

UNIVERSITY OF KWAZULU-NATAL

TALENT RETENTION IN PFIZER SA-BIOPHARMA

By

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DECLARATION

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Abstract

Businesses are currently operating in a fiercely competitive environment. Businesses must therefore employ strategies to differentiate themselves from their competitors. Thanks to modern technology, most businesses have access to efficient systems and equipment. However, the organisation's people need to be developed to become highly valued assets. This dissertation examines talent retention as a business strategy. The main aim of the study is to uncover employee perceptions of talent retention. This will be a determinant of whether they believe the company has their best interests at heart and deserves their loyalty.

From a total population of 320 employees at Pfizer SA-Biopharma, a non-probability sample of 231 employees was selected. A combination of purposive and simple random sampling was used. The sample was made up of 23% males and 76% females. The majority (46%) of the sample had less than five years' tenure at the company. Each respondent had access to a computer and to the internet provided by the company. The researcher developed a web-based questionnaire to collect data. Statistical analysis revealed that a relationship exists between talent retention, talent management and an individual's intention to leave the company. A salient feature of the study is that respondents are not entirely convinced of the existence or success of a talent retention programme but are in favour of it and want to be recognised for their efforts. The main recommendation/s of the study reveals that although management has a staff retention policy in place, the employees are either not aware of it or do not believe that it exists. This indicates that communication with employees is of utmost importance.

The results reveal that Pfizer SA-Biopharma would definitely benefit from having a talent retention strategy in place and this would encourage people to remain loyal. Lower staff turnover means less expenditure in terms of the recruitment and training of replacement staff. The study can benefit the organisation as it will help it to realise that people represent an asset that can differentiate the company from its competitors.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Pharmaceutical companies in South Africa are facing increasing competition. Gaining competitive advantage has become their highest priority. New technology exists to improve systems and is available to anyone that can buy it. However, it is the people employed by these companies that should be seen as an asset that can be used to differentiate them from their competitors (Cosack, Guthridge and Lawson, 2010)

Talent management applies to all levels of the organisation (Maxwell and MacLean, 2008). In the current economic climate, the principal challenge is to remain aware of changes in the environment and adapt to the evolving needs of organisations (Nilsson and Ellstrom, 2012). The environment has changed and the concepts of job security and lifelong employment have been replaced with ongoing learning, employability and talent management (Nilsson and Ellstrom, 2012). Employees are very aware of their capabilities and want to be recognised for their talents and skills. In the current working environment the issue is therefore not only about having a job, but rather about the perception that the organisation values the employee and there exists recognition and rewards for remaining with the company. This can be in the form of market related salary gradings, or can be in the form of less tangible factors such as training and development.

1.2 Motivation for the Study

Pfizer SA-Biopharma has an annual Voice Survey in which every employee is encouraged to take part. One of the key findings from the 2012 survey was that employees wanted an explanation from human resources about the organisation's talent planning strategy. Information received from the Voice Survey revealed that at the beginning of 2012, the turnover rate for the company was 12% whilst this

reduced to 7% at the end of 2012. As a result of this information, the country manager has included talent planning as one of his core strategies for the next five years. This study may thus benefit the management at Pfizer SA-Biopharma and help with understanding what employee perceptions of talent management are. Employees may also benefit from this study because, once management understands what their impressions are, it will be easier to design talent planning which is relevant to their needs. The study may also enable management to understand how to increase commitment and engagement levels within their workforce. The human resources department may also benefit because continually having to recruit and hire new employees comes with its own challenges. Organisations that incorporate the value of employees' unique talents and develop employees with talent to assist in the delivery of their objectives are able to reach peak performance levels (Wilson, 2012). This study will help Pfizer SA-Biopharma design and implement retention strategies which are aligned with what the employees perceive as the type of retention measures which are necessary to achieve overall organisational success.

1.3 Focus of the Study

The focus of the study was aimed at understanding employee perceptions of talent retention, what employees' intentions were in terms of remaining loyal to or leaving the company and how employees viewed the talent retention strategies that are currently in place at the company. The study thus focusses on employees' perceptions of various aspects of talent management such as training and development, internal promotions, intention to leave and reasons thereof and fairness in executing the Pfizer SA-Biopharma talent retention plan. Due to restructuring of the company there may be high turnovers. Therefore the marketing division that was earmarked for restructuring was not included in the study.

1.4 Problem Statement

The workplace is changing and employees that are retiring during this period are from a generational group called the 'Baby Boomers'. One characteristic of this

generational group is that they are very loyal employees. On the other hand, the workforce that exists currently is made up of a generational group that is more concerned about personal growth and being in a job where their personal needs are met (the “What’s in it for Me” generation) even if it means changing jobs constantly (Arsenault, 2004). Wheeler (2005) states that to ensure that an organisation hires the best people and is successful in the current global competitive environment, it needs a strategic plan. The retention of key talent is critical because high performers want personal growth whilst in a job and employee replacement costs are high (Butteriss and Salloway, 2006). This means that an employee is motivated to do more within a company if they experience personal growth. Management at Pfizer SA-Biopharma is concerned with the current staff turnover rate and has included talent retention as one of their strategic plans for the next five years. This raises the question “Are employees within Pfizer SA-Biopharma satisfied with current talent retention strategies?”

1.5 Research Sub-Question/s

Questions that were answered in the research:

- What are employees’ perceptions of the Pfizer Talent Retention Strategy?
- Does Talent Retention result in staff loyalty?
- Does Talent Retention improve employee outputs?
- Does Pfizer implement its Talent Retention strategy?

1.6 Objectives

The objectives of the study are:

- To determine employee attitudes on talent recognition
- To determine if talent retention leads to loyalty
- To determine whether talent management enhances employee outputs
- To determine whether certain groups of employees are being privileged over others

This study has only been conducted in one subsidiary of Pfizer SA. The objectives of the study were achieved. The research question was also answered.

1.7 Structure of the Study

This study is presented in five chapters. Chapter One is an overview of the study. It includes the motivation for the study. The literature review is presented in Chapter Two. Here the concepts of talent, talent retention and talent management are explained. The description of human capital and the Generational Cohort Theory is also included. Chapter Three follows with the research methodology employed in the study and includes sampling and the techniques used to satisfy the objectives of the study. In Chapter Four data is presented and discussed. The analysis is discussed in relation to the objectives of the study. Chapter Five is the last chapter where the limitations, recommendations and suggestions for future studies are discussed. The conclusion is also presented in this chapter.

1.8 Summary

Competition for the top talent in the employee pool is currently fierce and companies are now more aware than ever that if they can hold onto individuals that are considered talented, this would contribute to the strategic objectives of the organisation as a whole. This chapter has provided an overview of the topic and has outlined the motivation for the study. The focus area of the study was discussed and the research problem from which the main research question was derived was included. The questions which it is hoped that the research will answer, were also introduced. To understand the concept of talent retention and what it means for organisations, a literature review is presented in Chapter Two.

CHAPTER TWO

OVERVIEW OF TALENT RETENTION

2.1 Introduction

In the current business world, organisations need to find innovative ways to differentiate themselves from their competitors. One way of doing this is for the organisation to look at the quality of its people and how best to retain those people who make a positive contribution to the business(Bhatnagar, 2007). The human capital of any organisation lies in the talent of its people(Bergeron, 2004). Because human capital can differ vastly between age groups and beliefs, the Generational Cohort Theory will be discussed in this research. This theory posits that the ages and experiences of individuals play a role in determining their workplace behavior (Arsenalt, 2004). Every firm requires top individuals to drive their business and thus the talent marketplace is created. The “talent marketplace” comprises individuals who possess certain skills that are highly sought after, resulting in these individuals commanding good remuneration packages (Gordon, 2009). The relationship between employer and employee is not only determined by the skills of the latter, but also by the laws of the country, in South Africa’s case, legislation such as The Employment Equity Act no 55 of 1998(Bakos, 2007). Effective talent management must also take into account the financial value of talent retention to the organisation (D’Annunzio-Green, 2008), and the latter part of this chapter will outline certain talent management strategies including those that focus on attraction, recruitment, development and retention.

2.2 What Is Talent?

Talent can be described in many ways as it is not a definite measurement but rather an attribute that an employee may possess. One definition is that, looking at that employee’s previous high levels of performance, talent is measured by the impact

or future impact an employee potentially has on the profitability and future growth of the business (Sandler, 2006). A similar view is presented by Chuai and Preece (2008) who state that a talented individual is one who executes their job with distinguished performance and competence. This view is supported by Ulrich and Smallwood (2012) who report that talented employees must have certain skills and be capable, committed to their jobs and contribute to the overall success of the organisation. Kuo (2012, p39) provides this definition of talent, "An employee with highly complex and tacit knowledge is regarded as a key factor to gain a competitive advantage in high-technological firms" and also stated that sustained competitive advantage of organisations lies in knowledge which is inherent in an employee. More recently, Ross (2013) describes a talented individual as one who possesses a high degree of emotional intelligence in the workplace.

2.3 Definition of Talent Retention

The business environment is fraught with challenges such as rapidly evolving technologies, strong global competition, fierce competition for resources, political uncertainties and economic instability. Strategic initiatives such as expansion, integration and consolidation are undertaken by organisations. Effective decision making in talent retention requires that talent management should be directly linked to the strategy of the firm (Vaiman, Scullion and Collings, 2012). For organisations, the retention of existing employees who have valuable skills is therefore an essential strategy. People possess talent and it is this talent that contributes to the effectiveness of organisations (Yarnall, 2011). Leading corporates are adopting the trend of retaining their existing human talent and using this leverage to attract key talent at all levels of the business which is beneficial to the organisation (Lawler III, 2008). Mitchell, Holtom and Lee (2001) assert that managers face a constant challenge to develop and retain talent and to minimise the market driven turnover amongst employees with high levels of competency who form part of the talent group for that organisation. Birt, Wallis and Winternitz (2004) state that workers with advanced knowledge and skills control the competitive advantage of the

organisation. Whilst globally, organisations aim to acquire people who will be an asset to the organisation, potential employees also feel it is important to be informed about the steps an organisation is taking to become an employer of choice (Yaqub and Khan, 2011). It thus becomes important that an organisation be perceived as an employer of choice in order to attract the best and most talented individuals. Florida (2002) defines human talent as those individuals who represent high levels of human capital, this being measured by the percentage of the population possessing a bachelor's degree or higher. In addition, D'Annunzio-Green (2008) report that talent is generally a measure of the abilities of a person including their skills, knowledge, prior experience and potential for development. Nilsson and Ellstrom (2012) conclude that it is quite clear that the most important organisational asset, especially in organisations where knowledgeable employees are key, is the people. Further, they say that the future competitiveness and prosperity of an organisation depends on its employees.

2.4 Competition amongst Organisations for Human Capital

Talent is present within people that belong to an organisation, meaning that each individual represents a different level of importance to the organisation. In economic terms, capital represents an asset to the firm. In much the same way, as machinery and equipment are regarded as assets, talented individuals are also seen as an asset and are termed 'human capital'. Having talented individuals in the organisation can also be seen as a differentiating business strategy. Bhatnagar (2007) describes key talent as those individuals who contribute to both the current organisational performance and to future performance because they often become the leaders within the organisation. Talent has therefore become a key differentiator for human capital management as well as for leveraging competitive advantage (Bhatnagar, 2007). According to Ngozwana and Rugimbana (2011) the skills shortage has become a feature of the South African business environment. Further, they assert that the competition to attract and retain human capital in the form of talented individuals has become as important as other commonly recognised

competitive dimensions such as capital, strategy and even research and development. Lyon and Marler (2011) support this by saying that attracting and retaining the appropriate employee is a burning issue, therefore organisations go to great lengths to attract skillful and knowledgeable employees.

Top talent is difficult to find and expensive to replace. Talented employees find it easy to change jobs or seek better places of employment. A number of factors within an organisation such as productivity, customer service or leadership can be affected by movement of key talent. It is therefore a challenge for an organisation to hold onto its skilled employees once they have attracted them (Mitchell, Holtom, Lee and Graske, 2001). Bergeron (2004) also states that success in the marketplace is dependent on the quality and behaviour of people within the organisation. Companies that perform better usually believe that their competitive advantage lies in their employees and this influences the management of the business as a whole.

Phillip and Roper (2007) propose that companies are now competing on the basis of the skills and talents of their employees and strategising so that by attaining and keeping the best talent, the success of the business will be enhanced. Srivastava and Bhatnagar (2008) report that a larger stock of human capital will mean that the economy experiences a faster rate of growth. The importance of human capital is also discussed by D'Amato and Herzfeldt (2008) who state that the previous situation of the workforce not having enough jobs available (ie high unemployment) has now been replaced with a situation where organisations are not dealing effectively with talent scarcity. Talented people thus are in great demand. The human resources department in an organisation plays a pivotal role in human capital management because they manage the collective knowledge of the employees (Dickie and Dwyer, 2011).

Because technology can easily be copied, competitive advantage can be better created based on human capital which is not as easy to copy and it is for this reason that an organisation's management of human capital is extremely important (Dickie and Dwyer, 2011). Scott (2011) argues that the talent war is fierce because within each industry, only a few individuals exist who could be considered top human capital. This means that there are a limited number of people that can generate a great deal of revenue, profit and subsequent success of their organisations. Because these individuals contribute so greatly to organisational success, they may represent a significant organisational cost if they have to be constantly replaced (Scott, 2011). Rowland (2011) reports that an employee that is recognised and nurtured to match the aspirations of an organisation is far more likely to remain loyal. The retention of these individuals is therefore important and organisations need to have strategies in place to deal with this.

2.5. Financial Value of Talent Management

The loss of key talent may result in a significant impact on costs since the contribution of these employees to organisational success is greater than that of typical employees. Thomas (2000) report that the personal and organisational costs of voluntary employee separation are high. Because of this, employee retention merits the attention of top-level managers. Losing key employees or retaining less productive ones in poor economic conditions present a huge cost to the organisation. Poor turnover and employees that are not entirely committed have a negative effect on organisational profitability (Doh, Smith, Stumpf and Tymon, 2011). It is important for organisations to constantly be aware of key talent within the organisation. When the rate of demand for talent increases more rapidly than its supply, then the costs associated with attracting and retaining talented individuals (including training a new professional) could be as high as the employee's first year's salary. The result is that the employer pays out a double salary for the new employee's first year of employment (Whelan and Carcary, 2011). This is simply because whilst a new employee is being trained and oriented to a new job, this individual is earning a salary and benefitting from gaining new skills without actually

contributing to the work until this process is complete. In the first year of employment an employee is usually being orientated to the firm and the expectations from an employee. Whelan and Carcary (2011) further state that the turnover of talented professionals increases a firm's costs and hinders the company's overall performance. Rowland (2011) expresses concern that, instead of organisations spending valuable money on developing current employees to the next level, they are actually losing employees and spending money on recruiting and training new employees which presents a higher cost. Key skills in the pharmaceutical industry involve excellent customer engagement abilities as well as recognising the changing pharmaceutical market in relation to customer's expectations (Toussaint, 2013).

2.5 Talent Retention Discussion

“Retention explains the preservation of changes, or variations, in the behaviours adopted by a firm and the subsequent dispersion of these changes across the firm's units. The content that is retained by a firm is stored” (Mosakowski and Zaheer, 2003, p 173). Talent retention is the direct result of the mutual satisfaction of both the employee and the employer. From an employer's viewpoint, there is the need to retain the best possible employees to fulfill organisational needs. From the employee's viewpoint, the workforce has to experience acceptable levels of satisfaction in order to enhance organisational effectiveness. According to Doh *et al.* (2011) organisations with a very high turnover of staff will eventually be outperformed by their rivals.

Knowledge is described by Whelan and Carcary (2011) as a strategically significant asset. However, this may be very poorly managed as a result of the management of the organisation not seeing the value of 'Knowledge-holders', or it may be because the 'Knowledge-holders' are not aware of how sharing it with others could benefit the organisation in which they work (Whelan and Carcary, 2011). Employees who

have developed within the organisation over time and who have organisation-specific knowledge represent a valuable asset. Doh *et al.* (2011) report that if the economy is performing well where professional labour supply is low, an organisation with a low growth rate may experience a higher turnover of professionals or talented individuals. Another consideration of talent retention is that an organisation may possess professionals and talented individuals that are from different age groups and that have different expectations from their employer. The difference between age groups is best defined by the Generational Cohort Theory which will be discussed in the next section.

2.6 Generational Cohort Theory

There are distinct character traits between different generations (Arsenault 2004). Arsenault (2004) describes this as the generation gap. Every organisation has within it people who are of different ages, resulting in a collection of people who may have differing views on the same concepts. This can best be explained by examining the Generational Cohort Theory. D'Amato and Herzfeldt (2008) describe a generational cohort as a group of people born at roughly the same time and experiencing or being exposed to the same events in their lifetime. They also state that the Generational Cohort Theory argues that such a group of individuals will have similar values opinions and mindsets. The following table illustrates the various generational cohorts and their characteristics in the workplace as described by the authors, Chen and Choi (2008) and Glass (2007).

Table 2.1: Comparison of the Various Generation Cohorts

GENERATION	PERIOD OF BIRTH	CHARACTERISTICS IN THE WORKPLACE
Veterans	1925 – 1940	-committed to lifetime employment -prefer face to face communication - long hours of work
Baby boomers	1946 – 1964	- values their work - made a difference in society - believe that they can handle change however they have to see potential value in the change -believe that the younger generation work less hard
Generation X	1965 – 1977	- more skeptical - less loyal - very independent -interested in work/life balance - more concerned with outcome rather than the process involved
Generation Y	1978 onwards	- very confident, born in an era where parents planned their offspring - use e-mail as their primary form of communication

Source:

1. Adapted from; Po-Ju Chen, Youngsoo Choi, (2008)"Generational differences in work values: a study of hospitality management", International Journal of Contemporary Hospitality Management, Vol. 20 Iss: 6 pp. 595 – 615

2. Amy Glass, (2007)"Understanding generational differences for competitive success", Industrial and Commercial Training, Vol. 39 Iss: 2 pp. 98 - 103

Table 2.1 shows that people born in different times have differing ideas on how they respond in the work environment. There is a shift in belief from the absolute loyalty of the Veterans who would work all their lives for the same company to the Generation X and Y employees who are comfortable to work in a company while it serves their needs, and then resign and move on with no regrets.

Communication differences are also noted in that face to face communication has in recent times been replaced by electronic communication. The younger generations are of the view that the job needs to get done and if it can be done in a shorter period of time, that is acceptable whereas the older generations believe that the more time they put in, the better quality of the work. These factors could result in severe clashes due to different generations not approving of how others work. The challenge for management is that all generations in the workplace contribute certain levels of expertise and this has to be integrated into the work environment (Glass , 2007).

It is important to note that interaction between different generations can be both positive and negative. Positive interaction occurs when there is a sharing of different perspectives and negative interaction is when misunderstandings result in clashes between generation groups (Arsenault, 2004). Human resources departments must aim to create an environment of effective communication which is key to overcoming generational conflict at work (Glass, 2007). Human resource strategies can be more effectively developed if the differences between generations and their responses to organisational structures and procedures are considered (Chen and Choi, 2008). The workforce not only has generational differences to consider, but also diversity in terms of different race groups that are present in the workforce. Research by McGuire, Todnem and Hutchings (2007) suggests that organisations need to optimise the talents of all age groups whilst reconciling differences in the workplace. Education and the development of the employees to positively utilise this

diversity for their own as well as organisational advantage creates new organisational values and optimises the diversity of generations. Talent retention can apply to any employee and the current workplace may consist of individuals that are part of the Baby Boomer's group (those born between 1946 and 1964); Generation X (born between 1965 and 1977) and Generation Y group (born after 1977). From the characteristics in Table 2.1 it is clear that the younger generations are more independent and are interested in a work-life balance whilst the older generation thinks that this group does not put in enough hours and does not work hard enough. When developing a talent retention plan for any employee, the planning manager has to take into account how the employees are going to interact bearing in mind the specific characteristics of each generation cohort. This may mean that the competitive advantage that they seek from talent retention may be lost.

2.8. The Talent Marketplace

The value that the workforce represents to an organisation, and the financial advantages to be had by retaining sought after talent and by complying with current business laws, has created a talent marketplace. The talent marketplace is a highly competitive one. Gordon (2009) predicts that there will be shortages in talent well into the next decade, thus limiting the expansion of companies and in effect, jeopardising their chances of survival as global competition becomes more intense. He attributes this to the fact that Baby Boomers (ie those born between 1946 and 1964) who will be retiring, the increased specialisation and technical demands of jobs, global competition for talent and education systems not keeping up with the demands of businesses.

Those individuals that are highly qualified , seek environments that provide the challenges necessary to display their higher competence levels. These individuals with higher levels of cognitive ability also have higher expectations of success. Because of this competitive streak they welcome highly challenging situations and welcome the opportunity to differentiate themselves from others (Trank, Rynes and

Bretz, 2002). It is for these reasons that, when a firm does selective hiring, the firm provides a more stimulating environment for individuals who want to differentiate themselves (Trank, Rynes and Bretz, 2002).

According to Phillips (2007) the exit of Baby Boomers due to retirement means that they take with them the depth of their experience as well their degree of loyalty and the reality is that their positions within the organisation will be filled by Generation 'Y' employees (ie those born between 1978 and 2001). This group of employees has very different expectations from the Baby Boomers who were thankful to be employed and displayed a great degree of loyalty to the firms in which they worked (Phillips, 2007). Generation Y employees seek a work environment that is somewhat more balanced and flexible and prefer to provide feedback on demand rather than work to regular time constraints (Phillips, 2007). According to research by Dychtwald (2006) cited in Phillips and Roper (2009) around eighty percent of younger employees in his research had been with their organisation for five years or less, and about one-third were in their first year with the employer. He further states that the job marketplace has changed and employees who wish to stay with a company for a lifetime are not guaranteed rewards for good performance. The term "job for life" has thus become outdated and employees no longer have faith that they can depend on an organisation for job security and this means that psychologically there is a shift in levels of loyalty of employees towards organisations (D'Amato and Herzeldt, 2008).

2.9 The Influence of Legislation on the South African Talent Marketplace

Within the South African economy there is a greater demand for talented workers than the amount of them that is present within the talent marketplace.(Bakos, (2007) Nzukuma and Bussin, (2011) further report that the scarcity of top talent in South Africa, especially Black talent, has led to talent retention presenting a challenge for many South African organisations. Talent retention is not unique to South African companies, however, companies that conduct business in South Africa need to be

compliant with the legislation of the country. The law that has an impact on talent retention is The Employment Equity Act no 55 of 1998. The Employment Equity was promulgated in South Africa in 1999. Its aim was to eradicate unfair practices in terms of hiring, developing, promoting employees and to set up guidelines in terms of pay packages within the workplace. This means that it was introduced to ensure equitable representation and subsequent advancement of designated groups such as Africans, Coloureds, Indians, women and people with disabilities (Kerr-Phillips and Thomas, 2009). Chapter 2 of the Employment Equity Act 55 of 1998 prohibits unfair discrimination against designated employees which include black people, women and employees with disabilities (Horwitz and Jain, 2011). Employment equity includes plans to remedy the effects of previous discrimination through proactive recruitment and promotion and recognition of talented individuals of historically disadvantaged groups (Horwitz and Jain, 2011).

The South African government is also committed to the policy known as BBBEE, introduced in 2003, which is Broad Based Black Economic Empowerment (Nel *et al*, 2006). BBBEE is defined in Section one of the Act as the economic empowerment of all black people including women, the youth and people living in rural areas by using integrated socio-economic strategies. Skills development is part of BBBEE. The proposed transformation brought about by this law is not merely to create jobs but to transform society as a whole. (Nel *et al*, 2006). Whilst these laws were introduced to promote equality in the workplace, employees from designated groups are more marketable and thus businesses face a new challenge of retaining these individuals who are sought after (Kerr-Phillips and Thomas, 2009).

South Africa has undergone fundamental change over the past two decades . Society has become more open and inclusive, and this is also reflected in the economy (Martin and Rood, 2010). Thus this change must be reflected in the way talent is managed in any organisation.

2.10. Talent Management

Firms need to differentiate their talent management processes so that the organisation can become an organisation of choice for the top talent within the talent marketplace seeking positions. Searle (2006) stated that human capital-centric organisations can only excel when they have an outstanding talent management system. He further stated that effective talent management will ensure the right fit between employer and employee and monitor an individual's relationship with the organisation. Davies and Davies (2010) supported this view by saying that talent management is being seen more and more as a critical factor in developing successful organisations and has now become a strategic priority for business.

Doh *et al.*(2011) describes talent management as the ability to attract, bring on board, manage, develop and redeploy employees whilst optimising their key attributes to achieve competitive success. Stadler (2011) supports this view by saying that talent management should be future oriented and should focus on the future needs of the firm.

Dea (2009) cited in Born and Heers(2009, p 17) presents the following definition of talent management:

“a talent is an individual with special competencies. In a business context these competencies are of strategic importance to the organisation. The absence of these competencies would pose an actual situation of crisis for the organisation. Furthermore, they are hard to copy for other organisations and can rarely be developed here and now”.

Further BNET (Talent Management, 2009) cited in Burbach and Royle (2010, p 415) defines talent management as:

“[. . .] the recruitment, selection, identification, retention, management, and development of personnel considered to have the potential for high performance. Talent management is a model of personnel management. It

focuses on the skills and abilities of the individual and on his or her potential for promotion to senior management roles. It also assesses how much of a contribution the individual can make to the success of the organisation.”

According to Phillips and Roper (2007) talent management has many different facets. These include recruitment, selection, mentoring, performance management, career development, leadership development, replacement planning, career planning and rewards and recognition. They further describe this as the era of the knowledge worker. In 2007 the word “talent” was more narrowly defined by the Society for Human Resource Management as a core group of leaders, technical experts and key contributors who can drive their businesses forward. Burbach and Royle (2010) regard two factors as key in talent management. Firstly, the disparity between employees and the skill sets required and secondly the risk of losing investments in talent as firms do not have a strategic plan to retain this talent. From this emerges a third key factor: talent management actually helps a firm attain its strategic objectives and Human Resources should be widely involved in contributing to this strategy. Yarnall (2011) talks about varying definitions of talent and says that it could either be focused on people and their characteristics or on the business. She also discusses the fact that companies vary in their concepts of talent. For some it could refer to scarce resources, especially in senior positions whilst for others it may refer to the value of each person in the company.

Hughes and Rog (2011) agree with the general view that talent management relates to the organisational mindset or culture where the employees are valued and regarded as a source of competitive advantage. They further propose that talent management is an entity that is integrated across the organisation providing a strategic approach to the recruitment, retention and development of human capital. Incorporating factors such as recruitment and selection, career management, training and development, succession planning, performance management, compensation and benefits and strategic human resource planning ensures that not only the individual develops, but the organisation also formulates its strategy taking

these factors into consideration in order to gain competitive advantage (Scott and Revis, 2008). Developing the talent of individuals within an organisation becomes an exercise of identification, development and grooming in order to meet the strategic objectives of the firm (Scott and Revis, 2008). This is shown in Figure 2.1



Figure 2.1: Factors Contributing to a Talent Development Plan

Source: Adapted from Bernadette Scott, Sheetal Revis, (2008)

From Fig 2.1 it is shown that talent management and a talent development plan is not a simple process. It involves every aspect of an employee's development such as training and development, compensation and benefits, performance

management and career management. Further to this it is a strategy that comes from the strategic objectives of the organisation which incorporates strategic human resources planning, recruitment and selection and succession planning. When talent retention is considered, it refers to employers' efforts to create an environment that engages employees for the long term and keep talented workers in order to meet business objectives. When employees are not satisfied they can leave and this leads to the view that retention is a mutual satisfaction between employer and employee (Masibigiri and Nienaber, 2011). A good talent management strategy can ultimately result in customer satisfaction as a spin-off from employee satisfaction gained from the three key human resource management functions. These include selection of the right people, providing them with adequate training and development and encouraging employees to be participative and engaged (Yeung, 2006). Any talent retention plan must therefore include attraction, recruitment, development and retention (Zheng, Soosay, and Hyland, 2007).

Effective talent management is the result of an organisation placing strategic value on their human capital. As reported by Lockwood (2006) talent management occurs when formulating strategies to increase employee productivity, organisations incorporate strategies for attraction, implementation, development, retention and utilisation of people with the required skills to meet the needs of the business. A good talent management plan includes creating a balance in terms of considering candidates who belong to an organisation and have prior knowledge of the firm and culture as well as new candidates from outside the organisation who will provide fresh perspectives. This involves a focus on promoting employees from within the firm as well as looking for future employees in the talent marketplace (Lockwood, 2006). Yarnall (2011) agrees with this view by reporting that talent management is a systematic approach of attracting, identifying, engaging and retaining those individuals who represent value to the organisation currently or who would appear to have great potential. According to Collings and Scullion (2007) the term 'talent management' represents a critical driver of corporate performance. They also report that, as a strategy, talent management should contain processes for the attraction,

retention, and development of the abilities of the workforce by utilising their skills and matching these with the needs of the business. A typical strategy of talent management would therefore involve identifying, developing and retaining high performers (Collings and Scullion, 2007).

According to Bergeron (2004) in order for successful talent management to occur, the company has to incorporate their talent strategy into the whole strategic planning process and combine this into the daily operations. This alignment of talent within the organisation's visions, business strategy and goals means that the company can compete effectively in the marketplace. Morton (2005) cited in Hughes and Rog (2008) holds the view that effective talent management is possible by developing a talent mindset, developing pools of talent and also being able to recognise star performers in terms of their performance and potential. Lawley (2008) states that talent management can be further described as organising and managing people so that they perform in a manner that leads to organisational performance. Yarnall (2011) posits that talent management should involve a more planned approach to career development and several case studies have shown that companies are taking over the career management of high potential employees and aligning it with the organisational needs.

2.10.1 Strategic Talent Management

Once an organisation is committed to effective talent management, this has to be incorporated into its overall strategy. Glen (2006) describes key skills retention and employee engagement as key operational and strategic issues that can impact directly on organisation costs, productivity and business performance. Zheng, Soosay and Hyland (2007) report that for any organisation to be successful, it is critical to have the most talented employees in the most important jobs. In effect, they conclude that outstanding organisational performance is related to a concerted effort by all employees with varying levels of talent (Zheng, Soosay, and Hyland,

2007). Employees need to be provided with the knowledge and skills to do their jobs and, in addition, it is essential to recognise and reward the knowledge and effort of those employees. Other crucial factors are a safe and stable work environment and allowing employees the opportunity for entrepreneurial development (Srivastava and Bhatnagar, 2008).

Sullivan (2010) states that a talent management strategy should consider the following:

- Identify critical success factors and treat every position individually.
- Talent swapping should be continuous. Talent retention should also provide the flexibility to release some people if the need arises.
- Performance should be measured equally against age, tenure, education and experience when selecting top candidates.
- Global talent searches are necessary to maintain competitive advantage. Organisations should hire those employees that have been let go by their competitors. Every employee needs to be aware of their role and contribution to the overall success of the organisation.

Glen (2006) suggests that the talent management process needs to include factors such as GAP analysis by means of competency assessments, training and development, motivation and retention as well as an analysis of future skills requirement. Bhatnagar (2008) states that organisations need to rethink the processes they implement to attract and retain talent in the face of competition for human capital. Leaders of the future are best developed from within, rather than attracted from outside the organisation. It therefore follows that identifying and developing people within the organisation is of pivotal importance. Glen (2008) states that the talent management process must include a detailed analysis of future skills requirements, GAP analysis, training and development and motivation and retention in order to succeed.

According to D'Annunzio-Green (2008) talent management can also be explained as a strategy devised by human resources specialists that is aimed at driving organisational potential and capabilities by utilising human capital. The strategy is therefore not only focused on recruitment but also on the attraction, retention and development of talented employees. Dickie and Dwyer (2011) state that four main internal factors exist in any business. These include:

- core strategy
- the ability of the people within the organisation to deliver this strategy
- the ability of leadership within the organisation
- the ability to execute the policies, processes and projects required to meet strategic goals.

Dickie and Dwyer (2011) thus conclude that all of these factors involve people.

The workforce presents a diverse group in terms of race, culture age groups and other factors. This means that any talent management approach must include fairness and diversity. Talent management also has to take the work life balance issues into consideration and the policies should focus more on quality of work rather than hours spent on the job (D'Annunzio-Green, 2008). Organisations nowadays have males and females that are equally qualified and competing for the same roles. As woman have become strong counterparts in the workforce, they still have family roles and responsibilities and if the organisation focuses on quality of work rather than hours spent much will be gained by allowing them flexibility and fairness in talent retention.

Cullen and Kavanagh (2006) report that a number of global societal and economic changes have driven the need for the constant reassessment of employees' needs. Employees not only seek employment, rather they need to know where they fit in

within the organisation. The realignment of any organisation is directly related to the nature of the employing manager.

2.10.1.1 Attracting Talent

According to D'Annunzio-Green (2008) a talent attraction plan needs to be developed in the same way as a marketing plan. This means that just as a marketing plan is designed to attract consumers to buy a particular product, the talent attraction plan must be designed to be attractive to high calibre candidates. Development opportunities should be discussed openly with such candidates. Kucherov (2012) states that organisations that have career development and remuneration programmes and have employees who are positive, create a good impression of the firm and this contributes to employer branding which attracts people from outside of the organisation. Kucherov (2012) further states that economic attributes relating to money; functional attributes relating to training and development; organisational attributes relating to company reputation; and psychological attributes relating to organisational culture are all very attractive features for job-seekers. Terjesen, Vinnicombe and Freeman (2007) report that organisations need to be able to attract a large number of applicants in order to have a diverse applicant pool from which to make the best selection. Terjesen, Vinnicombe and Freeman (2007) also state that marketing one's organisation to final year university students and new graduates is a good way of attracting talent.

This strategy relates to employer branding. Glen (2006) writes about employer branding as he states that talent at any level can be attracted by a firm with a good reputation because the relationship between the person and the organisation is what determines how long that employee will stay. McCartney (2010) argues that employer branding should always be a priority, even in times of recession so that when economic times improve, there will be willing and talented individuals waiting to join the organisation. Davies and Davies (2010) also report that an organisational culture based on shared values and beliefs and interest in ideas and development may excite talented employees to the extent that these employees could even resist

better paying offers of jobs from other organisations. Van Tonder (2011) states that every organisation is unique in respect of resources, technology, structure and purpose but the people within the organisation are really the only factor that cannot be copied by competitors. Kucherov and Zavyaloya (2012) define employer branding as a qualitative feature of the organisation which makes it attractive to the target audience. Employer branding strategy is further supported by Garavan et al. (2012) who states that it should be geared towards maintaining a positive image of the organisation. If a company has a good reputation for talent retention and talent management then potential employees from outside will be in high supply. Thus it is very important for an organisation to have a good image in terms of treatment of its employees.

2.10.1.2 Identification of Talent

According to Wheeler (2005) sourcing methods should be multi-faceted. He further states that recruiters should focus partly on those potential employees that are impressed by the brand but should also use referrals from current employees and search the web for candidates (headhunt). Srivasta and Bhatnagar (2008) state that networking is a recognised method of recruiting high calibre candidates. This means that if employees already know potential employees then this would promote teamwork right from the start. Organisations also may invite their employees to recommend people for a position in the organisation because they would be likely to suggest people of similar talent to themselves. Any organisation should focus on promoting talent from within but should also be open to the possibility that talent can come from the outside. This would provide a balanced approach to recruitment. The combination of new and existing employees would mean that experienced individuals who are already accustomed to the company culture will work alongside people that may come in with fresh perspectives (Stadler, 2011).

2.10.1.3 Development of Talent within an Organisation

According to Haskins and Shaffer (2010) the four most important elements when developing an organisation's existing talent are that the strategy should be business-driven, focused on the future, integrated and should deliver results that are measurable. Garavan *et al.* (2012) state that most organisations design talent development plans that are unique to their organisation. They also state that talent development which focuses on planning and selection and allows the entire talent pool to be part of the implementation process, means that current as well as future talent is available to meet the strategic needs of the organisation. Employees should be allowed to learn a number of skills within the firm and this can be achieved by allowing them to work in different departments. They conclude by saying that talent development must occur on-the-job in order to develop the capabilities of individuals to work dynamically and to meet the needs of the dynamic business world. Rowland (2011) reports that when the strategic elements of talent management with learning platforms is incorporated, it helps companies manage their training and development. In addition, he says that when these are linked, then full integration of learning, development and training are matched directly to desired role competencies and business objectives.

2.10.1.4 Retention of Existing Talent within the Organisation

Financial rewards are only one factor that will encourage an employee to remain with an organisation. An employee's satisfaction with his or her work environment is also important. Robertson and Cooper (2010) report that an engaged employee is more likely to remain with an organisation. This means that the employee needs to be aware of the business and be able to integrate his work performance with the overall strategy, thus becoming an asset to the company (Robertson and Cooper, 2010).

An important retention strategy is transparency within the organisation. Yarnall (2011) argues that when a talent pool is selected, the entire workforce must be considered and carefully evaluated without making any employee feel that they have been discriminated against. It is accepted that not every employee is eligible for promotion, but fairness is very important. (Yarnall, 2011). Managers are the first point of contact an employee has when being placed on a retention programme. Therefore these managers need to be provided with development in spheres such as leadership, coaching and mentoring and must also be able to consult the human resources department for guidance (Rowland, 2011). D'Amato and Hertzfeldt (2008) state that there are many procedures available to an organisation to ensure that it retains its talent. These include compensation and benefits, opportunities to do new assignments, and also status incentives such as the latest cell phone or a higher than average car allowance. In addition, non-monetary incentives are also effective. These may include flexible time options to the employee, learnership opportunities and allowing employees to plan their own schedules (D'Amato and Hertzfeldt, 2008). Robertson and Cooper (2010) state that the retention of talented staff is also possible when there is a high level of employee engagement.

2.11. Summary

From the above literature it is evident that talent management and talent retention are important differentiating factors for organisational competitive advantage. The literature also points out that there are generational differences in the workplace and because of these differences, employees may have different expectations from their employer. Talented individuals representing the human capital of an organisation are a key differentiating factor in the highly competitive environment that organisations currently compete in. However, employers need to be very careful about the talent management process. It must not be perceived that certain individuals or groups are favoured in the name of talent retention and that these people have better chances of being promoted as this could lead to a lack of motivation and commitment from other employees. The South African talent

marketplace is influenced by the Employment Equity Act and this should also be taken into account when developing a talent retention plan. It is therefore important to implement talent management strategies at all levels of the organisation. A good talent management strategy will include attraction, recruitment, training and development and retention. The literature has provided a view of talent management from an employer and academic perspective. However, it does not provide employee perspectives of talent management. This study will attempt to answer the question “What are employee perceptions of talent management?” To answer this question an empirical study will be conducted which will be explained in the next chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Businesses face constant challenges in contemporary high-performance environments. In order to remain competitive, they need to have the ability to identify problems within and look for solutions to problems that may arise. According to Herbst and Coldwell (2006) management can use business research to identify not only the problems, but also the opportunities that may exist. This can be achieved by using a systematic and objective process to gather, record and analyse data to enhance informed decision making (Herbst and Coldwell; 2006). Greener (2008) reports that when research is done in the business environment, the questions which are asked must be valid and fair. They must also relate directly to the information needed and have a clear objective. Sekaran and Bougie (2011) describe business research as a systematic and organised effort to investigate a specific problem that may occur in a work situation which needs a solution. This chapter discusses the aim and objectives of the study as well as the research methodology utilised to conduct the study. A description of the population, the design of the research instrument, the research approach will be outlined in this chapter as well the reason for the chosen statistical techniques.

3.2. Aim and Objectives of the Study

The pharmaceutical industry is faced with many challenges in the current business environment in South Africa (Andrews, 2007). This means that each company has to find innovative ways of remaining competitive. A significant differentiating factor for any company is the human capital that is present within the organisation (Chuai and Preece, 2008). Management must have a plan to retain the talent that human capital represents. This plan must incorporate strategies to ensure that the

employees feel that their efforts are recognised and are confident about talent retention (Coldwell, Billsberry, van Meurs and Marsh, 2008)The aim of this study is to examine employee perspectives of the talent retention strategy at Pfizer–SA Biopharma.

The objectives of this study are:

- To determine employee perceptions of talent recognition
- To determine whether talent retention leads to loyalty
- To determine whether talent management enhances employee outputs
- To determine whether certain groups of employees are being privileged over others

3.3. Participants and Location of the Study

Because the Human Resources division differs in each subsidiary of the Pfizer business in South Africa, the participants of the study were employees of Pfizer–SA Biopharma. The study was conducted within the company. Permission was obtained from both the National Manager and Human Resources Director to conduct the research within the company. Due to restructuring taking place within certain departments at the time of the study, the researcher was asked not to send questionnaires to employees in those departments. Participants comprised Sales Representatives, Sales Managers, Product Physicians, Training Department, Business Analytics and Finance department and the respective administration assistants per department. Within these departments all employees were targeted, thereby ensuring coverage of various levels of education, length of service within the company and demographics. All these employees had the potential to be placed on a talent grid and managed according to their aspirations. These people were usually those who would be in line for internal promotions when positions become available. Most of the junior and middle managers had previously been sales representatives. By including different levels of employees, a well balanced view of

Pfizer SA-Biopharma's employee perception of talent retention will be achieved. Participants included employees from the Johannesburg, Durban and Cape Town offices.

3.4. Type of Study

Lores (2011) states that there are three types of research design:

- Exploratory which is used to discover ideas and insights,
- Descriptive which is used to describe a population with respect to important variables, and
- Causal which is used to show cause and effect relationships between variables.

Sekaran and Bougie (2011) describe an exploratory study as that which is undertaken when not much is known about the study. This is also necessary when some facts are known but more information is needed to find a solution to a particular situation. Kumar and Ranjit (2005) state that descriptive research may attempt to describe a problem or phenomenon in a systematic manner. This could also include attitudes towards an issue. Since this study is aimed at finding out how employees view talent retention within Pfizer SA-Biopharma, a descriptive study was conducted.

3.5. Approach – Quantitative/Qualitative

Two types of research exist, i.e. qualitative and quantitative research. Sekaran and Bougie (2011) describe qualitative research as research that involves analysis of data that are descriptive in nature and not readily quantifiable. Qualitative research is exploratory by definition and could be used when the final outcome is not known

or may be used to define a problem or approach to a problem (Mora, 2010). Mora (2010) states that quantitative research on the other hand, is conclusive by taking into account projectable results from a sample of a larger population. Human behaviour is unpredictable, situational and personal and will result in the researcher using qualitative research to generate a new theory. Quantitative analysis, on the other hand, is regular and predictable and the researcher will be looking at a more confirmatory study. (Johnson and Christensen, 2008 and Litchman, 2006). Quantitative studies have precision and control, and have the ability to produce causality statements, allow for statistical analysis and can be replicable (Hughes, 2006). McLeod (2008) also states that quantitative research gathers data that can be ranked, put in categories or measured in units of measurement which can be used to construct graphs and tables from the raw data.

For the purposes of this study a quantitative research study will be carried out. The researcher wanted to explore the perceptions of talent retention by the employees of Pfizer-SA Biopharma and use the results to present to management in order to make the talent management within the organisation more effective. This means that a sampling process must be undertaken by the researcher. Sampling involves selecting a sample group from a larger group. The researcher chose this method because not every employee within Pfizer SA –Biopharma would have been able to answer questions relating to the study.

3.6. Sampling

A sample is a subset of the population being studied. It represents the larger population and is used to draw inferences about that population (Sekaran and Bougie, 2011).

3.6.1 Description of the Population

Pfizer–SA Biopharma has a total of 320 employees. This number is made up of the leadership team, human resources, marketing, sales, training, business analytics, and finance and product physicians. A sample size table taken from The Research Advisors (2006)-Appendix 3 shows that for a population of 320, a sample size of 196 should be used at a confidence level of 95% and a 5% margin of error. The researcher was asked to exclude the marketing department as they had recently undergone a global restructure. The leadership team and the Human Resources team are involved in making decisions on talent retention and were also excluded from the study. The sample thus was made up of Sales Representatives, Sales Managers, Product Physicians, Training Department, Business Analytics and Finance Department and the respective Administration Assistants per department. This represented 231 employees out of a total of 320. Thus for a sample size of 231, the required number of respondents was 144 (The Research Advisors, 2006).

3.6.2. Need to Sample

In a research study it is not always possible to get feedback from every member of a particular population. It is for this reason that a sample is selected usually bigger than is required. Sekaran and Bougie (2011) state that a sample is a subgroup or subset of a population that can be used to draw conclusions interpreted as a generalisation of the entire population.

3.6.3. Probability vs. Non-probability Approach

Zikman, Babin, Carr and Griffin (2013) define probability sampling as a very reliable and truly random method where every element in the population has an equal chance of being selected. In addition, they describe non-probability sampling as sampling where the probability of an element being chosen is unknown. Sometimes

in business research non-probability sampling is used. Although probability sampling is usually the approach of choice, the researcher of this study has chosen to use a non-probability approach to this study in order to meet the needs of the organisation in which the study was conducted.

3.6.4. Sampling Method

The total population could not be randomly selected for reasons outlined in the definition of the population. This meant that the researcher had to undertake a purposive sample method when sending out the questionnaire only to selected departments within Pfizer-SA Biopharma. Purposive sampling occurs when an experienced individual selects a sample based on personal judgement about the appropriate characteristics relevant to the study (Zikman, Babin, Carr and Griffin, 2013). In this study, departments were selected which were made up of employees who would represent the population that is targeted for talent development and retention purposes. However, within these departments, simple random sampling was used to identify the employees who would receive the questionnaire. Thus, a combination of purposive sampling involving simple random sampling was used. Simple random sampling is when every element within the sample has an equal chance of being selected (Sekaran and Bougie, 2011) Utilising simple random sampling makes the data easier to analyse.

3.6.5. Sampling Frame

A sampling frame is simply described as a list from which a sample may be drawn and is also sometimes termed the working population (Zikman, Babin, Carr and Griffin, 2013). In this study the sampling frame is made up of 231 employees selected from the Pfizer SA-Biopharma employee e-mailing list.

3.6.6. Sample Size

When determining sample size, three factors have to be taken into consideration. These are the heterogeneity (variance) of the population, the measure of acceptable error and thirdly the confidence level (e.g. 90 %, 95%, and 99%) (Zikman, Babin, Carr and Griffin, 2013). For the requirements of this study, a sample size table from The Research Advisors (2006) shows that for a population of 231, a sample size of 144 should be used at a confidence level of 95% and a 5% margin of error.

3.7. Data Collection

3.7.1. Instrument

In a talent retention study done by Singh (2011) primary data for the research was gathered by means of unstructured interviews and secondary data gathered from journals and papers. Whilst his study was very successful, for the purposes of this study data was collected by means of an online questionnaire (Appendix-2). Respondents may be more comfortable answering the questions honestly, knowing that their responses will be anonymous. Wisker (2013) is of the opinion that questionnaires represent a logical and easy option for collecting information from people. Wisker (2013) also raises the concern that the response rate could present a problem and people would have to be encouraged to complete them.

3.7.2. Instrument Construction

The questionnaire was structured utilising eight measures which were deduced from the literature review. These were:

- Perception of talent retention,
- Recognition as a talented individual,

- Training and development,
- Adherence to BBBEE procedures,
- Organisational commitment,
- Loyalty,
- Work-life balance and
- Perception of overall satisfaction with the manner in which talent is managed in Pfizer SA – Biopharma.

For each of these sections the questions were fairly simple to understand. The questionnaire was designed to answer the objectives of the study (Appendix-1). Section One contained four questions which were demographic questions about age, gender, tenure at the company and race group. Section Two dealt with the concept of talent retention within Pfizer SA-Biopharma of the employees. Question Five presented various concepts of talent management and respondents had to indicate on a Lickert Scale to what extent they agreed with the statements. To give a more varied answer a sixth point (“I don’t know”) was added for the respondent to use if he/she was not comfortable with the options given. Question 6-18 were based on the employee’s perception of how talent is treated at Pfizer, what measures are in place, the concept of talent retention, motivation to remain within the company and overall satisfaction with talent management. Questions were designed based on a study done in 2012 by Scott, McMullen and Royal at World at Work for the Hay group. The questionnaire was made up of open and closed ended questions, “select one” and “select many” question types. Lickert Scales were also used. The questionnaire was user friendly and easy to understand, short and to the point. All aspects of talent retention were covered in order to determine employees’ perceptions and also for them to understand that talent retention is not just based on one particular occurrence, rather it is an organisational management style.

3.7.3 Limitations

As much as the anonymity of the study and their responses was explained to respondents, some employees were afraid to answer the questionnaire. Another limitation was that top management asked the researcher to exclude those employees who had recently been involved in a global restructure exercise. Whilst this limitation was respected, the researcher believes that these employees could have given valuable input to this study.

3.7.4 Ethics

An informed consent letter was presented on the first page of the questionnaire for the respondent to read before answering the questionnaire (Appendix-1). This gave details of the purpose of the study, the content of the questionnaire as well as the approximate time required to complete the questionnaire. The respondents were also told that they were free to answer whichever questions they chose to answer and could drop out of the study without obligation at any time during answering of the questionnaire. The anonymity of respondents was also outlined in the informed consent letter. The respondent also had the right to refuse to participate in the study and their refusal or possible withdrawal during answering of the questionnaire would be respected. The researcher's purpose for the study as well as contact details for the University were made available to respondents

3.7.5. Reliability/Validity-Change

Reliability and Validity are characteristics of good measurement within a research design.

3.7.5.1 Reliability

Golafshani (2003) states that for a study to have reliability, the results must be replicable. Sekaran and Bougie (2011) describe reliability of a measure as the extent to which it is error free and can consistently measure the concept to be measured. Greener (2008) supports this by stating that reliability represents another term for consistency or repeatability over time. This means that any research design must be transparent, thereby enabling the reader to undertake the study themselves using the same method or to have trust and confidence that the results were obtained without researcher interference. In order to ensure reliability of the study the researcher used an online questionnaire. It was not possible to administer the study to the same group twice for the purposes of this study but if further studies are done within the organisation, the same questionnaire may be used.

3.7.5.2 Validity

Validity of the study is a check of whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure (Golafshani, 2003). Zikmund, Babin, Carr and Griffin (2013) support this by saying that validity is the accuracy of a measure to represent a certain concept. Greener (2008) states that validity has four factors associated with it. These are face validity, construct validity, internal validity and external validity.

- Face validity- represents a valid method in order to encourage participation
- Construct validity- the questionnaire must measure what the researcher thinks or intends for it to measure. This is particularly important for questionnaires sent via e-mail as the respondent could misunderstand the questions.
- Internal validity- this is causal in nature and questions whether the independent variable accounts completely for a change in the dependent variable.

- External variable- describes whether the findings of the study can be generalised (Greener, 2008)

The researcher used the concept of Face validity by using simple to understand language within the questionnaire and making the questionnaire available to management of Pfizer SA-Biopharma so that they could provide feedback on the questionnaire before it was sent out to the sample that was used in the study. The study also did not extend beyond the concept of employees' perception of Talent Retention within the company.

3.8 Timeframe

Within this study the questionnaire was sent out electronically to 231 participants. They were given four weeks between April and May 2013 to respond. Reminders were sent out twice a week to encourage a high response rate. The survey required approximately fifteen minutes to complete. Respondents represented the group of people within the company that would most likely want to be promoted within the company.

3.9. Pre-testing/Pilot-change

To ensure reliability and validity, the university professor supervising the researcher was consulted during the construction of the questionnaire. This gave the researcher the benefit of the supervisor's extensive experience, ensuring that the researcher fine-tuned the questionnaire to achieve maximum comprehension by the respondents. Adjustments were also made to eliminate ambiguity in the wording. The next step was to present this questionnaire to the National Manager and leadership team of Pfizer SA–Biopharma. This team consisted of ten people who looked at content, design and relevance of the study and gave it their final approval.

3.10 Distribution/Administration of the Instrument

The questionnaire was administered by online survey software called QuestionPro. The respondents could answer the questionnaire online from the e-mail that they received requesting their participation, at their leisure. An informed consent letter formed the first page of the questionnaire. Zikmund, Babin, Carr and Griffin (2013) state the importance of a covering letter and informed consent, firstly as an explanation to the respondent and secondly as an appeal and gratitude to the respondent for their help by completing the questionnaire. Upon completion of the questionnaire, QuestionPro recorded the responses anonymously. The responses were then downloaded from QuestionPro to enable data analysis. The online questionnaire method was the best to use in this study as the employees were based in three different offices (Durban, Johannesburg and Cape Town) so it was not practical to administer them all personally.

3.11. Data Analysis

Data will be analysed using the analysis programs offered by QuestionPro. The CHI squared test, cross-tabulation and frequency testing will also be used.

3.11.1 Frequencies

Sekaran and Bougie (2011) describe frequencies as simply the number of times various categories and sub-categories are present in data and from this, the percentage occurrence can be calculated. Frequencies are a particularly useful method of expressing the relative frequency of survey responses and other data and their distributions can be displayed as tables or as bar graphs or pie charts (Shapiro, 2013). Hole (2003) states that in order to get a better picture of the overall trends in the responses to questionnaires, a grouped frequency distribution of the scores could be produced.

3.11.2. Cross-Tabulations

Micheal (2004) describes cross-tabulation as a joint frequency distribution relating to cases based on two or more categorical variables. For optimal readability, it involves less than four variables. This is a two or more dimensional table which records the number or the frequency of respondents that have specific characteristics as described in cells of a table. This leads to information about the different relationships of variables present (Qualtrics.com; 2011). In this study the variables present are the employees and their perceptions towards talent management and thus cross-tabulation will be useful because it shows relationships that was not readily apparent.

3.11.3 Chi Square Test

If more than one variable exists then this is referred to as a two way table. Chase and Drummer (1992) state that the Chi Square Test provides a method for testing the association between the row and column variables in a two-way table. Micheal (2004) also reports that the Chi Square Test can be used to analyse joint frequency tables and also determine whether the frequencies are statistically significant or not.

3.12. Summary

Chapter Three has outlined the research methodology employed to conduct the study. The aim of the study, its objectives, the population and location were discussed. The instrument used to gain insight from respondents was discussed in terms of design as well as limitations and ethics related to it. Sampling methods to be used were also discussed. Research methodology is very important because by following the proper procedure, the data which is gained can be analysed to draw relevant conclusions and make recommendations to the organisation used for the study. Chapter Four will follow with the presentation of results.

CHAPTER FOUR

PRESENTATION OF RESULTS AND DISCUSSION

4.1 Introduction

This chapter will discuss the results obtained from both the survey and the discussions with respondents. Some of the comments made by respondents in the open-ended questions will also be presented. The aim of this study was to determine employee perceptions of talent management and talent retention in Pfizer SA-Biopharma. The results of the survey will be presented so that they can be used by the organisation to make important decisions. This chapter presents the results in the form of figures, tables and narratives. Other similar studies will also be used to compare some of the results obtained.

4.2 Survey Instrument and Data Collection

Using QuestionPro, a web based survey instrument, an electronic questionnaire was sent out to 231 employees of Pfizer SA-Biopharma. The population was chosen by a combination of purposive sampling and simple random sampling. This restricted the full representation of the population but gave a good indication of the perceptions of employees. The e-mail addresses were taken from the employee contact list of the organisation and weekly reminders were sent to the respondents to encourage a good response. The survey report from Question-Pro showed that 196 recipients had viewed the survey, 165 had started the survey and a total of 144 had completed the survey. The response rate was thus 62 %. The average time taken to complete the questionnaire was eight minutes. A sample size table taken from The Research Advisors (2006) shows that for a population of 320, a sample size of 196 should be used at a confidence level of 95% and a 5% margin of error.

4.3. Demographics of the Sample

Demographics data is used in a study for classification of the respondents and is important because it gives an idea of the chosen population (Sekaran and Bougie , 2011). The demographic factors asked were used to set the basis of the study by showing age group, tenure at the company, gender and race group which all combine to profile the employees of selected departments at the company.

Table 4.1. Presentation of Demographics of the Sample

Characteristics	Number respondents	of Percentage
AGE		
20-29	18	10.91%
30-39	79	47.88%
40-49	46	27.88%
50-59	20	12.12%
60 and older	2	1.21%
n=165		
GENDER		
Male	39	23.64%
Female	126	76.36%
n=165		
TENURE AT PFIZER		
1-5 years	76	46.06%
6-10 years	41	24.85%
11-15 years	24	14.55%
16-20 years	20	12.12%
21 years and more	4	2.42%
n=165		
RACE		
Indian	28	16.97%
Black	39	23.64%
White	76	46.06%
Coloured	22	13.33%
n=165		

From table 4.1, it is seen that the sample consisted of 24% males and 76% females. The company has a policy in place to employ females and promote female empowerment. Most (48%) of the respondents were between 30 and 39 years of age. The range of the age of employees is from 20 years of age up to sixty-five years of age. This also means that in some cases managers are younger than their subordinates. The race group comparison showed that the majority of employees were White (46%) followed by Black (23%) and Indian (17%). The least represented race group was Coloured with just 13%. In comparison with the national demographics of South Africa as reported by Statistics SA, it is shown that the population is made up of Whites (9%), Coloured (9%), Indian (2.5%) and African (79%) which is not reflected in the organisation's demographics. The majority of respondents have been employed at the company for between 1 and 5 years. This raises the issue that people do not stay with the company for very long periods of time.

4.4 Results Obtained for Objectives

This section describes the results obtained from the survey which were used to satisfy the objectives of the study.

4.4.1 Objective One:

To Determine Employee Perceptions of Talent Recognition

The importance of talent retention in organisations as reported by Oracle (2012) is critical for two main reasons: firstly, staff turnover is expensive and secondly, top performers drive business performance. Respondents were given a set of seven statements relating to the concept of talent retention as found at Pfizer SA-Biopharma. These responses give insight about the perceptions of the employees with regards to what the company proposes. The following table shows the

responses to the seven statements that relate to Pfizer SA-Biopharma's talent retention strategy.

Table 4.2. Responses to Statements Describing Talent Retention

Statement	Mean (std deviation)	I don't know	Strongly disagree	Disagree	Agree	Strongly agree
Pfizer has a clear definition of talent	3.44 n=165	15.15%	4.24%	10.91%	60.61%	9.09%
Pfizer identifies talent within the organisation	3.49 n=165	12.12%	4.24%	14.55%	60.61%	8.48%
Key talent in Pfizer includes those who are top performers	3.64 n=165	10.30%	2.42%	16.97%	53.33%	16.97%
Identification of talent goes beyond the executive level	3.3 n=165	18.18%	3.64%	16.36%	53.33%	8.48%
Pfizer's definition of talent includes those employees who are in critical jobs	3.32 n=165	21.21%	1.82%	10.30%	56.97%	9.70%
Pfizer's retention efforts are focused primarily on talent.	3.05 n=165	21.21%	4.85%	27.27%	41.21%	5.45%
Key talent in Pfizer includes those that are high potential.	3.52 n=165	13.33%	3.03%	12.12%	61.21%	10.30%

Most respondents responded positively to the above statements. The majority of respondents stated that they agreed with each of these statements. What was significant was the fact that for each of the statements there were some respondents who ticked the “I don’t know” option. Less than 5% of respondents strongly disagreed with the statements. The researcher also examined this in conjunction with the open-ended question number 19 and some of the comments made pointed out that if there was a talent management programme within the organisation, they were not aware of it. This raises the issue of communication between management and employees. Maxwell and MacLean’s (2008) study of talent management in the hospitality industry in Scotland showed that where concerns of higher rates of turnover existed, talent management was key to changing organisational approaches to managing people. There exists a relationship between employability and talent. Nilsson and Ellstrom (2012) reported that whilst employability is a broader concept than talent, a person who possesses talent is more likely to be employable.

4.4.2 Objective Two:

To determine whether talent retention leads to loyalty:

In order to provide a recommendation in terms of loyalty, respondents were asked how they perceived themselves and also how they thought the company saw them. From the demographics it was revealed that 46% of respondents had less than five years’ service at the company. Respondents were also asked what happens in the organisation once they have been identified as talent and how it makes them react if they are recognised. This also gives a guide for recommendations on how to treat talented individuals and what factors encourage loyalty. Figure 4.1 gives a description of how respondents saw themselves with regards to talent.

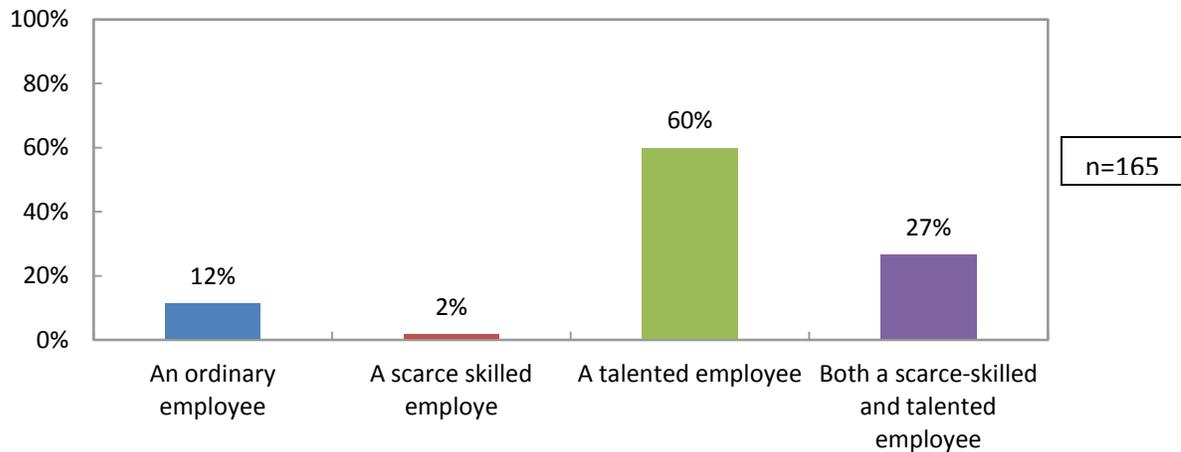


Fig 4.1. Description of employees of themselves with regards to talent

Respondents were asked how they would describe themselves in relation to talent retention. The majority (60%) believed that they were talented individuals, followed by 27% who believed that they were scarce skilled and a small number of respondents (12%) who believed that they were ordinary employees. From a management perspective, the views of how the respondents saw themselves is a good indication that respondents wanted to be recognised for their efforts and also that they would respond favourably to retention efforts. With only 12 % believing that they were ordinary employees, means that there is a potential talent pool which can be developed and retained by the organisation. This gives management an indication that expectations of employees must also be managed. The main reasons for an employee leaving a job are a lack of growth opportunities, lack of appreciation, lack of trust and support in management, stress from overwork, unsatisfactory compensation and a perceived better job offer (Singh et al., 2011). Singh et al. also believe that proper retention strategies can limit turnover. Fig 4.2 gives a description of how respondents think the employer sees them with regards to talent.

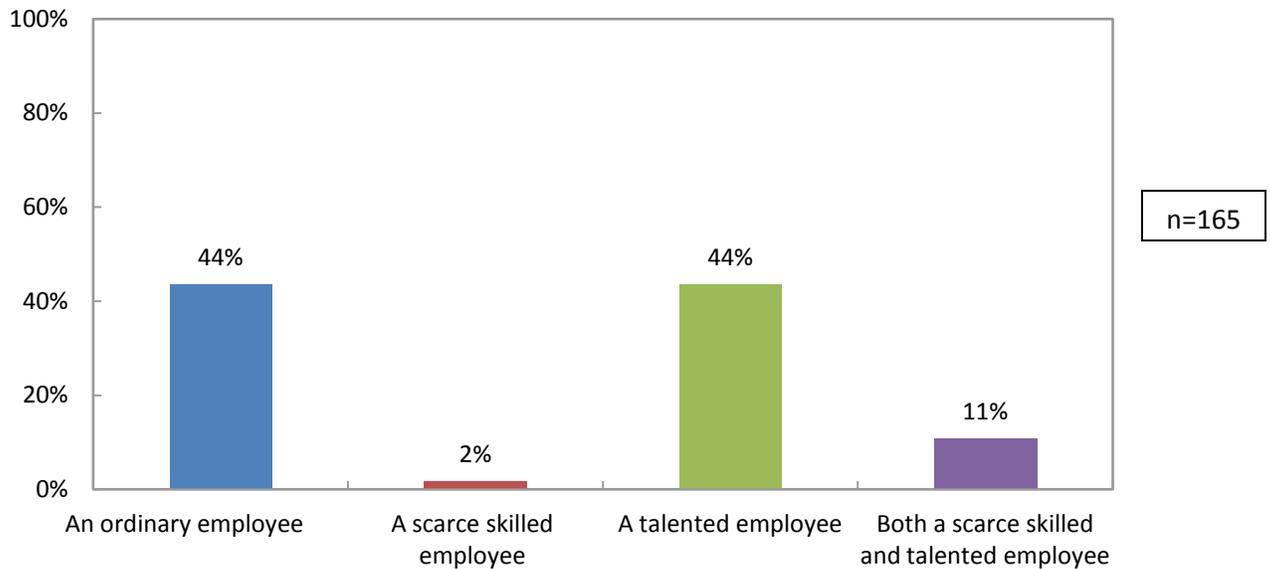


Fig 4.2. Description of how Employees think Pfizer SA-Biopharma sees Them with regards to Talent

The number of respondents that believed the organisation sees them as talented is 44%, as scarce skilled and talented 11%, whilst 44% believed that the organisation saw them as an ordinary employee.

The above two tables show that there were distinct differences between the employees' perceptions and what they think that management perceptions are. The majority (60%) of employees believed that they are talented, followed by 27% who believed that they are both talented and scarce skilled. However, when asked how the company saw them, the results showed that 44% of employees believed that Pfizer saw them as ordinary employees whilst 44% thought that Pfizer saw them as talent. The number of employees that believed they were scarce skilled was 27% but the results for Pfizer's perception of them was only 11%. This means that employees were not completely convinced that management saw them in the same light as they saw themselves. A meta-analysis done by Wilson (2012) showed that strategic alignment, employee engagement and talent management were closely linked. It is important for employees and employers to agree on talent management. Burke's (2006) study reported that employers would be engaging in a "war for

talent” in the near future because employees in the current times need employers to value and take their expectations into account.

In Figure 4.3 the respondents’ descriptions of talent retention strategies within Pfizer SA-Biopharma are illustrated.

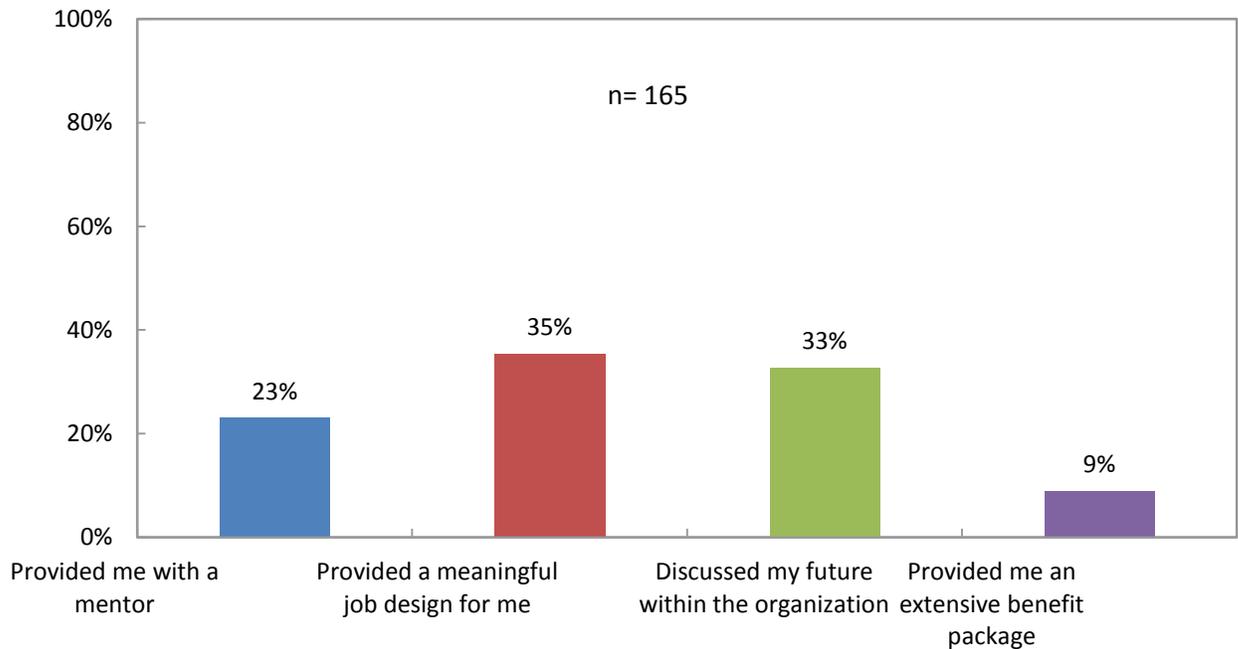


Fig 4.3. Employees’ Perceptions of Pfizer SA-Biopharma’s Talent Retention Strategies

Respondents answered this question as best as they could but most stated in the last question which was open-ended that they would have liked a response that enabled them to report that although they were considered to be talented, for some respondents there were no further interventions by management to maintain this. Some of the respondents felt that talent management should be properly communicated by management to every employee. Table 4.4 shows that providing a meaningful job design (35%) was the most distinguishing factor for a talented

employee. Of the respondents, 33% reported that their future was discussed with them, followed by 23% who were given mentors. The lowest proportion of respondents (8%) was satisfied with the benefits offered. As identified in a study by Rowland (2011) an employee who has been recognised as talent needs to have a formal retention plan in place to encourage loyalty. Implementation of talent strategies is most important. Marescaux, deWinne and Sels (2013) reported that companies need to distinguish between the presence of a strategy and the perception of the quality and implementation of that strategy.

Figure 4.4 describes how employees react to being identified as talent as described by the respondents.

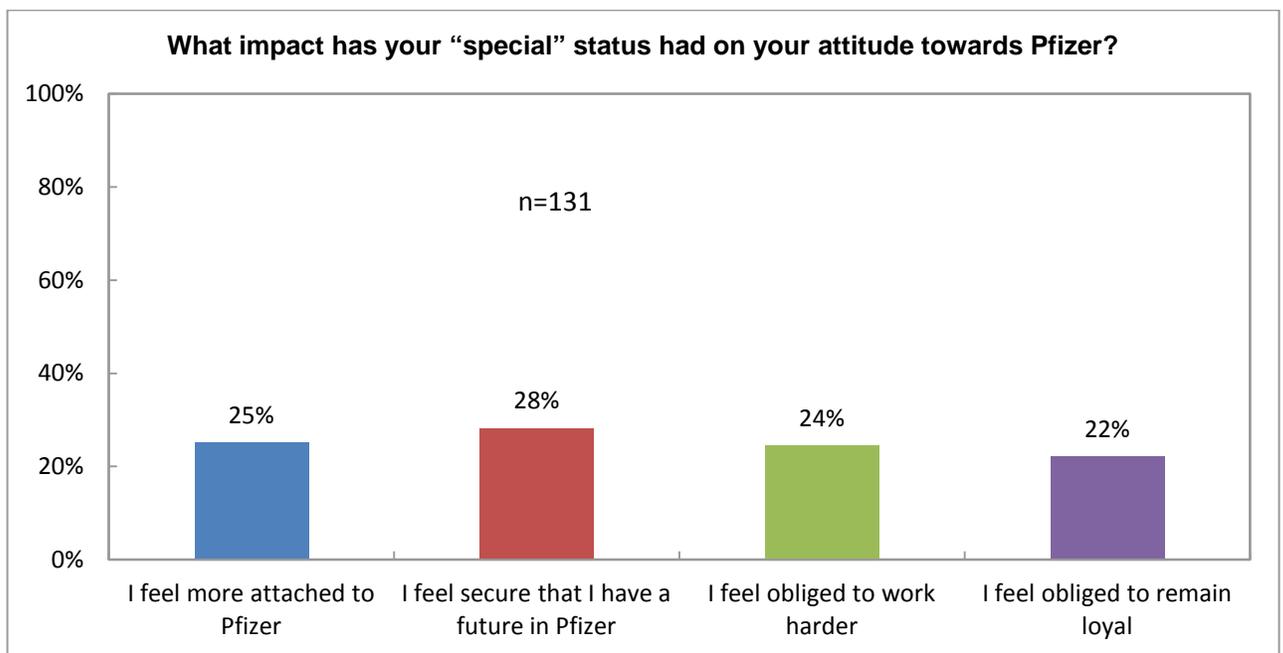


Fig 4.4. Description of Employees’ Reactions when They are Recognised as Talent

Of the employees that perceived themselves as having been identified as talent, 28% felt secure of their future within the company, followed by 25 % who felt

attached to the company, 24% reported motivation to work harder and 22% who reported that they would feel obliged to remain loyal. This table shows that if employees have been identified as talent, the employees' responses to the company were generally favourable. This has positive implications for both the company and the employee. Kuo (2012) states that due to the intensely competitive environment that businesses face, organisations need to use as many resources for business success and people represent a very important resource.

4.4.3 Objective Three:

To determine whether talent management enhances employee outputs

An integral part of any talent management or retention plan is ongoing training and development so that employees can be kept up to date with the latest trends in the workplace. The questionnaire contained certain questions related to training and development and its impact on the employees. Fig 4.5 is an indication of whether employees reported that they have been given training or not.

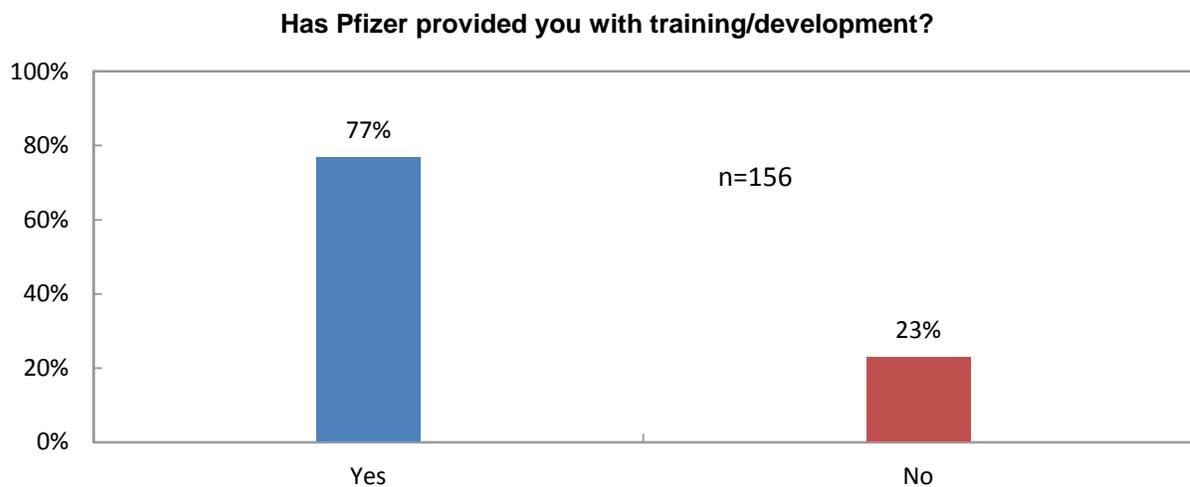


Fig 4.5. Responses by Employees on whether They had been Provided with Training and Development or Not

A large number of respondents (77%) reported that Pfizer had provided them with training and development whilst 23% reported that they had not. It is uncertain what the respondents based their answers on as the company has a training department and all employees are given some form of training at the start of their career with the company. Because this question relates to training and development, the researcher has assumed that the negative response means that those employees do not perceive that they are being developed whilst employed at the company. Deery's study (2008) on talent retention suggested that training and development is extremely important for job satisfaction and is closely aligned with the employee's intention to stay with an organisation. Respondents also expressed dissatisfaction in the open-ended question which asked about company funding for further education (eg Master's degrees) in the form of educational loans or part- sponsorship towards their studies. Currently the employees are told by Human Resources that there is no funding available for further studies by employees and formal applications are declined. A study by Cadman (2013) in the United Kingdom found that companies should take a more business-specific and employee-relevant approach to training and impart knowledge that can be successfully implemented in the workplace. In Figure 4.6, the employees described what they perceived to be the benefits of training and development.

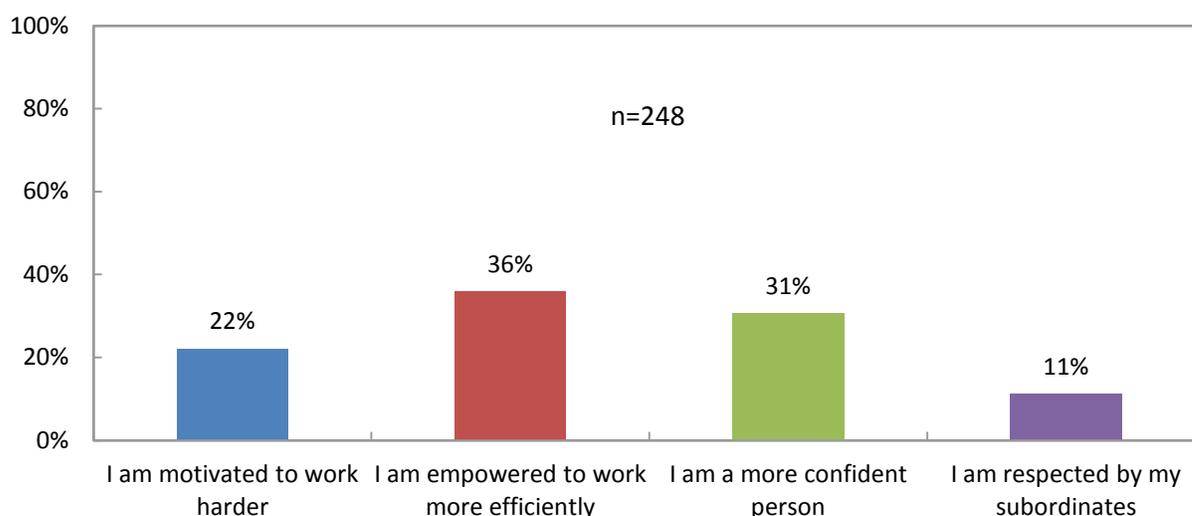


Fig 4.6. Description of Employees' Perceptions of the Benefits of Training and Development

In any talent retention plan, training and development are very important. Pfizer does have a training department and because the pharmaceutical industry is very specific, all new employees are given extensive training in order to ensure that they perform optimally within their jobs. Respondents were very positive about training and development and this promoted their empowerment to do their job properly, their confidence as well as their motivation levels. A study done in Beijing (Chuai and Preece, 2008) revealed that talent management is not just another human resources or top level management strategy to list, but rather an organisational need.

4.4.4 Objective Four:

To determine whether certain groups of employees are privileged

In compliance with South Africa's current labour legislation, Pfizer has gone to great efforts to achieve a good BBBEE rating. Its current rating is seven (7). This rating is important when dealing with contracts with the public sector (eg government departments). Having the correct proportion of designated race groups at various job levels helps to improve this rating. The question of whether the company was complying with the Employment Equity Act was been asked. For those respondents that gave a negative response, they were asked to provide further details to support why they felt that way. They were also asked whether they had any recommendations for management in this area. Figure 4.7 shows whether employees believe that BBBEE policies are adhered to when internal promotions are being conducted.

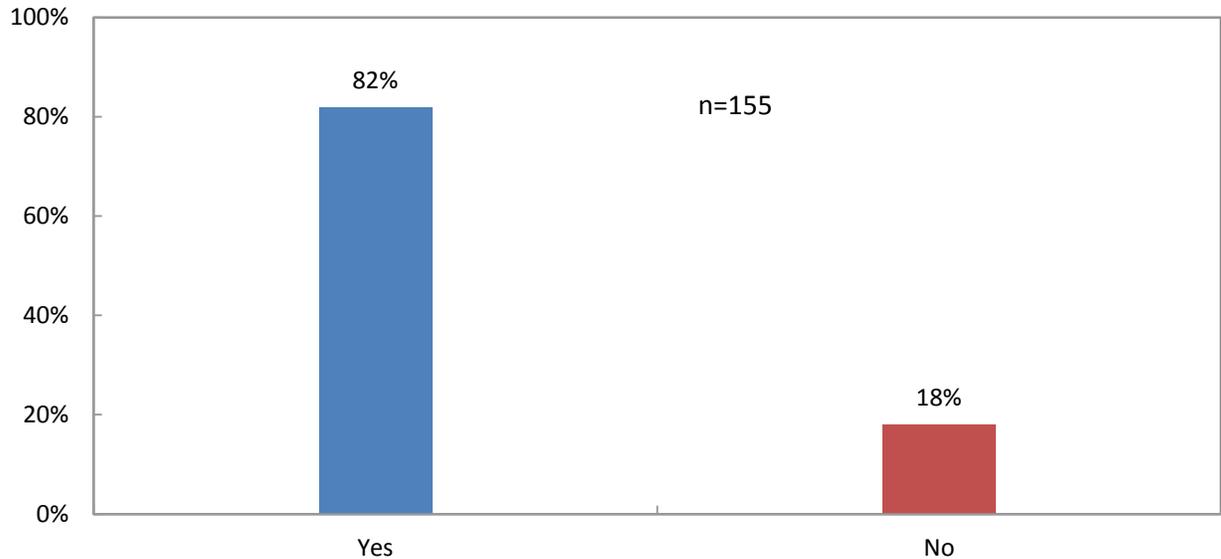


Fig 4.7. Responses by Employees on Pfizer SA-Biopharma’s Compliance with BEE Policies

The majority of respondents (82%) were satisfied that Pfizer complied with BEE requirements when considering internal promotions. However, there was a small percentage (18%) that did not believe this. The demographics showed that 46 % of respondents were white and this could have influenced the above response. Andrews (2007) did a study entitled “Is BBBEE a South African Growth Catalyst?” and his findings were that when organisations hire BBBEE candidates at entry level and develop them to their full potential and make them eligible for promotions, this promotes growth and satisfies BEE requirements as some degree of loyalty exists. Pfizer SA- Biopharma usually adopts a similar strategy when hiring sales representatives. The company strategy is that these employees enter the company, are developed and then become eligible for upward movement. However, there still is some lack of clarity about the policy which is evident from the responses. Respondents were asked to give details of deviations from BBBEE policies if they felt that it was not adhered to and the responses are shown in Figure 4.8.

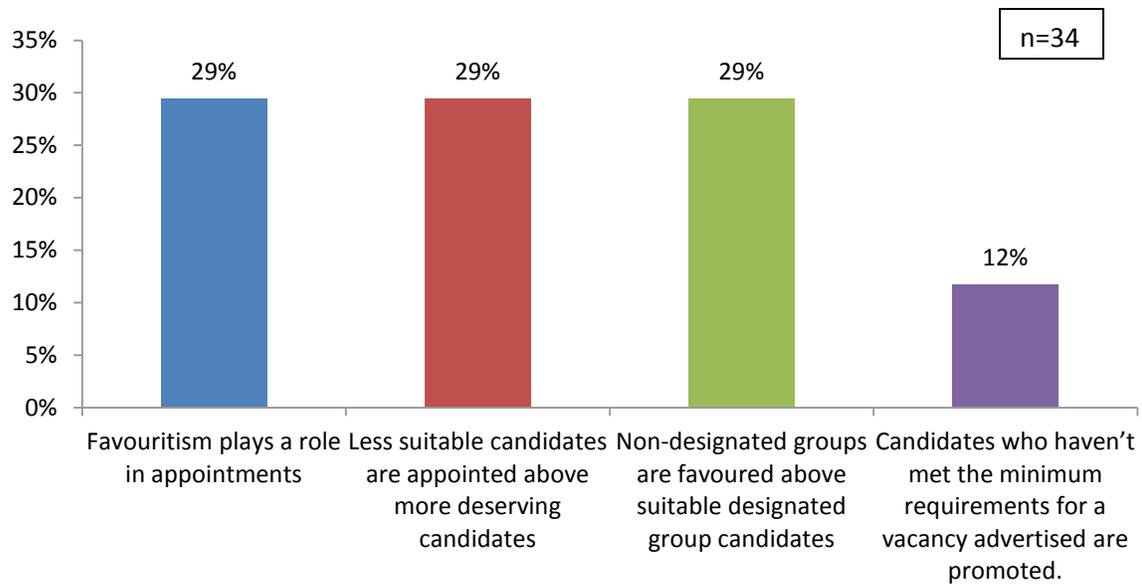


Fig 4.8. Responses by Employees with Regards to Deviations from BEE Policies

Of the respondents who stated that Pfizer does not comply with its Employment Equity policy, the most important reasons were that favouritism plays a role in placing candidates, and that less suitable candidates were sometime appointed or promoted and that non-designated groups were favoured. Respondents could choose more than one statement in this section. When internal placements are done, the unsuccessful candidates are usually given feedback by the interviewing manager. Again the theme of communication comes up and respondents have elaborated in the open-ended question that the feedback they get is sometimes not useful to their development.

Where employees expressed that they felt there was a lack of BEE policy implementation, respondents were also asked how this made them feel? Their responses are presented in Figure 4.9.

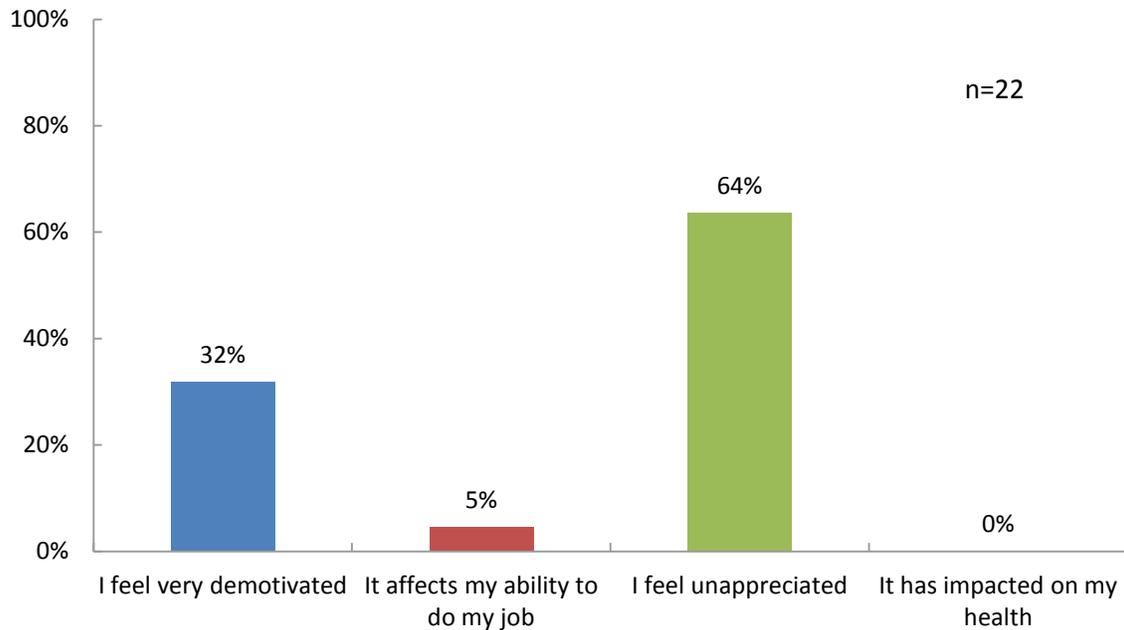


Fig 4.9.Effects on Employee Attitudes if there is Non-Compliance with BEE

Respondents feel that if favouritism occurs in terms of BEE policy then this promotes feelings of being unappreciated and staff become demotivated.

4.5 Indication of the Intention to Leave the Company

To get an idea of what the employees' intentions were for the next twelve months in terms of loyalty, questions were asked which related to intention to leave and reasons for those intentions were asked. The responses are displayed in Figure 4.10

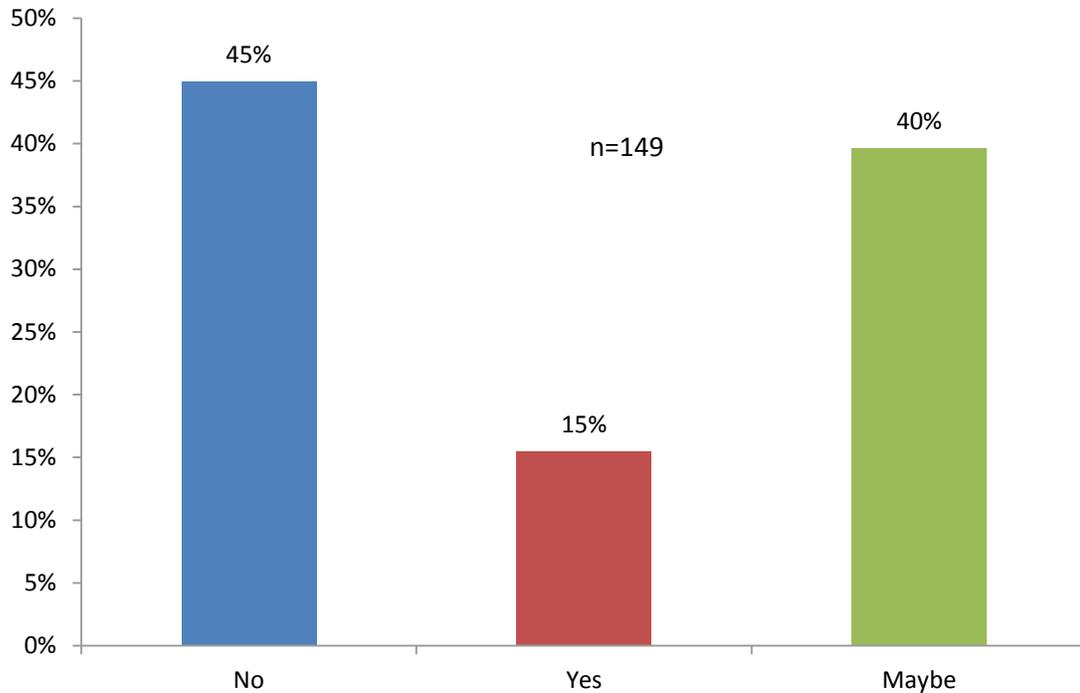


Fig 4.10. Intention to Leave within the Next Twelve Months

The figure above shows that 40 % of respondents would consider leaving Pfizer in the next twelve months whilst 15% said that they would definitely leave. This means that more than half the respondents are considering leaving. This is not good for the company as employing new people presents significant startup costs for the company. Sandler (2006) reports that talent management was identified as the main issue in a study which examined turnover rates. Her advice was that employees need to take ownership of their work and should feel like they were completely involved. Management has to create an environment in which this could be the case. If employees answered Yes or Maybe to the question about their intention to leave the company, then possible reasons for this were also asked. Figure 4.11 shows the distribution of the possible reasons given by respondents for wanting to leave the company.

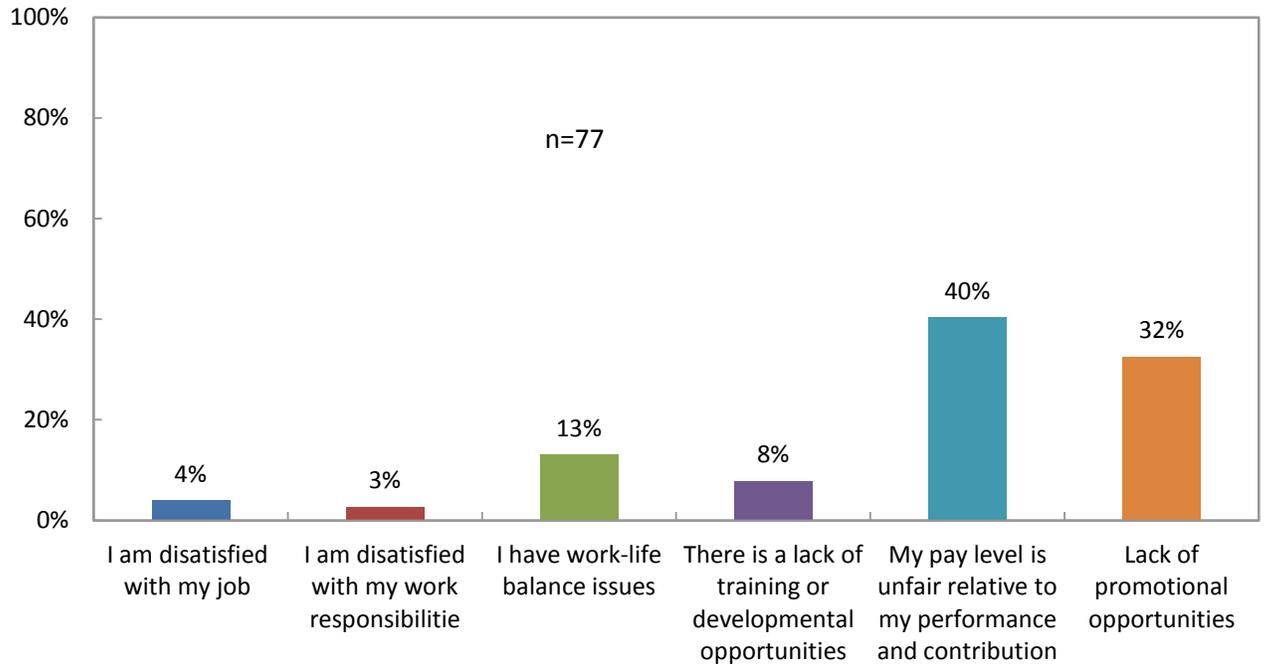


Fig 4.11. Possible Reasons for Leaving

When asked why they would want to leave, 40% of respondents stated that their pay level was not equal to their performance and contribution. The lack of promotional opportunities was identified by 32% of the respondents. Remuneration and lack of promotional activities are both factors that relate to talent retention. Since the intention to leave is a very important factor when a talent management or talent retention plan is being put into place, these results have been further analysed in the form of cross-tabulations and are presented in Table 4.3 and Table 4.4.

Table 4.3 Intention to Leave CrossTabulated with The Way an Employee Perceives Pfizer’s Impression of Them

		Q15. Do you have any intention of leaving Pfizer within the next 12 months if an opportunity arises?			
		No	Yes	Maybe	Total
Q7. Pfizer has identified me as	An ordinary employee	17	16	34	n=67
	A talented employee	40	4	19	n=63
	X2 = 22.035				p=0.00

It is evident that a correlation exists from how Pfizer identifies employees and the employee’s intention to leave within the next twelve months. Table 4.3 shows that for those identified as ‘ordinary’ employees, the intention to leave is quite pronounced with 24% stating that they definitely would whilst 51% stated that they would consider leaving. This is already a cause for concern. Further to this, the results show that for those identified as ‘talented’ employees, 6% would leave and 30% would consider leaving. This means that even from those employees identified as talent by Pfizer, the intention to leave is still evident. This has implications for management in terms of talent retention. Further analysis in terms of cross-tabulation between how Pfizer identifies employees and reasons for leaving are shown in Table 4.4 to demonstrate what the motivation is for employees to consider leaving.

Table 4.4 Employees' Perception of how Pfizer sees Them Cross-Tabulated with the Main Reasons which Motivated Employees to Consider Leaving

		Q16. Why would you want to leave Pfizer?					Total
		I am dissatisfied with my job	I am dissatisfied with my work responsibilities	I have work-life balance issues	there is a lack of training/developmental Opportunities	My pay level is unfair relative to my performance and contribution	
Q7. Pfizer has identified me as	An ordinary employee	6%	6%	10%	43%	35%	n=49
	A talented employee			30%	5%	35%	30%
		$X^2 = 26.875$					$p=0.03$

It is evident from Table 4.4 that a correlation between the employees' perception of how Pfizer sees them and the reasons they provide for leaving. Of those identified as 'ordinary' employees, 43% stated that their pay level was not fairly related to their performance whilst 35% stated that there was a lack of promotional opportunities. However, the results were similar for a person who has been identified as a 'talented' individual. Here 35% stated that their pay level was not fairly related to their performance, 30% stated that there was a lack of promotional

opportunities and 30% stated that they had work-life balance issues. From these results it is shown that those identified as 'talent', do not feel any different to those identified as 'ordinary' employees apart from the work-life balance issues. The question raised here is that if a person has been identified as talent and the only difference is that they experience work-life balance issues, does this mean that identification of talent just brings about more responsibility without any retention plan in place?

To get an overall picture of employee perception of talent retention in Pfizer SA-Biopharma, respondents were asked how satisfied they were with the talent management strategies presented by Pfizer SA-Biopharma. The responses are shown in Figure 4.12.

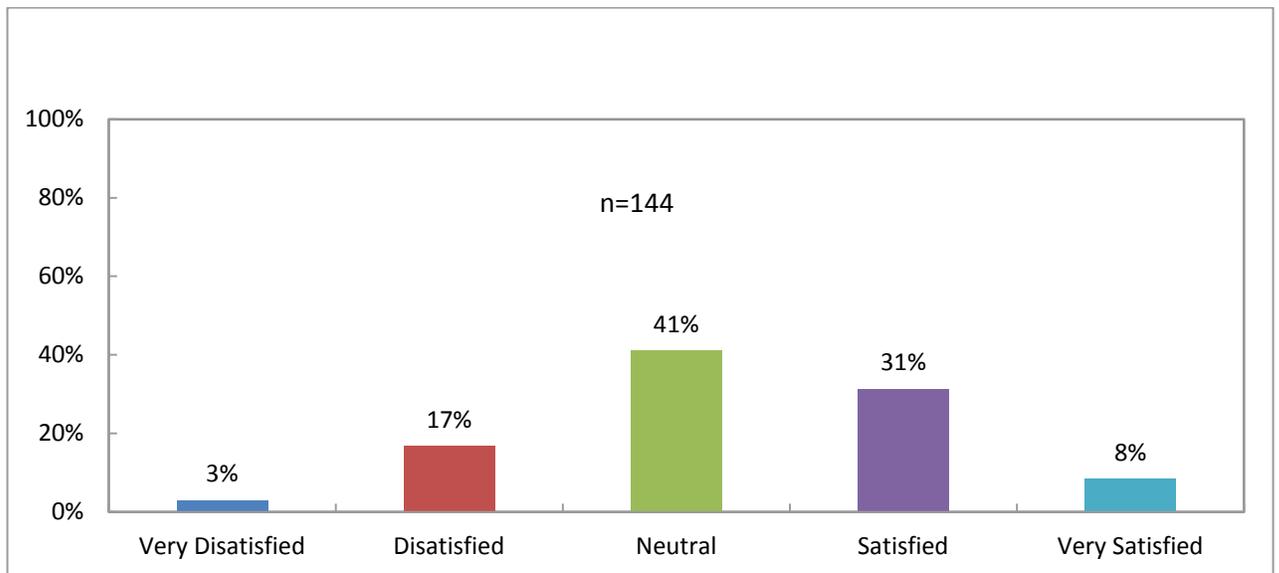


Fig 4.12. Overall Satisfaction with Talent Management in Pfizer SA-Biopharma

Respondents were asked to give a general view on how satisfied they were with talent management within the company. Most of the respondents (47%) stated that they were neutral, followed by 31% who were satisfied and 17% who were dissatisfied. Although their anonymity was guaranteed at the beginning of the

survey, it is the researcher's belief that respondents were not eager to be completely open about this topic and this may account for the large percentage of neutral responses. For those respondents that answered neutral, dissatisfied or very dissatisfied, a further question was asked to enable them to give details and possible recommendations for Pfizer SA-Biopharma. Most of the responses were similar. Respondents stated that when they do commit to long service, talent should be identified at Professional Sales Representative level as well because not every employee wants to be in management. The concept of career Sales Representatives should be considered with different levels corresponding to experience, performance and contribution. They also stressed that it is the sales force that brings in revenue for the company so this group should definitely have retention plans in place. Communication by management to employees is lacking as some respondents say they do not get clear indications of the talent retention plan. Some of the respondents stated that they felt that management does not trust the employees that are younger than thirty years of age and this makes it difficult for career progression and promotions. They feel that they have adequate education to make up for their perceived lack of experience. Older colleagues also felt that the younger employees do not work very hard. Some respondents also stated that Pfizer SA-Biopharma should document comments made at employee exit interviews and use this information to help the retention of future employees.

4.6 Summary

In this chapter data obtained from the survey was analysed and presented in easy to read tables and graphical figures. The survey questions were designed to answer the research question as well as the relevant objectives. The salient finding was that although management has a talent retention plan in place, not all employees are convinced that it is being followed and communication is very limited. The information thus gained from the study is that employee perceptions of talent retention in Pfizer are not the same as the way management sees it. The next chapter will discuss recommendations for the company in terms of talent retention

and talent management so that employees and management will have similar views.

CHAPTER FIVE

RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

Businesses today face the potential of new technologies, impact of new competition and the challenge of customers and suppliers choosing whether to do business with an organisation or not and this means that people that are within the company play a pivotal role in acquiring and maintaining business (Bhatnagar, 2008). A study on effects of talent management done by Burbach and Royle (2010) found that talent management is dependent on a combination of factors including stakeholder involvement and top management support in incorporating this into the strategy of the firm. Talent management is critical to business survival as undesired turnover and underproductive employees can affect a firm's productivity negatively. This chapter will present the findings of the study based on the objectives, recommendations and implications of this study, recommendations for a talent retention plan and further studies. The conclusion of this dissertation will be at the end of the chapter.

5.2 Finding based on Objectives

5.2.1 Objective 1: To Determine employee perceptions of talent recognition

Employees believed that talent retention is a strategy used by management. However, there is a general perception that talent management is not communicated well enough to the employees by management.

5.2.2 Objective 2: To Determine whether Talent Retention Leads to Loyalty

It is evident from the study that when an employee is treated well within the organisation he/she is inclined to remain within the organisation. However, findings from the study also showed that the intention to leave is significant and this includes those respondents who have been identified as 'talent' and also those who were considered 'ordinary' employees.

5.2.3 Objective 3: To Determine whether Talent Management Enhances Employee Outputs

Evidence from the study showed that when offered training and development, employees felt motivated and more equipped to perform their job.

5.2.4 Objective 4: To Determine whether Certain Groups of Employees are being Privileged over Others

Certain employees (though not a very large group) were of the opinion that some employees are favoured over others.

5.3 Outcomes, Recommendations and Implications of this Study

The SA National Manager of Pfizer SA-Biopharma has stated that talent retention is one of his strategic initiatives for the next five years starting 2012(Pfizer CEO Road Show, May 2012). The organisation is concerned with the turnover rate within the company. The objectives of the study were chosen with the aim of understanding employee perceptions of the organisation's talent retention efforts. The four objectives, to determine employee perceptions of talent recognition, to determine whether talent retention leads to loyalty, to determine whether talent management enhances employee outputs and to determine whether certain groups of employees are being privileged over others have provided an indication of what the employees perceive as talent retention and talent management. The findings of the study

confirm the national manager's concern that employees are somewhat aware of the concept, however, all employees were not convinced. It is also noted from the findings that the majority of respondents had less than five years' service with the company. These findings will therefore provide beneficial information which can be used in the strategy going forward.

5.4 Recommendations Based on the Findings

A salient aspect of the study was that communication from management to the employee is very limited and as such, employees feel that they are not fully informed about important issues.

5.4.1 Communication within the Corporate Environment

The results show that respondents felt that they did not get much information in the form of talent retention. It is noted that the Global talent plans are always available for perusal on the HR Source website of Pfizer which is an online tool that has performance and individual development plans stored per employee. The concern is, however, that the employees of Pfizer SA-Biopharma are not clear about how this plan affects them? Most of the respondents felt that management should adopt an approach where employees are told exactly what their future is within the company. When employees are unsure it makes them want to leave the organisation. Wheeler (2005) states that it is of utmost importance to keep employees and new recruits informed. Communication and openness make for a better working environment.

5.4.2 Recommendations for a Talent Retention Plan

The following are recommendations for a talent retention plan in Pfizer SA – Biopharma. Some of these recommendations were summarised from suggestions offered by respondents:

- Not every employee wants to be promoted, however when they are at a certain level and performing well they want to be recognised. A number of

respondents stated that they liked the flexibility of being a professional sales representative but found no distinction between an experienced representative and a new entrant. The recommendation is that for these representatives there must be a career path so that they can develop within their role. The sales force is very important as they are the face of the company and are ultimately responsible for rolling out strategic objectives of the company to the customer.

- Talent management should be given priority and each employee should have specific time with their manager dedicated to this. One-on-one meetings are a good forum for this discussion but the manager must be prepared and this can only occur if managers are given adequate information on talent management in order to further communicate this to their subordinates.
- The current perception is that if employees do not reside in a main centre or are not willing to relocate, then they will not be candidates for talent management. Since the organisation operates in a global environment, provisions or plans could be made for flexibility with regards to offering certain roles regionally so that all employees can benefit from opportunities for promotions.
- Training and development is currently offered and is job related. However, employees are not currently aware of or believe that there is no funding for further education. They believe that although training is available, there is little scope for development. Some funds needs to be channelled towards employees who are pursuing further education at an institution of their choice. This can be restricted to management approving studies that are business related. Employees felt that even if sponsorship was offered in the form of loans, this would help them further their education.
- Most employees felt that their pay level was not fairly related to their performance. It is recommended that the company looks at the pay levels and benefits in relation to the market and the individual in terms of their performance in order to determine whether it is fair or not. A proper sales benchmark study is required to determine this.

- Exit interviews should be viewed in a serious light as this gives the company information about what motivated an employee to leave.
- Opportunities should be created for employees in terms of learning new skills and new aspects of the business.

5.5 Recommendations for further studies

- This study used purposive sampling and could be repeated where the entire population of the organisation is used within the study to get a clearer picture of employees' perceptions at every level within the organisation.
- The study could be repeated in the other subsidiaries of Pfizer SA-Biopharma, which are Pfizer- Consumer healthcare and Zoetis, the animal healthcare division of Pfizer.
- A focus group that has been identified as talent within Pfizer SA-Biopharma can be used as the research population to obtain qualitative data from them.
- Management could conduct interviews with every employee at their regular one-on-one interactions to gain more insight into the retention programme.

5.6 Summary

The main aim of this study was to understand employee perceptions of talent retention and talent management within Pfizer SA-Biopharma. The objectives were to determine employee perceptions about talent recognition, to determine whether talent retention leads to loyalty, to determine whether talent management enhances employee outputs and to determine whether certain groups of employees are favoured over others. The data collected revealed that, although management has some sort of talent retention plan in place, employees were not totally convinced of its existence or operation and wanted more communication relating to this strategy. However, talent retention was valued by employees and this meant that management's efforts would benefit the company if they were to tailor the talent

retention plan to the needs of the organisation as a whole. Respondents gave indications of what they would like to see in a talent retention plan and also indicated that if these needs were not met then they would even consider leaving the company. Most of these suggestions are seen in the literature as part of a proper talent retention plan which can be implemented within Pfizer SA-Biopharma even if it has to be done in stages. The study was successful in exploring employee perceptions of talent retention.

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APPENDIX 1

Informed Consent Letter 3C

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project
Researcher: Alishna Maharaj-0823013760
Supervisor: Prof AM Singh(031-260 7061)
Research Office: Ms P Ximba 031-2603587

I, Alishna Maharaj an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled Talent Retention in Pfizer SA- Biopharma. The aim of this study is to: Determine employee perceptions of Talent Management in Pfizer SA-Biopharma.

Through your participation I hope to understand the effectiveness of the Pfizer Talent Retention Strategy. The results of the study are intended to contribute to the academic body of knowledge and to make recommendations for improvements to the Talent Retention Strategy if deemed necessary.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 15 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Alishna Maharaj

QUESTIONNAIRE

1. What is your age?

- a. 20-29
- b. 30-39
- c. 40-49
- d. 50-59
- e. 60 and older

2. Gender

- a. Male
- b. Female

3. Tenure at the company-

- a. 1-5 years
- b. 6-10 years
- c. 11-15 years
- d. 16-20 years
- e. 21 years and more

4. Race-

- a. Indian
- b. Black
- c. White
- d. Coloured

The following questions relate to the concept of talent retention within Pfizer. For questions 5-11 state to what extent you agree with the statements from the scale below the question:

5. Pfizer has a clear definition of talent

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
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6. Pfizer does identify talent within the organization

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

7. Key talent in Pfizer includes those who are top performers

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

8. Identification of key talent goes below the executive level

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

9. Pfizer's definition of key talent includes employees who are in critical jobs

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

10. Pfizer's retention efforts are focused primarily on key talent (versus retention of our broader employee base).

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

11. Key talent in Pfizer includes employees who display high potential

Very satisfied	1	satisfied	2	neutral	3	dissatisfied	4	Very dissatisfied	5	I don't know	6
----------------	---	-----------	---	---------	---	--------------	---	-------------------	---	--------------	---

12. I believe that I am:

- An ordinary employee
- A scarce skilled employee
- A talented employee
- Both scarce-skilled and talented employee

13. Pfizer has identified me as

- An ordinary employee
- A scarce skilled employee
- A talented employee
- Both a scarce skilled and talented employee

14. Since Pfizer has identified you as a “special” employee, what have they done to retain your skills? Select all that apply

- Provided me with a mentor
- Provided a meaningful job design for me
- Discussed my future within the organization
- Provided me an extensive benefit package

15. What impact has your “special” status had on your attitude towards Pfizer?

- I feel more attached to Pfizer
- I feel secure that I have a future in Pfizer
- I feel obliged to work harder
- I feel obliged to remain loyal

16. What impact has training and development and mentorship had on your work performance?

Choose all that apply

- I am motivated to work harder
- I am empowered to work more efficiently
- I am a more confident person
- I am respected by my subordinates

17 Does Pfizer comply with its Employment Equity policy when considering internal candidates?

Yes_____

No_____

18. If you answered “No” , what deviations are you aware of?

Favouritism plays a role in appointments

Less suitable candidates are appointed above more deserving candidates

Non-designated groups are favoured above suitable designated group candidates

Candidates who haven't met the minimum requirements for a vacancy advertised are promoted.

19. Since you have answered “No” to question 16 , what effect has this had on you?

I feel very demotivated

It affects my ability to do my job

I feel unappreciated

I have considered leaving

20. Do you have any intention of leaving within the next 12 months if an opportunity arises?

YES.....MAYBE..... NO.....

21. If you answered YES or Maybe, what would your reason be for leaving? You may choose more than one:

a. Dissatisfaction with job or work responsibilities

b. work-life balance issues

c. lack of training or developmental opportunities

d. feelings that pay levels are unfair relative to employee's performance and contribution

e. Lack of promotional opportunities

22. Overall how satisfied are you with the manner in which talent is managed in Pfizer

Very satisfied		satisfied		neutral		dissatisfied		Very dissatisfied	
----------------	--	-----------	--	---------	--	--------------	--	-------------------	--

23. Since you have chosen neutral, dissatisfied or very dissatisfied, what improvements would you suggest that Pfizer could make to its Talent Management programme?

APPENDIX 2



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

8 April 2013

Ms Alishna Maharaj 9403206
Graduate School of Business and Leadership
Westville Campus

Dear Ms Maharaj

Protocol reference number: HSS/0192/013M
Project title: Talent Retention in Pfizer – SA Biopharma

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Professor Steven Collings (Chair)

/pm

cc Supervisor: Professor AM Singh
cc Academic Leader: Dr E Munapo
cc School Admin.: Ms Wendy Clarke

Humanities & Social Sc Research Ethics Committee
Professor S Collings (Chair)
Westville Campus, Govan Mbeki Building

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APPENDIX 3

Required Sample Size[†]
from: The Research Advisors

Population Size	Confidence = 95.0%				Confidence = 99.0%			
	Degree of Accuracy/Margin of Error				Degree of Accuracy/Margin of Error			
	0.05	0.035	0.025	0.01	0.05	0.035	0.025	0.01
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
900	269	419	568	823	382	541	672	854
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
264,000,000	384	784	1537	9603	663	1354	2654	16586

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The recommended sample size for a given population size, level of confidence, and margin of error appears in the body of the table.

For example, the recommended sample size for a population of 1,000, a confidence level of 99%, and a margin of error (degree of accuracy) of 3.5% would be 575.



Change these values to select different levels of confidence.



Change these values to select different maximum margins of error.



Change these values to select different (e.g., more precise) population sizes.

APPENDIX 4

Proofreading and Correcting

TO WHOM IT MAY CONCERN:

This letter serves to state that I have proofread a copy of the following Dissertation/ Thesis/ Journal Article and have made suggestions to the researcher in terms of corrections which s/he may choose/choose not to put into effect in the final copy:

TITLE: TALENT RETENTION IN PFIZER SA-BIOPHARMA

RESEARCHER: ALISHNA MAHARAJ

The general areas covered in this proofreading include:

- Spelling - with special reference to English UK spellings of specific words.
- Correction of grammatical errors: syntax, concord etc.
- General editing to improve the language and vocabulary used and to, where necessary, adjust to make the work more academic in tone and style.
- Comments on general layout in terms of consistency in style: bullet lists, Figure and Table headings, Chapter headings and sub-headings.
- Comments and corrections of the Reference List entries



Date: 02 July 2013

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