussion and information to be captured. Many of the interviews ran for more than an hour but the participants and researcher gave their time gladly, as they gained more insight into the research. At the beginning of every interview, the scene was set by the participants introducing themselves and giving a brief overview of their experience and qualifications.

This is a method identified by Broom (2005) as being useful because it sets the scene and allows certain details to emerge, giving a platform for exploring research questions without catching the participant off guard. The research interview questionnaire was drafted to capture the essence of knowledge management and talent retention as seen by the participants within the organisation. The processes of data collection went smoothly as all participants were enthusiastic about the research and their participation in it

#### 4.6.1 DATA CAPTURING

Interviews were planned and set well in advance to ensure that the interviewees had enough time to engage. Meeting requests were sent to participants after confirming availability and an hour was set aside per interviewee. Interviews were scheduled in the order of the interviewee's experiences and involvement in the organisation.

Semi-structured and open-ended questions were pre-planned for the interviews based on a review of literature on the identified concepts. This type of data collection method was used in order to allow the participants the opportunity to elaborate without restrictions (Broom, 2005). The one-on-one sessions also made the participants comfortable enough to speak freely of their experiences and thoughts.

Data was collected during the one-on-one interviews in which the researcher took notes and recorded audios to ensure data preservation for data transcription. The data was stored on the researcher's computer with a password and anonymous labelling to ensure confidentiality. The interview scripts were typed and stored in the same manner.

The researcher sent the research overview and interview questions to the participant before time to ensure that they have an understanding of the research project and have insight into the type of questions to be asked. All participants signed informed consent before the interviews and the researcher discussed with them in detail. The interview venue was a confidential boardroom and was comfortable for the participants.

The interviews averaged an hour based on the level of interactivity between the researcher and participants. Thus, the data collected for the research is an indication of the state and understanding of knowledge management and talent retention.

## 4.7 DATA ANALYSIS METHOD

Qualitative data analysis can be defined as a process that analyses theory (data), then develops codes and categories which are broken down into more explicit codes (Endacott, 2005).

Broom (2005, p. 71) explains qualitative data analysis as “an elusive, contextual, ambiguous and nuanced process that one cannot replicate in a computer program or outline fully in a textbook”. This process is equivalent to statistical analysis in quantitative research. The researcher performed data analysis in two stages. During the first stage all information gathered through the literature review (knowledge management and talent retention) was carefully assessed.

Already, at this first stage, relevant themes were identified and later matched to the interview questions prepared for the participants.

The interview data analysis process allows the researcher to absorb the participant’s perceptions and match them to the information in the theoretical analysis. The fact that this process involves analysis from the interview stage means that the study could take any shape as the research proceeds, as the different perspectives given by participants might suggest that a different direction be taken.

The process of data analysis is explained below by Taylor-Powell & Renner (2003, p. 2-5) who define five easy steps the researcher can follow:

- **Step 1: Get to know your data** – understanding data; this involves reading the material over and over again.
- **Step 2: Focus the analysis** – focus on the purpose of the evaluation and what the researcher will find out. Focus by case, individual and group.
- **Step 3: Categorize information** – themes and codes are developed here to structure the work.
- **Step 4: Identify patterns and connections within and between categories** – assess different themes and highlight connections and variations.
- **Step 5: Interpretation** – bring all the data together into a meaningful presentation.

#### 4.7.1 CONSTRUCTIVIST GROUNDED THEORY

Each interview's content was collected manually by taking notes and these were then transferred to a Word document. This allowed the researcher to make notes as the interview progressed, and to adapt questions when needed.

This type of data collection requires data to be analysed in a manner that allows the researcher to construct theory about issues viewed as important by the employees of the selected organisation. Therefore, constructivist grounded theory was chosen as a method of data analysis.

This chosen method of data analysis, constructivist grounded theory, is a later version of grounded theory. It is therefore appropriate to look at the development of this method. Grounded theory was developed by sociologists Barney Glaser and Anselm Strauss in 1967 to study social phenomena from symbolic interaction (Ng & White, 2005). This method explains that symbolic interactions between people happen all the time and these shape their thinking and give meaning to situations; these meanings can also change based on the interactions.

Grounded theory therefore studies these symbols and interactions through collecting inductive data: the researcher has no preconceived ideas to prove or disprove these theories.

The evolution of grounded theory into constructivist grounded theory emerged from the belief that there is no pre-existing reality and instead, the truth is enacted (Mills, Bommer & Francis, 2006).

According to Mills et al. (2006, p. 31), grounded constructivist theory reshapes the interaction between the researcher and participants by bringing the force of the notion of the researcher as the author. This method expects the researcher to be analytical in his or her writing while still capturing fully the experiences of the participants.

This method allows the researcher to read between the lines and discover theories that are not said and then introduce them into the theory.

Therefore, constructivist grounded theory is a method that allows interaction between the researcher and participants, allowing them to co-construct meaning to a specific phenomenon.

Moreover this method also emphasises that data is not a window to reality but rather a discovery of reality through an interactive process (Mills et al, 2006). During the phase of analysis, themes and codes are established which allowed the researcher to group them, according to related issues coming out of the interview discussions.

The following section explains coding at length.

#### **4.7.2 CODING AND THEMES**

Data analysis is an intricate process that enables the researcher to review the work and group the themes in a meaningful manner. Mills et al. (2006, p. 29) define coding as a systematic way of condensing extensive data sets into smaller units that can be easily analysed through the creation of categories and concepts from the data. Strauss and Cobin (1990, p. 423) define coding as the “basic analytical process engaged in by the researcher”. This process involves taking verbal data recorded during qualitative data collection and using it to create meaningful information.

There are two types of coding methods that can be used: the deductive and inductive method. The deductive method is used when the researcher is testing a hypothesis and the inductive is used when a researcher is generating a theory after examining the data collected (Cope, 2009). In this research, inductive coding is used. Although the process of coding is not complicated, it does require much attention and care; furthermore, the coding structure can be complex. This coding process ensures data retention and that learning occurs from the data collected. Below is a table of comparison between Glasser and Strauss adapted from Cowley and Health (2002):

**Table 5: Data analysis: Glasser and Strauss compared (Cowley & Health, 2002, p. 146)**

	<b>Strauss and Corbin</b>	<b>Glasser</b>
Initial Coding	Opening coding: use of symbolic technique	Substantive coding: data dependent
Intermediate Phase	Axial coding Reduction and clustering of categories (paradigm model)	Continuous with previous phase, comparisons, with focus on data, become more abstract, categories refitted, emerging frameworks
Final Development	Selective coding Detailed development of categories, selection of core, integration of categories	Theoretical Refitting and refinement of categories which integrate around emerging core
Theory	Detailed and dense process fully described	Parsimony, scope and modifiability

In this study, a decision was taken to use codes and themes as some codes overlap into themes. Cope (2009, p. 352) identifies three phases of coding that every researcher will go through and these are described below.

#### **4.7.2.1 OPEN/INITIAL CODING**

Open/ initial coding is the initial phase as the name implies; during this phase, the researcher is open to whatever may emerge in the interview transcripts.

This may include non-verbal communication or a specific word or something that might have gone unnoticed during data collection. This is a stage where the breakdown, comparison and categorisation of data takes place.

#### **4.7.2.2 AXIAL CODING**

Following the initial/open coding, a further analysis of the data was conducted where the researcher attempted to make connections between categories. Axial coding is a method of disaggregating the themes developed during qualitative research.

According to Cope (2009), this is a process by which the themes identified earlier by the researcher are further analysed and categorised. At this stage the focus is on data and becomes more intellectual: it is a continuity of the initial phase.

The codes developed above gave a broader picture of the study and still need to be narrowed down to meaningful themes for the study.

#### 4.7.2.3 SELECTIVE CODING

The final stage in this process is known as selective coding and here the core categories are selected, related to other categories and confirmed. The relationships are then explained (Cope, 2009).

Note that at this stage the researcher has already reviewed the data several times and is familiar with the content.

### 4.8 ENSURING QUALITY OF THE RESEARCH

This section will focus on discussing the trustworthiness of the research results and will demonstrate the quality of material presented by the researcher. Reliability and validity are two issues that are usually considered in qualitative studies, whenever there is an assessment of the results of the research process. Murphy and Yelder (2009:65) explain the four criteria used to assess trustworthiness of a study:

- **Credibility** – refers to the extent of the “fit” between what the participants said and what the researcher is presenting on their behalf. The researcher must indicate the steps taken to ensure credibility; for example, by mentioning the quality measures taken during data collection.
- **Transferability** – this is sometimes referred to as “generalisability”: in other words, setting the scene and giving the context of the research.
- The context should be set by participants and not the researcher. However findings outside this theory should also be included in the study.



- **Dependability** – this happens in the data analysis and discussions where assessment of the assumption can be made against the data provided.
- **Confirmability** – the degree to which the results can be confirmed. A researcher should provide a non-judgmental view of the findings and a balanced opinion, supported by documentation.

The above-mentioned methods were applied to ensure rigour of the research.

## 4.9 RESEARCH ETHICAL CONSIDERATIONS

Ethical issues can be present in any type of research and can relate to a participant's privacy and to the presentation of research findings. A researcher must always aim to do good and avoid causing harm to anyone involved in the research. The ethical problems in qualitative research are subtle and differ from those presented by quantitative research (Orb, Eisenhauer & Wynaden, 2000).

With qualitative research there are three possible problems that could arise:

- The researcher/participant's relationship.
- The researcher's subjectivity when interpreting data and
- The design itself.

These should be considered as potential ethical issues that could arise. The researcher has to anticipate the possibility of one or more of the above-mentioned problems.

As explained earlier in this study, qualitative research is exploratory in nature and describes people in their natural environment; this situation typically presents a relationship of power between the researcher and participants. In-depth interviews present their own ethical issues according to Allmark *et al* (2009).

These writers explain that the inherent nature of the interview carries risk for the participants as they are giving their own experiences in their own settings and therefore might unintentionally disclose sensitive information.

Halai (2006) presents the basic principles and guidelines for ethical considerations in qualitative research as follows:

- ***Informed consent and voluntary consent***

Participants in the study must be informed about the nature of the study and they must have the option to choose whether they want to take part or not; participants should not be coerced into participating.

In this study, the initial step was to get permission from the CEO to run the study within the selected organisation and to present the purpose and intentions of this study. Once permission was gained, the participants were approached and given an outline and overview of what the study would cover and the sample of questions that would be asked. Most participants were willing and happy to assist by participating in the study as they felt that this would be beneficial to their departments.

The participants were given ample notice and time to prepare for the in-depth interviews. If there was a need to re-schedule appointments, then this was done.

Sometimes there was information discussed during the interview that participants asked not to be included in the presentation of the results; the researcher complied with the request and did not include it.

- ***Confidentiality of information shared and anonymity of research participants***

Individuals participating in a research study have a reasonable expectation that their confidentiality and anonymity will be guaranteed. Therefore, no information capable of identifying participants should be revealed at any point in the study.

Furthermore information shared with the researcher by the participants should be treated as confidential and participants should trust that such information will not be given to anyone else.

All information that participants were not comfortable to include in the research was omitted although it was used by the researcher as background information to assist with understanding the context from the participant's point of view.

The participants are not identified by name although numbers and job titles are used for identification of specific answers from specific participants.

- ***No harm to participants, beneficence and reciprocity***

This requirement is mainly applicable in clinical research where participants might be in danger or harm because of possible adverse effects of the research. With any research, participants should be reassured that the research will not expose them to any kind of harm or embarrassment.

In this study, the participants understood the purpose of the study, had the opportunity to read questions beforehand and signed an informed consent form for their participation in the study. The researcher made sure that the participants knew exactly what the process would entail, by establishing rapport before starting the interviews. The reaction of participants and information used to set the context were omitted from the final presentation of the study, if it were felt that this might cause embarrassment or discomfort to participants.

#### **4.10 CONCLUSION**

This chapter presented the research methodology and examined the various considerations that should be kept in mind when conducting qualitative research. The method for analysing research data, and how it was applied, was also discussed here.

It is important to consider ethics in the study and to ensure that the study is designed to protect both the researcher and participants. Also it is important to ensure that information presented in the final document is neither harmful nor embarrassing to both. This was done by following the ethical principles and guidelines presented in this chapter.

The following chapter will be a presentation of the research findings.

## CHAPTER 5: PRESENTATION OF FINDINGS AND DATA ANALYSIS

### 5.1 INTRODUCTION

This chapter will focus on the data analysis conducted during the open and axial coding stages, concentrating particularly on the themes that were discovered in this study.

This chapter will start with a brief summary or background of the organisation in order to set the scene and to assist the reader in understanding the context of the research. The participants who were interviewed presented their personal views on the subject matter and this chapter will include a presentation of those views as presented by the participants. For a brief overview, the profile of the company is given below.

### 5.2 COMPANY BACKGROUND

Company X has presence in 6 continents (with 26 manufacturing facilities in 18 sites) with 8600 employees and a turnover of 53% at R29.5 billion. On the subject of talent retention in Company X, five main areas for development were identified. Strategies will have to be developed to respond or remedy the gaps found. The five areas are:

- High staff turnover
- Lack of succession planning
- Slow transformation: leadership roles
- Change management
- Ineffective information management

Table 7 provides a swot analysis of Company X, indicating clearly that even though Company X is a market leader in the pharmaceutical industry there are problems with people management, especially retention.

Table 6: Company X SWOT Analysis

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• World class resources</li> <li>• Competitive advantages as the number one generic pharmaceutical company in Southern Africa</li> <li>• Customer knowledge: product offerings</li> <li>• CSI projects in SA</li> <li>• Strong brand asked for by name</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Skills shortages</li> <li>• Lack of effective people management</li> <li>• No succession planning</li> <li>• HR functioning in silos across affiliates</li> <li>• No retention strategy: high turnover</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Market growth</li> <li>• Skills development</li> <li>• Technologically advanced (plant)</li> <li>• Global economic recovery</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Retention: losing employees to competitors</li> <li>• Technological advances</li> <li>• Rapid market growth</li> <li>• Work systems</li> </ul>

### 5.3 ORGANISATIONAL ANALYSIS

Any organisation that enters a market has to assess its viability or sustainability in that market.

Good ideas, innovation and progressive thinking determine whether an organisation will be a competitive player or not. Company X has managed to stay as the “number one” generic medication manufacturer and seller in Southern Africa and has done it well over the past years.

As Company X is in an entrepreneurial and high performance environment its strategy does not change much; it has always been to grow in a profitable way. However, the ways in which the strategy is achieved will alter from year to year: for example, to diversify, have new products and new business development.

Company X is a market leader and needs to maintain its position in the market. This means that Company X needs to identify talent, train that talent and do as much as possible to retain it. An organisation’s success can be evaluated on the following three levels:

### **5.3.1 UNIQUE POSITIONING**

Company X’s success is attributed to offering the cheapest but high quality generic medication. The plan was to source high quality materials and to invest in a world class production facility in order to meet the demands of the South African population. The expansion into Sub-Sahara Africa (SSA) came at the right time; those countries were sourcing affordable quality generics for ARVs as the AIDS pandemic was sweeping those countries.

This expansion gave Company X access into the Sub-Sahara Africa market and the company could slowly introduce its other product offerings once the foundation was laid. The key driving force was the entrepreneurial spirit of this organisation.

### 5.3.2 VALUE PROPOSITION

Apart from producing quality generics, Company X also partnered with the South African (SA) and Sub-Saharan Africa governments in the fight against HIV/AIDS and infant infection with the focus on reducing infant mortality.

Company X invested in research and marketing in these areas and ran educational programmes which ensured that the healthcare professionals and the sales and marketing teams were efficiently equipped to support the market.

Company X moved away from the stereotype of selling based on price and adopted a strategy based on clinical benefits selling; this was well accepted by the healthcare professionals and the Department of Health.

Company X also had some Corporate Social investment (CSI) programmes running in South Africa to support the government in making affordable healthcare accessible to all its citizens, even those in rural areas. With a widespread footprint it meant that Company X's products were accessible to people who needed them the most.

### 5.3.3 PROFITABILITY

For any organisation to attain and maintain competitive advantage it must continuously reinvent itself. Organisations need different managers to achieve different things at different times, Company X has managed to have appropriate leadership in place to meet the demands placed on it.

The pricing of its products and resource investment ensured that Company X continues to make double-digit profits year on year. The fact that this organisation has built a reputable name for itself locally, in Sub Sahara Africa and abroad means that people will be more at ease to use its products and to associate with it.

Now that Company X has chosen to expand into Australia and Europe, competitors are watching closely to make their next move.

Against this background it is now appropriate to examine the attitudes of decision makers on the matter of talent retention.

## 5.4 INTERVIEW FINDINGS

As the researcher reviewed the transcripts in detail, codes were developed to capture the essence of the purpose of this study. The initial codes developed from the initial analysis of the data are as follows:

**Table 7: Broad codes and themes**

<b>Broad Codes or Themes</b>
Talent management
Leadership development
Talent retention
Knowledge retention
Knowledge transfer
Building brand ambassadors
Organisational culture
Solid talent pool
Skills shortage
Sustainability
Continuity
Competitive advantage
Innovation
Performance management
Qualified resources
High performance
People development
Knowledge
Skills audit
Staff capability knowledge or understanding
Key performance appraisal
Leadership pipeline
Policy alignment



Talent Organisational effectiveness Succession planning Employee engagement Key performance indicators
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These codes reflect the themes that emerged while interviewing the participants: initially there were 28 codes identified for this study which, changed with further analysis of the data.

#### **5.4.1 AXIAL CODING**

The following eight codes/themes were identified during axial coding and gave a more concentrated overview of the study:

- Organisational culture
- Knowledge/talent management
- Talent retention
- People development
- Performance management
- Employee engagement
- Sustainability
- Organisational effectiveness

#### **5.4.2 SELECTIVE CODING**

Four codes/themes were identified during selective coding:

- Organisational culture

- Knowledge/talent management
- Talent retention
- People development

The eight core themes identified in the previous chapter will be explored at length in this chapter. Although there were 28 themes/codes identified, only those core themes that capture the essence of the study will be discussed in this chapter.

A thorough analysis of the interview responses was done and quotations on pages 79 – 98 from participants will be displayed in a table format, below.

The following eight themes emerged from the data collected during the interviews. These all represent factors that should be considered in the quest to retain talent using knowledge management in Company X:

- Organisational culture
- Knowledge/talent management
- Talent retention
- People development
- Performance management
- Employee engagement
- Sustainability
- Organisational effectiveness

These themes are derived from the perspective of the participants who are all part of the senior management team and key opinion leaders within the organisation. The following section will contain a detailed analysis of these eight themes and will include quotations from the participants.

The direct quotations (presented in table format) cover all the themes in no particular order and as presented by the participants in their responses. These quotations are then followed by the researcher's own summaries supported by literature in paragraphs before and after the tables of direct quotations.

### 5.4.2.1 ORGANISATIONAL CULTURE

The topic of organisational culture emerged as a theme following the interviews with various participants. The participants identified this as one of the factors that is affecting or hindering the process of talent retention within the organisation. At this point it is appropriate to define organisational culture and to discuss its characteristics.

Various scholars have done work on this subject matter. The investigation of the impact of organisational culture on organisational performance has been given increasing emphasis over the decades.

Aktas, Cicek and Kiyak (2011, p. 1561) define organisational culture as a pattern of shared values and beliefs that help people understand how the organisation functions and what is expected of them in that setting.

Organisational culture if well entrenched and implemented could become a strategic asset for the organisation, providing guidelines to its employees about what is acceptable and what is not. Participants 2 and 7 were passionate about rectifying the organisational culture of not recognising and developing people. They felt that there are ways to make people feel appreciated by the organisation in order to get the best out of them.

This theme arose when participants were asked to explain the critical strategic challenges of the organisation and this summarises what was said:

**Table 8: Theme 1 - Organisational Culture**

<p><b>Participant 1</b></p>	<p><i>“Company X is a fast paced environment where new engagements are thrown into the deep end and either have to swim or sink.</i></p> <p><i>In such a fast paced environment there’s often no time from the management side to develop people. The chase for the numbers (the bottom line) has created an environment where individuals are expected to deliver on their targets and continue to perform as expected. There are limitations in terms of resources and time, managing pressure of delivering the numbers and developing people.”</i></p>
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<p><b>Participant 2</b></p>	<p><i>“There are high targets with no financial or marketing support; the values across the business are not the same (the direct sales team is expected to bring in more money than the indirect sales team, whose which its main aim is to support the direct sales team). The focus is now on growing the nutritional business. It’s difficult to reach target with no marketing budget. There’s still a mentality that nutrition sells itself and this has led to a drastic drop in market share.</i></p> <p><i>A change of mind-set is needed to turn things around. Proper research should also be conducted and a properly trained detailing team should be selling nutritional products.</i></p> <p><i>There’s no structure in place to support the development of the nutritional team, so everything that has been implemented thus far had to be started from scratch. The number (bottom line) still holds power and value to the business, therefore investment is still in terms of the business vision of bringing in the number.”</i></p>
<p><b>Participant 3</b></p>	<p><i>“There was no accountability from either the business or HR regarding the employee development process and employees don’t feel valued by the business, they are regarded as just a number and employees are disengaged.</i></p> <p><i>This in turn creates an environment where there’s no proper development because there’s no “full cycle of career paths”.</i></p> <p><i>Most of the projects are business directional projects that look at achieving or increasing the profitability of the company while knowledge base extension comes as a by-product of these initiatives; it’s not the primary objective.”</i></p>
<p><b>Participant 6</b></p>	<p><i>“The value of knowledge in a fast paced environment is undermined. You are what you know and that’s the challenge in this environment. If the business could stop echoing the message that employees are replaceable then they will start valuing the knowledge that the people have.”</i></p>
<p><b>Participant 7</b></p>	<p><i>“Short term view that the business has about its people, The concentration is on month to month sales and everyone is caught up in</i></p>

	<p><i>that rat race. There's no time to pause and evaluate teams, skills and abilities therefore you have a large number of employees who have expectations that are never met and thus become frustrated and leave. This is a reactive environment with a lot of gaps, creating a vicious circle of constant recruitment.</i></p> <p><i>HR is unstable as a division which means there's no consistency and continuation with projects. The Key Performance Appraisal process changes all the time and talent can't be continued or nurtured."</i></p>
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The challenges presented by the participants include high turnover as a result of employees becoming disengaged. There is so much pressure on employees to reach their targets that they start feeling that all that matters to the business is the target; they feel they can be replaced, especially if they do not reach target.

There were some participants who mentioned that all that is required is for the organisation to "make time for its people." The high turnover was not only in the operational divisions of business; it seemed that the HR department also had a high turnover which meant the re-invention of the wheel every time new people come into that department.

At this point, one can pose the question: How it is possible to manage talent and knowledge in this environment and culture? Below are some of the responses from participants on this question.

#### **5.4.1.2 KNOWLEDGE/TALENT MANAGEMENT**

Knowledge and talent management are key factors that determine whether an organisation will be successful or not. As discussed in previous chapters these key factors determine any organisation's competitive advantage.

Knowledge and talent are the only attributes of any organisation that competitors cannot duplicate or replicate (Guthridge et al, 2007). Therefore, investing in key knowledge or talent in the organisation will yield a good return for that organisation.

Company X is a market leader and needs to maintain its position in the market and so it needs to identify talented people, train them and do as much as possible to retain talent.

Participants 1 and 6 had an in-depth understanding and knowledge of the make-up and requirements of talent in their respective divisions and had put informal measures in place to manage these. The two participants showed insights into what customers need in terms of service from their staff, hence their initiative.

The aim was to ascertain whether the business knows who their talented employees are, and if management knows where the knowledge of the organisation is located. The response was as follows:

**Table 9: Theme 2 - Knowledge/Talent Management**

<p><b>Participant 1</b></p>	<p><i>“There has to be strong human capital in the organisation that will become ambassadors of the brand, therefore human capital has become the most sought-after resource of those organisations that are trying to stay on top of their game.</i></p> <p><i>The Speciality division was created to give doctors an engaging encounter based on product knowledge and scientific data analysis, which was a gap that existed in Company X as a generic house.</i></p> <p><i>Therefore, the Speciality division holds most of the talent within the organisation, and team members are expected to be exemplary in the way they conduct business: the focus here is not on quantity but quality of sales calls while also bringing in substantial business.</i></p> <p><i>In marketing, commercial managers are people who engage in scientific research that can be used by representatives and they must ensure that this knowledge filters down to the representatives. There is however still a huge knowledge gap between what commercial managers and the representatives know.</i></p> <p><i>Knowledge is the key to our environment and it can definitely be used to develop individuals.</i></p> <p><i>The Speciality division is proof of this; our representatives are confident when engaging with their customers, they continuously perform and a lot of them are engaged (job satisfaction). Representatives in this division have a clear indication of what their limitations and capabilities are.</i></p> <p><i>Talent is important and drives the business and therefore it should take</i></p>
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<p><b>Participant 2</b></p>	<p><i>precedence over all the other topics in the boardroom.</i></p> <p><i>A couple of informal projects have been implemented in this division and got the support of the team and business alike.</i></p> <ul style="list-style-type: none"> <li>• <i>Mentoring and training (on the job).</i></li> <li>• <i>Identifying strengths of each team member and using these to benefit the team.</i></li> <li>• <i>Including market access role in highly specialised fields like oncology.”</i></li> </ul> <p><i>“Key talent: there should be a strategic intent to change management’s mind-set in terms of development of talent. There’s a lack of funds to assist with this. The emphasis should be on training detailing representatives: they need to meet each other halfway (through sales performance) to drive the business’ objectives.</i></p> <p><i>Our qualified and experienced representatives know the current market trends.”</i></p>
<p><b>Participant 6</b></p>	<p><i>“Key accounts and commercial managers hold the key knowledge in this division, as they require different specialised skills, experience and knowledge from the rest of the Pharma division. In this division the concentration is on building relationships with key customers in order to get sales and to maintain competitive advantage.</i></p> <p><i>Knowledge = power = opportunity. There’s huge potential for knowledge sharing between managers and representatives to ensure retention of top talent which will ensure growth and development for our employees.”</i></p>
<p><b>Participant 8</b></p>	<p><i>“Commercial managers are key talent: for this area, people with understanding of the industry should be employed to drive strategy. Continuous training and up-skilling is needed to keep this up, which might have a financial implication for the organisation. But this should be viewed as an investment in the future.</i></p> <p><i>SFE – Sales Force Effectiveness has been rolled out as an academy for marketing and sales staff in order to up-skill them with best practices. The SFE training focuses on:</i></p> <ul style="list-style-type: none"> <li>• <i>Assessing marketing skills</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>Tailor making training to meet the business needs</i></li> <li>• <i>Ah-hoc programmes from Human Resources to complement soft skills</i></li> </ul> <p><i>A balance between knowledge and fringe benefits should be maintained to ensure continuous stimulation. There are too many products to look after which means that people cannot become specialists and have to juggle too many balls in the air.”</i></p>
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There seems to be a good understanding of what talent or knowledge is required in this business. Although there are no formal methods of managing talent or knowledge, the business has taken the initiative to implement informal methods.

The following subject of talent retention seemed to spark a huge interest from most of participants as they viewed it as fundamental for ensuring continuity in the business and sustainability.

### 5.4.2.3 TALENT RETENTION

The purpose of this study was to assess to what extent knowledge management can be used as a tool for talent retention. The high staff turnover in this organisation was a concern not only for management but for employees as well.

Although this study was about retention there were no questions directly asked on retention strategies as the researcher wanted to assess the extent to which the participants were aware of the issue and whether they felt that something can be done about talent retention. In this section, participants 1, 4 and 6 indicated that departments are affected by high staff turnover as their departments require good continuity in order to ensure that superior service is offered to their customers.

**Table 10: Theme 3 - Talent Retention**

<b>Participant 1</b>	<i>“The major challenges are high turnover which leads to a lack of continuity, finding out what motivates different people, the diversity of the team (pursuing the EE plan): having cultures that complement each other.”</i>
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<p><b>Participant 3</b></p>	<p><i>“There’s nothing done currently to retain key knowledge and a lot could be done.”</i></p>
<p><b>Participant 4</b></p>	<p><i>“Talent retention is a mission in an environment where employees are unhappy. Employees are never settled, which disturbs continuity and growth of the talent in the division. Most of those initiatives attempted in the past took a long time to be implemented, which means that they never really got to the people they were intended for. Career pathing is not a priority in the division or company.”</i></p>
<p><b>Participant 6</b></p>	<p><i>“The issue in this business is retention because once an employee has been trained and developed to Company X’s level of excellence they’re poached by competitors. Skills transfer is thus a huge challenge in this division. The value of knowledge in this environment is undermined; you are what you know and that’s the challenge in this environment.”</i></p>
<p><b>Participant 7</b></p>	<p><i>“HR is unstable as a division which means there’s no consistency and continuation with projects.”</i></p>
<p><b>Participant 8</b></p>	<p><i>“Retaining the talent, offering an environment to utilise this talent and grooming talent within: all these should start with the recruitment process.</i></p> <p><i>The business changes so often and one often finds oneself being surrounded by a new team. This means that people continually need to learn the business and contribute to the team and the business. Different members of the team bring different skills to the team: training, trade, commercial, and some even a combination of these.”</i></p>

Talent retention seems to be a concern for all participants from a business continuity point of view. For a high performance organisation that has steep numerical goals this may present a bigger problem if it consistently loses key talent.

#### 5.4.1.4 PEOPLE DEVELOPMENT

Throughout the previous chapters, people development emerged as a concern. In the interviews the participants felt that the organisation should take time to invest in its employees as a first priority. People development is a complex subject as it can take many formats depending on the context. It is a subject that has been researched by many scholars, with various models developed.

People development can be done through various means such as training and development, mentoring, shadowing and job rotation. First, there needs to be a criterion set for developing people which will make it easy to set developmental programmes.

Participant 5 is a specialist on this subject and is the company's Talent Management Executive. That person has identified some projects that will run to enhance the development of people. This was a subject that all participants viewed as important for organisational success and business continuity.

**Table 11: Theme 4 - People Development**

<p><b>Participant 1</b></p>	<p><i>“Training for new engagements is slowly becoming imperative with the realisation of its effect on those engagements.</i></p> <p><i>Furthermore, continuous training for growth and development of current staff is also high on the list. The challenges would be to set time aside for training (on the job and in house), mentoring and the full effect of Sales Force Effectiveness training for all sales staff.</i></p> <p><i>This is done in a way that the team gets to revisit basic rules and regulations of the pharmaceutical industry, share best practices, review marketing codes, look at industry trends and review brand plans.</i></p> <p><i>This is an environment where representatives are not entirely computer literate and currently the drive is to get them to a stage where they are competent when using computers. To make up for the computer illiteracy, regular meetings are held to assess the division, learn and share information.”</i></p>
<p><b>Participant 2</b></p>	<p><i>“There’s less concentration on the Nutritional division when it comes to investing in talent or the business.</i></p>

<p><b>Participant 3</b></p>	<p><i>A change of mindset is needed to turn things around. Proper research should also be conducted on market needs (developments) and a properly trained (qualified) detailing team should be selling nutritional products.</i></p> <p><i>Manpower/resources planning is needed with support from executive to support their efforts. Five things should be done:</i></p> <ul style="list-style-type: none"> <li>• <i>Put money behind their projects (invest).</i></li> <li>• <i>Don't use Pharma division model in the Consumer division – a tailor-made model that fits the Consumer division needs to be developed.</i></li> <li>• <i>New product development with the nutritional factory.</i></li> <li>• <i>Work closely with the factory especially with the team working on new business development (NBD).</i></li> <li>• <i>Constantly monitor the project to check for progress.</i></li> </ul> <p><i>A flat structure does not support development: we need the following:</i></p> <ul style="list-style-type: none"> <li>• <i>A people oriented environment.</i></li> <li>• <i>A change mindset and graduate-in-training programme.</i></li> <li>• <i>Plans in place.”</i></li> </ul> <p><i>“There are no specific criteria used to choose the talent and a lot of the times selection of staff is very subjective. The following will have to be considered in identifying key talent:</i></p> <ul style="list-style-type: none"> <li>• <i>Understanding the customer throughput and systems.</i></li> <li>• <i>Understanding the business and industry requirements.</i></li> </ul> <p><i>Understanding and the correct implementation of the matrix structure:</i></p> <ul style="list-style-type: none"> <li>• <i>Increasing the pipeline of new products as a division.</i></li> <li>• <i>Ensuring common vision.</i></li> <li>• <i>Transparent and fair promotion process.</i></li> <li>• <i>Making retention a priority.</i></li> </ul> <p><i>Nothing has been done yet and the talent management process has been inconsistent and subjective thus far:</i></p> <ul style="list-style-type: none"> <li>• <i>No information gathering and documentation.</i></li> <li>• <i>New leaders don't trust the information transferred from old leaders.</i></li> <li>• <i>No continuity – therefore can't build on success.</i></li> </ul>
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<p><b>Participant 4</b></p>	<ul style="list-style-type: none"> <li>• <i>The division has the right strategic partners (in warehousing and distribution). However, nothing has been done to strengthen these relationships.</i></li> </ul> <p><i>Nothing has been done yet and this brings the realisation that a blue print of critical knowledge of the business should exist.”</i></p> <p><i>For now the process is still slow which sees the company losing critical talent and knowledge to competitors. A lack of confidence where people don't recognise their own talents because the environment doesn't nature their talents and abilities.”</i></p> <p><i>“Through all the changes in the departments with retrenchments and staff movement, development of staff and succession planning was put on the back burner in the bid to chase the numbers (bottom line).</i></p> <p><i>This division requires unique skills which will allow the people to evaluate products for their teams and make decisions that will take the division to another level of success.</i></p> <p><i>The division has tried not only to improve the skills of the current staff but also to bring in more skilled individuals to this environment. This has worked well thus far. The division has tried to implement staff rotation to give staff an overview of the division and to help skills transfer; however it was done on a small scale.”</i></p>
<p><b>Participant 5</b></p>	<p><i>“Below is how the Talent Management Executive explained the importance of skilled people and their supply in the business:</i></p> <ul style="list-style-type: none"> <li>• <i>A leadership competency framework doesn't exist in Company X to determine the need for skilled employees and clearly define them, this would lead to raising the cost of critical skills and competing for them.</i></li> <li>• <i>Development of internal talent – lack of assessment tools to do this, this culture still needs to be created.</i></li> <li>• <i>Balance development and production time.</i></li> <li>• <i>Prevention of poaching of the critical skills – retention is an issue because of lack of retention strategies.</i></li> <li>• <i>Mentoring not their priority.</i></li> </ul>

<p><b>Participant 6</b></p>	<p><i>“Key performance appraisal is not properly used therefore its value and purpose is not understood.</i></p> <p><i>The need here is for a management team that is astute with business acumen, to ensure effective penetration of the market.</i></p> <p><i>In Pharma division there has been coaching and mentoring although not formalised or measured; it has been done.</i></p> <ul style="list-style-type: none"> <li>• <i>There’s still a great need to formalise initiatives in the organisation to ensure continuity and it should be structured in such a way that it can be measured.</i></li> <li>• <i>The initiatives should be tied to succession planning – through appointment of mentors and coaches.</i></li> </ul> <p><i>i. Yes there are initiatives, but not formalised yet.</i></p> <p><i>ii. They should be measured and documented.</i></p> <p><i>iii. Retention and improved processes that is reliable and valid.”</i></p>
<p><b>Participant 7</b></p>	<p><i>“No projects have been implemented as yet and there’s a huge gap which means that the division is not reacting fast enough.</i></p> <p><i>Skills transfer is thus a huge challenge in this division, therefore the bulk of the knowledge is held by senior managers and employees who have been within this business unit for a while.</i></p> <p><i>Even though the division is focused on hard selling there needs to be a level of excellence to maintain in accordance with the business standards.”</i></p>
<p><b>Participant 8</b></p>	<p><i>“Moreover, the training that’s offered doesn’t add value to the business or individuals being trained. There should be a balance between the company and individual needs; this should be re-evaluated and enhanced.</i></p> <p><i>I suppose that early adaptation and time management are important; these will not only allow for transfer of knowledge but also build confidence in new staff to do their jobs.</i></p> <p><i>Attention should be paid to the calibre of managers we have and the value they add to the business as well as people management as people are our most valued assets.</i></p>

	<p><i>Assessments should be conducted to determine the level of interest in specific positions; from this point it will be easy to develop a career plan that will be suitable for the individual. Learning currently depends on individual effort and not necessarily company effort.</i></p> <p><i>The early assessment will indicate appreciation for people development.</i></p> <p><i>“This environment is not always a pure marketing environment which requires classical marketing experience and skills. It therefore gets diluted as more and more people come in. The following are the main problems:</i></p> <ul style="list-style-type: none"><li><i>• Lack of commercial acumen.</i></li><li><i>• Lack of financial understanding.</i></li><li><i>• Lack of promotion within and across the business.</i></li></ul> <p><i>A brand care team has been developed to share work experience with representatives for exposure and experience; this will also allow them to gain insight into marketing. This ensures that representatives gain insight into strategy and also input into the process as well. This is done because:</i></p> <ul style="list-style-type: none"><li><i>• They’re closer to the business and customers.</i></li><li><i>• They welcome the projects as a form of training.</i></li><li><i>• They become brand champions and deliver messages to their peers as well.</i></li></ul> <p><i>Individuals and management have shifted the responsibility to HR and there’s no ownership of personnel development.”</i></p>
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Skills development was a theme that resonated with all the participants and this indicates the importance of the theme.

It was comforting that participant 6 (a subject matter specialist) was already working towards developing standards for people development for Company X. This will ensure that any recommendations from the study are received positively.

### 5.4.1.5 PERFORMANCE MANAGEMENT

Any organisation that aims to participate competitively has to measure and manage performance of the organisation and its employees. Performance management practice is a widely used tool for this.

According to Brumback (2003) performance management is inevitable: for any organisation to be manageable and controlled there has to be a way of monitoring and measuring performance. Therefore, it can be expected that this theme will be a concern for any organisation. It was discovered in the interview discussions that performance management as a process was not being effectively or strictly applied.

**Table 12: Theme 5 - Performance Management**

<p><b>Participants 1</b></p>	<p><i>“Specific individual attributes would be:</i></p> <ul style="list-style-type: none"> <li>• <i>Consistently delivering – high performance.</i></li> <li>• <i>Ambition and energy.</i></li> <li>• <i>Ability to translate training into practice.</i></li> </ul> <p><i>These would determine whether an individual will be successful in his or her role or not.</i></p> <p><i>The Speciality division was developed because there was a greater need for sales representatives in the pharmaceutical industry to engage doctors in scientific discussions.</i></p> <p><i>The division has implemented this equation: Attitude + Behaviour = Results which keeps representatives focused.”</i></p>
<p><b>Participant 3</b></p>	<p><i>“Currently the consumer divisions uses a matrix structure which is not only new but difficult to implement. However, this will assist in assessing effectiveness and efficiency of the people in the division and will also allow for integration of information and the division’s vision which is something that was lacking in the past.</i></p> <p><i>Understanding and correct implementation of the matrix structure should:</i></p> <ul style="list-style-type: none"> <li>• <i>Increase pipeline of new products as a division.</i></li> <li>• <i>Ensure common vision.</i></li> </ul>

<p><b>Participant 4</b></p>	<ul style="list-style-type: none"> <li>• <i>Ensure a transparent and fair promotion process.</i></li> <li>• <i>Make retention a priority.</i></li> </ul> <p><i>This will ensure that the business continues to grow.”</i></p> <p><i>“The division has tried to implement staff rotation to give staff an overview of the division and skills transfer; however, it was done on a small scale.</i></p> <p><i>Nothing has been documented regarding all the initiatives that have been implemented in this division hence there’s no continuation.</i></p> <p><i>There’s a sense of ego among the management team who feel that certain jobs are below them; they would not be involved or support skills transfer if it means that it involves them in learning a National Sales Manager role. This attitude makes progress a challenge.”</i></p>
<p><b>Participant 5</b></p>	<p><i>“Succession planning (referred to as the talent forum) is aimed at creating a succession pool and should lead to skills development:</i></p> <ul style="list-style-type: none"> <li>• <i>Performance management projects clearly defining the purpose and value to the business have to be applied consistently.</i></li> <li>• <i>Employment equity committee – to ensure that critical skills from certain population groups are identified so that they are effective and add value.</i></li> <li>• <i>Accreditation of Company X as a training provider which will ensure employee engagement.</i></li> <li>• <i>Policy implementation.”</i></li> </ul>

The pharmaceutical industry is a high performance environment and by reaching its targets Company X is a market leader within this environment. The main concern with performance management is how results are achieved and not what results are achieved. There seems to be a concern about how employees who achieved the numbers achieve them and what the business is doing to have control over this.

A pharmaceutical sale company operates in a highly regulated industry and therefore Company X takes pride in adhering to all the regulations and ensuring that its employees do the same.



The challenge with performance management is that if it is only mentioned when people do not perform and those people are then placed on a performance management programme, then performance management will be viewed negatively by employees. The essence of performance management is to track an employee's performance and ensure that there is growth and development from one year to the next.

The following subject of employee engagement is one that is echoed through all the themes as a major source of concern in Company X.

#### **5.4.1.6 EMPLOYEE ENGAGEMENT**

Employee engagement can be very loosely described as the motivation that keeps employees “doing what they are doing” at work every day.

People would like to believe that whatever they wake up to do on a daily basis is meaningful and therefore they should be given work that is challenging and that allows them to achieve their greatest potential.

Workers of today are knowledge workers and need more than money and benefits to keep them at one organisation for an extended period of time. Today's employees are upwardly mobile and would like to see progress in their careers from one year to the next.

Employee engagement is defined by Shuck, Rocco & Albornoz (2011, p. 300) as “*an individual employee's cognitive, emotional and behavioural state directed toward desired organisational outcomes*”.

This definition plainly illustrates the value of engaged employees in any organisation. This theme is therefore inter-related to all the other seven themes.

The participants were adamant that if employees were engaged and valued then it would be easy for the organisation to retain them. Furthermore any organisation that can achieve this will have a competitive advantage as they would have mastered talent and knowledge retention.

For this employee engagement theme the participants report as follows.

**Table 13: Theme 6 - Employee Engagement**

<p><b>Participant 1</b></p>	<p><i>“Culture, skill and passion set an organisation apart from others; these are attributes that cannot be copied by other organisations.</i></p> <p><i>The challenges would be setting time aside for training (on the job and in house), mentoring and the full effect of Sales Force Effectiveness for all sales staff.</i></p> <p><i>This division was created to give doctors an engaging encounter based on product knowledge and scientific data analysis which was a gap that existed in Company X as a generic house. Therefore this division holds most of the talent within the organisation, where team members are expected to be exemplary in the way they conduct business: the focus here is not on quantity but quality of calls while also bringing in substantial business.”</i></p>
<p><b>Participant 3</b></p>	<p><i>“There was no accountability from both the business and HR of the process and therefore employees don’t not feel valued by the business, they were just a number (employees disengaged).</i></p> <p><i>There’s no succession planning which leads to employment of new engagements being subjective. This in turn creates an environment where there’s no proper development because there’s no full cycle.</i></p> <p><i>This division is “low maintenance” but has been neglected by the business and HR thus far. People have knowledge and vast experience but this is segmented and not the overall picture of the division.</i></p> <p><i>There is no specific criterion used to identify talent and a lot of the times selection is very subjective. The following will have to be considered in deciding on key talent:</i></p> <ul style="list-style-type: none"> <li><i>• Understanding the customer throughput and systems.</i></li> <li><i>• Understanding the business and industry requirements.</i></li> </ul> <p><i>There’s a huge gap in the knowledge between top management and first line management and this makes it difficult for strategies to cascade down to employee level.</i></p> <p><i>Building a knowledge base will save time in training when an employee is lost: this will offer employees a point of reference and readily accessible information. Involve people in strategic roles to give them</i></p>

	<p><i>exposure to business planning, operations, marketing and sales so that they have a holistic understanding of the business. Ensure that proper training will be implemented to close the identified gaps.</i></p> <p><i>There is a lack of confidence where people don't recognise their own talents because the environment doesn't nurture their talents and abilities. This leads to the organisation being filled with a lot of employees who are disengaged and who can behave in an unproductive manner."</i></p>
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### 5.4.1.7 SUSTAINABILITY

The term "sustainability" refers to the organisation's ability to flourish for an extended period of time. For this to happen there needs to be continuity within the organisation.

The main concern of the participants was the sustainability of any initiative implemented in the organisation. The worry was that there is a high staff turnover and so employees come and go; often they leave with valuable knowledge which cannot be brought back. The replacements of these employees come on board and have to be trained and developed to perform at the level expected by the organisation but once they get to that level they also leave.

This creates a vicious cycle where the organisation becomes a training ground, only for other companies to poach the newly trained employees. This is not sustainable and is a concern for organisational performance.

The participants commented on sustainability issues as follows.

**Table 14: Theme 7 - Sustainability**

<p><b>Participant 1</b></p>	<p><i>"For the Speciality division to stay on top, it need to maintain a high level of service, qualified resources and an environment that promotes growth and development. The major challenges are high staff turnover which leads to a lack of continuity, low staff morale, lack of diversity in the teams (interrupts pursuing the EE</i></p>
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<b>Participant 5</b>	<p><i>plan as people have to fill positions urgently) and having cultures that complement each other.</i></p> <p><i>To address these issues, regular meetings are held to assess the division, and to learn and share information. In this way, continuity in the division is encouraged. A new initiative was to create a trainee commercial manager role for succession planning which has worked well within the division and is even used by other divisions now.</i></p> <p><i>The business has a view that if people are out of the field for an extended period of time they're not being productive; a change in mind-set will assist here."</i></p> <p><i>"Create a talent inventory to ensure continuity and sustainability in the following areas:</i></p> <ul style="list-style-type: none"> <li><i>• Leadership – upgrade leaders and empower them.</i></li> <li><i>• Resources – for people development, thus investing in our people.</i></li> <li><i>• Employment equity requirements – these are still not supported well in this environment."</i></li> </ul>
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Sustainability, in the case of employee engagement, is a theme that is also present in all the other themes in this study. There is a common understanding that only engaged employees will continue to perform or even stay within the organisation and these are the people who will ensure business continuity as they have something (well developed skills) to offer the business.

People give a piece of themselves at work and should truly believe that what they wake up to do every day must contribute to the bigger scheme of things.

It's therefore important for the organisation to ensure that people are engaged and are well aware of the value they offer the organisation.

### 5.4.1.8 ORGANISATIONAL EFFECTIVENESS

From the participants' responses it was clear to see that the instability caused by high staff turnover affected the performance of the various divisions. Although this is a high performing environment, participants felt that if all the initiatives were in place then the organisation would perform even better.

The term "organisational effectiveness" refers to how well the organisation runs with all systems in place. The participants are the first to admit that Company X, being a market leader, is performing extremely well although the pressure of maintaining the number one spot has led to management neglecting the needs of employees as far as engagement is concerned.

**Table 15: Theme 8 - Organisational Effectiveness**

<p><b>Participant 1</b></p>	<p><i>"As more and more players enter the generic market the competition becomes tighter and forces organisations to come up with innovative ways of attracting and retaining talent. Competitive pricing also plays a major role in getting customers on board, Company X can no longer rely on "first to market" to push its business.</i></p> <p><i>Company X is a fast paced environment where new engagements are thrown in the deep end and have to either swim or sink. Training is slowing becoming imperative with the realisation of its effect on new engagements.</i></p> <p><i>In such a fast paced environment there's often no time from management side to develop people. The chase for the number has created an environment where individuals are expected to deliver on their targets.</i></p> <p><i>Limitation in terms of resources and time, managing pressure of delivering the number and developing people."</i></p>
<p><b>Participant 3</b></p>	<p><i>"Most of the projects are business directional projects that look at achieving or increasing the numbers. Knowledge base extension comes as a by-product of these initiatives, however it's not the primary objective.</i></p>

	<p><i>Knowledge of staff capabilities includes: experience, qualification and training received. This forms the basis of interactions with staff and will assist to fill gaps that exist, especially leadership competency.</i></p> <p><i>Another challenge is the abuse of the grading and promotion process by management; this has made it lose value in the eyes of the employees.</i></p> <p><i>Inconsistent and unfair management of people in teams often leads to the vicious cycle of replacing the knowledge base as opposed to retaining and growing the knowledge within the company.”</i></p>
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## 5.5 CONCLUSION

This chapter presented the findings from in-depth, semi-structured interviews with various key opinion leaders in the organisation. These interviews revealed an obvious concern within the management team about the effects of high staff turnover on the business.

There are informal processes that have been implemented in some divisions to deal with the problem of talent retention. These informal processes are carried out within specific divisions and may not be sustainable or even be suitable for the others. This indicates that there should be a long-term view concerning the various initiatives within the organisation. The concern of management is that talent is lost to competitors and the more this is allowed to happen, the more detrimental the effects will be for this organisation in future.

Interview questions are attached as references for the above analysis. Refer to Appendix 1.

## **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 INTRODUCTION**

In summary: chapter 6 gives a brief overview and summary of previous chapters, starting with a brief review of topics covered in chapters 1, 2 and 3. The research methodology, design and analysis will then be covered by reviewing chapters 4 and chapter 5 covers the participant's views.

Chapter 5 discusses the research findings and also an overview of the participants' perspectives on the different themes, based on the themes and codes identified during the data analysis described in chapter 4. Chapter 6 will provide a framework for knowledge management and talent retention. This overview gave each participant's personal views based on that person's encounters as a leader in the organisation. The recommendations, conclusions and the writer's experiences during the process will be covered in this chapter 6.

#### **6.1.1 BRIEF OVERVIEW**

Chapter 1 gives a background to the study and sets the scene by giving a background to the topic and the company studied, explaining the purpose of the study and defining the main concepts in the study.

Chapters 2 and 3 give a detailed explanation of the concepts of talent management, retention and knowledge management. The aim was to show the reader a relation between the two topics and offer insight into them. The literature on these subjects was reviewed and cited in these chapters to support the concept of knowledge management and talent retention.

Chapter 4 explains the research methodology, design and approach. This chapter also briefly explains the coding method and concentrates on the interviewing process and selection of interviewees. It examines ethical considerations by analysing the environment the interviews were conducted in and the process of obtaining consent.

Chapter 5 reveals the research findings obtained from the interviews. It gives some background into the interview process. It also identifies the codes relevant to the study and the core codes for the study.

Chapter 6 begins with an introduction and a brief look into the findings.

In paragraph 6.7, the researcher summarises her experiences in conducting the work and writing this research report and then reviews the knowledge created by the work.

## **6.2 SUMMARY OF FINDINGS**

Although the original intention was to interview ten key opinion leaders in the organisation, only eight were eventually interviewed; this was because the responses of the interviewees were yielding similar themes and it would have been pointless to include additional participants: thus, data saturation had occurred. It is apparent from these interviews that the talent retention is a growing concern for the leaders within Company X as it proves to be disruptive to the business.

The common understanding among the interviewees is that something needs to be done to keep valuable knowledge within Company X and that the company should be willing to partner with HR to make this happen.

The consensus emerging from the interviewed leaders was that employees will leave the organisation at some point; however, rapid and unexpected resignations are a disruption to the organisation and hinder continuity and organisational effectiveness.

Furthermore, these employees leave with valuable information that could have been passed on to new employees who now have to be trained.

Leaders within Company X are given ample freedom to handle “people matters” as they see fit. However, there should be uniformity in terms of measures implemented. HR should provide a guideline that will ensure consistency in how knowledge is managed and should also respond equally to the needs of all employees.



The various divisions have different requirements but they all understand that human capital has become the most sought- after resource of the 21<sup>st</sup> century and that there has to be an effort made to keep employees engaged.

Every organisation has investment strategies and these should include investing in its human capital and investing in a retention strategy. In the highly competitive environment of pharmaceutical sales it is easy to lose sight of talent in the chase to meet the sales target. Talent retention should be closely managed in order to preserve the winning streak and entrepreneurial spirit which is the competitive advantage of this organisation.

People will remain in the company until they feel they have done all they can in that environment; once there are no further growth and development opportunities they will seek fulfilment elsewhere. The main common theme emerging from the interviews was that people are at the heart of the organisation and a concerted effort should be made to keep them engaged and intellectually stimulated.

### **6.2.1 THEORETICAL LINKS**

These two concepts knowledge management and talent retention have gained momentum over the past couple of years in terms of relevance to any business. One could previously argue that knowledge management and talent retention are “soft and fuzzy” issues in any organisation. It is clear that they are now part of the driving force of any organisation.

An organisation consists of its employees who are the people who bring business and help with the growth of the organisation. Keeping employees happy should be a priority of any General Manager or CEO (Cappelli, 2008).

## 6.2.2 TALENT RETENTION

This study was motivated by a concern over the high attrition rate within the selected organisation.

Thus, Company X's employees were leaving for other pharmaceutical organisations and the replacements have to be sourced from other such organisations.

There was a concern within Company X about the rate of staff turnover and the prospect of no new knowledge coming into the industry: organisations are simply rotating the same knowledge to fill vacancies which will eventually kill innovation.

The aim of the study was to assess whether there is a different way of retaining talented knowledge workers within the organisation and ensuring that this knowledge is easily accessible to new engagements. Talent can be defined in different ways by different organisations according to their organisational needs and the line of business they are in.

The participants were clearly aware of employees they viewed as talented within the organisation and were concerned about losing these employees to competitors. In an environment where talent identification was still in its infancy, with no formalised measures of assessing and retaining it, it was hard for the participants to convince the organisation to do more to retain the talent. Therefore, many of them decided to implement informal methods of managing talent within their divisions to ensure that their employees remain engaged.

This worked to a certain extent however there was still a need to implement an organisation-wide initiative that would break the prevailing “silo” mentality and unify the efforts. As described by Cappelli (2008) managing talent is not only about attempting to avert uncertainties that may arise but also about finding, building and keeping the right people who will assist in achieving organisational goals.

People are the drivers of any business and with effective management of talented individuals, an organisation can achieve its goals. It is clear to see why the participants felt that talent retention will lead to sustainability, continuity and organisational effectiveness.

## 6.2.3 KNOWLEDGE MANAGEMENT

As mentioned in chapter 3, the concept of knowledge management is evolving as further research is done on the subject.

The era of knowledge workers is upon us and organisations must now start realising that people are their most valuable assets. Organisations now have to make a concerted effort to keep employees engaged and intellectually stimulated.

The race for competitive advantage forces organisations to design strategies for achieving this. Participant 1 mentioned that “*strong human capital will become brand ambassadors of the organisation and the most sought-after resource*”; by retaining employees who are knowledge anchors, the organisation will ensure that it maintains its competitive advantage.

Company X remains at the number one spot year after year and this means that there is pressure on everyone to perform; unavoidably, some people will get left behind. The need will be to maintain a competitive edge and ensure that everyone plays their part. The organisational culture will have to be conducive to an environment of learning, knowledge transfer and knowledge or talent retention.

Management will need to gather the key tacit and explicit knowledge within the business; it will need to know where this knowledge is held and will need to use it as a key competitive factor for the organisation.

Most participants believed that the organisational culture that has developed over the years is hindering this process and they will have to change the mind-set and put people at the centre of the organisation’s priorities. The connection between talent retention and knowledge management has therefore been made apparent by reference to the literature and the views of the participants.

Knowledge is a key factor in any organisation and in the recruitment process focuses on the knowledge of the prospective employee. Becoming a global community has ensured that Company X’s employees are exposed to global standards and opportunities that could yield more job satisfaction and result in better employee engagement.

It is clear that employees will seek an environment that offers these benefits and puts their developmental needs at the forefront.

One lesson learned through the study is that organisational culture will “eat strategy for breakfast”; in other words, if the culture does not support the initiatives for employee development then the strategy for knowledge and talent retention will not succeed. The starting point for this organisation will be to ensure that the culture will support any initiative for talent retention.

### **6.3 CONCLUSION ON THE SUMMARY**

One important reason for conducting the study in this organisation was that participants knew there were knowledge management and retention issues. They had implemented informal methods in “silos” to attempt to counter the effects of attrition. There was a sense of commitment in the organisation and many employees actually wanted to be part of any change that will see employees feeling valued by the organisation. They also understood that this change was not going to happen overnight and were committed to taking small steps in the right direction.

This writer advises that the organisation should run small projects and that some participants should be project sponsors and run them in order to get buy-in and commitment from senior management.

Celebrating small wins and milestones should be the order of the day in order to build the commitment of those involved in the projects and those watching progress. The ideal situation will be to have an initiative endorsed by the CEO for all the projects to be run in the organisation.

## **6.4 STUDY OVERVIEW**

As mentioned at the beginning of this document, the purpose of the study is to assess whether knowledge management can be useful as a tool for talent retention in the pharmaceutical industry. The objective was to gauge whether employees have evolved from being motivated only by money and benefits in the workplace to being motivated by personal growth and development.

It is sometimes argued that generation Y is coming into the workplace and therefore organisations will have to do much more to keep them engaged. Generation Y employees no longer seek only job security and being comfortable, they want a place where employee development is emphasized.

The study covered various stages of the research process as follows:

### **6.4.1 CHAPTER 1: BACKGROUND**

This introductory chapter sets the scene for the reader and covers all the subjects of the research. An outline of how the research topic was selected is given, and the layout of the paper is indicated here. In an era where people are highly mobile and have access to various opportunities across the globe, organisations have to find innovative ways to retain employees in their organisation. Furthermore, various concepts used in this thesis are introduced and briefly discussed in this chapter.

This chapter also gives an overview of the layout of the entire research project.

### **6.4.2 CHAPTERS 2 AND 3: LITERATURE REVIEW**

Chapters 2 and 3 examine knowledge management and talent retention, in some detail, and provide an in-depth analysis of these two subjects. In these chapters, definitions and key characteristics of these subjects are discussed in order to form a solid foundation for the study and to also understand these concepts.

These chapters give an academic base for the study and create a knowledge body of references for the study.

#### **6.4.3 CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY**

This chapter outlines the research method, design and approach used for the study. It provides an in-depth discussion of the qualitative research methodology as well as grounded theory (constructive) that is used in the study.

The purposive sampling and semi-structured interviews that were used to gather information was explained. The qualitative data analysis method chosen was constructivist grounded theory and this gave the researcher the opportunity to explore new theories through the participants' eyes.

This method required the researcher to be analytical when collecting and analysing data and also required the researcher to capture the full experiences of the participants.

#### **6.4.4 CHAPTER 5: PRESENTATION OF FINDINGS AND DATA ANALYSIS AND CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

In chapter 5 the focus was on the presentation and analysis of the research findings. This was followed by the conclusion and recommendations in chapter 6.

These chapters aim at consolidating the information gathered through the research, including the literature review, and structuring then presenting it in a logical manner to address the purpose of the study.

The data analysis yielded 28 themes/codes that were then grouped into eight core themes of the study. These themes were discussed in detail, from the participant's perspective, in chapter 5.

The data gathered and information presented were then matched to the purpose of the study which is to determine if knowledge management can be used as a tool for talent retention.

Finally, chapter 6 examines the limitations of the study and the ethical considerations. Possible future studies relating to the same topic are suggested.

## 6.5 LIMITATIONS OF THE STUDY

As with any research project, there is little or no control over the environment and participants; consequently, the study has its limitations. Thus, the original intention was to interview ten key opinion leaders/influencers within the organisation but only eight were interviewed.

This did not affect the research or the results as data saturation occurred. The following limitations are identified:

- This research aimed at merging two constructs (knowledge management and talent retention) that are closely related but used in different fields, the limited scope of this dissertation did not allow for this and therefore the subject could not be explored in depth.
- The eight participants interviewed for the study were sufficient to acquire the information needed to conduct this research. However, this information was gathered within one pharmaceutical organisation only and therefore it will be difficult to generalise the results or recommendations for all pharmaceutical companies in South Africa: any such attempt should be made with caution.
- Company X is a generic manufacturing pharmaceutical organisation which might not have access to all the latest technology for people management and so the information gathered in the study might be applicable only in this setting and not to the entire industry, especially in multinational organisations exposed to global best practices.

- Interviewing only senior management might mean that important information from an employee perspective was overlooked and this might have been relevant to the research.

### **6.5.1 RECOMMENDATIONS FOR FURTHER STUDIES**

There seems to be consensus among key opinion leaders in Company X that there is value in considering knowledge management as a tool for talent retention.

Those opinion leaders are certainly worried about the effects that high staff turn-over are having on the continuity of business and staff morale. They expressed their interest in the organisation having a process in place not only to gather and ensure distribution of knowledge from employees who are considered to have talent but also to manage that knowledge and the talented employees.

Knowledge management and talent retention seem to be subjects close to the key opinion leaders' hearts and they truly believe that if the organisation manages to implement a solid program it will reduce the rate of staff turn-over and increase productivity in the organisation.

It is felt that a document management system will ensure that all relevant knowledge in this organisation is captured and easily accessible; this system will help the organisation to develop a knowledge management strategy.

To ensure the study is applicable to the entire pharmaceutical industry it would be advisable to conduct further work in other selected pharmaceutical organisations. A larger sample size which includes employees who are considered to be talented can be used to ensure that the subject is explored in greater depth. The relationship between knowledge management and talent retention in this environment should be investigated further with grounded theory to endure a deeper understanding of how knowledge management (knowledge management strategy/processes) can be effectively used as a tool for talent retention.



## 6.5.2 ETHICAL CONSIDERATIONS

This issue was discussed at length in chapter 4 but it can be summarised here. Ethics deals mainly with the relationship between the researcher and the participants, for the protection of both parties to the process. Any code of ethics should be a guide to protect participants and ensure that they know exactly what kind of research they are involved in.

Ethical considerations dictate the importance of ensuring confidentiality of respondents and ensuring their informed consent is received by the researcher to carry out the study.

The process must not be undesirable or discriminatory to anyone by focusing only at specific levels and not others. Lastly, the researcher should not impose his views on the participants.

The researcher requested permission from the organisation's CEO and this included making a presentation of the researcher's proposal and describing the anticipated benefits of the research. Once this permission was granted the selected individuals were approached to request permission to interview them and participate in the study: they duly agreed.

Interviewees signed consent forms and the confidentiality of the study was explained to them; this covered information shared during the interview process.

## 6.6 CONCLUSIONS AND RECOMMENDATIONS

Company X is an entrepreneurial and high performance environment, its strategy does not change much; it has always been to grow profitably. The ways in which Company X's strategy is achieved will alter from year to year, these could include diversifying as well as new product and business development.

Company X is the market leader and needs to maintain its position. In order to do this, the company needs to identify talent, train it and then do as much as possible to retain it.

The priority would be to put appropriate controls in place without threatening the entrepreneurial spirit of this organisation. Company X is the market leader in the pharmaceutical industry and is performing very well as a whole although the rate of attrition in the organisation is higher than the management would like.

It is evident that other pharmaceutical organisations consider Company X to be a threat as well as possibly a training ground for sales people, which suggests that valuable knowledge is lost every time an employee leaves.

In this fast paced sales industry, management does not seem to have the time or inclination to evaluate the reasons behind the attrition; this is especially true in the traditional 'boys club' culture, where the notion that people are readily replaceable still applies. Against this background it is easy for the organisation to lose sight of the impact of the knowledge lost in the attrition process.

The effects of such a mistake might be felt over an extended period of time and might also lead to the company losing its competitive advantage. It is clear that the management team of Company X is aware of the issue.

The interviewees mentioned that they will be committed to any initiatives that will ensure not only knowledge management but also talent retention.

As the study has indicated, talented employees are no longer motivated by tangible aspects of the job such as remuneration and benefits but are more concerned about their career development and growth.

An environment where management supports learning through knowledge gathering and transfer will win the war for talent (Guthridge et al., 2007). Any organisation that would like to continue being a major player in the economy will have to ensure that it has a sustainable competitive advantage. Throughout the research, it has been indicated that knowledge workers are the only sources of competitive advantage that cannot be replicated by another organisation.

By ensuring the effective and efficient gathering, storing (continuous monitoring) and transfer of knowledge, Company X will continue to be a leading pharmaceutical organisation in Africa and will possibly increase its global footprint. The following three interlinked solutions are therefore recommended with a view to promoting that efficient gathering, storage and transfer of knowledge:

- A document management system that stores the important working information for the entire organisation.
- A training matrix for all roles within the organisation.
- A structured on-boarding induction programme, with a three-month duration

These above solutions are reviewed in further detail below:

### **6.6.1 RECOMMENDATION ONE: DOCUMENT MANAGEMENT SYSTEM**

A document management system would store all working, archived and saved documents in an electronic format, on a server, to ensure easy access to any employee who needs them. In the event of a resignation, this system would ensure that company knowledge is not lost and would also save time and money on retraining new staff. This system will ensure that the wheel is not reinvented every time there is a resignation or a new person joins the organisation.

This system might not be suitable for tacit knowledge, which will require a different system of management altogether.

For tacit knowledge management, casual meetings, sales meetings and other gatherings should be set up in a way that facilitates knowledge sharing.

The introduction and management of such a knowledge management system will require commitment from all employees of the organisation, including employees in managerial positions; furthermore the system will need constant monitoring and update. The company could have “clean up days” to ensure that the system is not filled with unnecessary information and to train all employees to use the system effectively.

This system will be a low-cost project based on the existing system 'server'. The quality department/team or the IT Quality Department will have to set up and secure the system. The process of setting up this type of system will follow a regular project management process: in other words, piloting the project, roll-out in phases and regular audits to ensure that it is functioning efficiently.

### **6.6.2 RECOMMENDATION TWO: TRAINING MATRIX**

A training matrix should be designed with the aim of being appropriate for all roles in the organisation. It would detail the stages that individuals should encounter in order to become fully efficient in their roles.

The training matrix should be managed and owned by specific departments and should be based on input provided by people occupying specific roles in the organisation. Those people would be selected on the basis of knowing what training is needed and at what point, to ensure that the new employees familiarise themselves with the requirements of a specific role without difficulties.

The training matrix should be constantly reviewed to allow for new developments in various fields to be incorporated. Provision should be made for re-training after the new employee has been incorporated into the team and the organisation.

The training matrix formulation and implementation process can be audited by human resources staff to ensure that no trainee is left behind or overlooked.

The process should include systems, product and customer training for employees; after each module or section of the training programme has been completed, it can be signed off by the employee's superiors. This process will allow for a chronological process to be followed when a person assumes a new role.

### **6.6.3 RECOMMENDATION THREE: ON-BOARDING INDUCTION PROGRAMME: THREE MONTHS' DURATION**

The first ninety days after an employee joins any organisation are crucial in the sense that this is a make-or-break time for the employee. It is important to have a clear plan to implement whenever a new employee joins an organisation, which will allow for a smooth transition into the organisation. This plan should detail all steps a new employee will have to take in the first three months to understand the business and his or her new role.

It should be managed by line managers and supported by the human resources department, and should indicate the various stakeholders, systems and programmes that the employee should become acquainted with in order to perform optimally in future.

The Human Resources Department of Company X, partnering with the various business units, should be a career management centre that acts as a hub where knowledge is managed. The intention would be to have one central point where knowledge is filtered and disseminated to people at the appropriate time. This can be managed through induction programmes for new employees and as part of an on-boarding socialisation process, as well as through a development plan for existing employees in line with their career paths.

Finally, one issue highlighted by participant 3 was the lack of follow through and documentation; this shortcoming will have to be focussed on, to ensure continuity. Company X's management will have to be the driver of this process, supported by its human resources department, determining the extent to which, and at what stages, individuals should have access to specific information.

## 6.7 RESEARCH JOURNEY

I decided to use the qualitative research route because I felt that it would not only assist me to complete my research in a manner meaningful to me but also give me insight into the business unit and organisation that I was servicing as an HR Business Partner. This route allowed me to access ideas, thinking and expectations of the business in a less threatening way and I was able to obtain more details through open-ended interview questions.

I have found that Company X has passionate people who are not only concerned about reaching their targets but also about how they do this and who they use to achieve goals. The pharmaceutical business has evolved over the years and the environment now requires more effort to be made when selling what ultimately saves patient's lives.

The slogan of Company X "healthcare we care" is a true reflection of the attitude and passion of men and women who are employed in this organisation to work alongside our government, healthcare professionals and regulatory bodies to offer patients superior healthcare.

With the world moving towards cheaper generics and National Health Insurance looming in South Africa this organisation is certainly on the right track. Stringent measures have been put in place to comply with the legislative requirements.

On a personal note, this process has been a period of reflection for me in terms of the career path I have chosen and also a realisation of the large amount of work ahead of us as a profession. The world is changing fast, our roles are evolving and business acumen is the order of the day.

It will therefore be a requirement in future to have Human Resources staff who are business oriented and who will contribute in the boardroom. The business partnering model being implemented across the globe will require Human Resources staff to take a lead in various business decisions, especially those that involve employee wellness and development.

This study has helped me assess every enquiry brought to me as a business partner. It also helped me to align my service offering to the business when I serve people who ultimately take care of my health.

Furthermore, this study has provided me with personal and professional growth combined with a much better understanding and interest in the business. This has highlighted that it is imperative to be able to take a group of people with different ambitions, goals and plans and make them work towards a common goal. People identify with their work and truly believe that what they wake up to do every day must contribute to society as a whole and so it is important to use this perception in order to get the best out of employees.

Managers will do as much as possible to make their teams as successful as they can be, not only for sustainable productivity of the organisation but also for intellectual pursuit and emotional engagement. Therefore, giving management worthwhile assignments and challenging work will ensure that they remain engaged.

Employees are managed by their consent and if they feel they no longer identify with what an organisation stands for, they will look for a more suitable environment where they can contribute. By allowing managers to resolve their team issues as amicably as possible and ensuring that employees trust the processes put in place, the company will assist employees to contribute.

Being a career manager who understands entrepreneurial behaviour I now have a clear understanding of what needs to be done and how. I also learned to consider how decisions will assist in achieving objectives: if whatever you are doing does not contribute to the achievement of organisational objectives then don't do it.

Finally: if you work hard then this should yield a positive result. Your performance will open doors for you. It is through interactions with people that I have learned to treat people fairly and make sure that each person counts.

Although the subject of knowledge management is still fairly new, it is becoming more widely known. It was interesting to note the enthusiasm of the participants when discussing this subject that they know so little about; they were passionate about their role and contributing to the organisation. Company X has employees who truly live up to the company's values.

## 6.8 CONCLUDING REMARKS

Talent retention has been an evolving topic for several decades and every organisation would like to be at the forefront of this. Organisations invest so much in employee development and training only to have employees move on elsewhere. Knowledge or intellectual capital is what organisations and employees are based on, Organisations that offer their employees the best access to knowledge and development will set themselves apart from their competitors.

***Great ability develops and reveals itself increasingly with every new assignment***



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## APPENDIXES

### Research interview questions

1. What are the critical strategic challenges for the organisation/business unit/division?
2. What are the big projects that the organisation/ business unit/ division is focusing on?
3. Who/what is considered key talent in the organisation, business unit/ division?
4. What are the key talent/competency management challenges?
5. What type of knowledge is regarded as key knowledge in this environment for the organisation/ business unit/ division?
6. Where does the bulk of the knowledge sit?
  - a. Has knowledge been harvested? If so, how and if not, why not?
    - i. What was the success/learning from these projects?
    - ii. What other people related projects/initiatives are underway currently?
    - iii. What are your expectations from this project (what would success look like)?
7. What has been implemented in this area in the past with regards to consolidation of this knowledge?
8. What has been done to ensure that there is continuity with regards to knowledge transfer in the organisation/ business unit/ division?
9. How/ to what extent can this knowledge be used as career development tool in this environment?
10. What are some of the perceived concerns/barriers to success?
11. To what extent are you willing to be involved as a driver/champion in the process?



Faculty of Economic  
and  
Management Sciences  
  
Department of

## Informed consent for participation in an academic research study

Dept. Of Economic and Management Sciences

### Title of the study

*(THE USE OF KNOWLEDGE MANAGEMENT AS A TOOL FOR TALENT RETENTION IN THE  
PHARMACEUTICAL INDUSTRY.)*

Research conducted by:

*Ms. R.M. Nthongoa (10520369)*

*Cell: 082 626 4018*

Dear Respondent

You are invited to participate in an academic research study conducted by ... and ... *(Enter your first name(s) and surname(s) here)*, Masters or Doctoral – *(select one)* student from the Department *(indicate name)* at the University of Pretoria.

The purpose of the study is to ... *(Describe the purpose of the study here so that the respondent will clearly understand what the study is about, but in such a way that it will not influence or bias his/her responses).*

Please note the following: *(Adapt the bulleted points to reflect the specific data collection method used in the study.)*

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences. *(Incentives should **not** be offered to encourage participation.)*
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than X minutes of your time *(Give a realistic indication of the time it will take to complete the questionnaire based on the results of the questionnaire pre-testing. Do not understate the time!)*.

- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my study leader, *(Include title, initials, surname, and contact number and/or e-mail address of the study leader)* if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

---

Respondent's signature

---

Date

**OR the next sentence and a tick box can be added to the top of the questionnaire with:**

**"I hereby give my informed consent to take part in the research project."**