

THE IMPACT OF ORGANISATIONAL CULTURE ON THE  
MANAGEMENT OF EMPLOYEES' TALENTS:  
THE CASE OF MALTESE ICT ORGANISATIONS

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by

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## **Abstract**

Organisational culture is one key phenomenon that was investigated both in comparative ways as well as an influence on various management mechanisms and systems, in academic and practitioner literature. Talent management is one such mechanism that has attracted debate in practitioner domains, although academic research is lacking.

This study investigates the effect of organisational culture on employee talent management, taking the case of Malta based ICT companies. It includes a review of literature about organisational culture and structure, agency and talent management, exploring gaps in literature that call for further research.

In addressing one such gap, this study reports the findings established in research conducted among identified stakeholders who are related to the Maltese ICT sector. It presents the views discovered through qualitative interviews among senior and middle management in ICT firms. These views are compared and contrasted against the findings made from a quantitative investigation involving a self-completion survey, in which, 79 managers and 128 employees engaged in ICT firms in Malta participated.

The main findings suggest that most organisations do not have a culture built around a clear set of values. Secondly, there is no talent structure based on HR practices that feeds into the business strategy. Thirdly, this research found no evidence of measurement of the return on investment of talent among the Maltese ICT firms participating in this study.

These findings support some of the theoretical issues presented in the literature review that show the lack of guiding principles around talent and the impact of organisational culture on the management of talents.

The recommendations presented in this study show how organisations can embrace a culture focusing on creating a talent “mindset” for effective talent optimisation that enhances performance and productivity.

**Keywords:** Organisational Culture, Talent, Structure, Agency

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# 1 INTRODUCTION

## 1.1 The Art of Managing Talent within an Organisation

The art of managing talent has always been a challenge. Bringing a diversity of people together in one company and working together to achieve the same goals has always triggered a number of questions. How do people work together? What attracts people to one organisation and not another? What attracts people to one role and not another? What value do people give to their job? By contrast, various dilemmas relate to how organisations interact with their people. What value do organisations give to their people? How are talents managed? How are people empowered? How are people motivated? Is a person more talented than another? Can organisations decide how and when to manage talents? Can employees decide how to contribute to organisational goals?

These and numerous other questions come to mind when debating such a topic and this is what triggered an interest in this area. This research attempts to identify the impact of organisational cultures on the management of employees' talents and the challenges faced by organisations in an attempt to do so (McMahon et al., 2008; Phillips et al., 2009). As a result, this research seeks to examine what constitutes organisational culture (OC) and talent, and how organisational structure and the agent as an individual who is free to think, act and behave, play a significant role in determining how one affects the other, if that is the case.

## 1.2 Background: Why Organisational Culture and Talent?

Academics and practitioners have set out to evaluate a number of HR practices and how these address current issues such as managing talent, managing employee performance and developing a learning organisation, amongst others (Fitz-enz, 2000; Hiltrop, 1999). The transition from the term Human Resources Management (HRM) to Talent Management (TM) has also raised a number of questions. How different is HRM to TM? Is TM just another word used to give a fresh look to HRM? These questions will be evaluated and addressed during the research in an attempt to shed some light on existing gaps as set out below.

This study was brought about for a number of reasons. Firstly, the fact that Malta (among other countries) is facing acute skills shortages in the field of Information, Communication and Technology (ICT) is a key issue within a practitioner dimension that intrigued the author of this study. Secondly, from an academic standpoint, this research attempts to answer the question: *‘To what extent do organisational cultures impact on the management of employees’ talents?’* This question leads to a number of secondary queries, outlined in the next chapter and addressed in the chapters that follow.

The structure-agency approach was selected as the basis for discussion to evaluate the role of individuals in the way they are managed and in the way they affect culture, to determine how structure impacts the agent and vice-versa, and to explore new grounds in the structure-agency approach. The reason why such an approach was selected is because when analysing the impact of OC on talent, both the structure that supports the

organisation and its culture, and the agent who is the bearer of talent play a critical role and contribute to both OC and talent.

From an academic standpoint, a number of gaps relating to the lack of knowledge about the relationship between OC and talent are addressed in this study. This research also looks at the lack of knowledge about the impact of OC on talent using the structure-agency framework, as well as the lack of guiding principles on how organisations should integrate their strategic position with talent. From a practitioner standpoint, the study investigates the status of TM and its link with OC among ICT companies in Malta – a sector that is ill-researched and that requires a deeper understanding considering its importance in the Maltese economy.

This research looks into the outlined gaps by looking at how OCs can be developed. In order to do this, this research shows how mindsets have to be changed in order to address existing shortages or gaps in TM and development. This is not as easy as looking at the supply of talent and try to produce more in order to bridge the gap. People need to start thinking ‘talent’ in order to manage talent and organisations need to develop talent scouts, in order to be able to spot talent and further develop it. This is all dependent on the culture of every organisation and the commitment - starting from top management in order to seriously address this issue. The biggest challenge is to look at the number of variables that determine such changes, particularly people themselves who are the bearers of such talent.

### 1.3 Thesis Structure

This study invokes the case of ICT organisations in Malta, appraising the impact of OCs on the management of employees' talent. The ICT sector in Malta faces acute skills shortages. An extensive literature research about corporate cultures, talents, organisational structures, agency and talent structures amongst others is set out in Chapter 2. This research explores whether TM is really different from HRM, or whether there are similarities between the two concepts. An empirical study (Chapter 3) follows by 11 semi-structured one-to-one interviews conducted amongst a sample of ICT organisations in Malta. Two sets of questionnaires were designed based on the feedback from the qualitative research, and administered among managers and members of staff in ICT companies in Malta. A total of 207 questionnaires were gathered, where 79 are completed by managers and 128 by staff members. Responses from this survey were subject to multivariate analysis intended to appraise a set of hypotheses (Chapter 4). The findings and recommendations emerging from both the literature review and the empirical research are outlined and a further model presents a way forward through a corporate culture built around a set of values and embracing a talent mindset (Chapter 5). Concluding remarks and future research opportunities are presented in Chapter 6.

## 1.4 Limitations

Maltese ICT companies face limitations as a result of their internal structures and connection with organised markets, impacting on success of business development. This is a limitation in this research since only ICT companies operating in Malta will be analysed in terms of their OCs and the impact on talent, together with their respective structure and their relation to the agent. This will not provide universal results for other ICT companies operating overseas or any other organisations in Malta that do not pertain to the ICT field, and therefore such a limitation would need to be explored at a later stage. However and notwithstanding such limitation, the focus on one fairly homogenous geographic area and one industrial sector provides the opportunity to study the complexity of the interaction between culture and talent, structure and agency in a context where the variations in culture itself may be less extensive than if a wider geographic or sectorial range were encompassed. Therefore, the variations that may emerge may be more reliably attributed to the nature of this interaction, rather than simply differences in culture.

## 1.5 Conclusion

The main aim of this research was to identify the impact of corporate culture on the management of employees' talents. It addresses evident gaps observed in published research adopting an academic and a practical point of view. This study involves an extensive literature review leading to a deeper understanding in various concepts by appraising a number of proposed models as well as the prevailing debates. An in-depth empirical research follows, determining similarities and differences against the

literature review findings, whilst addressing existing gaps established in the literature review.

This research established that OC impacts significantly on the management of employee talent. It also shows that in order for organisations to optimise employees' talents, they must create a culture around 'talent mindset', which needs to be endorsed by top management and driven by HR. Every member in the organisation needs to feel responsible to contribute and enhance such a culture, whilst managing their own talents. This strategy enables organisations to embark on a journey that addresses skills shortages, ensuring that value adding talent practices increase the net worth of an organisation through optimised performance and productivity.

## 2 LITERATURE REVIEW

### 2.1 Introduction

Culture, its effect on organisational behaviour and its consequences on the fit between individuals and the organisation, is influenced by various organisational settings (O'Reilly et al., 1991; Schein, 1992). Among these are a number of external factors. The recent economic downturn and the associated financial crises impacted on the fate of a significant number of organisations, providing various challenges and an attempt to survive rather than perish.

Many organisations believe that their culture defines and shapes their direction in attaining their vision and mission through a set of established values. Nonetheless, deep and wide differences exist between such beliefs and the actual effects of a company's organisation's culture. These differences impact on overall optimised company results through the identification of an organisation's core purpose and prediction of its future (Collins et al., 1996).

This study analyses the different components of OC and their impact on the way employees' talents are managed. In order to do this, this review attempts to address the question: *'To what extent do organisational cultures impact on the management of employees' talents?'*

This study also explores the intricacy of forces impacting on organisations in their management of employees' talents. This review will also inform on how the

management of employee talents impacts on an organisation's competitiveness through people's performance and productivity.

This section looks at existing literature concerning OC and talent. Whilst a lot has been written about various types of cultures within organisations, less information exists about the management of talent. This is evident from both academic and management literature searches where a lot is found about OC, whereas the attempt to search for information about talent has proved to be more challenging (Lewis et al., 2006). 'Talent Management' in management literature is often confused with the Human Resources Management concept, with the two terms, in various cases, used interchangeably (Lewis et al., 2006; Cheese et al., 2007). This review, thus, attempts to bring out the difference between the two concepts and appraise OC and talent in academic terms, identifying the impact of the former over the latter, as well as an attempt to bridge the gap between these two concepts.

Since this study will be examined from a structure-agency approach, further concepts will be explored with the intent of clarifying the different interrelated theories, models and thoughts about the structure of OC and individuals as agents and their talents. An explanation of this approach will be provided in the following sections. For the purposes of this study, and owing to this study's scope, some other topics including performance management, the learning organisation and knowledge management will be touched upon particularly in relation to talent and human resources practices.

The structure-agency approach lies at the basis of this review, providing a basis for this appraisal where OC, structures and the agent, and respective talents are examined independently and in the light of their corresponding relationships with each other.



This review also looks at whether the organisational structure can shape individuals and use their talents to the benefit of the organisation. An appraisal of the effect of variables (both internal and external to the organisation) such as size, technology and the environment is also set out. The structure-agency debate provides a basis for discussion on the following question: *are agents free to act independently or are thoughts, actions and behaviours shaped by structures?* Answering this question calls for an insight on:

- Firstly, the extent to which structure impacts on the agent and vice-versa needs to be determined, independently as well as together with other factors (both within and outside the debate);
- Secondly whether individuals' talents should be 'manipulated' and brought in line with the organisation's plan, the aim of which is to continuously achieve better results;
- Thirdly whether agents have the ability to shape their own talents and determine their career progression, irrespective of the OC of which they form part of;
- Fourthly, whether organisations and employees can keep a balance between the needs of the organisation and those of the employees, and find some common workable grounds to address both the structure and agents.

## 2.2 Theoretical Approach

One of the major challenges faced by organisations is that of aligning competencies to business goals in the most efficient manner (Watkin et al., 2003; Athey et al., 1999).

Bridging these gaps through the right learning and development methods (Senge et al., 1994) helps organisations identify and maximise people's strengths while minimising their weaknesses (Noe et al., 1996). Through the transformation of data, knowledge and skills will be gained (Popper et al., 2000) potentially facilitating the ability to be flexible and provide co-ordinated responses to both internal and external markets. Flexibility is the "responsiveness to pressure and adaptability to change" (Siu Chow, 1998: 494). Many are the organisations that fail to adapt and succeed, but their chance of survival in the long term diminishes (Luecke, 2003).

In order to address these challenges, this review aims to present an understanding about whether an organisation's culture can indeed help develop individuals' talents, and whether such development will, in return, help the organisation to reach its goals in a more efficient and effective manner.

This literature review addresses the following gaps in knowledge about:

- the relationship between OC and talent. Often, the link is made between OC and HR practices in general, but not specific to talent. This research will primarily attempt to clarify whether there is a direct link, and, if such link exists, how it can be utilised for better business results. (Harvard Business Essentials, 2002; Lewis et al., 2006; Delaney et al., 1996; Wright et al., 2005; Youndt et al., 1996; van den Berg et al., 2004; Rashid et al, 2003).
- the impact of OC on talent using the structure-agency framework. In doing this, this study sets out an account of opposing views in their most complex forms,

and questions the relationship between them, both at an analytical and practical level. The aim is to shed some light on yet another gap in existing literature.

- the guiding principles that help organisations integrate their strategic position with talent (Porter, 1980; Zuboff, 1988). This review aims to develop a conceptual framework based on the results among ICT companies in Malta

This review also addresses other secondary questions and arising key debates, some of which are outlined below:

- Is OC important when implementing talent strategies?
- Do all organisations give a similar meaning to talent?
- If talent is lost, does this impact on results?
- Are talent strategies (if implemented) always aligned to business goals?
- How do organisations measure talent, if they do?

In order to form a basis for this study and prior to tackling any of the above questions, this review proceeds by looking into a definition of culture, followed by a definition of OC and talent. Subsequently, this research will look at the relationship between organisations and national culture, leading to an analysis of the relationship between OC and talent using the structure-agency framework. A review of literature evaluates ways of how agents and their talents are managed, together with an understanding of

the OC as a structure. An analysis of OC, structure and agent-fit follows, involving an attempt to bridge the gaps between individuals, teams and organisations. Following this, a discussion about knowledge management and the learning organisation analyses how key contentions emerging from the above debates fit into the ‘learning’ notion, both for the organisation and/or the individual.

The empirical work analyses whether different OCs impact on how such talents are managed and whether the final outcome makes a difference in the results produced by organisations. This empirical research looks at a sector where skills shortages are a dominant factor – hence the case of the ICT sector in Malta. Indeed this research attempts to determine whether ‘talent’ is a higher item on the management’s agenda, and whether organisations vary in the way they look at talent in different situations. Will a skill shortage situation be the only way to make an organisation work harder in developing its people? Will such a ‘war of talent’ (Michaels et al., 2001) put organisations in positions where they have to pay more in order to address the gap? If this is the case, what would be the outcome if an organisation gives importance and develops talents irrespective of whether there is a shortage or otherwise? Will an organisation be more prepared to face change in such a circumstance? This empirical work also attempts to determine how organisations face the challenges they will present during the fieldwork and the measures they adopt to address them.

## 2.3 Talent

### 2.3.1 Defining Talent

The word talent has its roots in ancient times, when talent referred to a unit of weight and later on as a monetary unit (Michaels et al., 2001). Brown et al. (2004) state that there is no universal definition of great talent. Chuai (2008: 10) reiterates that according to Ingham (2006) “the definitions of talent will depend on an organisation’s business strategy, type of firm, overall competitive environment, and so on”. Therefore, the definitions of talent should be tailored to individual organisations (Towers Perrin, 2004), and each company should be encouraged to “understand the specific talent profile that is right for it” (Michaels, et al, 2001: xii). An in-depth and concise assessment of the key elements of organisation culture and job structure, followed by a matching with candidates who have specific backgrounds, work experiences, and inner personal qualities, becomes crucial in the process of talent identification. CIPD (2007) also points that talent is specific to an organisation, is highly influenced by the type of industry and nature of work, is very dynamic and is likely to change over time in accordance with the organisational priorities. “Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential” (CIPD, 2007: 3).

Notwithstanding the extensive search in academic and management literature, a lack of a clear definition of talent prevails. The references provided in this section result in a definition which is left at a very superficial level, referring to the fact that talent needs

to be defined by the respective organisation depending on a number of factors. Towers Perrin (2003) state that in a survey, 87% of organisations defined talent in a way that is consistent throughout the organisation, however the 32 organisations participating in this survey used a different definition of the word talent. Various attempts were made with the aspiration of securing a more concrete explanation of the word talent, however this resulted to be unfruitful. The question still remains: *Who is regarded as talented?*

However, some similarities in the way talent is defined can be shared either because talent is attributed to employees who perform and who also have a high potential, having people in the right positions who are contributing positively towards the company, or by considering everyone as talented (Chuai, 2008). For example, Fishman (1998: 104) defines talent as “The most important corporate resource over the next 20 years, and they are smart, sophisticated business people who are technologically literate, globally astute, and operationally agile” while Iles (2008: 215) defines talented employees as the ones “who are particularly valuable to an organisation - either in view of their ‘high potential’ for the future or because they are fulfilling business/operation-critical roles”.

Gagne (1985: 87) defines talent as “performance which is distinctly above average in one or more fields of human performance”. Towers Perrin (2003) goes further by stating that a holistic view to talent would be to look beyond performance and include potential, meaning the contribution the employee is able to make to enhance the future of the organisation.

Buckingham and Vosburgh (2001: 17,18) are of the opinion that “talent is inherent in each person...HR’ s most basic challenge is to help one particular person increase his or her performance; to be successful in the future we must restore our focus on the unique talents of each individual employee, and on the right way to transform these talents into lasting performance”.

For the purpose of this study, the definition of talent to be used represents individuals’ competencies (including their knowledge, skills and attitude) and their respective potential to enhance own abilities. The futile searches resulting in the lack of talent definitions make the comparison to other classifications more challenging. Despite this, the reason why this definition is adopted is to address the fact that talent will be looked at holistically and therefore it will not represent only a particular group within an organisation, such as managers’ talents, but will represent all individuals, irrespective of their position within the company (Sears, 2003). In addition to this, through this definition, talent is looked at not merely as a skill, and therefore something that can be learnt (Elsy, 2009), or as a gift and therefore something that the person is born with (Heller et al., 2000). Talent is identified as a combination of these elements, and therefore as the knowledge that will inform the person about the respective role, the skills that will give the person insight into how to do the job, the attitude that the person needs to have to perform the job, and also the potential the person should have to enhance his or her own abilities (learnt and/or gifted) in order to succeed within the organisation. The analysis of employees’ talents will consider how employees can add value to the organisation through their capabilities and the work they produce.

## 2.3.2 The Challenges of Managing Talent

*“the baby boomer generation will experience a 68% increase in management turnover at the director and vice president level, with a Chief Executive Officer (CEO) turnover increased by 30% and the Chief Financial Officer average tenure has dropped to 30 months... With these statistics looming over businesses today, organisations are consistently seeking talent development and retention strategies to cement the importance of building leaders for tomorrow from within an organisation”.*

(Kirkland, 2009: 1498)

These statistics present the globe with a demanding reality, and what is more daunting is that such challenges do not lie solely in high profile positions. The difficult situation Malta is facing to resource skilled ICT people has shown this (MITC, 2008). Therefore, the search for talent lies in various positions. Organisations thus need to consider employees as a very important constituent in the success of every organisation. In fact, during various conferences, in a number of articles, events and seminars, amongst other activities, various high-status individuals boast about the fact that their employees are their greatest asset (Schuh, 2001; Clarke, 1999; Watson et al., 2008). Such individuals include CEOs and other members within senior management teams. The statement about employees being the organisation's greatest asset, sometimes overused, is a very powerful one, as it shows how people are perceived in organisations. The difficulty with such statement is its real meaning. Do the mindset and behaviours of managers always support such statement? Are employees always an asset? If employees are not productive enough, or if they do not fit within the culture of



the organisation, or if they are not aligned with the organisation's vision, would they still be an asset or would they become a liability to the organisation (Kusumowidagdo, 2012)?

Bossidy et al. (2002: 41) state that broader organisational strategies and processes have a powerful impact on the extent to which employees will be regarded as an organisation's best asset. Building on that, Duttugupta states that one of the fundamental premises that sets the tone for strategic TM is a quote from Jim Collins "people are not your most important asset. The RIGHT people are" (Collins, 2001: 13). Therefore, an important step would be to really understand the value of talent and how various organisations are adopting a culture that channels talent in the right direction. The empirical research will look into how talent and its importance are perceived, and also whether and how talent is really managed and developed. This rhetoric needs to be analysed in a way that shows the 'how' rather than the 'what' to determine whether leaders are behaving in a way that truly reflects such a statement.

This poses a series of questions on both the ontological and epistemological planes; How often is such a statement challenged? Is it really understood? Does it provide a different meaning to different individuals? Additionally, do organisations really believe that people are their greatest asset? Does such a statement comply with their meaning and value of OC? The works of Handy (1993), Schein (1970, 1992), Hofstede (1981, 1982, 2003) and Trompenaars (2003), amongst others, show that organisations can adopt different cultures, where in various cases and for various reasons, importance may be given to the structure of the organisation or the specific tasks, rather than the employees working for that organisation.

One interesting point is to really understand what makes employees the greatest asset within an organisation. Is it employees as a cluster of individuals, or is it employees as unique individuals? And what are the challenges that organisations face, that lead to the importance given to employees, or otherwise? Cheese et al. (2007: 8) state that “talent managers must cope with a world of change and contrast with:

- Global abundance but local scarcity of talent;
- Fewer young people and more older people, many heading rapidly towards retirement;
- Rising demands for new skills aggravated by demographic pressures and educational shortcomings;
- New methods of working and new relationships between users and suppliers of talent;
- More diverse and remote or even virtual forces, with different attitudes to work across the generations;
- Steady change in the nature of work, with more and more of us working in the fuzzy world of information”

de Geus (1997) states that “companies often die because their managers focus entirely on the objective of producing good financial results and forgetting that their organisation’s true strength (or weakness) is that of the talent and dedication of people” (as cited in Hiltrop, 2006).

These assertions invoke a number of questions. An article titled “The Search for Talent” (The Economist, 2006: 9) affirms that “nobody really disputes the idea that the demand for talent-intensive skills is rising. The value of "intangible" assets -

everything from skilled workers to patents to know-how - has ballooned from 20% of the value of companies in the S&P 500 to 70% in 2006. The proportion of American workers doing jobs that call for complex skills has grown three times as fast as employment in general”. Despite the fact that the search for talent was highlighted on a number of occasions, there is a possibility that leaders still tend to give the highest priority to the years of experience, together with education of a person, leaving out talent and therefore what a person is really good at and loves doing (Leheney, 2007).

The global changes and challenges, are bringing about more realisation about the fact that managing people’s talents is an important step in managing an organisation. Sears (2003: 24) explains how talent is about “business-wide strategies”, not departmental agendas, representing employee skills and capabilities.

However it is important to note that there are organisations that might not invest a lot of money in talent, yet still prove to be very successful. This can particularly be attributed to organisations where a low skilled workforce can produce a lot of good results without investment in people’s skills. In the field of ICT, this may be more challenging because unless organisations can employ people who have an expertise in particular areas, then they might also miss out on important projects. This is an area that needs to be further explored during the empirical research.

Some of the ICT skills (and other skills in other areas) offer quite a challenge to learners, particularly due to the fact that technologies are constantly changing. Keep (2000: 9) states that “with the exception of a few organisations that are dependent upon highly skilled individuals, such as artistic organisations, software companies and

consultancies, the skills of the workforce as a whole are not the starting point for competitive strategies”. He also states that since investment in skills does not produce immediate results, it makes it difficult for managers to convince themselves or the shareholders that such investment will produce the desired results. However, it is important to move away from assumed outcomes (Brum, 2007) and between investment in skills and performance. Although Maynard Leigh Associates (2009: 6) state that when they interviewed 20 of UK’s top companies, they highlighted “that investment in people supports business performance”, proving this every time provides a challenge. Hansson et al. (2004) state that although the relationship tends to be positive, it is difficult to prove.

## 2.4 Culture Defined

### 2.4.1 Context

Considering the width and depth of such a concept, one may opt to first approach culture from the perspective of its relationship to other common categories we find in the humanities. Thus, what relationship does culture have with history, tradition, language, structure, and agency, amongst others? Is there a point one can identify as the matrix of culture? Or is culture something that eludes the commonplace assumption that everything starts from somewhere? When one attempts to define something, one tends to proceed in terms of its beginnings and/or its workings (function/s, behaviour, attributes). The concept and reality of culture simply elude this kind of investigation, as Geertz puts it “Cultural analysis is intrinsically incomplete. And, worse than that, the more deeply it goes the less complete it is” (Geertz 1993: 29). Whilst the question of

the matrix or beginning of culture inevitably leads into a strange form of the chicken/egg riddle, the other trajectory (that through which one defines something through its workings) is simply impossible because culture is invisible, intangible and independent of social structures we experience, insulated from the social context of people, institutions, and other factors that compose every person's existence.

As a result, and given such complexity, attempts at the definition and appraisal of culture are diverse and varied. Recent years have witnessed increased attention towards culture and its effect upon practices (Kirkbride et al., 1989). Cultural identity has always been powerful in bringing people together. Amongst definitions proposed by different researchers, an attempt by Hofstede (1981) defined culture as the collective mental programming of people in a particular setting. In other words picturing culture as a set of values, beliefs, attitudes and patterns of behaviour common or shared by a group of people in an environment (Chew Keng Howe et al., 1990). Hofstede (1997) emphasised that culture is not inherited but learnt. Culture has also been defined as consisting of:

*“Patterned ways of thinking, feeling and reacting, acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional ideas especially their attached values”*  
(Kroeber et. al. 1952: 181)

This is an important statement, implying that culture exists beyond the individual, beyond perception and existing only as an objective reality. LeVine views culture holistically as “collective, organised, multiplex, and variable, not as a matter of

theoretical assumption but as a result of anthropological fieldwork in many parts of the world” (LeVine 1984: 84).

According to Keesing as cited by Jaeger (1986) culture is defined as an individual’s perception of what his fellows know, believe, and mean. Thus indicating that rather than an individual characteristic, culture is a set of theories of behaviour that are shared by a group of individuals.

A discussion about the definition of culture is endless, with a definition of culture being paradoxically, a blurring, even a transgression of the boundaries that one traditionally associates with the act of defining. So rather than attempting to define it, culture should be studied in terms of one’s experience and knowledge of the social things that culture interacts with, relates to, possibly shaping things in the process, and through which it arrives to us as something we can actually speak about.

## 2.4.2 Organisational Cultures

The term Organisational Culture has been used in a vast array of works by different authors, both within academic and practitioner domains. Notwithstanding the “absence of a solid theoretical grounding”, very little has been done in an attempt to bring together the “relevant concepts found in cultural anthropology” (Allaire et al., 1984: 193). Different schools of thought over the years offer a variety of complex theories used to provide further understanding of such a multifaceted concept. These gave rise to various descriptions of OC to which Kroeber and Kluckhohn (1952: 119) offer 156 different anthropological definitions.

The differing points of view, which often take the form of definitions about OC, stem from the fact that organisations are different, functioning with different people and put in different contexts and environments within their respective social, political and economic contexts, amongst others (Handel, 2003). This implies that OCs are unique and adopt different features due to these differences, internal and/or external. Eldridge et al. (1974: 88) state that “while the uniqueness of individuals is expressed in their personality, the individuality of organisations may be expressed in terms of their differing cultures”. Apart from academic and practitioner bodies of knowledge, there is a third source of knowledge that defines culture from the organisations’ point of view. This is very evident from the diversity of mission statements and other corporate literature published.

Whilst many organisations use the term OC to define ways of operation, it could be that organisations may use a definition that is the most appealing, without really understanding what the implications on the organisation and its respective employees are.

Bishop et al. (2006: 6-7) also state that it would “be misleading to give the impression that there is universal agreement over the way in which OC should be defined and understood”, maintaining that Smircich (1983) and Legge (1995) speak of “basically two competing, ideal-typical ways of understanding organisational culture”. These are the functionalist approach, viewing culture as something the organisation “has” as opposed to the interpretive approach where culture is defined as something the organisation ‘is’, stating as well that other authors speak of culture as something that exists between the two extremes. Willcoxson et al. (2000: 94) cite Peters et al. (1982) by stating that “organisational culture is but one aspect of the component parts of an

organisation, a facet that can be measured, manipulated and changed as can organisational variables such as skills, strategy, structure, systems, style and staff”.

Various authors speak of a number of perspectives of culture where three main perspectives emerge, namely the Unitarist perspective, the Pluralist perspective and the Radical perspective, also known as the Critical or Marxist perspective (Willcoxson et al., 2000; Henderson, 2011; Centre for Financial and Management Studies, 2010; Budd et al., 2008; Abbott, 2006. This research basis its interpretation on these three main perspectives.

The unitarist perspective “underpins various category descriptions” (Willcoxson, 2000: 95) such as Handy’s (1993) four types of culture namely power, role, task and person culture. Organisations are viewed as united bodies where all stakeholders including management and employees work towards the same objectives. This means that there are hardly any conflicts of interest since people are focused to achieve the set vision and agents within the organisation are loyal to this vision and work towards it. In her criticism to overly unitarists, Truss (2002: 10) states that “differences both between various segments of the workforce and between managerial and non-managerial staff are rarely addressed”.

The pluralist perspective contrasts the unitarist perspective whereby conflict is seen as healthy and a natural process within the organisation. Budd et al. (2008) state that conflict should not be exterminated or avoided but should be dealt with in a positive way. In a write up by Henderson (2011: 9), it is stated that the pluralist perspective “rests on the assumption that society consists of various groups which will each have



their own interests and beliefs”, thus rendering conflict inevitable. Pluralists believe that such healthy conflict leads to positive changes within the organisation (Centre for Financial and Management Studies, 2010). Within the pluralists’ perspective, management teams lead the rest of the organisation, however power can be challenged.

The radical / critical perspective is derived from the Marxist view of society and industrial capitalism where conflict between management and labour “was unavoidable as part of wider class conflict in society” (Henderson, 2011:10). This perspective presents a relationship between managers and workers which “is essentially exploitative, and is reflected in HR practices (Morgan 1986: 186) based on the ‘them’ and ‘us’ mentality indicative of deep-rooted conflicts of interest.

There are a number of theories that are based on these three perspectives. In the case of the unitarist perspective, one can identify the scientific management theory, the human relations theory and HRM practices, whereas theories derived from pluralism include the systems and strategic choice theory. Some of the theories drawing upon Marxism are the labour process theory, feminist theories and post modern theories (Abbott, 2006)

It would therefore be futile, at this stage, to come up with one definition in an attempt to give meaning to the term OC. Rather, OC should be looked at in terms of the differing facets and components, and in more detail in the works of various authors. As discussed, these include Handy (1993), Hofstede (1981, 1982, 2003), Schein (1970, 1992) and Deal & Kennedy (1984, 2000). Some common elements that arise from their definitions are that an OC cannot be homogeneous, and an organisation may have more

than one type of culture. In certain organisations, there may even be sub-cultures offering differing views which may even lead to conflict (Williamson, 1993).

An employee may fit in well within the culture of an organisation and not within another (Handy, 1993). Such an employee can do well within a particular organisation, and be unsuccessful in another. An analysis of the individual-organisation fit is relevant here, particularly in terms of the structure-agency approach. This helps determine how the two elements can be brought together as much as possible to create a more effective outcome.

Various definitions propose OC as a mixture of “values, beliefs, meaning structures, symbols, myths, ideologies and in an assortment of artefacts: rites, rituals, specialised language, lore customs, metaphors, etc.” (Allaire et al., 1984: 209). Handy (1993: 183-191) defines OC involving four types: ‘Power Culture’ (symbolised as a ‘web’ and described as power that is unfolded from the core to the rest of the organisation), ‘Role Culture’ (symbolised as a ‘Greek temple’ focusing on procedures and rules, work and responsibilities, offering the possibility for specialist expertise), ‘Task Culture’ (symbolised as a ‘net’ where teams are formed to solve problems and power is derived as a result of expertise) and ‘Person Culture’ (symbolised as a ‘cluster’, an uncommon type of culture where employees believe they are superior to the organisation).

Schein (1992) defines OC in terms of ‘Artefacts’ (referring to the physical attributes and structures of the organisation such as furniture, language and dress code), ‘Espoused Values’ (relates to what individuals within the organisation determine to be important, including strategies and objectives of the organisation) and ‘Basic

Underlying Assumptions’, referring to perceptions, thoughts and feelings that may be taken for-granted but are normally quite consistent within the group (cited in Williams et al., 1993: 138). Hofstede (2003, 1982: xix-xx) identifies five cultural dimensions being ‘Power Distance’ (implying the extent to which the less powerful members of the organisation accept that power is distributed unequally within the organisation), ‘Uncertainty Avoidance’ (suggesting the extent to which a culture entails employees to be either comfortable or uncomfortable in unstructured situations), ‘Individualism versus Collectivism’ (indicating the degree to which individuals are supposed to look after themselves or remain integrated in the group), ‘Masculinity versus Femininity’ (representing the distribution of emotional roles between genders) and ‘Long versus Short-term Orientation’ (implying the extent to which a culture programmes its members to accept delayed gratification of their needs including material, emotional and social).

Deal and Kennedy (2000: 12-14) propose the ‘Generic Cultural Types’ namely the ‘Tough-Guy Macho Culture’ (signifying organisations taking high risks with an element of high return and employees must either swim, or sink), the ‘Work Hard/Play Hard Culture’ (implying a culture based on making an effort, team persistence and mutual support), the ‘Bet your Company Culture’ (a culture based on collaboration and exploration with long term horizons – an organisation where results might take a long time to materialise) and the ‘Process Culture’ (a culture based on procedures and focus on what is being done to avoid mistakes rather than focusing on the end result).

All these types of cultures explain the relationships between the individuals (and their attitudes, behaviour and competencies, amongst others) and their respective

organisation and its structures, which are also influenced by the external environment. In many cases, it is argued (Williamson: 1993) that organisations are never associated to just one type of culture as explained above, but one could find a number of different cultures overlapping, depending on the nature of the tasks that need to be carried out, existing scenarios, determined goals, rules and regulations, policies, structures, and the types of individuals employed within the organisation at that particular point in time.

In any organisation, a number of subcultures may exist, “arising from factors such as professional affiliations, status, social or divisional interactions” (Willcoxson et al., 2000: 95). Smircich (1983: 346) quotes (Alvesson et al., 1992) and states that “much of the literature on organisational culture fails to recognise the existence of subcultures within organisations. The existence of subcultures cannot be forgotten and measures need to be taken to address overlapping cultures”. A number of difficulties can arise when managing and changing cultures within organisations and Willcoxson et al. (2000: 95) argue that “organisational success springs from the effective leadership and management of diversity, and that cultural change or maintenance efforts have to be undertaken through programs specifically designed for different segments of the organisation”. Therefore, the assumption that one can create and impose any culture is relatively weak. Whilst an organisation is going through transformations, such changes may instill or re-create culture and/or a number of subcultures (Tharp, 2009). However, it is important to note that such differences may not necessarily express contrasting viewpoints to the mainstream organisational culture. Clearly, Schein (1992: 5) argues that “the only thing of importance that leaders do is create and manage culture” and “the unique talent of leaders is their ability to understand and work within culture”. Baker (2002: 8) argues that measuring and enhancing OC “as well as determining when

major cultural transformations are necessary is critical to long-term organisational success. Managing differentiated cultures and creating synergies across these cultures is also a critical challenge”.

In an attempt to render the concept of OC manageable, leaders within the organisation must ensure that they primarily understand their respective OC together with existing subcultures. Should this be overlooked, the purpose of addressing such concept holistically would be defeated.

In view of the various definitions and challenges posed by culture in the management and development of any organisation and in order to provide a foundation for OC which is such a complex and comprehensive concept, the following definition of OC will be applied:

*“powerful tool for interpreting organisational life and behaviour and for understanding the processes of decay, adaptation and radical change in organisations” which are “unsurpassingly and at once, social creations and creators of social meanings”*

*(Allaire et al., 1984: 216)*

### 2.4.3 National and Organisational Cultures

Before an attempt is made to identify how OC impacts on talent, it is important to understand if and how the national culture influences or impacts on the culture of organisations operating in that country, which in turn may affect TM and development.

Organisations are affected by culture, both internal and external, in a number of ways. The initial studies of organisations in terms of their management styles, structures, cultures and so on, take us back quite a few years and we have seen extensive development throughout the years particularly in the way structure and agents were regarded, and the importance (or lack of it) they were given over the years.

The term bureaucracy refers to a logical, rational and efficient model of organisation (Pepitone, 1995). Classical writers who placed emphasis on purpose and structure, together with the technical requirements of the organisation itself, were primarily concerned in improving the process of management and organisational structure as a means of increasing efficiency, whereas Mullins (2007: 67) clearly states, “there was an assumption of rational and logical behaviour”. Three of the most influential theorists were Taylor (1911), Fayol (1916) and Weber (1946). Both Fayol and Weber wrote the classical treatise on the principles of organisation and management at about the same time. Even though the three theorists differed in principles from one another, they shared a common idea – that the effective organisational performance is determined by efficient design of work and organisational structure (Moorhead et al., 1995). This leaves little or no discussion about individuals and their respective competencies and capabilities, that is, their talents.

Complex industrial investigations followed suit, known as the Hawthorne Studies (Rainey, 2009) where a lot of attention started to be given to the social factors at work and to the behaviour of the people making up the organisation, that is, to the agent in relation to other agents and within the parameters of the organisation. Therefore, the importance of the interaction of the agent in relation to the organisation and its structure was beginning to be recognised in identifying OC.

Following the Hawthorne research and its related findings, the idea of moving away from searching for universal answers to questions and formulae that could be applied to any organisation under any condition, started to develop. Instead, researchers began to realise that the complexities of human behaviour and varied organisational settings make universal conclusions virtually impossible (Hellriegel et al., 1996). Instead, they argued that in organisations, most situations and their consecutive outcomes are contingent upon a whole host of variables. This means that the success of an organisation is dependent upon the ability to cope with a range of situational factors and contingencies and no one management approach will be successful in every situation (Croft, 1994). Among the most important variables were size, technology and the environment (Child, 1984).

Katz et al. (1964) analyse relationship, structure and interdependence from a systems theory point of view. A lot of emphasis is placed on interaction across boundaries, such as the system with its environment and between the varied parts of the system. This avoids the classical error of considering the organisation as a closed system independent of external influences and changes. It also helps the organisation move in line with the changes offered by the external environment. It is within the responsibility of the organisation to account for variables attributed to the external market (Dess et al., 1984) and include them as part of its vision to ensure that the end receiver, the customer, gets the best value for the product or service. Branham (2005: 65) states that “leaders need to be focused on linking talent-related outcomes to customer measures”. Therefore it is of utmost importance that organisations identify what these factors are and how to deal with issues affected by these contingencies.

McSweeney (2002: 21) criticises Hofstede's model of national cultural differences, pointing that "data obtained within a single MNC [IBM] does have the power to uncover the secrets of entire national cultures". Indeed there are a number of different variables in any country and in any organisation. For example, Redding (1993) uses two main characteristics to describe the nature of Chinese family OC, namely the structure of the organisation and the way it is managed and later on the relationship with the environment. This means that moving out of its borders, the organisation faces other situations that make it rather difficult to relate to other organisations especially if the differences are much greater, such as two completely different cultures. Organisations need to be aware of the external forces that have an influence on the way they function. Can one organisation operate in the same manner in different countries with different cultures? Will such external forces make any difference? Imai and Itami cited in Whitley (1992: 11) identify "both internal structures and their connections in variously organised markets" as main differences for successful business development.

Thus, the debates of structure and agency within OC suggest that structure, agency and OC are three key elements that are crucial to one another. Neglecting one at the expense of the other within the greater context of national culture will have a huge negative impact on the organisation, both in terms of strategy and manpower operation. Lawrence and Lorsch (1967) undertook a study of a number of firms and analysed the structure of the organisation in terms of differentiation and integration. They attempted to extend the works of Burns and Stalker and examined not only the overall structure, but also the way in which specific departments were organised to meet different aspects of the external environment. They concluded that firms that are successful are the ones



where there is “integration between people with common organisational goals, both of which are commensurate with the requirements of the external environment” (CLMS M2, U1: 21). This study shows that there exists a very strong relationship between the agents, structure and OC and the way these tie in with national culture. The value of alignment is clear when agents are aligned together towards common organisational goals, and where the organisation is aligned to the external environment, the rate of success rises.

#### 2.4.4 The Maltese Context

An aspect of the Maltese culture is that due to its small size (approximately 400,000 residents) and due to the lack of natural resources, Malta’s people are considered as its main asset “who are flexible in work and learning and easily trained” (MISCO, 2008: 28). Although some of the challenges Malta faces may be similar in nature to those of other countries, the fact that Malta is so small may result in other challenges that need to be addressed.

Malta’s OC is interlinked to the global culture. In this respect, a lot has been done within the context of the Maltese OC in that it responds to the global changes. Severe skills shortages in the field of ICT can be felt in a number of countries, even those which are addressing such problem in the most aggressive manner possible. The Economist (2006) provides some figures showing that every year the Indian colleges and universities produce around 2.5 million graduates, including 600,000 IT professionals and engineers. The skill level is equivalent to that of Western graduates but the cost of an Indian graduate, at current prices, is roughly 12% of his or her counterpart in the USA. According to one study, Indian graduates also work longer —

an average of 2,350 annual hours compared with 1,900 in the USA and 1,700 in Germany” (The Economist, 2006: 5). Yet, most Indian-based companies are still facing severe talent shortages with inflation at “16% per year and annual turnover in the IT sector is around 40%. Hence the problem is not just in getting talent; the question is also how to keep it and keep costs under control” (Hiltrop, 2006: 349).

The Maltese government had to ensure that the Smart Island 2010 strategy, which included a specific plan on employment is in line with these global challenges and is committing itself to engage in a number of activities that will put Malta at a competitive economic advantage through ICT. The latter is aimed not to be used just as a mere tool, but as a way through which the quality of life of the country is improved (MITC, 2008). In line with this objective, and as a result of Malta’s entry in the European Union (EU) in 2004, many organisations affected reengineering processes, both within the public and the private sector (Ministry of Finance, 2007). This included conforming to the EU’s regulatory framework and changes in working patterns, along with the provision of training opportunities in order to increase IT literacy (not only at a basic level but also at an advanced level).

As a result of a SWOT analysis carried out in preparation for the Vision 2015 report, which outlines the vision for Malta until 2015, one of the clear opportunities identified is in the creative industries which include ICT with the latter considered as one of Malta’s strongest primary industry sectors.

Vision 2015 focuses on ICT as one of the main five economic pillars and the plan includes a project called Smart City which was unveiled in 2007 with the scope of creating more than 5,600 jobs within eight years, which jobs will be IT related. The

project is estimated to account for about 5% of the entire labour force (Angelou Economics, 2010). The Smart City project is an offshoot of Dubai Internet City with an investment of over \$300 million. The project was initiated with the plan of involving an ICT and Media Business Park comprising accommodation, offices, entertainment areas, shops and recreational areas.

One of the trends of the ICT sector includes human resources availability with one of the main identified challenges being that of recruiting qualified personnel. Therefore, the intention of the government as part of Vision 2015 is to work on a number of pillars including the increase the number of ICT graduates, fiscal incentives to employees opting for ICT certification, a holistic e-learning programme for primary and secondary schools, partnerships with key vendors to offer high-end certification, and attracting International Universities to set up in Malta (Gatt, 2009). These reinforced the key areas identified in the prior Smart Island 2010 strategy.

The latter strategy was also an attempt on behalf of the Maltese government, to address the acute shortage of skills (demand-supply gap), an aspect deemed to be very relevant to this date (MITC, 2008; MISCO, 2008; Stahl et al., 2007; Vision 2015, 2009). This attempt to reduce the gap will be examined in depth, including the way in which talents are managed and whether this helps to align employees with organisational goals through their competencies and capabilities.

## 2.5 Organisational Cultures from the Structure-Agency point of view

*“For it is part and parcel of daily experience to feel both free and enchained, capable of shaping our own future and yet confronted by towering, seemingly impersonal constraints. Consequently in facing up to the problem of structure and agency social theorists are not just addressing crucial technical problems in the study of society, they are also confronting the most pressing social problem of the human condition”*

(Archer, 1996: xii)

The terms structure and agency have been, and are still to this present day, given a lot of prominence in social sciences, with Giddens and Archer suggesting that “the ‘Structure-Agency’ question is the most important theoretical issue within the human sciences” (Aston, 2005: 1)

The structure agency approach is a juxtaposition of two elements – the structure and the agency. A definition of these is set out in the following sections. The structure-agency approach assists this study to come to terms with some of the questions outlined in this review. Both structure and agency have different ways of seeing and interpreting the social world. An ethnomethodologist or individualist would see the world and culture as emerging out of shared meanings developed through interactions of individuals. On the other hand, a structuralist would see the world as having inherent structures such as class (Clegg, 2002).

Notwithstanding the fact that structure and agency are most of the time bracketed and considered as independent of one another, in reality these are linked and would be deemed problematic if the separation of the two is attempted. The concept of culture brings about the notion that although individuals are free to think, behave and/or act, they need structures in order to be able to do so. Archer (1988) states that it is important for social scientists to initially view structure and agency as independent, making it possible to analyse the interrelations between them. We also need to take into consideration that structure and action exist on different time intervals, a notion Giddens seems to ignore in his ‘duality of structure’.

Time is an important factor, needing consideration where although “social systems only exist through their continuous structuration in the course of time” (Giddens, 1979: 217), there is no theoretical purchase on the “structuring over time” (Archer, 2010: 238). Time is also a very important element particularly because it also includes the potential for leadership in the future, and thus engendering future change. Thus culture persists, develops and changes over time, implying a need to create structures that promote agents to change at a faster rate in responding to fast external changes and challenges.

This study frees agent and structure from a system of contrasts and rather than emphasising their opposition *qua* categories, it concentrates upon the symbiotic relationship between them and beyond them, into the realm of OC through time. Therefore, in trying to analyse the concept of OC utilising the structure-agency approach, it would be appropriate to do so by starting off with an investigation of both agency and structure respectively and their affiliation with OC.

In an attempt to understand the agent and the link to OC, it would be appropriate to define the term ‘agency’. Agency refers to the individual and the capacity to act freely “in ways other than those predetermined by social formations” (CLMS M1, U2: 50). Giddens (1976: 75) defines “action or agency as the stream of actual or contemplated causal interventions of corporeal beings in the ongoing process of events-in-the-world”. As a result, countless other questions come to light. These include: To what extent is the agent, who is embedded into (social) structure, free to interpret things independently of exterior forces, and act freely? To what extent is the agent able to cause change? To what extent do agents manage and/or give importance to their own talents? And what is the role of OC? Is the freedom that agents attribute to their own actions a legitimate assumption for the researcher? Are agents in a position to construct or reconstruct OC in that it suits their own respective needs? What kind of pressures influence people to act and behave in the way they do? Are these influences overriding their freedom, giving them less power and authority over the things they want to perform and accomplish within an organisation?

In the attempt to answer some of these questions, it is important to take into account how both Giddens and Bourdieu save the researcher from the handicap provided by Post-Structuralism. They re-open the space for agency as a true and determining force for the understanding of both the structural and the temporal milieus, and both adhere to an essentially realist ontology to that affect (CLMS M1, U2).

Symbolic Interactionism plays a very important role in an attempt to define the term agent and in identifying the most effective ways of how agents relate to one another. Through symbolic interactionism, which focuses on ways of how people understand one another, social scientists are able to detect how human beings interrelate, how they

act and work together, and how they create meaning to define situations (Benzies et. al, 2001). This leads to an important question: Do symbolic interactionists give a different meaning to OC through the focus on, and interpretation of human interaction? Does this lead to a better understanding of the concept of OC? When OCs are being constructed, how are practices defined? If agents give priority to their talents within an organisation, how do managers ensure that talents are properly managed for the sake of the individual and the organisation itself?

Given the depth of such questions, and the fact that human beings do not only interact amongst themselves, it is significant to bring to the surface the reality that although symbolic interactionists opened the space for the agent and human interaction, it is vital to go beyond this. Due to the fact that symbolic interactionists have a tendency to pay too much attention to interaction between agents without fully considering what is exterior to interaction (however valid and related it may be to the subject), this study considers other methods that help in the identification of things that are not so obvious in such face-to-face interaction. This point leads to a consideration on whether structure influences the degree to which agents are able to interact and the way they and their respective talents are developed.

In order to establish the relationship between OC and agency, two opposing views can be taken. One can argue that agency acts independently of OC and the purpose of agents is to detach themselves from any constraint that might be imposed on them through OC. In reality though, how is this possible? Could it be, as Friedman argues, that culture in general is “something real that exists outside the human psyche” (CLMS M2, U1: 6)? On the other hand, one could argue that the individual is totally dependent

upon OC and that OC forms and gives shape to the agent in such a way that the agent is not able to think, act or behave freely.

However, to simply stop at any of the above two opposing views would be dangerous. Elias cited in Featherstone (1987) speaks of culture as something that cannot exist over and above individuals. One should never, in Elias's view, speak of a human being in the singular, but always as human beings (Kilminster, 1991), that is, as pluralities, open, interdependent, enmeshed in a continuously shifting and balancing web of power relations and moves.

So what links human beings to OC? Considering the width and depth of such a statement, this paper looks into some of the most important variables existing in OCs that help individuals or agents to act and interact between one another. Two very important variables that have an impact on the link between OC and agency are history and language, representing how OCs have been developing through time, and the way in which agents communicate, respectively. Various writers give due importance to the relationships between these notions in a range of debates. To start with, Foucault explains history as devoid of human subjects and agency. Indeed even the 'individual' is an invention; a concept Foucault makes no secret of wanting to abolish (Giddens, 1987: 98). Giddens criticises Foucault with the so called 'elitist' argument. However, while there is no doubt that Michel Foucault was in his life an elitist, there is an element of unfair and shallow criticism. Foucault always insisted that it is not in spite but because of himself being a product like everyone else that he could see and discover the history of the present.



Chomsky as cited in Giddens (1987: 79) speaks about the agent as not responsive to context, and does not speak strategically or politically. Individuals are simply ‘machines’ that speak not in their full creative power but through “a mechanism inscribed in the biological constitution of the mind”. Giddens’s opposing view projects an “unorthodox image of the individual [that] begins with the postulate that she knows how to act” (Stones 1998: 283), because if the agent is just an invention, or just a machine within OC, how can the agent give meaning freely? As a result, what positioning does meaning give to the agent within the context of OCs? Giddens deploys Wittgenstein’s philosophical stance, and states that “meaning is not constructed by the play of signifiers, but by the intersection of the production of signifiers with objects and events in the world, focused and organised via the acting individual.” (Giddens, 1987: 91)

In this perspective, agents are not instated at the expense of objective structures but make sense within them because they make sense of them. The importance of the agent is supported by Symbolic Interactionists like Blumer (1969) who exhort social scientists to regard human beings as authors of their own lives on both syntactical and teleological grounds, as actors and as agents. However, Blumer states that “structural features, such as “culture,” “social systems,” “social stratification,” or “social roles,” set conditions for their action but do not determine their action” (Blumer, 1969: 87-88).

Blumer states that the agent does not act towards culture and structure. The agent acts “towards situations” only (Blumer 1969: 88). Giddens on the other hand, goes one step further, recognising the fact that these, in particular agency and structure, cannot be visualised apart from one another, and therefore not just one that acts towards the other.

## 2.6 Organisational Culture as a Structure

Structure refers to factors such as traditions, social class and sexual characteristics, amongst others, “whose elements derive their meaning from the system of relations between them” (Potter, 2000: 249). These factors appear to restrict or give shape to the activities of individuals within the context of a group in which “structure is said to be both the medium and the outcome of human interaction” (CLMS M1, U2: 50). Essentially “individuals are believed not to be atomised but acting as a result and through the constraints and structures in which they exist” (Aston, 2005: 4). The structuralists’ understanding of these activities is achieved through looking for patterns in social life (Stones, 1998). However, in practical and tangible terms, it is not an easy task to determine what the real meaning of a structure is. What is “perceived” of a structure is only the evidence of the structure. It is from the evidence itself that one is then able to see the presence of a structure (Gibson et al., 1994).

The relationship between OC and structure is affected and in turn affects a number of phenomena as action, historical accountability, the concept of culture itself, and the meaning one gives to the association of these notions. Hays (1994: 58) describe how various theorists in particular anthropologists, treat culture as a structure (Douglas, 1975; Levi-Strauss, 1974), whilst others, in particular sociologists, treat culture as distinct from structure (Parsons, 1968; Thompson, 1966).

Hays (1994: 61) explains that “structures should be understood as the creation of human beings as well as the mold that they fit”. Given this way of how structures are defined, does this mean that the different models of structures that exist give the ability to agents

to shape OC through these structures? Can one conclude that on one hand agents are free to design structures while, on the other, these structures limit the actions of the same agents? If at this point, agents do not fit in social patterns, will their social life become unstable, making it difficult for agents to fit in that particular culture? Does the point highlighted by Giddens (1984) when stating that agents are able to alter structures through their actions, make sense?

Archer has an opposing view to this. She argues that “the possibilities for changing social structures, and the extent to which humans have the ability to transform the social world, depend upon the nature of the social structures” and suggests that “people cannot just change or reproduce society as they wish” (Haralambos et al., 2000: 1068). This is considered a very valid argument, since society has been building itself up over a number of years, and one cannot start from a *tabula rasa*. Therefore to alter or reproduce society or OC one would need to evaluate how things progressed over time, people’s thoughts and ideas, and the types of structures and whether they are valid for the people operating under these structures. Therefore, if people feel the need to alter, or there are external challenges that require alterations, people are responsible for the changes and can make them happen if they want to. In this process, one needs to keep in consideration the ‘time’ element.

The above questions and statements put a lot of weight on the impact that structures and agents have on one another and on OC, and in the shaping and making of it. Following what Archer said, and going a step further, if agents understand the structural arrangement which makes up the OC of which they form part, then agents would be in a better position to understand other agents and their behaviours and actions towards social structure, through which they manage their activities.

To this extent, is the agent therefore able to communicate because the other agent is giving meaning to the same thing? While Structuralists base their ideas on a rejection of a representational theory of meaning, the Symbolic Interactionist made representation the defining fact of one's interaction with the world. Symbols for the Symbolic Interactionist are representations of things, objects and/or events, and are meaningful precisely because of that. Humans think with language, act on the world in ways defined by the mode of that very representation, become human *selves* only through interaction with other 'selves-in-the-making', and interact, again, always through symbols, the strongest of which is language (CLMS M1, U2).

Such questions and statements are important when analysing the impact of OC on talents, because if the structure affects the agent or vice-versa, or if both impact on each other, and other variables impact on them (such as language and various symbols, amongst others as mentioned above) then the way in which talents are managed may vary. Additionally, different agents within the organisation may have various opinions on how such management, if any, should take place. Archer states that the use of language is but one practice and what is central to human beings are doings and not abstract meanings, adding that "there is a practical order which is more extensive than the linguistic" (Archer, 2000: 159, 189). For example riding a bicycle is practical know how learnt by doing and weighed in action and there is no point in trying to translate that linguistically. Archer states that knowing-how is the result of hard work ... that eventually might lead to virtuosity, to a 'feel' that cannot be broken down and communicated to others. (Archer, 2000: 170 in Kivinen et al., 2006)

So how do other symbols, besides language, define OC and how are these symbols structured in order to generate a common understanding amongst the agents who make

use of these symbols? Mead argues that “without symbols there would be no human interaction and no human society” (Haralambos et al., 2000: 1056). Hence, if agents have a different understanding of things from one another, how would they be able to interact? What would be the role of OC and how would culture be formed in organisations? Giving meaning to things and actions plays a crucial role if agents are to be able to communicate (at whichever point they choose to communicate) and act in comprehensible terms between one another, and further develop their talents for their personal and organisational success.

One poses a further question at this stage. Does this creation of meanings automatically imply that in order to behave and act towards each other within an organisation, agents need to do so under the patronage of a structure which is common to everyone? Mead argues that:

*“Although the existence of a culture and social roles does shape human behaviour to some extent, humans still have considerable choice as to how they behave... social roles are not therefore fixed or unchanging; in reality they are constantly being modified in the course of interaction.”*

(Haralambos et. al., 2000: 1058)

An important element is to evaluate whether choice is independent of talent. Therefore, how and why do people choose and under which conditions? Sher (2011: 6) argues that “even if two similarly situated agents are equally ingenious, equally clear-headed, and equally imaginative, it is quite possible that one will choose to take great risks, to work as little as possible, or to consume on a lavish scale, while the other will choose to play

it safe, work hard, or save”. Sher argues that that choice is far more intimately related to talent than most people think because a person’s

*“unchosen abilities impinge upon his choices not merely as their causes, nor yet as considerations to be taken account of when he chooses, but rather by shaping the very alternatives that, from his own perspective, constitute the options among which he must choose. Because talent penetrates subjectivity in this deeper way, its relation to choice is unavoidably internal”.*

Sher (2011: 2)

Therefore to add to what Mead states above, due importance should be given to the agent without denying the fact that OC and social structures exist and shape human behaviour and human choices at some point or another. McNeill argues that structures are important in bringing agents together through culture. He maintains that culture “can be identified in the structure of a society or group, in its institutions, and in the actions of its members” (McNeill et al., 1986: 125).

It is now clearer that the implications of agency and structure and how a combination of these two elements impacts on OC, pave the way to further questioning about their relationship. This diversity of thoughts can be seen in the opposition between Weber and the school heralded by Durkheim and Marx. Weber did not believe “that structures existed external to or independent of individuals [but] rather, structures in society were formed by a complex interplay of actions” (Giddens, 2001: 13). Weber ties in the concept of culture in saying that “cultural ideas and values help shape society and shape our individual actions” (Giddens, 2001: 14). Opposition to these views was witnessed by Marx and Durkheim who stressed on the forces external to the individual, whereas

Weber (Giddens: 2001) focused on the individual as an agent who is free to act. One can conclude that although Weber's thoughts and ideas do not directly influence the concept of symbolic interactionism, there are particular similarities.

These are important aspects that this review needs to analyse: the way organisations communicate through language, other symbols, and other interactive actions; how variables, including the agent, help or hinder OCs to develop and take shape; and how OC in turn, impacts on the management of the agent's talents. Such aspects will be challenged in greater depth in the empirical work of this research.

## 2.7 Talent Structures versus HRM Structures

An attempt to identify talent structures in academic literature is challenging mainly because of the continuous interchange of two main concepts, TM and Human Resources Management (HRM). The global changes and challenges mentioned earlier in this chapter, gave rise to the notion of TM noticeable in various literature, spanning from recruitment, to employee development, performance measurement, employee retention, rewards and succession planning, amongst others (Thorne et al., 2007; Fitzenz, 2000; Hiltrop, 1999; Martone, 2003; Wallace et al., 1999). It is articulated that there always seems to be a place for TM in that it addresses and maximises on people's talents for more competitive organisations intent on realising success. At varying degrees of complexity, various authors tried to define and incorporate, under the umbrella of TM, a series of characteristics that include a number of practices usually associated within the Human Resource (HR) function (Sears, 2003).

As an attempt is made for a deeper investigation of such a concept, and to identify whether the structure used for TM is similar to the structure used for HRM, a number of intricacies arise. These intricacies are primarily related to the lack of common understanding of TM in both academic as well as practitioner literature. This literature review also established the following conclusions; some believe TM to be just another expression for managing human resources, or a way of giving a fresh appearance to concepts that have been used for a number of years (APQC, 2004; Lewis et al., 2006). On the other hand, others such as Cheese et al., (2007) explain that HR is not only TM and vice-versa. They describe how TM is to a larger extent more comprehensive as it necessitates the engagement of the entire organisation and the conception of the talent way of thinking.

Others believe TM to be “a set of processes designed to ensure an adequate flow of employees into jobs throughout the organisation” (Lewis et al, 2006: 140). Another perspective of how TM is regarded focuses on engaging top employees to maximise performance (Lewis et al, 2006). However, the reality is that after extensive research in various sites and books, looking into both academic and management literature, the lack of a clear definition prevails. This is one of the gaps in existing literature. TM is a concept that does not manifest in grounded theory studies as yet and the search for any theories that emerged as a result of any investigations or findings were futile. There is no information about a "systematic set of procedures" that can "develop an inductively derived grounded theory" about this phenomenon (Strauss et al., 1990: 24).

Academic literature shows that amongst HRM and HRD (Human Resources Development) practices one finds rewards, recruitment and selection, training and development, work/job design, appraisals, job security and performance management,



which at the same time allow systems of HR Management to monitor attitudes and behavior (Townley, 1991). Upon researching TM practices, the above practices also seem to feature as part of talent strategies (Lewis et al, 2006; Silzer et al., 2009).

However there are also some differences between the findings of HRM and TM, with a clear distinction emerging across the perspectives about managing employees' talents on an individual basis. While HRM focuses on a process of addressing performance issues through a number of initiatives, managing talents through a talent structure means that HR must have a talent mindset rather than a process by which a number of initiatives are managed (Hatum, 2010). Managing talents through a talent structure means adopting a holistic approach rather than adopting ad hoc structures aimed at enhancing merely performance and productivity (Deb, 2005). Adopting a holistic approach is in fact one of the main challenges, as it means that activities covered under the umbrella of HRM need to be integrated into a talent strategy focusing on the various talents of each employee, an approach that involves every member within the organisation. Such a holistic approach must still be aimed at enhancing performance and productivity, however acting as a derivative of the talent initiative.

Therefore, adopting a talent mindset means that this is no longer the responsibility of the HR department, but rather a structure that needs to be supported by top management, orchestrated by the HR department and put into practice by both HR and line managers (Silzer et al., 2009). The shift from HRM to TM should primarily be orchestrated at top management whereby senior managers should be the catalysts of change and drive it forward whilst supporting its respective actions. Silzer et al. (2009) argue that the shift from old practices to new talent practices is strikingly visible. They speak of "a deep conviction that better talents lead to better corporate performance as

opposed to “a vague notion that people are our most important asset” (Silzer et al., 2009: 22). Additionally they regard TM as a central part of how organisations should run and take actions to build a talent pool, rather than work with people organisations inherit. This, together with the rest of the team should drive performance and productivity and therefore creating a culture that channels all activities towards the same goal.

Tying this to the structure-agency debate, organisations need to determine whether to:

- a) develop a culture built on a structure that drives systems to enhance overall competitive advantage, or
- b) drive a set of structures that revolve around serious management of employees talents, identifying the ones who really want to develop themselves, and focus their energy to strengthen the talent resources that are most promising.

The second measure needs to be properly managed as otherwise it can damage the overall strategic and operational functions of the organisation.

## 2.8 Talent Structures versus Other Structures

Other aspects that may be somehow related or confused with TM are Human Resources Development (HRD) and Training and Development (T&D). Numerous definitions had been given to HRD over the years by authors such as Nadler (1970), Craig (1976), Jones (1981), McLagan (1983), Chalofsky and Lincoln (1983), Nadler and Wiggs

(1986), Swanson (1987), Jacobs (1988), Smith (1988), Watkins (1989), Marquardt and Engel (1993) and Swanson (1995), amongst others.

Swanson et al. (2001: 4) defines HRD as “a process for developing and unleashing human expertise through organisation development and personnel training and development for the purpose of improving performance”. Other definitions by authors such as Watkins (1989: 427) relate HRD to the process of T&D stating that “HRD is the field of study and practice responsible for the fostering of a long-term, work related learning capacity at the individual, group and organisational level of organisations. As such, it includes – but is not limited to – training, career development and organisational development”. Nadler and Nadler (1989: 6) describe HRD as “organised learning experiences provided by employees within a specified period of time to bring about the possibility of performance improvement and/or personal growth”.

In conclusion, the main difference that emerges between TM and concepts such as HRM, HRD and T&D lies in the fact that whereas concepts such as HRM, HRD and T&D are important and integral in ensuring people management and development, TM goes a step further by adopting a holistic approach, integrating all aspects including recruitment, employee development, performance measurement, employee retention, rewards and succession planning, amongst others, and diffuse responsibility all the way down to every single employee within the organisation (Deb, 2005; Silzer et al., 2009; Hatum, 2010). This ensures that all aspects of people management and development are addressed holistically where the bearers of talent are highly involved in decisions relating to their current and future plans.

## 2.9 Organisational Culture, Structure and Agent Fit: Bridging the Gaps between Individuals, Teams and the Organisation

In investigating OC and its impact on the management of employees' talents, some important aspects need to be explored. Ulrich et. al. (2005: 150) state that “the most central aspect of organisational capability is OC: the collective mindset of the company. Collective mindset — that is, shared ways of thinking or shared cognitive patterns — has two powerful outcomes. It defines the way people behave and it also determines what information people will accept, interpret accurately and adopt as useful knowledge”.

The importance of the agent and structure come into play in an attempt to understand who and what is the most important. Then comes into play the various adopted management styles, based on the set OC. With this, the understanding of the different agents. Some other questions are presented in this setting. Are there individuals within an organisation who do not value their own talents, and/or who just want to keep on doing what they have been doing without wanting to develop themselves? What if they do, but the organisation does not support it? How can an organisation and its respective employees ever come to terms with all the variables and manage to fit? How do agents know what other agents are thinking and base their actions on those thoughts? And how are these thoughts connected, whether through other agents or through structures?

In a critique to the Archerian realism, Kivinen et al. (2006: 228) state that they do not see any gain through “circulating the explanations and preconditions of action via ontologised ‘emergent’ structures”. They illustrate the point further by stating that it is

as if the realist sees no connection between the hole she digs today in which another agent falls tomorrow. To realists, they have merely accompanied the transformation of a structure that then operates on a different date of the mishap. However, Archer (1995: 72) is right in her conception that “people are born into a social world that is not of their own making”. So are agents’ actions imposing a different reality onto other agents and structures (and through other agents and structures)? Or is there rather an interplay between agents’ actions and perceptions of reality that serve to provide the thread through which the persistence of structures is created and also understood?

This poses another important question. Whose responsibility is it to manage talents and secure the right level of learning and development opportunities to further develop talents? Drucker (1955) offers some insight into this and states that the responsibility for the development of a person stays within the individual. However, he goes on to say that whilst the manager (and therefore the other agent) should encourage individuals’ self-development, the organisation should provide development challenges to the managers. The principle of pluralism comes into play due to the fact that everyone is different, rendering management more difficult. This is especially true in the absence of knowing what other people are thinking in respect of their own, or other agents’ actions and structure itself.

People differ in talent, skills, abilities, intelligence, ideas, family backgrounds and culture, amongst others. Managing individuals, rather than simply trying to control them implies the detection of these traits, in particular their talents, their multitude of thoughts, accepting and understanding their differences, whilst work on developing them as individuals. This at the same time needs to be done by trying to fit them within

the parameters of the organisation. This requires one of the most challenging roles for an organisation, that is, managing diversity (Griffin, 1999).

The ability to manage different talents is essential, especially when considering that once individuals form part of an organisation, they will be assigned various tasks that enable them to work individually or in teams.

Management has the role to assist individual learning and team's cohesion. The importance of knowledge once again becomes apparent, as management teams need to be aware of individuals themselves, be able to understand the team and be in a position to analyse the stages of development that a team passes through as it evolves. In doing this, changes that take place can be tackled in a better way through integration between management and employees, unified through a dedicated management team. However, prior to doing this, one needs to understand what makes the team, that is understanding each individual and their respective capabilities (Wernerfelt, 1989).

Depending on the type of organisation, this understanding can aid management in identifying better ways of how to create the organisation-individual fit, whilst bringing out the best in every individual. Besides, if the organisation is able to manage the knowledge it gains by identifying respective talents, the organisation may use such knowledge to put employees in the right teams, working on the right projects at the right time (Pfeffer et al., 1998). This is, yet again, a very tough challenge, since apart from the environment and other external variables that impact on the organisation, one needs to go beyond the organisation's structure and agency but also determine how agencies relate to and change one another and how these, at the same time, affect and are affected by the culture of the same organisation and its respective structures. This

needs to also be put in the context of a time and space continuum and where everything becomes meaningful through language and other means of communication.

As a result of such interactions, a number of changes take place and therefore the world needs to constantly develop and in turn is developed as a result of these changes. As part of such development and to create a better fit, research over the past years has shown that world's best economies have given a lot of importance to training and skills enhancement over the past two decades "as vital factors in their economic success" (Caruana, 2001: 1 and Ashton et al., 1996: 3). In most cases related to organisations and their respective cultures, the development of individuals in terms of their talents is seen as crucial for the organisation's economic success. This is particularly felt when the most prominent natural resource available would be the employees themselves, and therefore organisations have to make the most of that natural asset in order to generate maximum outcome. Such outcome, however, cannot be viewed as common to all organisations. In organisations which are more bureaucratic or task-oriented, it could be the case where employees talents' are not regarded as assets which can put the organisation at a competitive or even sur/petitive advantage (De Bono: 1995).

At this point, organisations need to identify the type of culture they want to adopt to really ensure that there is the best return on any type of investment. Statistics set out in previous sections call for the problem of acute talent shortage at various levels, worldwide. The problem is more severe when management (either willingly and/or because of how the respective OC is shaped) fail to see employees' talents as more interesting and attractive options. Investing in employees talents' tends to be quite time consuming with hardly any short-term results, and the tendency is that some

organisations do not engage in a rather longer-term commitment, to the extent that they fail to identify better ways that can help the company grow.

On this subject, some may argue that because it is extremely difficult to have all the talent you need within the organisation, one can opt for having a talent network without boundaries. Kotcher and Ketchum Inc., state that “this approach gives employees the opportunity to move in and out of the agency [organisation] more freely. They can leave and still be as much a part of Ketchum as they were when they were account supervisors because they are still part of the talent network as a service provider. We have access to them, but in a different way. We’ve invested so much in them and they in us, it just makes sense to keep working together” (cited in Tulgan, 2001: 42). Therefore, at Ketchum Inc., a structure was created that allowed the individual to act freely, where in turn, the fluid structure also had a huge degree of flexibility and provided the organisation with positive return.

Striking the balance is challenging. The role of the organisation in managing or supporting individuals’ and teams’ talents within (and at times external to) the organisation in a state of change, may be manifold. As already mentioned, organisations (many times through their HR department) may have the role of keeping everyone informed, give training according to the organisation’s needs, prepare the managers and reduce the pressures of change as much as possible (Armstrong, 1999).

However, in global markets where change is necessary, organisations are faced with a dilemma. While sometimes striving for greater empowerment, flexibility, democracy and creativity in order to enhance talent with the aim of increasing profitability, organisations also have to focus more and more on quality (Barney et al., 1997). This



may imply more control and raises the question as to whether organisations may be moving away from a human relations approach back to a classical approach of the kind characterised by scientific management. Other questions that arise from current changes are, how should time be managed? How is motivation to take place? Is talent given less importance by putting people in pigeonholes? These are questions that some individual organisations might ask themselves. Some of these questions will be looked into in great detail during fieldwork and in the chapters to follow.

In the light of the above debate and analysis, it seems that the way to best use the employees' talents is by identifying them and encourage learning at the work place. Everyone needs to be responsible for the management of talents, not just the HR department or management teams. This will help individuals develop their talents further and will benefit the organisation if it manages such talents. Identifying and developing talents can be accomplished by keeping employees informed, giving them the right training, preparing the managers and encouraging the right leadership style. The latter facilitates better sharing of resources and improves management of knowledge to avoid the lack or excess of it. Finally, having an OC and its respective structure as a means of supporting all these variables at play is critical, optimising the outcomes for all involved.

## 2.10 Enhancement of Skills, Knowledge Management and the Learning Organisation

For OCs to have a positive impact on employees' talents, and for employees to be motivated and identify ways of how to enhance their talents, organisations should promote a working environment where learning is ingrained both in the structure of the organisation, and the agent. Reay (1994) describes learning as a continuous, intrinsic process where practice is one thing that makes learning more significant and applicable. A learning organisation (LO) has been described as one that adopts a continuous learning strategy (Harrison, 1992) coming from education, training and experience (Ehrenberg et al., 1994). Senge (1990) describes a LO as one that strives for continuous development in creating a better future. Through his book 'The Fifth Discipline', Senge identifies five disciplines which are "necessary to bring about a LO – personal mastery, mental models, shared vision, team learning, and systems thinking" therefore including both the structure and the agency (Flood, 1998: 259). Pedler et al. (1989) relate to the learning organisation as facilitating the learning process and transforming itself all the time.

Developing the organisation to make it compatible to its changing surroundings is what Burgoyne (1994) points out as a necessary feature. So if there is the need for the organisation to constantly transform itself, is there also a need to continuously facilitate learning and knowledge for the agents within the organisation? Is the organisation always able to provide this? And do agents always respond and offer a return on the investment, or use their prior knowledge to the benefit of the organisation?

Armstrong (1999: 488) describes three main areas of the learning process: knowledge which means what individuals need to know (cognitive learning); skill, what individuals need to be able to do; and attitudes, meaning how people feel about their work. In line with Armstrong's description, the management within a LO needs to be aware of these variables and present the agent with the right opportunities to learn, the suitable style of training and the appropriate environment in that the individuals can make the best use of their talents in a way that it will be beneficial for them and the organisation. In the study of employees' behaviours, it is very important to determine ways of how employees will carry out the functions according to the knowledge they have, the skills they obtained and their attitudes.

Knowledge Management (KM) is a very important aspect that impacts on the way an organisation performs. It involves the classification and breakdown of accessible and essential knowledge, and the planning and control of actions to fulfil organisational objectives (Gibson et al., 1994). The prosperity of organisations in an increasingly competitive marketplace depends critically on the quality of the product (Armstrong, 1999). In order to achieve this, organisations need to obtain knowledge of consumer requirements, new science, new technology and an organisation where people are committed and work for its success. Such an approach calls for knowledgeable employees whereby the manager plays a crucial role in facilitating learning and knowledge gain through the parameters set by the culture and the designed structures of the organisation.

However, even if the structure imposes that employees are knowledgeable, it does not mean that all employees will conform or have the ability to keep abreast with all the required knowledge. It could be the case where an employee shares information later

than it is requested, or that an employee decides to refrain from transferring knowledge to gain a powerful competitive edge over other employees. There could also be employees who decide to transfer knowledge to the competition due to a hidden agenda. As a result, every organisation needs to look into the ways it manages and may alter the structure to minimise the occurrence of such and other situations along the way as much as possible. However, the organisation can never ‘force’ an employee to behave in the way it wants, and worst than that, an employee can function in a way that may never be known to the organisation.

Notwithstanding, the venture of deploying the knowledge assets of an organisation to create competitive advantage becomes more acute as the marketplace is increasingly competitive and the rate of innovation is rising. Therefore knowledge must evolve and be understood at a faster rate. Another important factor is that organisations are focusing more and more on giving priority to customer value. This means that since the needs are constantly changing, knowledge needs to be acquired in less time, even though knowledge takes time to experience and acquire. Additionally, a change in strategic direction may result in loss of knowledge in a specific area. The more time goes by, the more organisations are realising how important it is to ‘know what they know’ and unless they make the utmost to apply the knowledge available, that is, their corporate knowledge asset, the chances of achieving better results will become more limited. To be the most effective, managing knowledge within the organisation must take a priority, but where does knowledge come from?

As Wheeler (1995) states, “the key to obtain knowledge and understanding of human resources is by being able to access and manipulate information” (Armstrong, 1999: 822). This however should not mean manipulating the agent and respective talents

solely to satisfy the organisation and its needs. Therefore, in an attempt to increase competitiveness whilst motivate employees to perform better and minimise the damage that may be posed by some agents, it is important to recognise the significance of the management style used. By doing so, the best ways in which the organisation will attempt to fulfil its mission and achieve its long-term goals, whilst respecting the needs of all involved is determined. Therefore, the management style chosen should ideally strive to integrate knowledge and learning as individual possessions, with the requirements of the learning organisation (Easteryby-Smith et al., 2003). How can this be achieved?

In an attempt to manage talent, organisations need to gather as much information as possible in order to identify the capabilities of their own people and the areas where they require further development, both as individuals and as an organisation. However, organisations need to move away from just looking at experience or qualifications as the ultimate requirements, or just at developing a person's weaknesses. Organisations should identify, even through discussions, what makes their employees work at the best of their abilities, and what motivates them to always raise the bar and to improve and better their performance. The mistake some leaders do is to focus mainly on identifying weaknesses and assist employees to bridge those gaps. Rather, leaders should give more prominence to employees' talents in that these are the true aptitudes that can really bring about positive changes faster. Leheney (2007:45) states how two of Gallup's Executives, Buckingham and Clifton, conclude that "what happens is a tendency for most people to work hard at becoming experts in their own weaknesses, allowing strengths to lie dormant. They propose a revolutionary program, which

attempts to work against this pattern by helping individuals identify their talents, build them into strengths, and enjoy consistent, near perfect performance”.

Organisations do have the responsibility of obtaining such knowledge. This in turn will give them the required power in building a structure that allows for better TM. Since the LO is one that strives for continuous learning through the identification and development of talents, the organisation can continue to grow and adapt to the rapid changes. Therefore, this implies that in discussing management of such talents, learning and knowledge for continued success, one must not omit the importance of time and change, as these are two very critical factors on which focus should be placed in order for organisations to be proactive and perform at their best. Time is an important asset and one of the most valuable resources. In itself, it brings about change with the advent of new technology, change in environmental settings, aggressive competition and other forces that influence the strategy of organisations.

Gould (2000:586) explains how according to Reavan’s law, “for an organisation to survive, its rate of learning must be equal to or greater than the rate of change in its external environment”. Thus, organisations should be aware of the cost of time and the influence it has over their achievements. Rapid changes have become the norm, driving organisations to continuously alter their structures and practices and increase their knowledge.

This creates an added challenge to the organisation by having to balance the needs of the agent (keeping them motivated and willing to learn and change, whilst identifying and developing their talents) with those of the organisation to provide fast effective outcomes to satisfy the clients. Adding to the managerial dilemma of achieving this

balance is the fact that one cannot measure precisely the degrees of change, as that is very dependent on the organisational structure, its management styles, internal policies and practices, its available knowledge and talent, and how these are in line with the ongoing changes (Heller et al., 1998).

Managing talents therefore becomes more critical in times of rapid changes. By doing so, organisations can minimise the impact of skills shortages, as well as being able to address change through well trained employees who know what their skills and areas of expertise are, and who are, at the same time, continuously working to develop any areas that require improvement.

Cappelli (2008) stresses the point that employers should move away from traditional approaches whereby careers are mapped out for years in the future. In a world where things are constantly changing at a very fast rate, there is definitely no space for such an approach and companies need to understand this, by developing an OC that is open and flexible enough to change according to the current trends.

## 2.11 Conclusion

During this review, various positions were presented and a range of debates invoked in an attempt to define OC and talent, as well as the roles structure and agency play in the understanding of these two important concepts. Various authors provided a number of interpretations and the end result these have on the social world.

Organisations have unique cultures and incorporated structures and are made up of a number of employees, all of whom with their respective differences seen from political, social and economical view points amongst others. The way employees act and interact within the organisation varies, and every time a person joins or leaves the organisation, this has an impact on the way the organisation performs, even if the impact is on a very small scale. These traits exist anywhere and everywhere, and management teams have different options on how to manage the organisation.

From this review, a number of subjects were identified including the different types of organisations, what talent is and how it can be managed, the importance of the structure and the agent, and how organisations can grow through learning and knowledge management. Since knowledge and learning are shared resources through networks of cooperation and clusters, individuals within these clusters share and build knowledge. All these have an effect on the ways OC impacts on talent, which ways can either set individuals free via suitable management styles or control them using other styles.

In order to maximise the organisation's potential, one needs to understand both the agent and the management that performs within the organisation as a structure or a set



of structures. Bearing in mind that once within the organisation individuals cannot act alone, this paves the way for an evaluation of how agent/s impact on other agent/s who either as stand-alone and/or collectively impact on structure/s and vice-versa.

This implies that going beyond the structure-agency approach in terms of how structure affects agency and vice-versa, a thorough analysis of many elements comes into play within and external to the organisation. This review looked into the development of an agent working within a structure or a set of structures, through a management team made up of other agents. It also sought to present how learning and knowledge are understood as individual possessions, how these are achieved, the different ways in which people learn, and how knowledge as a property and learning as a process can bring about change within organisations.

Therefore, in an effort to move a step further by trying to bring the individual and the organisation closer, this review brought to the forefront the responsibility of individuals to use own talents to contribute to the organisation in terms of its structure on one hand, and the management's responsibility to better manage the talents available through a learning organisation on the other hand. This led to the identification of third and even fourth possibilities of the impact of OC on talent, by recognising the fact that agent/s impact on other agent/s who also impact on structure/s and vice-versa.

Therefore in the interest of all parties concerned, this review acknowledges the fact that there exists a network of influences. The emphasis given to the elements of this network could vary according to how advanced the organisation is in terms of being a learning organisation, and how much the individuals are willing to share their talents in order to enable the organisation to become a more knowledgeable and competitive one.

After analysing the main approaches mainly OC, talent, structure and agency in their complex forms, this review sought to disentangle the phenomenon one refers to as OC, by freeing agents and their talents, and structures from a system of contrasts, concentrating upon the symbiotic relationship that exists (in any possible direction) between them. Through a discussion based also on the debates of various authors, the intention was to move a step closer to understanding structure and agency (and their positioning within OC), and how these alter each other in the course of their inter/action. Their symbiotic relationship provides the ground and gives a motive to the existence of meaning, language, history, time, symbols and all other forces that make interaction between individuals and the space around them possible.

This is very important when identifying employees' talents in a way that these impact positively on what the organisation needs, as well as develop individuals themselves. What brings all this together? This debate led to the conclusion that OC is the all-embracing factor in a way that it acts as the meeting point where all these forces meet, and make sense through it. OC is the point through which structures impose or communicate to agents (the content of interactions) and also the point through which agents act upon structures and cause changes within them. Therefore, OC is the present form of history, and continues to change through the interaction of structures and agents.

Without denying the due importance that should be given to the factors that are linked to OC and which make sense through it as discussed earlier on in the review, this review led to the conclusion that OC, besides acting as the centre through which other forces make sense, can be designed in a way that offers agents the tools to be free, therefore giving agents the possibility to think, act and behave freely and to use and

develop own talents. This basis is very important when analysing the fieldwork, to determine how OC impacts on talent, whether positively or negatively, depending on the type of culture.

The above debates showed that the pace of change due to innovation is increasing and this calls for a future whereby OC will need to undergo greater transformation to respond to and mould these changes. Since TM is about managing and developing people's potential, and future developments and responses of OC will in turn depend on this potential being realised, then TM will become increasingly important. Organisations' way forward is to develop a culture around a talent mindset, a talent strategy dove-tailed into the business strategy, where organisations create structures that enable TM, and where every individual should be held accountable for the management of such talents. It is no longer the sole responsibility of the HR department, or simply the adoption of ad-hoc HR practices. A talent mindset will assist in addressing the challenges resulting from acute skills shortages and will provide a platform for organisations to build a strong talent pipeline that is needed in order to sustain positive outcomes in every organisation.

In an effort to bridge the gaps identified in this review, the chapters that follow will focus on the following:

- Understanding the relationship between OC and the impact on employees' talents
- Analysing this relationship using the structure-agency approach and beyond

- Understand the above in the light of ICT companies in Malta
- Identifying the influence of creating a talent mindset amongst all employees within the organisation

Because agents are free to think, act, behave and develop themselves and their talents, and that structures are created in that they give meaning to the interaction of agents, OC can be viewed as all-embracing, as the repository of history within the space and time continuums. The following chapters will explore this, in an attempt to move a step closer to understanding the impact of OC on the management of employees' talents, using the structure-agency framework of Maltese ICT organisations.

## 3 METHODOLOGY

### 3.1 Introduction

This chapter outlines the rationale behind the use of the selected research, sets out the theoretical position of this dissertation and delineates the way such instruments were applied in an attempt to identify the impact of OC on the management of employees' talents amongst ICT organisations in Malta. In ensuring an effective and as accurate investigation as possible, a number of methods of inquiry were used. This chapter will also look into the sampling techniques used for this investigation, together with the research design and the ethical issues considered. The reliability and relevance of the findings of this study will also be discussed.

This research involved primary data collection through quantitative and qualitative approaches, enabling the study to avoid each approach's pitfalls by exploiting the strengths of both, concurrently. This approach avoids both the neglect of the 'social actor' found in quantitative research as well as the downplaying of the objectivity of social reality that plagues qualitative methodology (Erzberger et al., 1997: 142). The first phase of this research features an inductive method applied in qualitative research, building a general principle from special cases - "theory-building" (Mason 2002: 180). Following an analysis of the results from phase 1, phase 2 of the methodology involved a positivistic stance using the hypothetico-deductive method through a quantitative approach, allowing for the classification and summing up of data (Bezerra et al., 1998).

The findings and deductions about whether and/or how OC impacts on employees' talents, is set out in the next chapter. These findings also deal with the way employees as individuals and/or agents, relate to their respective OCs.

The ICT field in Malta, as case study, was chosen owing to Malta's challenge faced in terms of skills shortages in this area.

### 3.2 Qualitative and Quantitative Research

The literature review identified a number of philosophical stances and theoretical positions related to the culture of organisations and how these impact on the management of employees' talents within the context of organisations. The structure agency approach was used as a basis for discussion. The concepts of OC, managing employees' talents, structure and agency pose a variety of questions on both the ontological and epistemological planes. The relationships between the realities that these words attempt to represent (with varying degrees of success), sometimes escalate to amazingly complex heights once one delves into them.

This research addresses a number of deficiencies and has two main objectives. The first is to identify the gap in existing knowledge and lack of understanding of how OCs impact on the management of employees' talents. The second objective is to address the lack of guiding principles that help organisations integrate their strategic position with TM.

The objectives of this research point at various requirements. Firstly, this research is about meanings attributed by agents to terms like talent and OC – a concept that calls

for phenomenological approaches through an interaction with the unit of analysis (in this case, the individuals involved in organisations). These meanings enable an understanding about the management's perspective about OC, talent, and how they invoke OC to manage their people's talents.

Secondly, this research is also about processes as phenomena. Culture and structures are social constructed phenomena as are perceptions about talent, calling for interpretivist approaches involving an interaction between the researcher and the unit of analysis (again, the individuals involved in organisations). Thirdly, this research is also about the strength of causalities involved in the phenomenon of interest (the impact of culture on TM) calling for positivist approaches among units of analysis (in this case both managers and employees involved in organisations). A mixed approach, involving quantitative and qualitative approaches of investigation increases the information yielded and strengthens the validity of results (Goodwin and Goodwin, 1984: 380)

An approach involving both qualitative and quantitative approaches provides a more robust and meaningful study that would not have been possible if either approach was used in isolation. Wimmer et. al. (1994) describe the differences between qualitative and quantitative studies along three main dimensions. First of all their philosophy of reality is contrasted. While a quantitative researcher views reality objectively and one which can be divided into smaller parts, a qualitative researcher claims that there is no single reality that is holistic and cannot be subdivided. Secondly, the way they look at the individual is totally different. While a quantitative researcher looks at individuals in a similar manner and divides them into categories, a qualitative researcher believes that all human beings are different. Thirdly, quantitative research attempts to originate

general laws of behaviour and rationalise matters over many settings while qualitative research produces a singular denotation concerning a given condition or human being.

The positivist method, translated in the social sciences as quantitative research, goes on to test a positive hypothesis through the collection of relevant data through empirical means (Anderson, 2004). It is the objective of the positivist researcher to deduct general conclusions from specific manifestations of human social behaviour. To achieve this, the researcher must 'tap into' or gain access to fundamental laws of social behaviour akin to those found in natural science. To 'tap into' these fundamental laws with the lowest margin of error possible, the positivist researcher is required to have a representative sample of the category under investigation.

This representational quality of the sample ensures, in the positivist mind, that once the research is done and the demands of comparative analysis are fulfilled, a legitimate generalisation can be made. The knowledge obtained through experimental observation is deemed objective, a rational process free of bias and/or value, by and large a collection of numerical data collected through a research program that has been rigidly designed from the outset (Potter: 2000). This is what makes the other kind of researcher in question, the phenomenologist / qualitative, suspicious about the whole method.

For the phenomenological philosophical stance, the exclusive adherence to the positivist methodology by the quantitative researcher leads to a problematic disregard of salient philosophical problems. These problems include an underhanded dismissal of the fact that every researcher is subject to hidden bias, and the concomitant elimination of the need for interpretation (Schutz, 1972). Phenomenology is interested in



phenomena understood from within these phenomena themselves. For the qualitative researcher this means that the correct way to obtain knowledge is to meet the objects of study as subjects in the full sense of the word, that is, inductively, as individuals with characteristic relations to themselves and the world, relations that in themselves form the most important and relevant data for the researcher.

To achieve as untainted a picture of these individual specifics as possible, the qualitative researcher is required to bracket off any own biases lest they mingle with the findings, and thus sabotage their validity. Therefore, the qualitative researcher is compelled to start off from a kind of *tabula rasa*, wherein even the hint of a rigidly preconceived design is enough to bias the research project into error. While the identification of a research problem remains, the design prior to the actual carrying out of the interviews, focus groups and similar paths commonly used in qualitative enquiry, is deemed to be noxious for the validity of the data acquired. The qualitative researcher thus resorts to open-ended questions, thin enough to leave the necessary breathing space for subjective interpretation. While the quantitative researcher knows beforehand what problem needs to be solved, the qualitative researcher is continuously figuring out what the next research step should be in the light of the data gathered (Wimmer et. al., 1994).

The above description of the debate between positivist and phenomenology-based research methodologies is intended to throw light on how these two schools keep each other in check. They certainly pose serious problems to each other even when considering that if phenomenology had to lend a slight care to positivist thought, it would have to admit that the limitations of sample-size that in-depth enquiry imposes, potentially results in more unsupported findings. While phenomenology has come under attack by other philosophical stances, most prominently post-structuralism, one

must first give due importance to the construction of a methodology that synthesises quantitative and qualitative methods by way of avoiding the pitfalls and profiting from the strengths of both at once. This is also another way in which the philosophical debate about method in the social sciences does not simply hinder or handicap the researcher but contributes in the formation of new, perhaps finer, methods of investigation.

The synthesis in question is known as Triangulation (Anderson, 2004). Triangulation avoids both the neglect of the ‘social actor’ found in quantitative research as well as the downplaying of the objectivity of social reality that plagues qualitative methodology (Erzberger et al., 1997: 142). Triangulation involves a combination of methodologies (qualitative and quantitative) aimed at looking at the same problem from different angles.

Hence, the reason why such a cross-testing is carried out is because it presupposes an ‘out there’ reality that exists independently of perception or theory, and is formed of theoretically understandable facts and processes. This approach was intended to minimise the distortions that reality suffers on its way to become a theoretical representation of that reality.

### 3.3 Research Design and Procedure

The design of the research methodology was initiated by an exploration of the employers’ views through one-to-one interviews. The following stage involved sending out a number of questionnaires distributed amongst managers and employees for self-

completion. The notions of OC and management of employees' talents were the main highlights throughout the entire fieldwork.

A number of individuals contributed in the design of the research instruments in terms of the terminology that was used, ensuring (as much as possible) a proper interpretation of concepts. The level of thoroughness was a stronger focal point during the quantitative design as the method selected does not allow for any interaction with the participant, resulting in the questionnaire being answered without the possibility of getting any clarification from the researcher.

### 3.3.1 Qualitative Approach

The findings from the literature review guided the design of the research instruments in both qualitative and quantitative approaches. The first phase, involving qualitative interviews with ICT organisations, provided an initial understanding of how managers perceive OC, employee talent and how their TM is influenced by aspects of OC among other factors.

Qualitative data was collected via 11 one-to-one interviews conducted amongst senior managers in 11 different organisations.

### 3.3.2 Quantitative Approach

Following an analysis of the findings gathered from the respective managers, the second part of the study dealt with gaining further feedback from management in the way they use their respective OC to manage talents, as well as a study amongst employees in order to gain insight about their perspective in the way their talents are

managed. An analysis of the qualitative data, together with the deductions made in the literature review, supported the design of the two sets of quantitative questionnaires, intended to observe how managers and employees look at their OC and the way it influences development as well as accountability on both the management and employees part in the development of talent both as individuals and groups.

Different approaches for administration of this questionnaire were considered, including face-to-face, telephone or web interviews as well as self-completion, mail/e-mail administration. Face-to-face interviews, despite their ability to assess respondents' compliance in terms of sincerity, as well as opportunity for further dialogue and clarification, featured a level of human effort that would have rendered this research not feasible altogether within a time frame allowed for this phase. Telephone and web interviews suffer from drastically reduced response and compliance rates, despite the opportunity for further discussion between researcher and interviewee, albeit still presenting a level of effort that rendered the entire fieldwork difficult to complete within the allocated timeframes. Self-completion approaches, despite their inability to proffer any direct interaction between researcher and participant, enabled the achievement of an adequate response within the time frame planned (Berg, 2007; Bryman, 2004).

### 3.3.3 Participation

This study was approved by the Centre for Labour Market Studies, University of Leicester, UK and also by all the organisations participating in this research. Samples for the qualitative and quantitative studies were selected from a list of organisations

operating in the ICT sector as published by Malta Enterprise in 2009. This list features 307 companies, outlined in Table 1.

**Table 1 – ICT Organisations and Respective Number of Employees**

Number of ICT organisations registered in Malta	Number of employees employed per ICT organisation
177	1
35	2
21	3
48	4 – 14
26	15 – 400

These figures leave only 26 organisations lending themselves as potential data subjects for this research. This is due to the fact that most organisations employing 14 or less employees operate mainly in the retail sector. The researcher was interested in looking at how OCs impact on the management of employees talents in the larger companies which focus mainly on hardware and software development.

In comparing the views between managers (strategic, tactical roles) and employees (operational roles), contact details were obtained through the Maltese list of enterprises (from Malta Enterprise) and own organisations' corporate websites, as well as through a number of personal contacts (in line with the Data Protection Act).

For the quantitative research phase, two sets of surveys were designed, one distributed amongst managers and one distributed amongst employees in 26 different organisations. The link for each online survey was forwarded to either the HR Manager or Managing Directors of these 26 organisations, who in turn distributed the links amongst respective, eligible employees.

### 3.4 Research Instrument: Qualitative Study

#### 3.4.1 Selecting the Design

One semi-structured one-to-one interview was designed and administered amongst a representing Director/Manager in each of 11 different organisations that were selected as part of this study.

The reason for choosing this method was three-fold: First of all, these interviews were used to test the issues as set out in the literature review as well as to uncover any other issues related to the management and development of employees' talents not shown in the literature survey. Secondly, from a practical point of view, the second set of questions gave employers/managers the opportunity to talk about their work features and evidence of how they manage talents at their respective workplaces. Additionally, more insight was gathered with respect to formal methods used (as well as informal methods or the lack of them) with which employers/managers manage and develop talents and the impact of OC (directly and/or indirectly) on all of this. Due to the flexible nature of the interviews, some questions were added or altered during the interview according to the responses given by the interviewees (Bryman: 2004) intended to delve deeper into certain issues. Thirdly, the results from this empirical research, which involved the analysis and interpretation of data gathered through a total of 11 interviews (Denzin et al., 2003), supported the subsequent development of the two quantitative instruments applied in the following phase of the research.

### 3.4.2 Designing the One-to-one Interviews

The semi-structured interviews aimed to allow participants the freedom to expand and broaden their answers as they deemed fit (CLMS, Research Methods and Dissertation Requirements). This process facilitated in depth answers which allowed for a more holistic view of the topic under discussion.

The structure of the semi-structured interview administered amongst 11 owners/managers of ICT companies in Malta featured 16 questions with the aim of gaining a deeper insight in terms of respective

- organisational cultures,
- company values,
- management and development of talent,
- talent strategies,
- learning and development,
- return on investment, and
- the overall impact of OC on managing talents.

One of the main challenges of this research was to ensure that respondents were not just using lip service and answering questions in a way that projects their organisation in a

better light than others or indeed the reality. In order to minimise this gap, participants were asked to give examples of how things are done. A copy of the research instrument used is attached in Appendix A (page 208).

### 3.4.3 Pilot Testing

The one-to-one interview was piloted amongst 3 HR managers. Through feedback from the pilot study, some of the questions were restructured, using more practical terms. Some of the words included in the original design were not clear enough resulting in participants providing a lot of information without being direct in their answers. A case in point was the following question: ‘Are your employees free to behave and act on their own behalf, or are they required to follow your organisational structure?’ which question was translated to: ‘How does your organisation empower employees to maximise their talent potential?’

Additionally, the original instrument included 32 questions which were reduced to 16, eliminating indirect repetitive questions and incorporating some questions with others to amplify the level of focus.

### 3.4.4 Sample Selection

The selected approach for the semi-structured interviews was aimed at ensuring that the participants were not just selected at random, with the risk of leaving out the larger or smaller organisations. Therefore, out of the 26 organisations identified to participate in this study, these were split as follows: 16 organisations employing less than 50 people and 10 organisations employing more than 50 people. The sample from those 2 sets



was then selected at random, where 6 organisations employing less than 50 people and 5 organisations employing more than 50 people were identified.

An initial telephone call followed by an introductory email was sent to each target participant, describing the scope of the study, their role within the study, and the ethical considerations highlighting strict confidentiality and anonymity throughout the entire process and after the study is conducted (DeVito, 1994). All identified target participants accepted to participate on first contact.

### 3.4.5 Participating Organisations

In total, 11 organisations formed part of the qualitative research. A brief description of each organisation is provided below, allowing for reference at a later stage of the research.

Company A employs between 15 and 49 members of staff and specialises in the development and support of business applications solutions, providing IT services and designing software solutions. Most employees work as IT specialists. However there is a support function responsible for administration and finance. The organisation has been in business for more than 25 years and has adopted a flat structure. There are two key decision makers within the organisation and the interview was held with the Managing Director.

Company B employs between 15 and 49 members of staff and has been in operation for more than 25 years. It was originally set up by the father, and eventually his two sons took the lead and nowadays they are the primary decision makers. The company

specialises in providing financial solutions that automate payments, implementing different solutions with a variety of clients. Three employees are responsible for the support functions while all other employees are IT Specialists. The interview was held with one of two Managing Directors of the organisation.

Having spent more than 10 years in business, Company C specialises in providing customers with IT solutions and services. The company has four Directors who own more than 60% of the company and the rest of the shares are owned by the general public. Company C employs between 100 and 199 members of staff, most of who work directly in IT. Only a few employees are responsible for the support function including administration and finance. The interview was held with one of the Directors.

Company D has been in business for 19 years employing between 300 and 400 members of staff, making it possibly the largest IT organisation in Malta. Its mandate spans from ICT to the implementation of programmes and initiatives in Malta. The decision making process rests within the Board of Directors. Interview was held with the HR Manager.

Company E is a Maltese, privately-owned company which was established 33 years ago, as an offshoot of a firm of professional accountants. It currently employs between 50 and 99 members of staff and although it is a mature organisation, it is relatively flat in structure. Company E, which operates in Malta as well as from its regional office for North Africa, provides organisations with a full range of specialist ICT services. The

company is run by its Board of Directors and a management team of 18 managers. The interview was held with the Human Resources Manager.

Company F is probably the first foreign software company set up in Malta 29 years ago. Employing between 15 and 49 staff members, the company is 100% foreign owned and originally developed emulation software for the export market. Currently Company F is nowadays focusing on Internet issues with particular emphasis on security. The key decision makers of the firm, which is flat in structure, are the foreign owner of the company as well as the firm's manager. Interview was held with the Manager.

Company G is a leading Maltese organisation in People Management software solutions which started its operations 15 years ago, employing between 15 and 49 members of staff. The company's flagship product comprises various modules that address the whole spectrum of functionality concerning the management of information about organisations and personnel. To date, Company G services over 550 local installations and these are responsible to pay more than 120,000 employees. The company is a mature one and the owner and Operations Manager are the key decision makers. Interview was held with the Manager.

Originally established in the UK 16 years ago, Company H employs between 200 and 299 members of staff in Malta and overseas. This mature IT organisation provides, develops and implements leading-edge technologies. Company H provides a flexible range of systems, solutions and database management. Its Board of Directors and

intercompany directors are the forum for decision making. Interview was held with the HR Manager.

Company I is one of the largest IT companies in Malta and also the first, having started out 66 years ago. It employs between 100 and 199 staff members and offers a one-stop shop in ICT and security solutions, whilst specialising in system integration, enterprise-wide solutions and contracted outsourcing. The organisation's client base ranges from SMEs to large public and corporate entities. Company I, which given its long history is a very mature organisation, is led by 4 directors and a management team of 4 people. Interview was held with the IT Manager.

Company J began operations 10 years ago and employs between 15 and 49 members of staff in Malta and overseas. It was set up with the intention to bring secure Internet transaction technology to market. Therefore, the focus of Company J is on electronic payment solutions and applies its unique technology onto prepaid payments. Having commenced its business as a start-up, it is now reaching a certain level of maturity. Decision making is in the hands of its management team in Malta and overseas. Interview was held with the Chief Executive Officer.

Company K is a leading provider of affiliate marketing software and powers some of the industry's most successful and high volume affiliate programs by providing a single centralised complete solution to marketing. Set up 7 years ago, Company K has steadily grown to establish itself as the market leader in its field. The company employs

between 15 and 49 members of staff and is led primarily by its two owners. Interview was held with the Chief Technical Officer.

Some of the above organisations are listed on the Malta Stock Exchange. Exact details such as number of employees, staff composition between Malta and overseas, countries where some of the above organisations are based, which organisations are listed on the Malta Stock Exchange, details about products and services, amongst other details, were omitted in order to preserve anonymity.

### 3.4.6 Research Limitations

One of the limitations of this research is the thought of starting with a so-called meticulous piece of information that will lead to a general outcome, “thus moving from the particular to the general” (Mason 2002: 180). This is because nobody starts from a *tabula rasa*. Additionally, one needs to understand that as human beings, researchers do not live in a vacuum and are also affected by everyday life, and although detachment should be consistent, it is not always possible. In this research, the researcher’s bias was acknowledged and monitored accordingly (Marshall: 1981). To address this, two measures were taken: 1. Results were discussed (without exposing any names) with 3 professionals in the field (individually); 2. The Triangulation method was used to compare findings.

### 3.5 Research Instrument: Quantitative Study

#### 3.5.1 Selecting the Design

Following the analysis of the qualitative data, two questionnaires were designed. One of these questionnaires was administered amongst employers/HR managers/senior managers (within the remaining Maltese ICT organisations not participating in the qualitative research), whilst the other questionnaire amongst employees of all Maltese ICT organisations.

A relatively large amount of data was gathered – with 207 participants (79 managers and 128 staff) opting to take part in this research. As this approach offered no direct interaction between the respondent and the researcher, the chance that answers were affected by the way questions were asked was drastically minimised (Wimmer et. al., 1994).

#### 3.5.2 Designing the Questionnaire

Two types of questionnaires were designed. The first one consisted of 67 statements and was distributed amongst supervisors/managers/senior managers of Maltese ICT organisations. The second instrument consisted of 55 statements and was designed and distributed amongst staff members within 26 Maltese ICT organisations.

Prior to designing both questionnaires, a number of steps were taken. Following the write up of the literature review, the document was dissected and a number of items were extracted. These represented many of the key themes that emerged in the literature review, which key themes included recurrent words such as values, attitudes, skills,

training, performance and clearly OC and talent, amongst others. As a result of this, a number of questions were drawn up as part of the design of the one-to-one semi structured interview conducted amongst senior managers within the ICT organisations that participated in this study. After all results were gathered and transcribed, a detailed evaluation was carried out. During this evaluation, further key words emerged. Therefore, the product of both the extracts from the literature review together with the analysis of the findings from the qualitative research, made it possible for the researcher to operationalise and render amenable the concept of culture, structure, agents, and various other key terms.

The design of the one-to-one semi structured interview revolved mainly around culture, values, TM and development. Questions around culture and values such as 4, 5 and 8 (Refer to Appendix A) were asked to participants in order to address various issues outlined in the literature review. Challenges around the meaning of culture in various organisations, the difficulty of aligning people to culture, situations whereby there is no person-organisation fit and the impact on talent strategies were put forward by various authors. These include Schein (1992), Geertz (1993), Eldridge (1974), Budd (2008), Henderson (2011), Morgan (1986) and Hofstede (2003) amongst others.

TM and development were also key components of this research and a number of questions were drawn up to gain further insight from managers during the one-to-one interviews. These were mainly reflected in questions 7, 9, 10 and 15 (Refer to Appendix A). Various authors were studied to gain further insight into this subject, however facing a major challenge since the area of TM and development is ill-researched. The questions for the one-to-one interviews were mainly informed by

authors including Ingham (2006), Towers Perrin (2003), Sears (2003), Kirkland (2009), Bossidy et al. (2002) and Collins (2001) amongst others. This was done to gain further insight into how talent is defined within various organisations, how talent is influenced by organisation's beliefs and values, how and whether talent strategies impact on business outcomes, how organisations empower people to maximise talent potential and how learning and development is promoted.

This process was critical in that it provided a clearer understanding to the participants who contributed to the survey. Data gathered from the quantitative study was inputted and analysed utilising SPSS™ application. The questionnaires were designed as follows:

#### 3.5.2.1 Questionnaire for Supervisors / Managers / Senior Managers

The questionnaire was made up of 67 statements and divided into 7 different sections. An introductory letter was attached with each questionnaire giving information about the purpose of the study, the researcher, the research problem, duration of the compilation of the questionnaire, ethics, deadline and the researcher's contact details.

Section A dealt with 'General Information' about participants and consisted of 8 statements. Respondents were asked to state company name for which they worked, the number of employees working within the organisation, their age, gender, present role, years in present role, number of people for whom they are directly responsible and their level of education.



In sections B to G, respondents were asked to answer statements that were accompanied by five point Likert-type scale (Kumar, 2008), where ‘strongly disagree’ featured a score of 1 and ‘strongly agree’ was linked with a score of 5.

Section B dealt with ‘Values, Ethics and External Factors’ and included questions 9 to 17. Three statements were eliminated following their inability to feature acceptable reliability through Cronbach Alpha statistic. This section aimed to understand the significance of values such as trust, importance given to employees as being a company’s key resources, whether employees are regarded as a cost rather than an investment, employee-organisation fit, whether organisations do have a set of values in place, whether ethics are considered as being a part of the organisation, whether external challenges do have an impact on the operation of the company and the development of employees, the difficulty or ease of changing jobs and employee turnover.

Section C, ‘Customer Focus’, included questions 18 to 21. No items were removed following Cronbach Alpha analysis, with the items seeking information about whether the company gives priority to customers and provides employees with the right tools to deliver the best service possible both from an interpersonal as well as from a quality point of view.

Section D looked into the ‘Management and Development of Talent’. Statements 22 to 44 were included in this section, with 2 statements removed following Cronbach Alpha analysis owing to their poor reliability. Exploratory factor analysis on these items resulted in 8 factors as follows:

Factor 1: Investment and Return (6 statements were included in this factor) – the aim of this factor was to identify the difficulty (in terms of time and cost) in replacing lost talent, employee retention, future investment and making proper use of employees' talents

Factor 2: Personal Characteristics (4 statements were included in this factor) – managers were requested to view their opinion about the provided definition of talent, the management and development of employees' talents through their performance objectives and lack of availability of talent.

Factor 3: Challenging environment for development (3 statements were included in this factor) – this section dealt with the identification of employees' talents; providing employees with opportunities to use their talents by working on various projects and enhancement of employees' talents for competitive advantage.

Factor 4: TM (2 statements were included in this factor) – Managers were asked for ratings in talent strategies within their own organisations and allocation of time for employees to be creative and innovative in their work

Factor 5: Talent improvement in practice (1 statement was included in this factor) – dealt with the enhancement of employees' talents

Factor 6: Talent is difficult to find (2 statements were included in this factor) – the focus of this factor was on whether organisations find difficulty in recruiting people with the right attributes and having the right balance between technical and interpersonal abilities

Factor 7: Promotion of talent (2 statements were included in this factor) – managers were asked to share their views in terms of the way promotions are given, whether as a result of employees’ technical as opposed to the interpersonal abilities, and whether employees are motivated if they are provided with the right opportunities to enhance their talents.

Factor 8: Talent identification (1 statements was included in this factor) – this last factor requested managers to state whether performance appraisals play a part in identification of employees’ talents.

Section E looked at ‘Skills, Training and Development’ through 12 statements, however 4 statements were removed following Cronbach Alpha. Exploratory factor analysis determined the existence of 2 dimensions: the first looking into the ‘Technical Approach in Development’ through 4 statements focusing on whether technical training and skills are more beneficial to the organisation rather than interpersonal skills, whether training enhances employees talents and whether organisations measure the return on investment of training. The second dimension included 4 statements relating to ‘Personal Initiative in Development’ in terms of whether employees invest their personal time and money to attend work-related training courses.

Section F, ‘Communication and Decision Making’ was made up of 4 statements (no statements were removed following Cronbach Alpha) identifying whether there is open communication in organisations, whether employees are empowered to take decisions or involved in decision making in areas related to their job, and whether teamwork is encouraged.

The final section G constituted of 7 statements in the area of ‘Performance Management and Career Progression’, however 1 statement was eliminated following Cronbach Alpha. Exploratory factor analysis determined 2 dimensions, with the first dealing with ‘Performance Promotion’ and the second dimension relating to ‘Corrective Action’. The first part included statements related to performance management systems and whether these help employees to align to business objectives and company values, career progression and succession planning. The second part which also constituted of 3 statements, explored success of employees through projects, achievement of skills and track record of performance objectives.

There was only one open-ended statement at the very end which asked participants to write any further comments. Table 2 sets out the structure and contents of the instrument, while a copy of the actual survey together with the introductory letter are attached in Appendix B (page 210) as stated in the previous section.

**Table 2 – Structure of Questionnaire (Management)**

Descriptive Statistics						
Section	Item Number	Item Description	N	Min imum	Max imum	Mean  Std. Deviation
Demographic	V001	Employer Company				
	V002	Employees working in Company				
	V003	Age of Respondent				
	V004	Gender of Respondent (M/F)				
	V005	Role of Respondent				
	V006	Years in Present Role				
	V007	Number of employees reporting to Respondent				
	V008	Level of Education of Respondent				
Values, Ethics & External Factors	V009	Trust drives the relationship between the organisation and its employees	79	1	5	4.01 1.006
	V010	Employees in this company are its key resources	79	1	5	4.09 1.190
	V011	Can recall instances when employees were considered more like a cost than any other type of investment	79	1	5	2.96 1.091
	V012	Employees are asked to leave whenever they do not fit with the company's culture	79	1	5	2.82 1.083
	V013	Organisation has a set of company values in place	79	1	5	3.80 1.018
	V014	Business ethics are a strong aspect of the company's beliefs	79	1	5	3.99 .855
	V015	There are various external challenges that impact on the way people work and development of workforce	79	1	5	3.94 .952
	V016	Nowadays, employees have more opportunity to change jobs more frequently	79	1	5	3.76 1.040
	V017	There is a high employee turnover	79	1	5	3.08 1.163
	V018	In this company, customer is king	79	1	5	3.71 1.064
Customer Focus	V019	Company provides all employees with customer service guidelines	79	1	5	3.68 1.138
	V020	Company advocates a policy by which customer needs take priority	79	1	5	3.76 1.053
	V021	All in all the company manages to deliver the best possible quality in anything employees do	79	1	5	3.75 1.019
	V022	Defines talent as being something that a person is born with	79	1	5	3.48 1.084
Management & Development of Talent	V023	Defines talent as the person's competence (knowledge, skills and attitude) to do a job	79	1	5	3.76 1.053
	V024	There is difficulty in recruiting people with the right talent attributes	79	1	5	3.27 1.022
	V025	There is difficulty in recruiting people having the right balance between technical and interpersonal skills	79	1	5	3.38 1.113
	V026	Losing talent within organisation is very costly especially to rehire and retrain a new employee	79	1	5	4.04 1.043
	V027	Some talents within organisation are harder to replace	79	1	5	3.89 1.062
	V028	Managing and developing employees' talents helps retain employees as they feel that company is investing in their future	79	1	5	4.08 .944
	V029	Promotions are based on employees' talents rather than the years in service	78	1	5	3.68 1.000

	V030	Promotions are based on employees' technical abilities rather than interpersonal abilities	79	1	5	3.08	1.047
	V031	Managers have a talent strategy in place whereby there is a plan of how they are going to manage and develop employees' talents	79	1	5	3.56	.944
	V032	Believes it is very important to identify and make full use of own employees' talents	79	1	5	4.15	1.051
	V033	Employees' talents are identified through informal chats	79	1	5	3.44	1.059
	V034	Employees' talents are identified through performance appraisals	79	1	5	3.43	.970
	V035	Manages and develops own employees' talents by giving them the opportunity to work on projects	79	1	5	3.86	1.022
	V036	The initiatives aimed at talent enhancement are generally sporadic and unstructured	79	1	5	3.09	.977
	V037	Employees' talents are managed and developed through the identification and achievement of performance objectives	79	1	5	3.66	.861
	V038	Recalls episodes when employees did something to enhance their talents throughout last year	79	1	5	3.78	.827
	V039	There are some critical talents that are missing within own team	79	1	5	3.34	1.011
	V040	Employees' talents are enhanced primarily because firm wants to be competitive, rather than for the employee's self development	79	1	5	3.33	.983
	V041	Employees are motivated when they are provided with opportunities to enhance their talents	79	1	5	4.15	1.026
	V042	Some employees within own team who are not using their talents to the full because there isn't the right opportunity for them	79	1	5	3.51	.918
	V043	One of today's challenges is to retain talent within organisation	79	1	5	4.06	.911
	V044	Employees are encouraged to be creative and innovative by allocating time to try out new things and develop new ideas	79	1	5	3.59	1.044
Skills, Training & Development	V045	The organisation develops talents through training opportunities provided for employees	79	1	5	3.44	.984
	V046	Believes technical skills are more important than interpersonal skills	79	1	5	2.80	.853
	V047	Feels that providing training in technical skills is more important than interpersonal skills (leadership, team building, customer care, etc...)	79	1	5	2.71	1.076
	V048	Employees are provided more training in technical skills rather than interpersonal skills (leadership, team building, customer care, etc...)	79	1	5	3.34	.932
	V049	When employees are trained, management measures the return on the investment	79	1	5	3.34	.932
	V050	I do not believe training enhances my employees' talents	79	1	5	2.46	1.338
	V051	Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company	79	1	5	2.90	1.287
	V052	Employees usually pay for the training they receive	79	1	5	2.57	1.393
	V053	There were instances where employees were not given the opportunity to attend training programmes which could have	79	1	5	2.89	1.251

		supported their development					
	V054	Employees attend training at their own time, not during working hours	79	1	5	2.81	1.188
	V055	Employees are provided with one-to-one coaching sessions aimed at addressing performance gaps and optimising talent	79	1	5	3.30	1.113
	V056	Provides guidance on areas of work where own employees require further development	79	1	5	3.94	.952
Communication & Decision Making	V057	Employees are aligned to company beliefs and values through open communication	79	1	5	3.61	.898
	V058	Employees are empowered to take decisions	79	1	5	3.53	.959
	V059	Employees are involved in decision making in areas that relate to their job	79	1	5	3.67	.944
	V060	Teamwork is encouraged as opposed to having employees working on their own	79	1	5	3.94	1.113
Performance Management & Career Progression	V061	The company has a performance management system in place to make sure that employees are aligned to the business objectives and values of the organisation	79	1	5	3.56	1.106
	V062	The initiatives taken by our organisation in terms of talent management and development are mainly targeted towards addressing immediate performance gaps rather than long term planning	79	1	5	3.22	1.046
	V063	Employees are encouraged to always surpass their previous personal best	79	1	5	3.49	1.024
	V064	Analyses the effectiveness of own employees' work related activities through the success or otherwise of the various projects	79	2	5	3.78	.779
	V065	If employees are not able to reach an objective because they do not have the right attitude/skills in place, they are provided with all the support they need in order to enhance their talents to reach the desired objectives	79	1	5	3.65	.878
	V066	Manager tracks the outcomes of own employees' performance objectives	79	2	5	3.80	.774
	V067	There is a structure that determines the career progression and succession planning of every employee	79	1	5	3.19	1.188

### 3.5.2.2 Questionnaire for Staff Members

The second questionnaire consisted of 55 questions and was administered amongst employees working in 26 different Maltese ICT organisations. The aim of this survey was to understand the impact of OC on managing employees' talents, this time from the employees' point of view. Similar to the management's questionnaire, this was also divided into 7 different sections, this time exploring the research from the staff point of view. Table 3 sets out the structure of this instrument.

**Table 3 – Structure of Questionnaire (Employees)**

Descriptive Statistics							
Section			N	M i n i m u m	M a x i m u m	Mea n	Std. Deviat ion
Demographic	V001	Employer Company					
	V002	Age of Respondet					
	V003	Gender of Respondent (M/F)					
	V004	Role of Respondent					
	V005	Years in Present Role					
	V006	Number of employees reporting to Respondent					
	V007	Level of Education of Respondent					
Values, Ethics & External Factors	V008	Trust drives the relationship between the organisation and its employees	128	1	5	4.11	1.029
	V009	Employees in this company are its key resources	128	1	5	4.41	1.015
	V010	Can recall instances when employees were considered more like a cost than any other type of investment	128	1	5	3.24	1.070
	V011	Employees are asked to leave whenever they do not fit with the company's culture	128	1	5	2.72	1.079
	V012	Organisation has a set of company values in place	128	1	5	3.92	.919
	V013	Business ethics are a strong aspect of the company's beliefs	128	1	5	3.92	.780
	V014	There are various external challenges that impact on the way people work and development of workforce	128	1	5	4.03	.980
	V015	Nowadays, employees have more opportunity to change jobs more frequently	128	1	5	3.47	1.101
	Customer Focus	V016	There is a high employee turnover	128	1	5	3.93
V017		In this company, customer is king	127	1	5	3.28	.948
V018		Company provides all employees with customer service guidelines	128	1	5	3.73	.960
V019		Company advocates a policy by which customer needs take priority	127	1	5	3.77	1.033
Management & Development of Talent		V020	Defines talent as being something that a person is born with	128	1	5	3.38
	V021	Defines talent as the person's competence (knowledge, skills and attitude) to do a job	128	1	5	3.82	1.007
	V022	Promotions are based on employees' talents rather than the years in service	128	1	5	3.30	1.119
	V023	Promotions are based on employees' technical abilities rather their interpersonal abilities	128	1	5	3.05	.991
	V024	The company has a plan for the enhancement of employee talents	128	1	5	2.88	1.040
	V025	Believes it is very important to identify and make full use of own employees' talents	128	1	5	4.25	.851
	V026	Employees' talents are identified through informal chats	128	1	5	3.17	1.043
	V027	Employees' talents are identified through performance appraisals	128	1	5	3.27	1.133
	V028	Manages and develops own employees' talents by giving them the opportunity to	128	1	5	3.78	1.011



		work on projects					
	V029	The initiatives aimed at talent enhancement are generally sporadic and unstructured	128	1	5	3.35	.985
	V030	Employees' talents are managed and developed through the identification and achievement of performance objectives	128	1	5	3.38	.922
	V031	Recalls episodes when employees did something to enhance their talents throughout last year	128	1	5	3.87	.975
	V032	Employees are motivated when they are provided with opportunities to enhance their talents	128	1	5	4.45	.751
	V033	Employee could make better use of own talents if the right opportunity existed	128	1	5	4.16	.867
	V034	Employees are encouraged to be creative and innovative by allocating time to try out new things and develop new ideas	128	1	5	3.26	1.312
	V035	As long as employee's talents are managed and developed, employee will be willing to stay in the organisation's employment	128	1	5	4.16	.912
Skills, Training & Development	V036	The organisation develops talents through training opportunities provided for employees	128	1	5	3.31	1.025
	V037	Believes technical skills are more important than interpersonal skills	128	1	5	2.70	.901
	V038	Employees are provided more training in technical skills rather than interpersonal skills (leadership, team building, customer care, etc...)	128	1	5	3.28	1.101
	V039	I do not believe training enhances my employees' talents	128	1	5	1.86	.986
	V040	Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company	128	1	5	3.19	1.092
	V041	Employees usually pay for the training they receive	128	1	5	2.48	1.273
	V042	There were instances where employees were not given the opportunity to attend training programmes which could have supported their development	128	1	5	2.64	1.253
	V043	Employees attend training at their own time, not during working hours	128	1	5	3.14	1.253
	V044	Employees are provided with one-to-one coaching sessions aimed at addressing performance gaps and optimising talent	128	1	5	2.34	1.166
	V045	Employees are aligned to company beliefs and values through open communication	128	1	5	3.59	.874
Communication & Decision Making	V046	Employees are empowered to take decisions	128	1	5	3.29	.923
	V047	Employees are involved in decision making in areas that relate to their job	128	1	5	3.43	1.001
	V048	Teamwork is encouraged as opposed to having employees working on their own	128	1	5	3.92	1.062
	V049	The company has a performance management system in place to make sure that employees are aligned to the business objectives and values of the organisation	128	1	5	3.26	1.145
Performance Management & Career Progression	V050	The initiatives taken by our organisation in terms of talent management and development are mainly targeted towards addressing immediate performance gaps rather than long term planning	127	1	5	3.33	.968
	V051	Employees are encouraged to always surpass their previous personal best	128	1	5	3.55	.938
	V052	Employee analyses the effectiveness of own work related activities through the success or otherwise of the various	127	1	5	3.76	.861

	projects in which employee participates					
V053	Employee tracks the outcomes of own performance objectives	128	1	5	3.83	.932
V054	There is a structure that determines the career progression and succession planning of every employee	128	1	5	3.02	1.129
V055	Employee feels responsible for the achievements of own objectives	128	1	5	4.32	.709

### 3.5.3 Pilot Testing

A pilot study was conducted to ensure that the outlined questions were understood by the participants. Although, as previously explained, no person is a *tabula rasa* and a question can be understood in one way by one participant and in a different way by another participant, the researcher wanted to ensure that there were no mistakes or any questions that could not be understood by participants. Three managers from three of the participating organisations looked into the management questionnaire while five employees from 5 participating companies were given a copy of the employees' questionnaire. Following this exercise, all eight participants were invited to pass on any comments about the survey. A run through of the questions was carried out so as to ensure that what the participants understood was in line with what the researcher was asking. Some suggestions were made by these eight participants in relation to the clarification of certain statements and to reduce assumptions or presuppositions of prior knowledge on the part of respondents. All questionnaires were administered in English given the level of education of the respondents.

Pilot testing was seen as important in determining whether the research design was effective and appropriate. While helping to identify mistakes and misunderstandings, it is of utmost importance as it helps in designing a better survey that is more accurate and straightforward (CLMS, Research Methods and Dissertation Requirements).

### 3.5.4 Sample Selection and Question Techniques

The two surveys were sent to the 26 participating organisations. The link for the research instrument used for the quantitative study was distributed via email to a senior member within the organisation. Email addresses were obtained following several phone calls to the management of various organisations. The senior member responsible for each company forwarded the two surveys to the eligible participants who were asked to fill in the questionnaire online to ensure anonymity. Eligible participants are employees whose role is directly related to ICT.

It is important to point out a weakness in this study. From the list of ICT organisations obtained from the Malta Enterprise, the data only provided for categories in terms of the total number of employees as outlined in Table 1 (page 77). This statistic does not enable the determination of the correct size of the population of people in ICT jobs, suggesting only a potential number of employees involved in such jobs. This consideration also limits any testing for non-response bias in the quantitative research. Employees working within the organisation in departments such as finance were not eligible to complete the questionnaire. In total 79 participants filled in the management questionnaire and 128 participants filled in the staff questionnaire.

In order to ensure an adequate response rate, an online tool was used so that participants could follow the link and the survey was sent directly via internet. This ensured anonymity and ease since participants did not have to physically return the questionnaire. Additionally, the link was sent to participants through their respective organisations. Participants were advised that if they were in the final result, a copy was

going to be provided to all participating organisations made available to everyone, at the end of the research.

### 3.5.5 Research Limitations

One of the limitations of quantitative research is that through the positivistic approach, knowledge obtained in such research is deemed to be, by and large a collection of numerical data collected through the research program rigidly designed from the outset (Potter: 2000).

Additionally, the researcher was not present when the survey was being completed by the participants and therefore there was no opportunity for participants to ask for clarification on any question as they were filling in the survey. Although participants were offered the possibility to ask for clarification at any time by providing contact details, none of the participants contacted the researcher for any clarification. This might have caused participants to tick the wrong box. On the other hand, if the researcher was present, employees might have been more reluctant to answer the questions as frankly as they might have done without the researcher nearby. Therefore, at the same time, as opposed to the semi-structured interviews, the bias between the researcher and the respondent diminished drastically since there was much less interaction (Kumar, 2008).

Notwithstanding, this tool was effective in gathering significant responses which was easily put into categories to determine traits about OCs and the impact on managing talents.

### 3.6 Data Analysis

Data gathered from the qualitative study was transcribed and analysed manually by the researcher. No software application was used at any point in this process and a manual approach was taken in coding of themes arising from these interviews. As stated earlier, data gathered from the quantitative study was inputted and analysed utilising SPSS™ application. Analysis ranged from descriptive approaches involving an assessment of central tendencies or most common responses, to multivariate analysis, to data reduction techniques involving exploratory factor analysis. Additional correlation approaches were applied intent on evaluating the links between the different constructs derived during the course of analysis. Tables outlined in Chapter 4 refer to the statistics gathered from the surveys only since this software application can easily transform quantitative data in tables and figures amongst others.

All data collated from this study was considered as equally important irrespective of the participant's role within the organisation. The qualitative research allowed for in-depth results amongst the selected few, whilst the questionnaires allowed for a wider sample. This part of the study ensured cross-checking of views emerging from the interviews and survey, and the researcher looked out for similarities, differences and inconsistencies between various organisations and between the management and employees points of view.

The following chapter will discuss the results obtained from the methodology used. In turn, in Chapter 5, these results will be compared to the literature in Chapter 2, where

the review portrays a number of arguments by different authors. Concluding remarks and recommendations will be discussed in the final chapter.

### 3.7 Application of Population for Qualitative Research

For the qualitative research, the interview sample was decided as follows: Although, there was a total of 26 organisations eligible for the study, 11 organisations were selected where one participant from every organisation was interviewed. This represents 42.3% of the eligible population. The duration of each interview was around 75 minutes.

### 3.8 The Research Process

The research methodology and sequence was based on a number of factors as explored and accounted for in this section. Since this research called for an exploration to identify factors that are related to the areas of interest, a combination of methods was used. Due to the fact that no such research was ever done prior to this, an identification of factors through in-depth, one-to-one semi structured interviews was carried out. The aim was to determine how OC is defined from the perspective of the managers, together with the factors that they feel influence talent within their respective organisations.

The design of the semi-structured one-to-one interviews was based on the findings from the literature review. A set of questions were extracted in order to address some of the challenges that emerged from the works of various writers in relation to both OC and talent, and to determine the role of structure and the agent within organisations.

Following this, an in-depth analysis was done which led to the design of the quantitative instrument. The statements for both quantitative instruments were designed by extracting the main themes as emerged both from the literature review and the answers provided by managers during the qualitative research.

The analysis of the quantitative research was carried out in a number of steps. A descriptive analysis was done to determine the mean and standard deviations of every statement featured in both quantitative instruments. The results provided data in terms of how people answered every statement. The highest 'mean' value for the management quantitative instrument was for statement 32: 'I believe it is very important to identify and make full use of my employees' talents' at 4.15 out of 5. The highest 'mean' value for the staff quantitative instrument was also given to statement 32: 'I am motivated when I am provided with opportunities to enhance my talents' at 4.45 out of 5 (5 being the highest in both cases). The lowest mean value for the management quantitative instrument was for statement 50: 'I do not believe training enhances my employees' talents'. The lowest mean value for the staff instrument was at 1.86, statement 39: 'Whenever I attend training, it is mostly through personal initiative and not because it is suggested by the company', with 1 being the lowest score. A representation of these figures is found in tables 2 and 3 respectively.

The main aim of the quantitative instruments was to simplify the instruments and to check whether there is a correlation between the identified factors. In order to do initiate the process, a Cronbach Alpha (CA) was carried out to determine the reliability of both quantitative instruments and therefore to determine whether instruments were fit for factor analysis. CA was carried out on all statements grouped under their

respective construct (six constructs per instrument) whereby if the results denote a value which is less than 0.6, then constructs are fit for Factor Analysis. Since the value of CA was relatively weak for some of the constructs, a number of items had to be removed until the value was 0.6 or higher. In some cases, even when the value of CA was higher than 0.6, some items were still removed in order to further strengthen the relationship until the value could not be further improved. Following CA, both instruments were free from internal consistencies. A representation of these figures is presented in Tables 4 and 5 showing the constructs, initial CA reading, initial number of items, which items were removed, the final number of items and final CA values.

The next step was to determine the feasibility of the study and the fitness of each construct for Factor Analysis (FA) and therefore two tests were carried out, namely, Kaiser-Meyer-Olkin (KMO) of Sampling Adequacy Test followed by Bartlett's Test for Sphericity. KMO tests the strength of the correlations amongst the variables which should have a value greater than 0.5 for sampling adequacy (with a maximum value of 1). The value has to be greater than 0.5 to be able to proceed satisfactorily for FA.

Bartlett's Test of Sphericity tests is used to examine the hypothesis that each variable correlates perfectly with itself but is not correlated with the other variables. For Bartlett's Test of Sphericity to be significant, the value has to be less than 0.005.

Both tests accounted for a high level of variation in both samples and that the solution is stable. The level of variation is read through the Eigen value. It shows a ratio of the different Standard Deviations that are loaded on each factor. The higher the Eigen



value, the more Standard Deviations are included and accounted for. When the Eigen value is less than 1, the value is rejected and therefore factor is rejected.

Following these tests, the next step was to conduct a Factor Analysis, one for each of the two instruments. The researcher was interested in simplifying the instruments by determining the factor loadings and determining how variables correlate.

Therefore a Principal Component Extraction and Initial Factor Solution were carried out to show that in one way or another, items load together on factors. Therefore, these methods were used to simplify solutions from 67 and 55 statements for the managers and staff instruments respectively, into a number of factors. However, the solution is never clear. There are instances where items may load on two factors very closely, thus making it more challenging to decide on which factor they actually load. As a means of getting a clearer picture, another test needs to be run. This is rotation process involving a methodology proposed by Kaiser using an exploratory approach (Varimax). This is called Rotated Factor Solution with Varimax Rotation and Kaiser Normalisation. The researcher used exploratory rotation (Varimax) since the instruments used were designed from the outset and as a result were still untested. As a result, a Rotated Solution was obtained, where loadings are either much higher or much lower, increasing the difference between the loadings of each item on the different factors, therefore obtaining the 'better contrast'.

An Initial Correlation Matrix with Pearson Correlation Coefficient was then carried out. This was carried out to provide an understanding about how management perceive and manage talent and how employees perceive and feel their talents are managed. The

results gave an initial idea of which factors correlate positively to one another. In the case of the management instrument, 15 factors were loaded and therefore there was an evaluation of a correlation matrix between the 15 factors (15 x 15) as opposed to 67 statements (resulting in a matrix of 67 x 67). 12 factors were identified for the staff instrument. The relationship between all these factors was evaluated. The Pearson Correlation Coefficient is the probability measure showing that the relationship between one variable and another is beyond error or beyond pure chance. If the value is less than 0.5, then the coefficient is valid.

The final step was carried out through a Regression Analysis to determine the strength between one construct and another. In total, nine hypotheses per instrument were tested represented in figures 1 and 2. The arrows of each hypothesis presented in the figures show the correlation between factors and not how they impact on each other. All the variables presented in both models are dependent and independent at the same time (refer to tables 11 and 13). Since the researcher was interested in the strength of the relationship, variables were presented both as dependent and independent in order to test them against each other.

### 3.9 Critique of the Research Methodology

Besides the already outlined research limitations for both qualitative and quantitative research, a further limitation is related to the research itself. This research was conducted amongst ICT companies in Malta and therefore findings that result from this study cannot be attributed to any other area besides ICT. Besides, the results of this study cannot be attributed to any ICT companies outside Malta due to the role of

cultural, societal, political, environmental and economical factors on the phenomenon of interest.

### 3.10 Ethical Issues

Performing research with human beings as protagonists may pose a number of ethical questions. The same applies when investigating data pertaining to organisations whose management is not willing to expose information so easily. The following discussion is based upon ethical considerations that took place in this study.

Prior to the commencement of the field work, permission was sought from all organisations who were asked to participate in this study. Upon confirmation, participants were informed that the data that they were going to provide was for the purpose of this research and its output only (Burgess, 1989). This was done through a discussion with the participants involved and/or through a letter attached to the questionnaire, explaining the type of research, its purpose and the importance of these assessments for the success of this study. Another important factor that was explained to all participants was how the research was designed, and as a result of that design, how the subjects were chosen. Furthermore, it was important to explain the process of how data was to be analysed. A good rapport was built with the management of the different organisations which facilitated the holistic process of the study.

The groups selected for this study, particularly for the qualitative research since there was personal contact with participants, were given the opportunity to ask as many questions as they liked. It was important that participants felt that there lies no hidden

agenda. One way for addressing this was by being very open about the study and its purpose, and by clarifying anything the participants did not understand or doubted. Most participating organisations are used to assist students in such research and showed appreciation of their involvement in research at Doctorate level. Most participants (especially the management) expressed their enthusiasm in gaining further knowledge about this area following finalisation of the study.

The researcher assured participants of strict confidentiality at all times. It is considered extremely unethical to harm and/or put subjects at risk and thus posing negative psychological effects which could result in an undesirable outcome. Participants filling in questionnaires were not asked for specific details such as their name, address, or any other personal information that could expose their identity. It was the responsibility of the researcher to suppress certain details in the write up to avoid the possibility of identification in the case participants and/or organisations could be recognised. This was a delicate task since the researcher had to make sure that generalisation was not at the detriment of the information the researcher wished to disclose.

The researcher was given permission to record all one-to-one interviews by the respective participant/interviewee. Confidentiality was assured and as a result, data was secured in a safe place and therefore not accessible to third parties. In the case of physical data (transcripts of recorded semi-structured interviews), an agreement was made with participants that data will be destroyed (after one year of completion of the dissertation) unless they wish to keep it for themselves.

Following every interview held between the researcher and the subject/s, the subjects in question were put back in their pre-experimental psychological framework and the

researcher ensured that everyone was at ease in the environment in which they were situated. This was done by once again assuring them that no one will gain access to the raw data, and therefore, whatever their response is, it will be strictly confidential and analysed solely by the researcher (who at the end, produces general results without exposing any names). Additionally respondents were given enough time and/or provided with personal contact details of the researcher to ask any other questions which may have arisen during the course of the interview or filling-in of the questionnaire.

Copies of the final results will be given to participants who showed an interest in obtaining them. Integrity was very important throughout the whole process, ensuring accuracy in results as much as possible (Bridges, 1989).

One of the ethical dilemmas that the researcher faced in the initial stages of this research was that of being an insider-researcher in part of the study. As much as it has its positive aspect, that of being more informed, more culturally aware of certain issues, and more familiar with the research settings, on the other hand, certain information can be taken for granted by looking at the scenario from an insider's subjective point of view. This was solved when the researcher terminated her employment from one of the ICT companies in Malta.

The fact that a number of subjects were involved in this research was taken into consideration. Subjects have very valuable input within the research itself and as a result participants were never put at stake or harmed in any way that affects them psychologically. The researcher kept in mind the fact that honesty is one of the most important values when conducting this type of research and all parties were involved

and informed of the outcome. After all, this is a compilation of results to which they also contributed.

### 3.11 Concluding Remarks

This methodology was carried out by first using an inductive method followed by a hypothetico-deductive method through qualitative and quantitative approaches respectively through various methods of data collection.

All instruments used in this methodology allowed for a collection of data analysed manually and through SPSS<sup>MT</sup>. Transcripts were done for all one-to-one interviews which were then examined in detail, enabling the subsequent design of 2 quantitative instruments. Confidentiality was assured at all times and some data had to be further classified in order to ensure that no organisation or individual were exposed due to unique features.

The research's intent was to strive for in-depth exploration through qualitative research, and for a determination of causalities through the quantitative study. The focal point of the methodology was to identify the impact of OC on the management of employees' talents and any other areas pertaining to or external to them. All questions / statements made during the quantitative and qualitative research included areas such as values, ethics, external factors, customer focus, skills, training and development, performance management and career progression, communication and decision making. This study aimed at focusing on both organisations as well as individuals across all levels, looking at organisational structures and the role the individual plays as an agent or otherwise in the contribution to the management of talents. A summary of the results was promised

to all participants who were interested in getting to know more about the findings and recommendations of this study.

Results and findings from these areas will be discussed in further detail in the following two chapters.

## 4 RESEARCH RESULTS

### 4.1 Introduction

The following sections relate to the observations / emerging themes arising from the an analysis of transcripts of qualitative interviews conducted with 11 managers in ICT firms participating in the research, together with the results and observations made during the quantitative analysis of the 207 survey responses (from both managers in ICT companies and their respective employees).

### 4.2 Instrument Reliability

The reliability of the instruments used in this research was tested using Cronbach Alpha for the different constructs separately. Table 4 and 5 set out a summary of the Cronbach Alpha statistics for the management instrument, before and after interfering item removal, showing how initial alphas for ‘values, ethics and external factors’; ‘communication & decision making’ and ‘performance management & career progression’ were less than 0.6 indicating a level of internal error. As per Nunally (1978), a stepwise item removal and Cronbach Alpha iteration was computed until no further improvements in Cronbach Alpha could be achieved through further item deletion (with the resulting alphas exceeding 0.6), showing that the remaining items in the instrument were free from internal inconsistencies. The same procedure was adopted for the items constituting the employee questionnaire, with item removal undertaken on the ‘values, ethics & external factors’ construct.



**Table 4 – Summary of Initial Cronbach Alpha Statistics (N = 79) for Management Instrument**

Construct	Initial Cronbach Alpha	Initial Number of Items	Items removed	Final Number of Items	Final Cronbach Alpha
Values, ethics & external factors	0.494	9	V011, V012, V017	6	0.664
Customer focus	0.723	4	None	4	0.723
Talent management & development	0.673	23	V036, V042	21	0.708
Skills, training & development	0.632	12	V045, V048, V055, V056	8	0.721
Communication & decision making	0.581	4	None	4	0.581
Performance management & career progression	0.561	7	V062	6	0.641

**Table 5 – Summary of Initial Cronbach Alpha Statistics (N = 128) for Employee Instrument**

Construct	Initial Cronbach Alpha	Initial Number of Items	Items removed	Final Number of Items	Final Cronbach Alpha
Values, ethics & external factors	0.494	8	V010, V011	6	0.615
Customer focus	0.640	4	V019	3	0.673
Talent management & development	0.766	16	V029	15	0.786
Skills, training & development	0.632	9	V036, V037, V043	6	0.721
Communication & decision making	0.660	4	V045	3	0.667
Performance management & career progression	0.633	7	-	7	0.678

### 4.3 Data Reduction: Management Instrument

To simplify the analysis of the different constructs that the instrument was intended to measure, a factor analysis approach was undertaken on the composing items. Guided by a need to explore these constructs, a principal component extraction, followed by Varimax Rotation and Kaiser Normalisation were undertaken on the management data set. The fitness of each construct for factor analysis was measured through Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy as well as a significant Bartlett's Test of Sphericity ( $p < 0.005$ ). When the KMO measure exceeded 0.5, (with Bartlett's Test less than 0.005), the construct was interpreted as fit for factor analysis, with emerging factors accounting for a substantial amount of variance. A summary of this approach is set out in Table 6, while Table 7 sets out a summary of the item loadings on the different factors following Varimax rotation.

**Table 6 – Summary of Fitness for Factor Analysis, Total Variance Explained, Factor Analysis Results for each of the constructs composing the Management Instrument**

Construct	Kaiser-Meyer-Olkin of Sampling Adequacy	Bartlett's Test of Sphericity	Components			Factor Designation	Regression Factor Name
			Component	Eigenvalue	% of Variance Explained (Cumulative)		
Value, ethics & external factors	0.663	0.000	1	2.271	37.851	Value, ethics & external factors	VEE_Mgt
Customer focus	0.657	0.000	1	2.213	55.321	Customer focus	CF_Mgt
Talent management & development	0.609	0.000	1	4.310	20.523	Investment & return	TMD_Mgt_01
			2	2.072	30.389	Personal characteristic	TMD_Mgt_02
			3	1.695	38.462	Challenging environment for development	TMD_Mgt_03
			4	1.622	46.185	Talent management	TMD_Mgt_04
			5	1.312	52.435	Talent improvement in practice	TMD_Mgt_05
			6	1.183	58.068	Talent is difficult to find	TMD_Mgt_06
			7	1.076	63.191	Promotion of talent	TMD_Mgt_07
			8	1.016	68.027	Talent identification	TMD_Mgt_08
Skills training & development	0.765	0.000	1	2.856	35.703	Technical approach in development	STD_Mgt_01
			2	1.424	53.501	Personal initiative in development	STD_Mgt_02
Communication & decision making	0.617	0.000	1	2.008	50.198	Communication & decision making	CDM_Mgt
Performance management & career progression	0.604	0.000	1	2.151	35.844	Performance promotion	PMCP_Mgt_01
			2	1.132	54.712	Corrective action	PMCP_Mgt_02

**Table 7 – Summary of Factor Loadings Across Instrument Items (Management Instrument)**

Regression Factor Name	Value, ethics & external factors	Customer focus	Talent management & development								Skills training & development		Communication & decision making	Performance management & career progression	
	VEE_Mgt	CF_Mgt	TMD_Mgt_01	TMD_Mgt_02	TMD_Mgt_03	TMD_Mgt_04	TMD_Mgt_05	TMD_Mgt_06	TMD_Mgt_07	TMD_Mgt_08	STD_Mgt_01	STD_Mgt_02	CDM_Mgt	PMCP_Mgt_1_01	PMCP_Mgt_1_02
Trust drives the relationship between the organisation and its employees	0.593														
Employees in this company are its key resources	0.667														
Organisation has a set of company values in place	0.613														
Business ethics are a strong aspect of the company's beliefs	0.469														
There are various external challenges that impact on the way people work and development of workforce	0.757														
Nowadays, employees have more opportunity to change jobs more frequently	0.553														
In this company, customer is king		0.785													
Company provides all employees with customer service guidelines		0.682													
Company advocates a policy by which customer needs take priority		0.870													
All in all the company manages to deliver the best possible quality in anything employees do		0.613													
Some talents within organisation are harder to replace			0.828												
Losing talent within organisation is very costly especially to rehire and retrain a new employee			0.770												
Managing and developing employees' talents helps retain employees as they feel that company is investing in their future			0.767												
Believes it is very important to identify and make full use of own employees' talents			0.672												
One of today's challenges is to retain talent within organisation			0.656												
Promotions are based on employees' talents rather than the years in service			0.358												
Defines talent as being something that a person is born with				0.713											
Employees' talents are managed and developed through the identification and achievement of performance objectives				-0.534											
Defines talent as the person's competence (knowledge, skills and attitude) to do a job				0.521											
There are some critical talents that are missing within own team				0.517											
Employees' talents are enhanced primarily because firm wants to be competitive, rather than for the employee's self development					-0.801										
Employees' talents are identified through informal chats					0.597										
Manages and develops own employees' talents by giving them the opportunity to work on projects					0.549										
Managers have a talent strategy in place whereby there is a plan of how they are going to manage and develop employees' talents						0.760									
Employees are encouraged to be creative and innovative by allocating time to try out new things and develop new ideas						0.527									
Recalls episodes when employees did something to enhance their talents throughout last year							0.763								
There is difficulty in recruiting people having the right balance between technical and interpersonal skills								0.872							
There is difficulty in recruiting people with the right talent attributes								0.506							
Promotions are based on employees' technical abilities rather their interpersonal abilities									-0.709						
Employees are motivated when they are provided with opportunities to enhance their talents									0.563						
Employees' talents are identified through performance appraisals										0.888					
Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company											0.782				
Employees usually pay for the training they receive											0.693				
There were instances where employees were not given the opportunity to attend training programmes which could have supported their development											0.796				
Employees attend training at their own time, not during working hours											0.769				
Believes technical skills are more important than interpersonal skills												0.680			
Feels that providing training in technical skills is more important than interpersonal skills (leadership, team building, customer care, etc...)												0.773			
When employees are trained, management measures the return on the investment												0.320			
I do not believe training enhances my employees' talents												0.576			
Employees are aligned to company beliefs and values through open communication													0.540		
Employees are empowered to take decisions													0.784		
Employees are involved in decision making in areas that relate to their job													0.825		
Teamwork is encouraged as opposed to having employees working on their own													0.648		
The company has a performance management system in place to make sure that employees are aligned to the business objectives and values of the organisation														0.691	
Employees are encouraged to always surpass their previous personal best														0.791	
There is a structure that determines the career progression and succession planning of every employee														0.754	
Analyses the effectiveness of own employees' work related activities through the success or otherwise of the various projects															0.781
If employees are not able to reach an objective because they do not have the right attitude/skills in place, they are provided with all the support they need in order to enhance their talents to reach the desired objectives															0.785
Manager tracks the outcomes of own employees' performance objectives															0.404

#### 4.4 Data Reduction: Employee Instrument

To simplify the analysis of the different constructs that the instrument was intended to measure, a factor analysis approach was undertaken on the composing items. Guided by a need to explore these constructs, a principal component extraction, followed by Varimax Rotation and Kaiser Normalisation were undertaken on the management data set. The fitness of each construct for factor analysis was measured through KMO measure of sampling adequacy as well as a significant Bartlett's Test of Sphericity ( $p < 0.005$ ). When the KMO measure exceeded 0.5, (with Bartlett's Test less than 0.005), the construct was interpreted as fit for factor analysis, with emerging factors accounting for a substantial amount of variance. A summary of this approach is set out in Table 8, while Table 9 sets out a summary of the item loadings on the different factors following Varimax rotation.

**Table 8 – Summary of Fitness for Factor Analysis, Total Variance Explained, Factor Analysis Results for each of the Constructs Composing the Employee Instrument**

Construct	Kaiser-Meyer-Olkin of Sampling Adequacy	Bartlett's Test of Sphericity	Components			Factor Designation	Regression Factor Name
			Component	Eigenvalue	% of Variance Explained (Cumulative)		
Value, ethics & external factors	0.633	0.000	1	2.056	34.264	Company's belief in people	VEE_Emp_01
			2	1.170	53.757	Corporate values & externalities	VEE_Emp_02
Customer focus	0.648	0.000	1	1.753	58.421	Customer focus	CF_Emp
Talent management & development	0.764	0.000	1	4.151	27.675	Talent is a dynamic property	TMD_Emp_01
			2	1.983	40.892	Talent development is a process	TMD_Emp_02
			3	1.266	49.333	Talent identification	TMD_Emp_03
			4	1.036	56.237	Talent & abilities lead to advancement	TMD_Emp_04
Skills training & development	0.678	0.000	1	2.232	37.196	Voluntary training	STD_Emp_01
			2	1.125	55.939	Values technical skills	STD_Emp_02
Communication & decision making	0.618	0.000	1	1.948	64.94	Communication & decision making	CDM_Emp
Performance management & career progression	0.677	0.000	1	2.374	33.916	Performance encouragement	PMCP_Emp_01
			2	1.108	49.745	Performance review	PMCP_Emp_02

**Table 9 – Summary of Factor Loadings Across Instrument Items and Factors (Employee Instrument)**

Regression Factor Name	Value, ethics & external factors		Customer focus	Talent management & development				Skills training & development		Communication & decision making	Performance management & career progression	
	Company's belief in people	Corporate values & externalities		Talent is a dynamic property	Talent development is a process	Talent identification	Talent & abilities lead to advancement	Voluntary training	Values technical skills		Performance encouragement	Performance review
	VEE_Emp_01	VEE_Emp_02	CF_Emp	TMD_Emp_01	TMD_Emp_02	TMD_Emp_03	TMD_Emp_04	STD_Emp_01	STD_Emp_02	COM_Emp	PMCP_Emp_01	PMCP_Emp_02
Trust drives the relationship between the organisation and its employees	0.724											
Nowadays, employees have more opportunity to change jobs more frequently	0.708											
Business ethics are a strong aspect of the company's beliefs	0.591											
Employees in this company are its key resources	0.541											
There are various external challenges that impact on the way people work and development of workforce		0.811										
Organisation has a set of company values in place		0.695										
In this company, customer is king			0.775									
Company provides all employees with customer service guidelines			0.788									
Company advocates a policy by which customer needs take priority			0.729									
Employees are motivated when they are provided with opportunities to enhance their talents				0.869								
Employee could make better use of own talents if the right opportunity existed				0.754								
Believes it is very important to identify and make full use of own talents				0.684								
As long as employee's talents are managed and developed, employee will be willing to stay in the organisation's employment				0.673								
Defines talent as the person's competence (knowledge, skills and attitude) to do a job				0.568								
Recalls episodes when employees did something to enhance their talents throughout last year				0.485								
Defines talent as being something that a person is born with					0.701							
Employees are encouraged to be creative and innovative by allocating time to try out new things and develop new ideas					0.689							
Employees' talents are managed and developed through the identification and achievement of performance objectives					0.625							
Manages and develops own talents by having the opportunity to work on projects					0.485							
Employees' talents are identified through informal chats						0.733						
Employees' talents are identified through performance appraisals						0.706						
The company has a plan for the enhancement of employee talents						0.477						
Promotions are based on employees' technical abilities rather their interpersonal abilities							0.831					
Promotions are based on employees' talents rather than the years in service							0.767					
Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company								0.803				
Employees usually pay for the training they receive								0.787				
Employees attend training at their own time, not during working hours								0.738				
There were instances where employees were not given the opportunity to attend training programmes which could have supported their development								0.657				
Believes technical skills are more important than interpersonal skills									0.799			
I do not believe training enhances my talents									0.717			
Employees are empowered to take decisions										0.864		
Employees are involved in decision making in areas that relate to their job										0.869		
Teamwork is encouraged as opposed to having employees working on their own										0.669		
There is a structure that determines the career progression and succession planning of every employee											0.777	
Employees are encouraged to always surpass their previous personal best											0.709	
The company has a performance management system in place to make sure that employees are aligned to the business objectives and values of the organisation											0.618	
Employee tracks the outcomes of own performance objectives												0.739
Employee feels responsible for the achievements of own objectives												0.722
Employee analyses the effectiveness of own work related activities through the success or otherwise of the various projects in which employee participates												0.552
The initiatives taken by our organisation in terms of talent management and development are mainly targeted towards addressing immediate performance gaps rather than long term planning												0.518

4.5 Management Perceptions on Talent Management: A Model

As an attempt to provide an understanding about how management perceives and manages talent within own firms, an initial correlation matrix (Pearson correlation coefficient) was drawn on all the fifteen TM factors as derived from the data reduction analysis set out in Section 4.3. Figure 1 sets out a graphic representation of this tentative model, with each hypothesis set out as a specific relationship (from H<sub>1</sub> to H<sub>9</sub>).

Figure 1 – Tentative Model: Management Perceptions about Talent Management

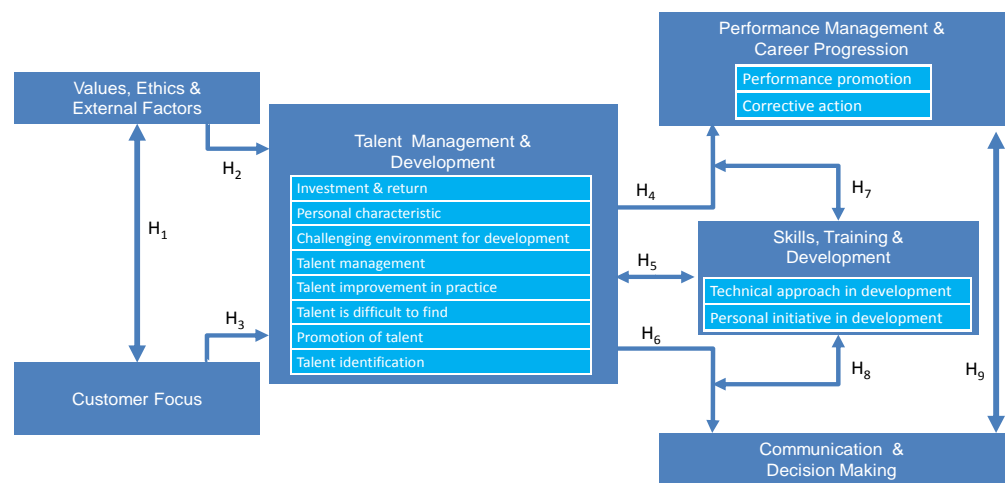


Table 10 sets out a summary of the correlation coefficient matrix and the corresponding significance levels, showing how:

- Perceptions about ‘values, ethics and external factors’ correlate with ‘customer focus’ factor (H<sub>1</sub>); parts of ‘talent management & development’ (primarily investment & return, challenging environment for development and TM – H<sub>2</sub>); ‘communications and decision making’; part of ‘performance management &



career progression' (corrective action factor); but are inversely correlated with 'skills, training & development' factors;

- 'Customer focus' correlates with parts of 'talent management & development' (primarily investment & return as well as TM – H<sub>3</sub>) as well as 'performance management and career progression';
- Parts of 'talent management and development' construct inversely correlate with 'skills, training & development' construct (H<sub>5</sub>): Challenging environment for development as well as promotion of talent inversely correlate with technical approach in development, while investment & return inversely correlates with personal initiative in development;
- Other parts of 'talent management and development' correlate positively with 'communications and decision making' as well as 'performance management and career progression' factors. Indeed, investment & return and TM factors correlate with 'communications & decision making' construct (H<sub>6</sub>). TM factor correlates with both 'performance management and career progression' factors (H<sub>4</sub>), while talent improvement in practice factor correlates with performance promotion factor, albeit promotion of talent factor inversely correlated with corrective action factor;
- Technical approach in development (part of 'skills, training and development' construct) inversely correlated with 'communications & decision making'

construct (H<sub>8</sub>) as well as performance promotion factor (part of the 'performance management and career progression' construct) (H<sub>7</sub>);

- 'Communication and decision making' construct correlates with performance promotion factor within the 'performance management and career progression' construct (H<sub>9</sub>).

**Table 10 – Correlation matrix for the fifteen management factors on different talent aspects (\*)**

Correlations

Statistics=Pearson Correlation

	Values, ethics & external factors (Mgt)	Customer focus (Mgt)	Investment & return	Personal characteristic	Challenging environment for development	Talent management	Talent improvement in practice	Talent is difficult to find	Promotion of talent	Talent identification	Technical approach in development	Personal initiative in development	Communication & decision making	Performance promotion	Corrective action
Values, ethics & external factors (Mgt)	1	.359**	.613**	.138	.260*	.247*	.036	.096	.087	-.025	-.272*	-.303**	.542**	.170	.320**
Customer focus (Mgt)	.359**	1	.321**	.020	-.045	.329**	.211	.106	-.005	.037	-.154	.178	.463**	.436**	.370**
Investment & return	.613**	.321**	1	.000	.000	.000	.000	.000	.000	.000	-.118	-.306**	.398**	.185	.193
Personal characteristic	.138	.020	.000	1	.000	.000	.000	.000	.000	.000	.062	.123	-.029	-.179	.001
Challenging environment for development	.260*	-.045	.000	.000	1	.000	.000	.000	.000	.000	-.295**	-.092	.209	.171	.060
Talent management	.247*	.329**	.000	.000	.000	1	.000	.000	.000	.000	-.085	.167	.318**	.232*	.441**
Talent improvement in practice	.036	.211	.000	.000	.000	.000	1	.000	.000	.000	-.112	.075	.012	.309*	.006
Talent is difficult to find	.096	.106	.000	.000	.000	.000	.000	1	.000	.000	-.205	.056	.164	.259*	.024
Promotion of talent	.087	-.005	.000	.000	.000	.000	.000	.000	1	.000	-.301**	-.126	.217	.121	-.246*
Talent identification	-.025	.037	.000	.000	.000	.000	.000	.000	.000	1	-.154	.000	.157	.118	-.130
Technical approach in development	-.272*	-.154	-.118	.062	-.295**	-.085	-.112	-.205	-.301**	-.154	1	.000	-.389**	-.237*	-.135
Personal initiative in development	-.303**	.178	-.306**	.123	-.092	.167	.075	.056	-.126	.000	.000	1	-.111	.017	.071
Communication & decision making	.542**	.463**	.398**	-.029	.209	.318**	.012	.164	.217	.157	-.389**	-.111	1	.421**	.166
Performance promotion	.170	.436**	.185	-.179	.171	.232*	.309**	.259*	.121	.118	-.237*	.017	.421**	1	.000
Corrective action	.320**	.370**	.193	.001	.060	.441**	.006	.024	-.246*	-.130	-.135	.071	.166	.000	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Correlations

Statistics=Sig. (2-tailed)

	Values, ethics & external factors (Mgt)	Customer focus (Mgt)	Investment & return	Personal characteristic	Challenging environment for development	Talent management	Talent improvement in practice	Talent is difficult to find	Promotion of talent	Talent identification	Technical approach in development	Personal initiative in development	Communication & decision making	Performance promotion	Corrective action
Values, ethics & external factors (Mgt)		.001	.000	.228	.021	.029	.755	.404	.451	.829	.015	.007	.000	.134	.004
Customer focus (Mgt)	.001		.004	.865	.699	.003	.064	.354	.966	.748	.176	.116	.000	.000	.001
Investment & return	.000	.004		1.000	1.000	1.000	1.000	1.000	1.000	1.000	.302	.007	.000	.106	.091
Personal characteristic	.228	.865	1.000		1.000	1.000	1.000	1.000	1.000	1.000	.587	.282	.798	.118	.996
Challenging environment for development	.021	.699	1.000	1.000		1.000	1.000	1.000	1.000	1.000	.009	.424	.067	.135	.600
Talent management	.029	.003	1.000	1.000	1.000		1.000	1.000	1.000	1.000	.460	.145	.004	.041	.000
Talent improvement in practice	.755	.064	1.000	1.000	1.000	1.000		1.000	1.000	1.000	.327	.513	.915	.006	.956
Talent is difficult to find	.404	.354	1.000	1.000	1.000	1.000	1.000		1.000	1.000	.072	.627	.152	.022	.832
Promotion of talent	.451	.966	1.000	1.000	1.000	1.000	1.000	1.000		1.000	.007	.270	.057	.293	.030
Talent identification	.829	.748	1.000	1.000	1.000	1.000	1.000	1.000	1.000		.178	.999	.171	.303	.256
Technical approach in development	.015	.176	.302	.587	.009	.460	.327	.072	.007	.178		1.000	.000	.035	.235
Personal initiative in development	.007	.116	.007	.282	.424	.145	.513	.627	.270	.999	1.000		.332	.879	.537
Communication & decision making	.000	.000	.000	.798	.067	.004	.915	.152	.057	.171	.000	.332		.000	.145
Performance promotion	.134	.000	.106	.118	.135	.041	.006	.022	.293	.303	.035	.879	.000		1.000
Corrective action	.004	.001	.091	.996	.600	.000	.956	.832	.030	.256	.235	.537	.145	1.000	

(\* highlighted cells show significant correlations)

The above correlations and hypotheses were further subjected to regression analysis intent on establishing the type of relationship between the different factors. Table 11 sets out a summary of the regression equations obtained across the different hypotheses.

**Table 11 – Management Perceptions of Talent Management: Supporting Regression Equations**

Hypothesis	Relevant Equation (Ref)	R <sup>2</sup>	Sig	Equation
H <sub>1</sub>	Eq01	0.129	0.001	Values, ethics & external factors = $1.52 \times 10^{-16}$ + 0.359 x Customer focus
H <sub>2</sub>	Eq02	0.375	0.000	Investment & return = 0.005 + 0.611 x Values, ethics & external factors
	Eq03	0.068	0.021	Challenging environment for development = 0.002 + 0.259 x Values, ethics & external factors
	Eq04	0.061	0.029	Talent management = 0.002 + 0.246 x Values, ethics & external factors
H <sub>3</sub>	Eq05	0.103	0.004	Investment & return = 0.000 + 0.319 x customer focus
	Eq06	0.108	0.003	Talent management = 0.000 + 0.327 x customer focus
H <sub>4</sub>	Eq07	0.054	0.041	Performance promotion = 0.013 + 0.232 x talent management
	Eq08	0.194	0.000	Corrective action = 0.005 + 0.443 x talent management
	Eq09	0.095	0.006	Performance promotion = 0.013 + 0.309 x talent improvement in practice
	Eq10	0.061	0.030	Corrective action = 0.005 – 0.248 x promotion of talent
H <sub>5</sub>	Eq11	0.178	0.001	Technical approach in development = 0.013 – (0.301 x promotion of talent) – (0.295 x Challenging environment for development)
	Eq12	0.093	0.007	Personal initiative in development = 0.005 - 0.307 x investment & return
H <sub>6</sub>	Eq13	0.260	0.000	Communication & decision making = 0.121 + (0.377 x investment & return) + (0.302 x talent management)
H <sub>7</sub>	Eq14	0.056	0.035	Performance promotion = $1.292 \times 10^{-16}$ – 0.237 x technical approach in development
H <sub>8</sub>	Eq15	0.151	0.000	Communication & decision making = 0.131 – 0.368 x technical approach in development
H <sub>9</sub>	Eq16	0.177	0.000	Communication & decision making = 0.131 + 0.398 x performance promotion

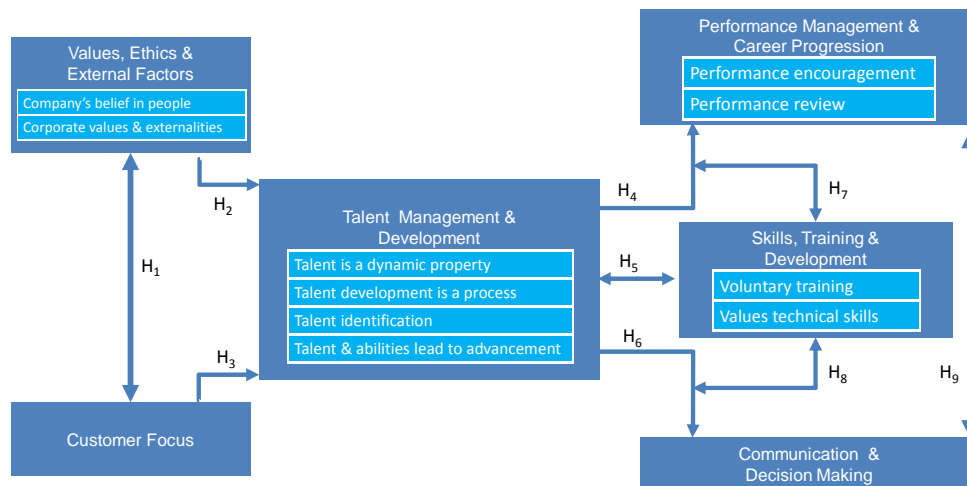
The above regression analysis models show various hypotheses within the proposed model. Firstly managers see TM and development as a function of various external influences, particularly the organisation's environment (competition, economic performance among others) as well as a focus on the customer – that features as one of the values of the organisation. Values impact on the managers' efforts in guiding people through further development as well as promoting talent and talent development. Personal initiative is seen as one result of these management activities, albeit technical skills and development seem to be emphasised by managers, evident from managers' communications and decision making behaviour. Observed talent improvement influences managers' promotion of performance and corrective action, which in turn are linked to communication and decision making.

It is important to note that Table 10 portrays weak correlation coefficients. Notwithstanding, this does not mean that a relationship between two variables is weak, but rather that the relationship is not exactly linear. Relationships could be non-linear, however, this cannot be determined unless each relationship between two variables is subjected to an endless list of tests. This point is further reflected by Table 11 showing the regression equations, which show that relationships between variables are significant albeit not very linear. The fact that the relationships are significant suffices to say that a relationship exists.

## 4.6 Employee Perception of Talent Management: A Model

As in Section 4.5, a cautious exploration about how employees perceive talent and ways it is managed within their own firms is attempted through an initial correlation matrix (Pearson correlation coefficient) involving all the twelve TM factors as derived from the data reduction analysis set out in Section 4.4 and Table 12). Figure 2 sets out a graphic representation of this tentative model, with each hypothesis set out as a specific relationship (from H<sub>1</sub> to H<sub>9</sub>).

**Figure 2 – Tentative Model: Employee Perceptions about Talent Management**



The summary correlation coefficient matrix and the corresponding significance levels, (Table 12) show how:

- Perceptions about 'values, ethics and external factors' correlate with 'customer focus' factor (H<sub>1</sub>); parts of 'talent management & development' (primarily talent is a dynamic property, talent development is a process, talent identification)

(H<sub>2</sub>); ‘communications and decision making’ and part of ‘performance management & career progression’ (performance review factor);

- ‘Customer focus’ correlates with parts of ‘talent management & development’ (primarily TM as a process factor) (H<sub>3</sub>) as well as ‘communication and decision making’ as well as ‘performance management and career progression’;
- Parts of ‘talent management and development’ construct correlate with ‘skills, training & development’ construct: ‘talent is a dynamic property’ correlates positively with ‘voluntary training’ and negatively with ‘values technical skills’; ‘talent development is a process’ correlates positively with ‘values technical skills’, while ‘talent identification’ correlates negatively with ‘values technical skills’ (H<sub>5</sub>);
- Other parts of ‘talent management and development’ correlate positively with ‘communications and decision making’ as well as ‘performance management and career progression’ factors. Indeed, ‘talent is a dynamic property’, ‘talent development is a process’ and ‘talent identification’ correlate positively with ‘communications & decision making construct’ (H<sub>6</sub>). ‘Talent development is a process’, ‘talent identification’ and ‘talent & abilities lead to advancement’ correlate positively with ‘performance encouragement’ factor within the performance management and career progression construct. ‘Talent is a dynamic property’ and ‘talent identification’ correlate positively with ‘performance review’ factor within the ‘performance management and career progression construct’ (H<sub>4</sub>);

- ‘Voluntary training’ factor (within the ‘skills, training & development’ construct) correlates negatively with ‘performance encouragement’ factor within the ‘performance management & career progression’ construct (H<sub>7</sub>):
- ‘Communication and decision making’ construct correlates positively with both the ‘performance management and career progression’ factors (H<sub>9</sub>).

The above correlations and hypotheses were further subjected to regression analysis intent on establishing the type of relationship between the different factors. Table 13 sets out a summary of the regression equations obtained across the different hypotheses.



**Table 12 – Correlation matrix for the twelve employee factors on different talent aspects**  
(significant correlations shown in highlighted cells)

**Correlations**

Statistics=Pearson Correlation

	Company's belief in people	Corporate values & externalities	Customer focus	Talent is a dynamic property	Talent development is a process	Talent identification	Talent & abilities lead to advancement	Voluntary training	Values technical skills	Communication & decision making	Performance encouragement	Performance review
Company's belief in people	1	.000	.315**	.364**	.127	.339**	.080	.017	-.130	.240**	.175	.300**
Corporate values & externalities	.000	1	.226*	.320**	.253**	.086	.051	.012	-.048	.233**	.139	.291**
Customer focus	.315**	.226*	1	.140	.453**	.162	.105	-.115	.127	.290**	.507**	.336**
Talent is a dynamic property	.364**	.320**	.140	1	.000	.000	.000	.210*	-.297**	.222*	-.073	.336**
Talent development is a process	.127	.253**	.453**	.000	1	.000	.000	-.115	.193*	.297**	.445**	.098
Talent identification	.339**	.086	.162	.000	.000	1	.000	-.126	-.194*	.327**	.248**	.214*
Talent & abilities lead to advancement	.080	.051	.105	.000	.000	.000	1	-.112	.054	.135	.292**	.097
Voluntary training	.017	.012	-.115	.210*	-.115	-.126	-.112	1	.000	-.037	-.303**	.161
Values technical skills	-.130	-.048	.127	-.297**	.193*	-.194*	.054	.000	1	-.058	.173	-.120
Communication & decision making	.240**	.233**	.290**	.222*	.297**	.327**	.135	-.037	-.058	1	.324**	.300**
Performance encouragement	.175	.139	.507**	-.073	.445**	.248**	.292**	-.303**	.173	.324**	1	.000
Performance review	.300**	.291**	.336**	.336**	.098	.214*	.097	.161	-.120	.300**	.000	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Correlations**

Statistics=Sig. (2-tailed)

	Company's belief in people	Corporate values & externalities	Customer focus	Talent is a dynamic property	Talent development is a process	Talent identification	Talent & abilities lead to advancement	Voluntary training	Values technical skills	Communication & decision making	Performance encouragement	Performance review
Company's belief in people		1.000	.000	.000	.152	.000	.367	.852	.144	.006	.050	.001
Corporate values & externalities	1.000		.011	.000	.004	.334	.566	.892	.592	.008	.120	.001
Customer focus	.000	.011		.117	.000	.068	.240	.198	.153	.001	.000	.000
Talent is a dynamic property	.000	.000	.117		1.000	1.000	1.000	.017	.001	.012	.419	.000
Talent development is a process	.152	.004	.000	1.000		1.000	1.000	.196	.029	.001	.000	.276
Talent identification	.000	.334	.068	1.000	1.000		1.000	.156	.028	.000	.005	.016
Talent & abilities lead to advancement	.367	.566	.240	1.000	1.000	1.000		.206	.544	.128	.001	.279
Voluntary training	.852	.892	.198	.017	.196	.156	.206		1.000	.682	.001	.073
Values technical skills	.144	.592	.153	.001	.029	.028	.544	1.000		.515	.053	.182
Communication & decision making	.006	.008	.001	.012	.001	.000	.128	.682	.515		.000	.001
Performance encouragement	.050	.120	.000	.419	.000	.005	.001	.001	.053	.000		1.000
Performance review	.001	.001	.000	.000	.276	.016	.279	.073	.182	.001	1.000	

**Table 13 – Employee Perceptions of Talent Management: Supporting Regression Equations**

Hypothesis	Relevant Equation (Ref)	R <sup>2</sup>	Sig	Equation
H <sub>1</sub>	Eq17	0.150	0.000	Customer focus = 0.002 + (0.314 x company's belief in people) + (0.225 x corporate values & externalities)
H <sub>2</sub>	Eq18	0.235	0.000	Talent is a dynamic property = -2.84x10 <sup>-17</sup> + (0.364 x company's belief in people) + (0.320 x corporate values & externalities)
	Eq19	0.064	0.004	Talent development is a process = 7.031x10 <sup>-17</sup> + 0.253 x corporate values & externalities
	Eq20	0.115	0.000	Talent identification = 5.094x10 <sup>-17</sup> + 0.339 x company's belief in people
H <sub>3</sub>	Eq21	0.205	0.000	Talent development is a process = -0.006 + 0.454 x customer focus
H <sub>4</sub>	Eq22	0.338	0.000	Performance encouragement = -0.002 + (0.442 x talent development is a process) + (0.277 x talent & abilities lead to advancement) + (0.249 x talent identification)
	Eq23	0.166	0.000	Performance review = -0.015 + (0.369 x talent is a dynamic property) + (0.230 x talent identification)
H <sub>5</sub>	Eq24	0.132	0.000	Talent is a dynamic property = -2.707x10 <sup>-17</sup> – (0.297 x values technical skills) + (0.210 x voluntary training)
	Eq25	0.037	0.029	Talent development is a process = 7.991x10 <sup>-17</sup> + 0.193 x values technical skills
	Eq26	0.038	0.028	Talent identification = 4.814x10 <sup>-17</sup> - 0.194 x values technical skills
H <sub>6</sub>	Eq27	0.244	0.000	Communication & decision making = -6.395x10 <sup>-17</sup> + (0.327 x talent identification) + (0.297 x talent development is a process) + (0.222 x talent is a dynamic property)
H <sub>7</sub>	Eq28	0.092	0.001	Performance encouragement = -0.001 – 0.307 x voluntary training
H <sub>9</sub>	Eq29	0.195	0.000	Communication & decision making = 0.006 + (0.318 x performance encouragement) + (0.294 x performance review)

This model suggests that, aligned with the perceptions held by management participants, TM is affected by influences like the company's values as well as its environment in which it competes. Talent is seen as a dynamic property, if not a process, impacting on an individual's performance and career progression. Talent is also akin to voluntary training, which in turn is linked with communication and decision making processes in the firm. Customer focus is also seen as a guiding principle in managing talent.

Once again, the figures presented in Table 12 show a number of weak correlation coefficients. As previously explained, this does not mean that a relationship between two variables is weak, but rather that the relationship is not exactly linear. This point is further reflected in Table 13, showing the regression equations which demonstrate that relationships between variables are significant albeit not very linear. The fact that the relationships are significant suffices to say that a relationship exists. A regression analysis was carried out to determine the strength of the relationship and to determine the prediction of one variable from another.

## 4.7 Observations from the Qualitative Fieldwork

Table 14 provides an account of some characteristics of the participants contributing to this research.

**Table 14 – Features of the Interviewees Participating in Qualitative Research**

Interviewee	Organisation Size (employees)	Role of Respondent	Gender
A	15-49	Managing Director	M
B	15-49	Managing Director	M
C	100-199	Director	M
D	300-400	HR & Administration Manager	M
E	50-99	HR Manager	F
F	15-49	Division Manager	M
G	15-49	HR Manager	M
H	200-299	HR Manager	M
I	100-199	Business Development Manager	M
J	15-49	Managing Director	M
K	15-49	Chief Technology Officer	M

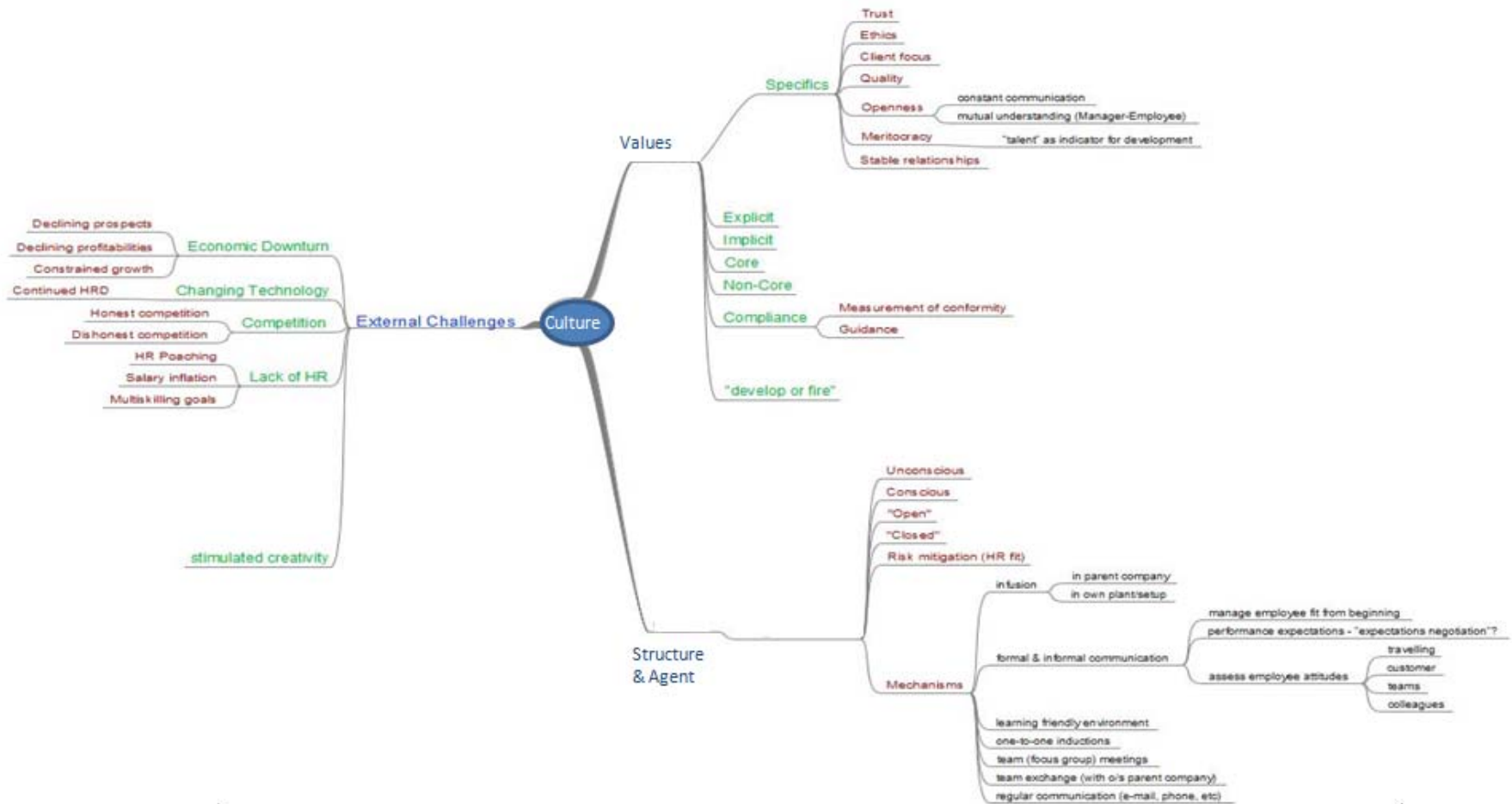
### 4.7.1 Alignment to Organisational Culture: The Impact of Values and External Factors

Figure 3 sets out a graphic representation of the key themes emerging from the qualitative interviews conducted with managers in Maltese ICT companies, relating to the influences impacting on TM.

Aligned with the hypotheses  $H_1$ ,  $H_2$  and  $H_3$  in Section 4.5, research participants' discourse indicated how organisations' management of talent is primarily influenced by

the organisations' values (implicit or explicit), that guide management in judging employees' worthiness of development (or avoidance until employee leaves the organisation). Client focus featured as one value that the interviewed managers mentioned, aligning with  $H_1$  in the model set out in Section 4.5. At the same time, external challenges, particularly downturns in business as well as changing technology (and associated continued training) stimulate creativity among human resources – which in turn stimulates the 'merit' of particular employees to be further developed.

Figure 3 – Key Themes: Influences on Talent among Interviewed Managers



A continued relative lack of available human resources, nonetheless, impinges on the economic viability of the firm, pushing up expenses in the form of HR cost inflation and leads to poaching tactics in the recruitment of employees from competition. Culture features as an alignment factor for managers to ensure that employees are compatible with the organisation, with various mechanisms for an ensured compatibility mentioned by interviewees. These observations support H<sub>2</sub> (values, ethics and external factors impacting on TM and development).

#### 4.7.1.1 Values

Out of the 11 managers interviewed during the qualitative research, only two stated that they had a list of specific core values written and communicated with the rest of the management team and staff members indicating a prevailing lack of specific set of values shared within the remaining organisation. One of the managers in organisations having a list of core values produced a leaflet as evidence of the actual company values.

Among the organisations lacking a list of values, managers were requested to state their own perceptions of values, with participants mentioning company values such as trust, ethics, client focus, respect, quality and openness. These mentions only related to perceptions about company values and participants could not qualify whether these were core values, peripheral values or non-core values. One manager identified meritocracy as an underlying value, giving employees various opportunities based on their talents.

Considering the importance of alignment, values are extremely essential when tackling various issues within the organisation. At recruitment stage, it is important to identify what the core values are and ensure that the employed person fits within the organisation and its values and culture. When asked what happens when there is no person-organisation fit, four out of 11 managers stated that this rarely happens within their organisation. Three out of these four work in organisations employing less than 50 people, and had no explicit values. Manager A stated there was only one occasion where an employee lied during his interview and as a result failed his probation. This went against their presupposed value, trust. However this manager emphasised that it never happened to anyone else and whenever they feel that the relationship between the person and the organisation is, or becomes, unstable due to misalignment, both the employee and respective manager work towards identifying and solving the problem.

In general, most managers agreed that when there is a lack of alignment between individuals and the organisation, they facilitate a process whereby they will help the employee to integrate within the organisation especially when issues are more related to a lack of understanding, rather than not wanting to integrate with the values and culture of the organisation. All participants in this research claimed that when employees do not fit within the culture and the team, they will naturally stand out and will either work to become more in line with the organisation, or be automatically pushed out. Managers were not referring to employees standing out due to their creative element. Reference here is made to a misalignment with the organisation's values. Five out of the 11 managers specifically stated that they encourage people to be creative and different.



This observation matches what Schein (cited in Williamson, 1993) states, that it is nearly impossible to modify the culture of an organisation and therefore it is difficult for individuals to go about and change the culture if they are not aligned with the organisation's values. The difficulty with such a statement relies primarily in the fact that nine out of the 11 managers stated that they do not have explicit values but rather values based on what they think are representative of their own organisation. Therefore, this in no way means that people know what the values are and therefore might also create their own in the process, which in reality might not be aligned with the values the management feel are representative of their organisation.

Manager B stated that due to the very sensitive and confidential nature of the work that they need to produce for their clients, trust and ethics are two critical underlying values. Due to the very stringent conditions posed by their clients (because of the very sensitive data they have to work with), managers have to be very careful that all employees abide by these values. The client even poses requests in terms of codes of ethics, how the organisations' employees have to behave at their premises and how data is handled, amongst a number of other requests. Such values become more predominant and although not formal, values are communicated to the management team and members of staff both during formal meetings as well as in informal settings. This can be interpreted as a weakness, particularly if the setting is about the use of very sensitive data and therefore requiring a strict adherence to clients' requirements. The lack of clear communication (possibly written) may pose a challenge in terms of misalignment between the proposed OC and the actions of its employees.

Manager I stated that there is a lot of open discussion with the employee and as a company they are not forceful on the individual, leaving employees to decide whether

to stay and abide by the OC, or leave. However, notwithstanding the fact that this was described as ‘not forceful’, the employee does not really have much of a choice. It transpires that the employee either plays the same game and complies with these implicit values or rules, or else moves out. In this organisation, both manager and employee engage in a number of one-to-one discussions in an atmosphere of trust, where the manager explains to the employee how things work within the organisation. Manager I stated that they have no problem in assisting the individual to seek alternative employment, however while the person is in employment, the individual has to deliver according to company standards.

Upon prompting, the same manager stated that although as an organisation they are not forceful on employees, it still means that the individual has to conform. The manager stated that in most cases, the organisation would be willing to make positive recommendations about the employee as they believe that the person would be able to fit better in a different organisation. One case in point was when an employee obtained a job as a Software Developer within this organisation which was much smaller in size than any other organisation he has ever worked for. The person did not manage to fit in an environment which did not allow for certain attributes pertaining only to large organisations, and therefore had to leave. These attributes included the inability to work on very large projects, reduced financial stability, and less opportunities for growth or for movement within the organisation. This goes in line with what Handy (1993) states that an employee may fit in well within the culture of an organisation and not with another.

Manager D (who is the manager of the largest ICT company among the ones interviewed), stated that most people will end up leaving, even if this may take some

time. He stated that most of this is attributed to their constant communication (communication being one of the most predominant underlying values) and understanding of one another and the emphasis was on the fact that as an organisation, they do not just develop software, but they also develop people. Within this organisation, there seems to be more flexibility in the way things are done where the agent is able to exercise a level of discretion, and employees are encouraged to give the necessary feedback.

The qualitative research also shows that managers see business ethics as a strong aspect of the company's beliefs.

#### 4.7.1.2 External challenges

External challenges faced by these organisations are various, however there are some common challenges shared by most managers. The most common external challenge faced by organisations is the lack of human resources in Malta. Most managers interviewed stated that there are certain positions within the organisation that take up to one year to be filled and there were times when organisations had to refuse projects simply because they did not have the right manpower. This poses a threat on profitability (apart from other financial implications as a result of refused projects), pushing organisations to spend more time providing technical training to their employees to be more flexible and multi skilled. One of the major concerns is that due to the lack of human resources, organisations poach employees from each other, helping individuals move from one organisation to another and ask for better remuneration. Manager J explained how due to the lack of resources, salaries in the ICT sector inflated

so much that there were a few instances where they could not employ certain individuals due to their high salary expectations. Most managers expressed the fact that due to this inflation (approximately 20% yearly between 2005 and 2008) it was becoming impossible to reach certain profit targets due to the excessive salaries that organisations were 'forced' to pay. However this has eased recently owing to prevailing recession conditions overseas.

A second external challenge faced lately was the economic turndown which once again affected the profitability of most businesses, something that was prevailing across all organisations interviewed. Manager I stated that the recession helped their business to be more creative.

Another common external factor was technology that is constantly changing rapidly. This calls for further training and development, providing employees with the right tools and information to match up to the requirements. Four managers stated that an external factor is the competition which requires them to employ more skilled employees, trying to get the very best in order to get a good return on the investment in their human resources. They, together with other managers, explained that the influx of i-gaming organisations in Malta offering very high salaries, resulted in a number of IT skilled employees favouring employment in such organisations resulting in better pay. These four managers also spoke of the difficulty to get the best people because they come at a higher cost. They stated that this brings about a further challenge, that of maximising the potential of their own employees in order to get the best return.

Manager G spoke of a different competition – unfair competition where some organisations were operating in a dishonest way, thus ruining the reputation of other organisations by gaining projects through affiliations.

#### 4.7.1.3 Alignment

This research also investigated the way organisations align their employees to their culture. Manager A stated that as a management team, they do not do anything consciously. What is done is infused through the organisation like “a plant absorbing water through its roots”. Manager B, whose company has to abide by very stringent rules posed by clients, stated that people align mainly through formal and informal communication during meetings and employee gatherings.

Manager C stated that they have a very open culture. Apart from information meetings, managers adopt the same approach and look out for the aspects that are required for the job in particular during recruitment interviews, especially when the job requires employees to travel, communicating with clients, working in teams and so on. This helps the management team to minimise the risk of recruiting people who do not fit in the organisation.

In the case of a German owned company, Manager F explained how every employee spends one year in Germany to “get used to the culture and the job”. In addition to that, the company exchanges teams with German teams twice a year for 6 days. There is also regular communication daily over the phone or via e-mails. Apart from aligning

people to the organisation's culture, this has a lot of positive impact on creativity where people are getting together on a regular basis to share ideas and information.

Manager E explained how they align their employees to their culture by constantly providing a learning-friendly environment. In this way, communication is very healthy and the company is all the time passing a clear message of how it wants its employees to perform.

Other methods used by Managers B, C, I and K for employee alignment with an organisation's culture include one-to-one inductions (which also help new employees break into the culture through unwritten principles and values) as well as other systems like policies and procedures that apply to everyone. Weekly meetings are also common where teams discuss things taking place within the organisation and other meetings such as presentations for all employees every quarter to generate further information about company structures and *modus-operandi*. Meetings are usually held to provide information and to gather feedback from participants.

Therefore, a predominant factor in how these organisations align their people to their culture is through communication. Although some of communication is formal, most of it is informal through chats, emails or other informal meetings and social gatherings.

#### 4.7.2 Talent as a Critical Asset

In the literature review, talent featured various definitions. During the qualitative research, managers were asked for their own definition of talent. All managers gave a different definition of talent and it was very evident that these various definitions

implied different expectations from companies. The exact definition still remains blurred, although five key themes about ‘talent’ emerged among the participating managers: rarity, fit, uniqueness, positive contribution and creativity.

**Table 15 – Summary of Themes about “Talent” among interviewed Managers**

Talent Definition	Interviewee (Manager)										
	A	B	C	D	E	F	G	H	I	J	K
<b>Rarity</b>											
<i>“hard to find &amp; replace”</i>		✓		✓			✓		✓		
<b>Fit</b>											
<i>“goodness of fit of skills, knowledge and abilities”</i>	✓	✓		✓	✓	✓	✓			✓	
<i>“right level of technical as well as soft skills”</i>			✓			✓		✓	✓	✓	
<b>Unique</b>											
<i>“above average”</i>	✓	✓	✓	✓	✓	✓	✓		✓	✓	
<i>“exceeding expectations from role”</i>		✓		✓		✓		✓	✓		✓
<b>Positive contribution</b>											
<i>“contributes to the organisation”</i>		✓	✓	✓		✓	✓	✓	✓	✓	✓
<i>“positive impact on resources while delivering excellent customer service”</i>					✓		✓	✓			
<b>Creativity</b>											
<i>“emphasis on creativity &amp; innovation”</i>		✓			✓	✓		✓			✓

As discussed earlier in this chapter, the competition and lack of resources call for an ‘acceptance’ that certain talents are hard to find and/or replace.

As explained by Manager B, the way their organisation defines talent is by identifying the key roles within the organisation and assesses how people fit into these roles in line with their skills, knowledge and attitudes - “the better the fit, the more talented the person is”.

Manager F explained that a talented person is one who is capable to “exceed role expectations and is able to deliver above average when compared to fellow colleagues”.

Manager H stated that for their organisation, a talented person is one who “contributes

to the organisation's performance and delivers more than expected". The emphasis is on creativity and innovation in the way the job is carried out, in finding better working systems which have a positive impact on various resources such as time and money and in the meantime delivering excellent customer service. Manager H, amongst many other managers, complained that it is extremely difficult to find employees who have the right level of technical as well as soft skills. An emphasis was made on the fact that most people working in ICT are highly technical who either never aspired to develop their soft-skills, or else were never given the opportunity to work in an environment which exposed them to customers, therefore giving them the opportunity to develop such skills.

#### 4.7.3 Is Everyone considered as Talented

David Ashton (CLMS, Unit 3: 726) states that an important factor is to promote and maintain the motivation to learn. Without that, an organisation will remain in a closed loop and there will be no room for improvement at any level.

The difference between companies is that some believe that everyone has talent which can be maximised, whilst others believe that not everyone has talent. Some managers believe that talent is inherited, while others believe that it is something that people develop over time. Some other managers believe that in the case of ICT, talent means having the right combination between technical and soft skills. Manager D believes that talent is influenced by the opportunities in learning and development and by putting people working within different teams. Managers place a lot of emphasis on attitude, stating that given the right attitude, one can develop own talents. This, in turn, places a



lot of emphasis on the agent as an individual who is free to think, act and behave, and therefore develop the right approach towards utilising and improving own talents.

Manager I claimed that “what I understand by talent is people have got talent, some of them can be identified and they fit straight away into a particular position. Maybe they might be in the wrong position and their talent should be used somewhere else. I think in a company of our size (100-199 employees) it is not difficult to identify. It is hard in a small organisation to shift people around if they do not fit in one job.”

The size of the organisation plays an important part in the way people are shifted around to maximise their talents. Manager J (who represents a smaller company employing between 15-49 people) expressed that due to the difficulty in shifting people around, his organisation makes sure that certain precautions are taken at a very early stage. The manager stated that “each person has a certain talent and skill. Everyone is good at something. At interview stage we identify where a person excels most. You need to make sure that what a company needs is in line with what the person wants to do”.

Once again, a lot of weight is being put on the individual in terms of what the person can and is willing to do. Therefore in an attempt to manage and develop talent, managers need to make sure that people fit within their organisations’ cultures and structures while shifting people around where possible and needed in order to further develop their talents. The benefit for this is two-fold. Making the most of employees’ talents will have a positive impact on productivity and performance especially in terms of efficiency and results and when employees are given the opportunity or when they create the opportunity to maximise on their talents, they are more motivated (Phillips et

al., 2009). An interesting point mentioned by Manager A was that the organisation maximised on people's talents by allowing them to use their strengths rather than focusing on their weaknesses. This organisation believes that if they focus just on developing employees' weaknesses they will not be allowing them to use their talent and people will become bored and frustrated.

Manager B explained that individuals who are different and outstanding in a positive way entice the organisation to keep investing in them and therefore their talents are maximised even further, resulting in more outstanding employees particularly

*“in terms of their performance. We measure performance by first identifying a set of objectives that each individual has to reach, and at the end of the year we measure how many of those objectives were actually reached and to what extent. We also include a competency framework identifying a number of soft skills which are relevant to the job. For an employee these include integrity, teamwork, Health and Safety, accountability and so on, and for the managers these include some other soft skills such as leadership, performance management etc.... Our primary aim is alignment, aligning our people to the company goals”.*

Manager B explained that talent identification can happen at any level irrespective of a person's position within the company. “A number of individuals grew within the company simply because of the way they responded to the organisation's needs”.

#### 4.7.4 Talent Management and Performance

As much as managers stated that they are constantly doing things to enhance employees' talents, little or nothing is done that shows that there is a specific focus on talent. Rather, in most cases, the intention is to enhance performance and productivity. None of the organisations have a specific talent strategy in place. At most, and not in

every organisation, there is a 'Training and Development' plan in place. A 'Performance Appraisal' system is more common amongst organisations. As an example of training and development, Manager A states that: "when you develop employees' talents it does have an impact. People are sent to conferences whereby they bring ideas, contacts with other foreign companies, they are more motivated etc. It is helping developers to learn something new or helping them improve on their current skills". Manager B expressed that his organisation aligns talent to performance "through execution of projects" and also by communicating to staff any complaints from their clients so that they can learn from their mistakes. Manager C claimed that "when you train your employees...they feel motivated and it increases profitability because people become more efficient and they can spot opportunities for selling when they are with clients". Managers E and H and J also made these claims.

Most managers also seemed to agree that if people are provided with the right opportunities to grow, there is a better possibility for the organisation to make more profit. Ultimately organisations are there to make a profit so it is within their own interest to make everything possible to use the tools and create a culture that will sustain this.

#### 4.8 Learning and Development as Outputs of Organisational Culture

Gould (2000:586) explains how according to Reavan's law, "for an organisation to survive, its rate of learning must be equal to or greater than the rate of change in its

external environment”. Thus, organisations should be aware of their investment in managing and developing talents, and the influence it has over achievements in managing and adapting to change. To be able to accomplish a better understanding of customers’ demands, organisations relate change to time.

Rapid changes have become the norm, driving organisations to continuously alter their structures and practices and increase their knowledge. This creates an added challenge to the organisation by having to balance the needs of the agents (keeping them motivated and willing to learn and change), with those of the organisation to provide fast effective outcomes to satisfy the clients. Adding to the managerial dilemma of achieving this balance is the fact that one cannot measure precisely the degrees of change, as that is very dependent on the organisational structure, its management styles, internal policies and practices, the available talent pool, its accessible knowledge and how these are in line with the ongoing external changes (Heller and Hindle, 1998).

The venture of deploying the knowledge assets of an organisation to create competitive advantage becomes more acute as the marketplace is increasingly competitive and the rate of innovation is rising. To this effect, managing the knowledge within the organisation must take a priority.

Indeed, one of the most common difficult situations that managers feel they have to face is that when talent is lost, it is very hard to replace. However little is done by most managers to create a system that allows for knowledge sharing and knowledge retention, ensuring that when employees leave, knowledge is retained within the company as much as possible. Only two managers out of nine stated that they have created mechanisms as part of their structure. Therefore, when an employee leaves, the

organisation is still provided with working structures that enable continuity. Notwithstanding, the organisation can never ensure that all the knowledge remains within the organisation. However two managers emphasised that these mechanisms have helped their organisation to maximise potential and retain knowledge. Most organisations still have a long way to go in order to ensure that they are adopting the right knowledge management tools to manage and develop talent whilst retaining the knowledge.

In terms of creating a learning organisation, a company that provides the agent with the responsibility of growth and development is represented by Manager I who stated the following:

*“we do not promote it [learning and development]. We promote the fact that people need to grow for themselves and the organisation. Because of that, we promote learning and development. I want my employees to be as marketable as possible even though there is the risk they would leave. Reason is because I do not want them to get tied to the company and for them not to stagnate. Their skills and delivery needs to be as current as possible. We spend a lot of money on training related to both soft skills and technical skills, mainly technical”.*

Manager C expressed that “we have got a number of training packages online plus other incentives like study leave. Not everyone takes the opportunity. People are responsible for their own development. They are provided with the tools, and then it is up to them. We do send some people on conferences but not that often. When it comes to soft skills, we do not provide a lot either. It is also mainly computer based”. One needs to evaluate this comment in the context of computer based training of soft skills. How can a person develop interpersonal skills without face-to-face interaction with other people?

How can a person discuss and challenge and be challenged if the medium through which the employee is getting feedback is nothing more than a computer?

Managers F, G and H hardly provide any training in soft skills. Manager H iterated that “we provide a lot of technical training. In terms of soft skills, we try and identify that during the interview so that we get the right people but there were a few times where we had given some training, particularly class room”.

This means that if an employee feels a need for training in soft-skills, the employee has to either ask for it, or decides to go ahead without it. None of these managers confirmed whether a budget is allocated for such training. Otherwise, it has to be done at the employee’s time and expense. Statistics gathered from the management quantitative research show that the average score for ‘Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company’ is 3.34 (on a scale from 1-5) and ‘Employees usually pay for the training they receive’ has an average score of 2.9 (also on a scale from 1-5), whilst the employee quantitative research shows a mean score of 3.19 for ‘Whenever I attend training, it is mostly through personal initiative and not because it is suggested by the company’ and a mean score of 2.48 for ‘I usually pay for the training I receive’. This means that if the company does not provide any training in soft-skills, employees do not seem to develop their skills by investing their own time and money.

When managers were asked how they measure the return on investment of the management of employees’ talents, all of them confirmed that they do not engage in measurement. At most, those in organisations that adopt a system of performance appraisals said that they measure how much of the objectives an employee is able to

reach. The lack of talent strategies in all organisations (participating in the qualitative research) makes it harder to measure the return on investment of such initiatives. This poses a greater challenge as organisations are investing time and money in training initiatives, communication meetings (being formal and/or informal) and other initiatives, however without having any facts of whether these are bearing the right results on the development of talents.

## 4.9 Conclusions

The aim of this chapter was to provide an account of the outcome resulting from both the qualitative and the quantitative research. Although a number of initiatives are taken by organisations to develop their respective workforce, these initiatives seem to be rather ad-hoc and not consolidated into one strategy. The following chapter will look into an evaluation of the results and bring to the front the main findings and recommendations.

## 5 FINDINGS AND RECOMMENDATIONS

### 5.1 Introduction

The previous chapter set out the results from the qualitative research which provided the basis for the quantitative research, as well as two models that proved or rejected a series of hypotheses.

The two diagrams outlined in the previous chapter show that there are a number of constructs shaping a series of mechanisms. This chapter will identify whether such hypothesis correlate against the literature review and the information gained during the qualitative research. The following analysis will delve deeper into the research question by looking into values and external factors; agents and respective roles; managing and developing talent; the effect on organisational success; OC and performance; and the implications of ICT companies and their difficulties in managing talent. All this will be done within the context of the structure-agency approach.

The findings established through the qualitative and quantitative research showed that although initiatives seem to be taken (with various degrees of success and various degrees of intensity) in the light of people development, little is done in terms of having consolidated structures that ensure a culture of talent optimisation. A lack of culture built on values is also evident amongst most organisations. Organisations participating in this research support their culture on underlying assumptions and people are expected to make out a set of values that are common to all employees within the organisation.



However this only results in management and employees making up their own values which, in principle, may differ.

The empirical findings thus suggest a number of gaps when compared with the findings from the literature review:

1. There is a lack of sound values and beliefs which are clear, shared amongst all members in the organisation and used as a basis on which the organisation is built
2. There is no structure to how talents are managed and most of the structures used are many times ad hoc and revolve around stand-alone themes such as performance appraisals and training and development. However none of the structures feed into a unique structure that enables the management of employees' talents
3. There is no measurement on the return on investment that guides management of talent

As a result of the above findings, an attempt to measure the impact of OC on the management of employees' talents is somewhat complex given the lack of structures and measures.

## 5.2 Findings

### 5.2.1 Culture and Talent in Larger and Smaller Organisations

Notwithstanding the lack of talent strategies, all organisations undergo some form of process in order to manage and develop their employee's talents. A strong belief is shared amongst managers that enhancing employees' talents has a positive outcome on business in general and employee performance. Overall, managers' perception is that managing talents is positively linked to motivation, positive outcomes, loyalty and profitability. However, the larger organisations, those employing more than 100 people, made more emphasis on the impact of their culture on the management of employees' talents. Larger organisations seem to connect culture and talent by creating opportunities for people to be promoted. They believe that their organisation's vision, tied to their (implicit) values creates more possibilities for people to grow and further develop themselves, mainly because larger organisations can provide more growth possibilities and movement from one position to another. Manager H for instance stated the following:

*“we establish a timeline and indicate how people will progress. We do reviews and discuss their plans. Some people who are high fliers may reach the top in half the time... We have a career development chart that allows for every trainee programmer to become a programmer, to become an analyst programmer, to become a senior analyst programmer, to become a technical architect and to become a project manager. We also have another stream for the few introverts that are technical gurus. The employee can become a technical programmer, a senior programmer and a technical architect. They might not make it to the management grade but we still offer development for the small proportion of employees who might not be first class communicators.”*

Larger organisations are more willing to provide developmental opportunities in soft skills, although a lot of priority is still given to development in technical skills. The larger organisations are more structured in their approach, with some managers stating that it would otherwise be difficult to align people towards the organisation's vision. This is more evident in their communication skills, being more formal with organised meetings, the possibility of training plans, having clear guidelines, policies and procedures, sometimes with very clear agendas. Manager E stated that:

*“Every year, every person meets the manager to conduct a professional development review where the future of the employee is discussed in terms of development. Courses are suggested and the fact that people are certified also shows a level of competence. We try to give importance to soft skills but not everyone gives it importance. If people have the right soft skills they are more trusted with the clients. It is ideal to have people with the right soft skills. The people who moved on the most are the ones who also had a good balance of soft skills. As the company grows, people are working within the team and there you need good leaders who can lead a team and communicate properly. Soft skills are always important but there are some positions where soft skills are more needed. In the lack of soft skills then we get other people to help out for example the most technical person prepares the presentation and another person delivers the presentation. However that creates a lack of flexibility”.*

Manager E explained how such lack of flexibility impacts on the success of the business as the end result is dependent on the performance of the employees and if their talents are restricted and do not honour the function of the business, then the outcome is not going to be of the right standard. Manager E also explained that sometimes it takes up to two months or even more to recruit the right person with recruitment therefore being extremely time consuming and expensive.

Manager D stated that they have policies and standard operating procedures that they use. Some of their policies revolve around development where for instance if a person would like further development even to obtain certifications such as degrees, they can apply for such grants.

The smaller organisations tend to be more informal in their approach and seem to identify the value of how they manage talents through the outcome of projects although this was something mentioned by most managers. Manager B stated the following:

*“the way I see it can only be measured is in the way they [employees] respond to doing their job. If I send someone to get trained in a technical area and the end result is still not good, then it’s either the attitude is not there or else he didn’t learn what he was meant to learn. I had a guy who worked brilliantly from a technical point of view and his attitude with people was really good as well. To me that guy is really talented and that is how you can gauge, when you see the end result”.*

When talking in terms of approach, Manager G stated that

*“Fortunately we are a small company so communication is not a problem. If we were a large company obviously you would have a structure in place to train your people and communicate. I am very much in touch with my staff and I monitor the situation”.*

However, as outlined previously, none of the mentioned organisations have a specific talent strategy. Their culture, based mainly on implicit values, focuses on improving employee performance particularly given the fact that technology in the field of ICT is constantly changing. Therefore, one of the main challenges for all organisations large and small is to ensure that their employees are equipped with the right skills to

guarantee a workforce that can live up to the challenges and that the organisation will not lose out on projects as a result of lack of talent.

A main challenge in determining the impact of culture on talent is that most organisations (nine out of 11) could not really define their culture. Moreover, the way this is communicated is through informal channels. Another fact is that when interviewed, managers may not have been aware of the reality that some sub cultures may exist within their organisation and that employees may not be aligned to the culture they perceive. Therefore, the impact of culture on managing talents may vary according to the different cultures. For example, the empirical research shows that some organisations are more willing to encourage employees to exit the organisation if there is no person-organisation fit. Some other organisations prefer to recruit people who may fit more within the organisation even if other candidate's talents may be more in line. This is mainly attributed to smaller organisations whereby the empirical research shows that these organisations are more cautious when they employ people since one person will have a bigger impact rather than if the person is employed within a bigger team. Manager G was very clear when stating that in a small organisation, one person impacts on the entire team from the way the team communicates to how a task is carried out. He affirms that

*“there were occasions where people were not ready to embrace the same values and were not pulling the same rope, and they left and it is not a problem for me. I wanted them to leave. I take pride that out of 8 people that had to leave, 7 left and one was terminated because they realised that they will either work the way we want them to work or else they find a job somewhere else. The intention is not to be cruel but there are values and the company needs to move forward”.*

Manager E, representing a bigger organisation stated that “as much as possible we help the person to fit within the team. People have to deliver and we do not expect people to go through an indefinite learning curve. It is very difficult to be so open with the person because you can easily break the person but we help the person to see exactly where he fits”.

The manager added by stating that “we have a very positive culture reflecting people at the top. People at the top are kind-hearted, they do not put people down and if a person makes a mistake, everyone learns and life goes on. People are treated fairly”

Some managers also confirmed that in a larger organisation, it is easier to move people around and offer them other opportunities if they may not fit in one department, Manager G added that “the company is not large enough to say there are so many openings that can move people around. Our main departments are development and support, then a small support service team. It is most unlikely that a support person would fit in development and that a person in development would fit support.

On the other hand, Manager H representing a larger organisation stated that

*“the most important thing is that we keep the discussion very very open. We make it extremely clear: I have given you this task, it has not turned out well, and we try and help each other to understand why it happened, whether it will happen again or whether there is no hope in improvement. We tend to rotate them around. We have a system where the line manager is the people manager. We do not have a centralised HR function. So realistically the line manager will be doing the reviews. They would only escalate if they need to. If somebody does not do very well, the first thing that normally happens is that we move the individual to another area by*

*saying ‘listen you haven’t done very well in JAVA, we realised JAVA was not your strong point and you did not have the necessary experience so the mistake would also be ours not only yours’, and we reach an agreement with the individual”.*

None of the organisations that took part in this study were start-ups. Although employee retention seemed to have been somewhat difficult particularly prior to the recession, some organisations particularly the larger ones, focused on ensuring more value towards employees, both in terms of benefits, as well as from a development perspective. This was done by introducing a number of family-friendly measures and by creating the right channels for employees to develop not only through career ladders leading employees in leadership posts, but also by providing career opportunities through further technical specialisation, particularly for employees who showed no interest in managing others.

Managers in smaller organisations feel they are quite limited in this respect because of the lack of flexibility. Therefore, their culture, though still focusing on ensuring a strong workforce, tends to focus more on gaining the best out of their employees with minimum investment particularly in training and development. Smaller organisations tend to be more protective over their values and culture and seem to be more cautious that they do not disrupt such culture by being more careful when employing new employees to make sure they are more in line with the overall culture. Managers in smaller organisations are under the impression that although culture is not explicitly conveyed, people understand it even more because they have more opportunity to work together and to communicate with each other due to the small size. Manager B states that: “we have very open communication – we do informal meetings maybe on a Friday

and create a much better environment for people to work in. We do some formal meetings when for example we have a project, but we try to be informal. Similarly, Managers F and J stated that since the organisation is very flat, it is easier for them to communicate and convey the culture since they hold a lot of informal discussions and are open about the way things should be carried out.

All managers, irrespective of the size of their organisations, articulated how important their culture is, and how it impacts on the decisions of how to manage and develop employees' talents. All organisations, in one way or another, seemed to focus less on the management and development of talent, and more on the outcome, resulting in managing and developing talent as a by-product of such outcome, as something that needs to be carried out in order to get to the desired results. This is also shown in the lack of focus on managing and developing interpersonal skills, even if these are required to manage people and ensure customer satisfaction. It is important to consider the fact that since the core competence and focus of these ICT organisations is task-oriented, their short-term result and profitability comes through highly specialised skills, and hence the reason for focusing more on the technical skills. This was shared amongst most managers participating in this study.

### 5.2.2 The Impact of Organisational Culture on Talent

A lack of OCs reliant on a set of explicit values is evident. Only two out of eleven managers confirmed that they have a set of values in place. As a result, the research shows that most organisations adopt what Schein (1992) defines as 'Basic Underlying Assumptions'. Apart from having fundamentals of culture which may not be evident in



the organisation at face value, most organisations seem to adopt this type of culture which, notwithstanding the implicitness of values, seems to be deep rooted and provides employees with guidance for behaviour. Manager H stated the following:

*“Our assets are our people so we focus a lot on retaining our people, developing them, training them. Our motto is better people better business and obviously we select people who are not only capable of programming, they have to have other attributes such as communication skills, client facing skills, business skills. They are dealing with key decision makers in large corporations so you need people to face clients not only with their technical abilities. They also need to have very good interpersonal skills, language skills etc.”*

Manager F explained how one of their values is people development and although this is not written black on white, employees themselves know worth of such value, which worth also seems to be recognised by other organisations. He states the following:

*“Wherever you go in the main ICT organisations, you will find people who left us to join these companies. We have been teaching people all along and therefore someone else may find it easier to pay them 20% more in terms of salary and find people readily trained. We invest around EUR 50,000 per employee on training since we send them abroad for a year plus other training that we offer, so if other companies make their calculations right it would be better for them to offer a better salary and find people who can readily work on projects. So they can always out price us for our people as we would have made the initial investment whereas they would have not”.*

Manager K who spoke about meritocracy and communication as being two of the most predominant values stated the following:

*“We ask questions such as where do you excel? What is your ideal job? We like to put people where they excel. Some people enjoy contact with the clients all the time, some don’t want to be even over the phone. So we try to identify the talent in each person, their skills and what they are good at. So we try to ensure that what the company needs and the talent of the person are aligned. It’s not always easy to do but if you start with that on day one, then you need to feed that talent and work at it and nurture it so that not only they use it but they become better at it. It’s easier said than done but people get most of their satisfaction by feeling that they are really good at what they are doing so you need to give them the opportunity to use their talent”.*

This however does not imply that these values are known and/or clear amongst all employees. This is also evident from the quantitative research that shows an average score of 3.8 (on a scale from 1 to 5) in respect to the management’s response on “the organisation’s set of company values in place”, and an average score of 3.92 in respect with employees’ response on “awareness about the company’s values”.

It is interesting to note that although the ‘Person Culture’ (Handy, 1993) did not feature direct evidence among organisations participating in this research, there were instances where some characteristics gave an indirect evidence of such type of culture. This is exemplified by lenient systems and minimal hierarchies, particularly among small firms. Employees face more opportunities to share their opinions, and employees have more direct contact with top management.

In larger organisations, person cultures were evident and mainly attributed to address external market factors that agents seem to exploit in order to improve their rewards and career advancement. This was mainly due to the influx of i-gaming companies in Malta, offering outstanding packages in order to attract the best people in the market. This resulted in a further lack of resources and brought about more turnover by having

employees shifting from one job to another, demanding better packages every time. Managers D and H explained how they had to alter some of the company policies and structures in order to accommodate certain employees to be able to retain them. These managers confirmed that as a result of these measures and some changes in the market that favoured employers, employee turnover has reduced over the past year or two. This encourages them to invest more in their employees as the return on investment would be worth the time and money spent.

Although at face value this seems to be in line with what Giddens (1984) stated, that agents are able to alter structures through their actions, these observations seem to be more in line with what Archer claims that “people cannot just change or reproduce society as they wish” (Haralambos et al., 2000: 1068). This is a situation where external market structures changed, triggering an advantageous change favouring the agent, which in turn invokes a change in organisational structures and cultures. Therefore, it is not because the agent was able to alter the structure, but external factors changed and agents took the opportunity to trigger a change in OC and structure.

The ‘Task Culture’ (Handy, 1993) seems to be predominant in these organisations mainly because the jobs that need to be carried out are highly technical. Expertise is very important in this line of work especially because in most cases, large sensitive data of a number of clients is dependent on the systems these organisations produce or the infrastructure they operate.

The findings from the field work suggest that the cultures most organisations adopted are communicated down through formal and informal approaches, emphasising

informal ways particularly in the smaller organisations. In these organisations, people are neither encouraged nor discouraged to enhance their talents. Most skills challenges are solved by enrolling employees on largely technical training programmes.

This contrasts with the importance of interpersonal skills that is highly evident in the literature review as well as across the qualitative and quantitative findings. Empirical findings suggest that most organisations adopt a culture where rather than focusing on talent optimisation through a proper structure, attempts are done to solve the short term challenges by addressing immediate needs. Current cultures mainly feature ad hoc structures that are not dovetailed in order to manage and optimise employees' talents. Moreover, attempts are seen as addressing productivity and performance, rather than focus on talent per se. This could lead to a high degree of loss of talent if not enough focus is provided in the light of identifying what the talents of employees are, providing further development to reinforce the strength and maximise on existing potential. Addressing simply productivity and performance as standalone factors does not suffice in the attempt to maximise talent potential and in return avail of the outcome for further enhancement in productivity and performance.

Given that companies are made of agents who are free to think, act and behave as they deem fit, there may be instances where employees do not fit within the culture of the organisation – hence the reason why one person may well fit within one organisation and not in another (Handy, 1993). During the qualitative interviews, most managers agreed that in most occasions, they try to help employees to fit within the organisation through formal and informal meetings, however at the end employees will leave if they do not manage to fit within the culture of the organisation. Identifying the person-

organisation fit is critical as this has an impact on a number of results. The result of this shows that the culture and structure of the organisation are quite dominant on the agent as it is the agent who many times ends up leaving the organisation when there is a lack of fit.

O'Reilly et al. (1991) stress the importance of understanding this fit and employees' preferences and cultures as this has a direct impact on job satisfaction, commitment and turnover. Therefore it is important that organisations develop a culture whereby this is identified at the earliest possible stage and either manage people in helping them to align to the culture, or else manage people out with the prospect that they engage in an organisation which culture is more in line with their own. This is quite a challenge, primarily to understand the fit, and secondly to manage it. Griffin (1999) argues that managing diversity is one of the most challenging roles for the organisation. It is however important to create a culture with flexible parameters in that it allows for creativity and enhancement of the organisation's rationale, operation and outcome.

### 5.2.3 Current Structures and their Impact on Talent

Looking at structures from a national perspective and further to the discussion in Chapter 2, the Government of Malta has been working on creating the right platform and adopting the right structures that will assist organisations in employing and retaining the best talent for a long time, with special emphasis on various projects. One of these key projects launched in 2007 is Smart City that demonstrates the government's intention to create hundreds of jobs in ICT, accounting for 5% of the entire labour force. Regrettably, as a result of the economic downturn that took place in

2008/9, very few jobs have been created until now and the benefits that Malta was expected to get from this project have not yet materialise. Notwithstanding, the University of Malta, the Malta College for Arts, Science and Technology and other private owned colleges and schools continue to provide various ICT-related courses. Despite this investment in learning, such courses focus mainly on the technical aspects, with negligible focus on interpersonal skills.

This study attempted to identify how current organisational structures are used to manage employees' talents. The empirical research shows that whilst there are no direct structures at managing talents, a number of ad hoc structures are used. These structures are mainly attributed to the HR function. A number of learning opportunities were identified as essential in assisting a person's talent. However these focus mainly on developing technical skills. Irrespective of the position the person is in an organisation, learning programs assist employees both at a behavioural aspect as well as at a technical, task-related aspect. Such programs help to instruct the proper techniques and the development of the mandatory competencies, but also provide recurring feedback about the growth that takes place. As discussed, particularly in the ICT field, technological expertise and know-how is altering so rapidly that organisations tend to struggle if the employees are not trained well and in possession of the right skills. However, this by itself is not enough. Apart from the need to continuously refine technical skills, employees need to meet clients' needs and work within a team. This results in the need of enhancing a number of other skills such as:

- team work,
- managing clients' expectations,

- being creative and innovative, able to communicate, and flexible,
- having the ability to solve problems and make the right decisions,
- having a professional attitude and
- support the values and goals of the organisation.

The agents who form part of the management team must develop even further skills since they will be the ones managing and developing employees. These skills include:

- being able to develop employees' talents whilst developing their own,
- being able to manage employee's performance,
- have a clear vision of where the organisation is heading, and be part of creating that vision,
- effectively respond to external and organisational changes
- leading employees towards change,
- have the right leadership attributes to build high performance teams,
- manage conflict and be great coaches and mentors.

Enhancement of these attributes all contribute towards optimising employees' talents. This, undoubtedly, cannot be achieved through training and development only, as this is one of many tools and practices that need to be in place to bring about the required changes in every organisation.

The one-to-one interviews revealed a number of gaps in current structures used to manage talent. A contradiction exists in some of these findings, where, whilst most managers believed that they should develop employees' talents, none of the

participating organisations has developed a talent strategy to address this. Although a number of initiatives were evident, such as having a performance appraisal system, conducting one-to-one meetings and some other formal meetings and a training and development plan in place, these seem to be applied to address the short-term needs. Managers spoke about two major difficulties, that of finding potential candidates with the right soft skills, and finding highly technically-skilled employees. However, little seems to be done in order to address this in the long-term. Some organisations pointed out some other strategies such as sending employees for a one year training programme at their mother company so that people can learn from the source, or putting people together to work on projects to enhance their creativity and share the knowledge. However, hardly any evidence featured in these interviews about building a pipeline of ready successors through a succession plan. None of the participating organisations mentioned studies about skills needed in the next two to three years in order to avoid having a shortage of skills in the future. Skills audits did not feature in any part of these discussions.

On the provision of training in soft skills, some organisations are also failing to enhance employees' talents in these areas. Some of the employers claimed that there is no time or budget for such development and they would rather train employees in technical skills that are required for their existing projects or projects which are in the pipeline. This is a very short-term strategy, addressing high priority short-comings in order to suit the business interim needs. For the majority, having a talent strategy means having a training and development plan in place and executing it.



In this empirical work, the most common learning and development opportunities aimed at enhancing talents involve sending employees to conferences both locally and abroad, or to a number of courses including evening courses (where employees have to attend at their own time). Often employees are put into teams in order to learn from each other. Online courses are also becoming very important. Two organisations offer study leave as well.

Smaller organisations tend to avoid soft-skills training to employees, although some of the larger organisations seem to give it a bit more importance especially leadership and communication skills.

Manager C and Manager I stated that the enhancement of talent is mainly left in the hands of the employees, although there are times when employees are asked to attend training. The agent is left responsible for own development, deciding on whether and how to make the difference within the organisation by enhancing own talents.

It is important for agents to identify whether the organisation embraces the fact that talented employees can provide a competitive advantage. Furthermore, individuals have to determine whether they have the will and the skill to assist the company to reach its goals. By developing their own talents, employees need to also identify how they can become more efficient in order to maximise on their potential and reach and/or exceed their objectives which in some cases are set during performance appraisals.

By keeping this in mind, both the organisation and the employee as agent should not overlook the importance and impact on managing and developing talents, through a

culture and structure that will assist individuals in their attempt to develop themselves. Therefore, these two phenomena should go hand in hand for the benefit of both the organisation and the individual. In so far as this research is concerned, rather than setting a culture that promotes talents, organisations address performance and productivity, and offer employees the opportunities to improve themselves in order to address these two phenomena. This results in a set of structures which are used ad hoc, and none of which dovetails in another for talent optimisation. This fails to address the long-term needs and it also fails to identify tomorrow's leaders. This is a rather reactive approach and if organisations commit to put systems in place and create a culture that really focuses on talent optimisation, it would be a positive way forward in moving towards a proactive, rather than reactive approach.

In a nutshell, the activities involved by organisations in the absence of their talent strategies are training, development and performance management. Other initiatives such as coaching and mentoring were not mentioned by any of the participating organisations. Coaching and mentoring would be two very valuable asset by which talent can be developed. The aim of these and other initiatives are to provide employees with the right direction and support needed in order to maximise their potential.

Coaching and mentoring are development tools that are commonly used (Parsloe et al., 2005). The role of coaching and mentoring is to assist in the management and development of talents by the transferring of knowledge, skills and attitude. A mentor is the experienced personality who helps to develop the less experienced employee (better known as the protégé). An advantage to this method is that immediate feedback

can easily be obtained through consultation both with the mentors and the protégés themselves. Employees benefit as coaches and mentors bestow career and psychosocial support. Career support comprises of granted tuition, protection, sponsorship, challenging assignments, exposure and visibility. Psychosocial support is about serving as a companion and as a role model while at the same time offering encouraging observation and acknowledgement.

Through mentoring, the employee who is aspiring for career growth may learn the necessary skills in an indirect manner (Fragenson, 1989). Additionally, mentoring programs allow employees for more interaction and increase the probability of skill transfer to the occupational environment. It also grants openings for minorities to gain contacts and abilities needed to further develop their talents. This gives less autonomy to the Behaviourist theories since ideas are being discussed and there is no particular way of how matters are dealt with. It is creating the culture of using the cognitive element as a way of managing and developing employees' talents. Although as stated above, none of the participating organisations mentioned coaching and mentoring as part of their attempt to manage talents, there could still be the possibility that this is done on an ad hoc basis or performed by some of the line managers or done without knowing.

Statistics from the quantitative research show that employees believe that: “as long as my talents are managed and developed, I will be willing to stay in the organisation’s employment”, (average score of 4.16). In addition, management research participants also agree that “Employees are motivated when they are provided with opportunities to enhance their talents” (average score of 4.15).

Without such and other methods of development, is the current approach taken by these ICT organisations enough? What about other areas (some of which mentioned above) such as organisational design ensuring a proper structure, a process and job design? What about coaching and mentoring, rewards and recognition schemes, succession planning, leadership development, knowledge management? Some of these systems were mentioned during the qualitative interviews, although none of these systems are integrated and dove-tailed into one talent strategy (which then dove-tails into the business strategy). As a result, and due to the lack of a defined and communicated corporate culture, organisations are left with a gap that misaligns employees and their respective organisation. If employees are directed on an ad hoc basis, employees are left with a lot of room for interpretation, for creating own thoughts and doing things the way they feel best.

#### 5.2.4 The Role of Employees in Managing and Developing own Talents within the Context of their respective Organisational Culture

Traditionally, the employee's role was to "perform the tasks and administer services according to the manager's directions" (Noe et al., 1996: 380). However, independent of the company's set-up and planning systems, employees take several actions subject to their behavioural inclinations. The employee shall not always be conditioned and an attempt to do so may lead to a number of disadvantages. Retaining talent in the ICT field proved to be somewhat difficult and if employees feel that they do not have a say in the organisation's performance, they might consider other alternatives given that the market faces skill shortages. If the employee only works on a stimulus-response basis,

as described by Pavlov in 1920 in Russia and later on by Skinner in 1950 in the USA (Blanchard and Thacker, 2003), where the employee is always given repeated tasks to carry out, de-motivation will take place leaving no room for the employee to channel out ideas. It is the cognitive aspect of the employee that emerges in order to be fully involved and shows the required initiative to be successful in today's organisations. This generates more accountability on individuals, making them more responsible for their actions.

The role of the employee also involves undertaking tasks in line with the guidelines of the organisations, which to a certain extent, make the employee's role more systematic. This however should not be done at the expense of posing a limit on how talents are managed and developed and therefore organisations need to be careful so that the structure will leave an adequate degree of flexibility in that employees can act with a certain level of freedom to further develop themselves and bring into the organisation new creative ideas that will in turn enhance the performance of the organisation itself.

Manager F explained that:

*“when you have talent you have to have freedom because if someone is telling you what to do and the person is not allowed to recreate, then there is no talent. However in creativity you have to have some form of order. For example if you look at music, it is purely creative but there are also some rules. If there is no organisation, there is no creativity. It is difficult to strike the balance as you really need to get to know the person. And if someone is good to play the percussion you cannot give him the flute. In the same way, you have to identify what the strong point of the person is and how you can lead and motivate that person in the process. One of the ways where we need to be creative in our work is when analysing problems”.*

Myers (1988) criticises Skinner in claiming that the variables that exist between the stimulus and response restrain a linear behavioural process. In between these internal processes we have thoughts, feelings and other variables. This is not to say that the behavioural theories should be ignored. However all employees are to be involved in certain organisational procedures in order to have their say as part of a team. Behaviourist theories should be the basis of learning at the initial stage. An example to this is positive reinforcement (Myers, 1988), used to motivate the employee to work. For example giving an employee a bonus for finishing off a project prior to a deadline may encourage the employee to refine the output in order to have additional bonus. As Managers D and G explained, when employees are rewarded for their extra effort, they are further motivated and keep trying to always improve and excel in what they do.

In relation to the cognitive aspect, employees should take the initiative to seek feedback regarding both their strengths as well as their weaknesses (Noe et al., 1996). This is particularly significant if the organisation itself does not have a culture of providing employees with feedback. In order to manage and develop their talents, employees should also identify their career stage and their developmental needs and take the initiative to gain know-how of different learning opportunities. Once again, this is also vital, particularly if the organisation is not offering such opportunities. Interactions with other employees from different work groups should provide further learning opportunities. However, in order to do all this, the employee needs to be given the right skills and the proper training. This should be done in line with cultural changes in order to always align the employee to the organisation's strategic direction. Managers F and G expressed the fact that since organisations are now more aware of the importance of the cognitive aspect, new ideas are encouraged and enhanced and employees also feel

that they are part of the organisation, rather than individuals whose roles are termed as constrained to one particular stimulus followed by a response.

Kanter (1990) moves away from the idea of a hierarchy towards the idea of a team and into a more 'humane' ideal of an organisation. Goals and objectives take priority and are the first things that everyone should understand and come to terms with. Everyone has to accept and/or discuss respective roles in order to perform at the very best as there might be various ways of how objectives can be reached. This is a critical part of the structural design of the organisation, which if applied on a regular basis, it becomes part of the OC.

Through the right learning opportunities to develop talent, and through reorganisation of work whenever possible, the organisation ensures that it engages the right people in the right jobs in order to achieve high-quality performance. Manager I stated the following: "we give our staff a lot of space. We have the company's direction but at lower levels we give people a lot of freedom. There is nothing wrong in letting people spending some time in nurturing their own ideas".

Employees do have a critical role in managing their own talents, and they also do have a critical role in integrating themselves within the corporate culture. Failing to do this will result in lack of alignment that hinders performance and productivity. Hiltrop (2006: 343) states that "almost every study of high performance organisations shows that such alignment is an absolute must in order to benefit from the organisational investment in human talent". Therefore, besides creating human resources processes

that add value, organisations need to create a culture that nurtures motivation and support.

Once again, the structure-agency approach comes into play. Whilst organisations need to ensure that alignment takes place through their culture and structure, there is no mechanism that guarantees that this will happen as organisations are not dealing with machines but with agents who are free to act and behave as they want to. Employees may decide that they are satisfied with what they know, they may not wish to move up from their current position or they may not wish to improve their talent. It could be that they have other priorities that they would like to focus on, priorities outside work such as family, hobbies or studies in other areas not related to their job, amongst others. Therefore, as part of the organisation's culture to engage in a talent mindset, management should gauge agents' motivation, investing time and money wisely. Investment should be channelled mainly towards those employees who are willing to grow and enhance their skills. This should not necessarily be related to promotions. However organisations must also create a culture where everyone is given the possibility, irrespective of employees' positions. Employees need to be assisted in such a way that enables leaders to help them identify their talents.

Without the right talent scouts, investment may not be done properly and there might be employees who may regrettably miss out on opportunities, some of which may even be life-changing. In addition, organisations need to differentiate between willingness and capability to do the job. Employees might not be talented in one area but in another, and efforts to address a specific weakness may result in an unsuccessful attempt to help the person bridge the gap.



Employees should be encouraged, and it is also within their responsibility, to be channelled and channel themselves in the right path for them to maximise their talents. Through a talent structure, this can be achieved particularly when employees are given the opportunity to discuss their potential and future on a one-to-one level.

### 5.2.5 Measuring the Return on Investment (ROI) of Organisational Culture on Talent

It is easy for organisations not to measure the return on their investment or measure the wrong things. As we progress in time and as the external environment keeps changing, organisations must ensure that they are measuring what is really important.

While invoking Drucker's (2007) statement "what gets measured gets done" it is contrasting to note that none of the 11 managers interviewed measures the return on the investment from the various HR systems that they use. Manager K stated the following:

*"we try to measure as much as possible for example project outcomes, billing etc but in terms of measuring talent, measuring what they are good at, it is rather difficult. I am a fan of automating everything but I never thought of automating talent, because if I could I would but I do not think there is a solution to that"*

The two main systems that were mentioned included performance appraisals and a training and development plan, each implemented by some of the larger organisations.

The only type of measurement mentioned related to the performance of employees in carrying out a particular task. No measurement is determined following the training and development plan. Manager C stated:

*“we do not do any measurements internally of the effectiveness of training. It is easier on the technology because we can assess even during a project and see whether there can be improvements in people. On the soft skills side it is much more difficult but we do not have any official way of measuring the impact. I have worked closely with two or three people particularly on presentation skills and to improve their level of English and I can see progress, but this is more on one-to-one but nothing official in terms of measurement”*

As Hamblin argues (cited in Lowe, 1991: 1345), in order for training to be successful, it should take place at five different levels and that targets should be placed at the end of each level so that an evaluation can take place in order to measure the development and progress. This, says Hamblin “allows the practitioner to monitor the outcome” and therefore to be able to “trace both where and at what level a training program is succeeding or failing”.

This paves the way to changes in job behaviour and as a result, the organisation is faced with a holistic change that leads to the achievement of the ultimate goals. There are several ways how to go about each and every stage mentioned above.

The methods that are used can also vary, however two major methods usually take place. Indeed, training can either take the form of a didactic, where it is a direct form of development; or else it can be participative where the method is a ‘two-way communication’ (Robinson, 1988). This main difference between the two is that in the

former structure, a leader has to be present whilst in the latter, training can take place either with or without a leader.

A typical management development program makes limited use of the lecture discussion as many programmes are very much dependent on participative methods such as case studies and role-playing (Mendenhall, 2001). Such methods give space for agents to experiment. The area under discussion of this type of training is challenging in the sense that as previously defined, the management skills which include interpersonal skills, decisional skills, informational skills and all that comes with that, are not as easy to either spot out or transmit from a classroom to the workplace as the skills required for example to run a piece of equipment.

In the case of employees, didactic method is mostly used and takes the form of a lecture. The trainer adopts the role of a leader, by whom most of the decisions are taken. There is more planning involved (by the trainer) in such a method that is more systematic. Gagne,

*“followed Skinner’s lead by emphasising that hints and help need to be adapted to the individual learner. He suggested that students (in this case ‘employees’) be provided only little help at a time, thus permitting the student to use as much as he needs. The student is placed in control of the learning situation.”*

(Chalmers et al., 1983: 1306)

The vigorous changes in the outer surroundings can make managerial skills ‘old-fashioned’ in a very short time. Developing the team through an ongoing process will allow the right changes to occur and this is done by refresher programmes periodically.

In this context, “the utility and value of management development remains more an article of faith than a proven fact” (Moorhead et al., 1995: 481). For that reason, and unlike what some managers expressed, the philosophy and the culture and structure of the organisation need to change with the external environment in order to ensure providing employees with the right resources to manage and further develop their talents.

Such alignment needs to be given the importance it merits, and since the return on investment (ROI) is not being measured, organisations cannot determine the degree to which their investments are leaving the desired return or otherwise. The main form of measurement that is accounted for is only for those organisations that have explicit corporate goals. However, the success or otherwise of reaching such objectives cannot be directly related to whether the organisation features a culture that has a positive or negative impact on talent. This is due to the fact that there are numerous variables that can contribute or otherwise to the success of the organisation and if companies are not committed to create a structure around managing and measuring talents, all HR related programmes will only deal with short-term strategies, thus leaving these gaps unaccounted for. Manager F stated that:

*“this is the usual problem. It is difficult to measure as people measure things differently. If we are creating something new, we can measure it from the creative side because no one in the world ever did something like that. We can measure it financially in terms of how much we managed to sell. What is the value? If the financial return was not very high, however the creative value is extremely high, at least to me, because we would have managed to create something new and innovative. So first you need to determine what it is that you want to measure”.*

This highlights issues relating to creating tangible and measurable dimensions to TM and how employers quite understandably find difficulties in actually identifying what the output of TM should be. Since managers appear to find such measurement as extremely difficult, then determining the exact impact of culture on TM will prove to be more difficult.

### 5.3 Recommendations

#### 5.3.1 Organisations and their Capacity to Manage Talent through a Strong Culture

This empirical research suggests that most organisations do not have a culture revolving around a set of explicit values and communicated amongst all members within the organisation. For those organisations that do have explicit values, it was also evident that these values are not part of the strategy and do not form the foundation upon which beliefs and practices are built. It is also clear that the culture does not underpin a talent strategy and that most attempts revolve around increasing productivity and improving performance mainly to address short-term needs and to bridge the gaps. Most values correspond to what Schein (1992) terms as Basic Underlying Assumptions.

Looking back at the findings from the Literature Review and investigating OC in terms of a “powerful tool for interpreting organisational life and behaviour and for

understanding the processes of decay, adaptation and radical change in organisations” (Allaire et al., 1984: 216), one must value the significance of OC.

Given that the focus is on managing talents, and taking this definition as the basis of the discussion, one will realise the importance of OC in optimising such talent. Given this, the first recommendation following the findings from the literature review and field work, is that as a start, organisations must first lay a strong foundation, identifying the values by which the organisation identifies itself with. These values distinguish the core of one organisation from one another and give direction to employees in terms of how the organisation builds itself, where it is going and what it wants to achieve.

Values also provide employees with a source with which they can associate themselves, or otherwise. This clear vision of such values and beliefs will assist managers and employees or potential candidates to identify whether and to what extent they fit within the organisation. This was made clear during the qualitative research whereby although most managers did not explicitly have a clear set of values, they all mentioned the importance of values within their respective organisation. Values mentioned include trust, customer focus, openness, meritocracy, development, empowerment, integrity and quality, amongst others.

As described by Handy (1993) the fact that a person may not fit within one organisation, does not imply that the same person will not fit within another. This will save both managers, employees and potential candidates the hassle of having to go through a whole process of recruitment and train employees and then realising that there is no fit. Therefore, the clearer the message at the outset is, the better. The time

and money that the organisation saves as a result, can be driven into managing existing talents and improved productivity and performance.

Organisations also need to keep in mind that they are dealing with employees who are agents with their respective power to think, act and behave. Therefore, employees will bring into the organisation their values developed from their experiences related to the way they were brought up, the various interactions with their external world and their own understanding of previous other job-related experiences, if applicable.

The culture adopted by organisations should also allow for flexibility, and thus moving away from rigid structures, so that employees can also bring in elements of creativity and innovation that in turn help the organisation to grow. This is evident in both literature review and qualitative research where flexibility features as a critical factor in ensuring an organisation's success (Luecke, 2003; MISCO, 2008; Tulgan, 2001, Barney et al, 1997 and Griffin, 1999), and particularly Managers representing organisations E, F and J. A strong culture that every organisation should possess must value employees in their own right and thus create an approach that allows for employees to have their say in decisions, integrate these experiences and keep building a culture revolving around positive changes.

Managers see one-to-one meetings, general staff meetings and other formal and/or informal meetings as positive, allowing individuals to share their ideas and absorb information that the company shares with employees. This also aids in building a community that revolves around trust, a value that was mentioned by most managers. Managers consider other values like ethics, client focus, respect, quality and openness

as critical in building a strong culture. However what is more critical is ensuring that these are understood by everyone as the basis upon which all structures are built. In the absence of this, employees will assume and bring in their own values into play resulting in lack of alignment. If employees fit into their respective OC, such culture should in itself help employees to redirect themselves if they derail from the agreed path for any reason or other. A culture of openness, at the same time, may also allow for any organisational changes, should the company feels that the feedback it receives seems more sensible and adds up to a more positive working relationship which leaves better results.

Having a dynamic corporate culture together with solid structures will help organisations to move away from crisis management and address the gaps set out in the literature review. Such culture, as a result, will not revolve around solving today's problems but rather around addressing tomorrow's needs, focusing on building tomorrow's leaders.

The organisation needs to make sure that such values are well embedded in the structure and need to be incorporated in all strategic and tactical plans. These include recruitment strategies; training and development programmes; performance management systems whereby employees are not just assessed on the hard objectives but also in terms of their competencies including skills, attitude and knowledge; and succession planning systems amongst others.



Ultimately the aim is to create a culture that revolves around three important pillars:

- Agents
- Structures and respective processes
- Measures

OC impacts deeply on the management of employees' talents. The end result is shaped by the way the organisation does things. If the organisation does not embark on the aspiration of having a vigorous culture ensuring that employees have a clear vision, and ways of how employees' talents are optimised, the organisation will not tap into better options of how to motivate employees and get the best return on investment through their actions. This should be done by also ensuring that the right structures are in place, which structures are built on the organisation's beliefs and values.

### 5.3.2 Maximising the Value of Managing Talents through proper Structures: Addressing the Long-term Strategy

A talent structure is fundamental in supporting the overall business objectives of the organisation and is essential in increasing the financial and human capital performance. Yet, notwithstanding the weight that this carries, another important finding from the empirical work shows the lack of a talent structure that should be used to optimise talent in the best way possible.

None of the organisations participating in the qualitative research spoke about having a structure that supports a skills audit. Notwithstanding, all managers complained about

the lack of advanced technical skills and the lack of soft skills. The dilemma on both the demand and the supply sides still calls for a resolution, requiring action.

The gap resulting from acute skills-shortages will take its own course and the earlier this is addressed the better. Organisations need to create a talent strategy based on a number of HR initiatives that cannot be left as standalone pillars or administered on an ad hoc basis, but fully integrated in this one talent strategy. Thus, primarily, the risk of not having the right talent to address current and future projects needs to be tackled. Therefore, organisations need to have a vision of future required skills, both on the technical as well as the interpersonal side. This needs to be carried out by looking at industry trends, at the market from a technology point of view, and at the future of the business from a customer perspective, a financial perspective and the internal processes currently used. This needs to be followed by conducting a skills audit to determine where employees are and where they need to be in order to remain competitive and enhance their talents to the best of their abilities.

Following a gap analysis, a number of initiatives need to be planned and implemented intent on addressing such disparities. Managers spoke about a number of initiatives carried out within their organisation. However these initiatives need to be consolidated. Having a performance management system in place helps managers to better manage employees' talent. However this cannot just revolve around one or two areas of an appraisal system such as hard objectives and a training and development plan. Objectives are important but they only contribute to just one part of the entire system. Laying a development plan is also important, although this needs to be integrated as part of the entire structure. Both manager and employee need to be committed to

executing it. Focusing around areas mentioned above is really important as these gather a number of soft skills that are equally important for employees to engage in a more holistic approach in their jobs.

To further develop their own talents, employees need to focus on areas that help them become better team players, more customer focused and more oriented towards providing high quality products and services. Whilst executing the performance system, both managers and employees need to constantly identify the strengths and further develop the areas that can help them contribute to their personal growth and the growth of the business. Without such a culture, this will not be achieved.

Another structure needs to be in place, providing employees with coaching and mentoring whereby through one-to-one interaction, this can directly contribute to a person's talent optimisation. Leadership and employee development plans need to be entirely integrated in the talent structure that focuses not only on the technical skills but also on interpersonal skills. Otherwise, how can organisations develop tomorrow's leaders (leaders who are agents themselves and have to manage other agents' talents), if these leaders do not have the right skills to be talent scouts in the first place?

In addition to these structures, organisations need to instil a culture of succession planning, building a pipeline of successors ready to take on additional responsibilities from their peers. A structure around knowledge management is equally important whereby talents are enhanced thorough the sharing of information and actions. These factors contribute towards a learning organisation. As Cappelli (2008) points out, organisations cannot map careers out for years in the future and therefore such

structures need to be built around flexibility and there needs to be frequent redefinition of roles and responsibilities that are in line with the external challenges and changes.

Input and readiness of all employees are key, as they contribute to the success of everyone involved.

Academic literature suggests that although there is a lot of similarity between HRM and TM, organisations must embrace a talent culture. A talent culture would be a critical step forward for organisations where a paradigm shift needs to be accomplished in order to optimise their output. Given these findings, empirical data shows that there is quite some TM going on in organisations since they already adopt some HR practices.

From a training and development perspective, Manager C states that:

*“in terms of training we’ve got a number of training packages online... and part of their development plan identifies which areas they should be tackling. We also provide CBT (Computer Based Training) for soft skills then we have technical training mainly around Microsoft products and Oracle products, and that is all online and they can access the material whenever they want, and it’s also part of their development plan. We give them objectives to obtain some qualifications. We provide them with study leave so they have an incentive to carry on studying. However not all of them take the opportunity. Some of them do nothing about it. So then you can start to see the difference between people. What I do when we have discussions about their development plan, I put the responsibility onto them. They have the tools, access to all this information so then it is up to them. We tell them we do not want passengers but drivers. This is one of the tests on people... we want them to take the initiative. About 4 years ago we were driving this ourselves but then we decided to start putting the responsibility on themselves and see who was willing to develop”.*

In terms of performance management, Manager J stated the following:

*“we have a review sheet and use our values upon which we evaluate our people. We provide training such as sending people to conference or send them to training. You see the difference. I cannot tell you the ROI as we do not measure it however there is the aspect of change as people come with new ideas and it would have taken them a longer time to solve an issue otherwise. There is the aspect of training, reviews, performance bonus (although we don’t manage this on a regular basis). But the plan is to have an objective at the beginning of the quarter and then based on that objective a bonus is given depending on whether that objective has been achieved. We also like to lead by example and people see that there is direction and that everyone should move in the same direction. This is one of the most important things at management level”.*

Manager F stated that:

*“When a person is employed he spends a year abroad at our mother company and therefore being exposed to the culture. Twice a year we exchange teams, we get a group of 6 employees from our mother company around March and a group of 6 go to our mother company six months later for an exchange. We invest a lot of time in training and therefore the problem lies when other companies poach our people because they know they have been well trained.*

Manager B stated:

*“I started taking people abroad with me abroad, taking one of the main guys, to empower him and help them to know their clients and as a result they can feel comfortable in dealing with specific jobs. In that way they feel they are more aboard and feel more important. I do occasionally take one of the guys with me for a meeting and I think the fact that apart from sending someone abroad to repair a machine, I think that taking one of the guys with me it helps*

*them to develop their self confidence in dealing with clients. People are more motivated and take more interest in doing research and so on”*

This shows that most effort being done mainly revolves around training and development and how that has a direct impact on performance. TM needs to be seriously consolidated by integrating all HR practices. This is currently not being done. In order for this to be maximised, organisations need to move away from traditional HRM, integrating all systems and transforming the organisation’s culture to embrace a talent mindset. In line with the findings from the literature review (Deb, 2005; Hatum, 2010; Silzer et al, 2009), a TM process will ensure a holistic approach starting from top management and making every single person within the organisation responsible for own talents, rather than adopting an unclear notion stating that people are the organisation’s best asset. If mastered properly, this process (as iterated in the literature review) should streamline organisation’s activities and align people towards the same goal. In fact, most managers also acknowledged the fact that they hardly focus on developing employees’ interpersonal skills, particularly in smaller organisations, notwithstanding the fact that managers defined talent as a combination of interpersonal as well as technical skills. The focus on enhancing technical skills is made very clear, particularly encouraging or compelling people to obtain certification so that the organisation can embark on the right projects and/or sell products or services. Therefore, if organisations want to be more successful, structures revolving around the areas that are critical to the business also need to be implemented.

### 5.3.3 Establishing a Culture of Metrics to Measure the Impact of Culture on the Management of Talent

As stated earlier, what gets measured gets done. Additionally, what gets measured gets improved, as this is the only way of giving value to how much has been achieved or otherwise, and work towards improving results. When adopting a corporate culture that promotes a system of consolidated structures, this paves way for accurate measurement. In order to create effective measures, one needs effective structures and once the proper structures are in place, measuring becomes more straightforward.

When conducting the qualitative research, it was made clear that none of the managers who participated in the study measure the return on investment on TM. Most of them expressed that measuring ROI is rather challenging and therefore they measure project output, certificates obtained, internal feedback from line managers and staff participating in training courses, total revenue and some of the managers use performance appraisals as a form of measurement. Seven out of the 11 managers expressed concern at the fact that they do not measure ROI, as they cannot really determine whether the money they invest is actually benefitting the organisation. As stated in Section 5.2.4, if organisations are concerned about the money they invest and in determining how TM is evolving, then a lack of measurement will not assist them in determining the effect of such investment.

Therefore, if HR professionals want to earn their seat in top management, they need to drive HR from tactical support to being a strategic enabler. The various structures mentioned need to be underpinned with a set of metrics, which metrics need to be

constantly evaluated to identify the actual return on investment. Therefore any talent structures revolving around

- learning and development opportunities,
- performance management systems,
- coaching and mentoring,
- knowledge management and
- reward and recognition schemes, amongst others,

need to be tailored around one key factor, measurement. Measures should revolve around specific objectives related to the above structures, as well as other measures resulting from corporate objectives, outcomes of business plans, customer feedback, quality metrics and employee satisfaction index surveys, amongst others. Another form of measurement is by talking to employees individually to determine whether they feel their talent is being managed properly, whether and what they are benefitting from the talent strategy, and to determine their level of motivation and satisfaction. This will also help organisations to identify ways of retaining the talent.

Another form of measurement is to determine the rate of employee turnover and whether the organisation is sustained by a proper knowledge management system. It is important to identify that although talent will be lost when employees leave the organisation, whatever has been developed as a result of that talent will not be lost as well. Manager B explained how they adopted a system of knowledge sharing that supports the organisation particularly in the event when a person leaves. This system ensures that employees feed in as much data as possible so that they can share



knowledge between them and be able to proceed with the task with the minimal damage possible whenever an employee departs from the organisation.

One major key factor to achieve all this is to create a culture whereby everyone feels responsible for the management of talent, including employees themselves. By no means can this be the role of the HR department only. The department's role is to create the talent strategy, however every manager in the organisation needs to be an HR manager. Furthermore, this needs to be communicated down the line, where employees are to be accountable for the successful implementation of the talent strategy, and feel responsible for their own talents and the way these are developed.

The benefits of measuring the outcome of a proper talent strategy with various structural pillars is critical as it speeds up processing time, it reduces bottlenecks that hinder employees and the organisation itself from further development and it improves predictions that will ultimately avoid disparity between needs and the actual available talent pool.

#### 5.4 The Way Forward: Talent Optimisation through a Consolidated Organisational Culture

The following model is a holistic representation of organisations' way forward in ensuring talent optimisation that drives companies to successfully reach the desired goals through their people. The model brings together the findings from the literature review and the fieldwork and is aimed at addressing the gaps outlined in this research.

**Figure 4 – Talent Optimisation through a consolidated Organisational Culture**

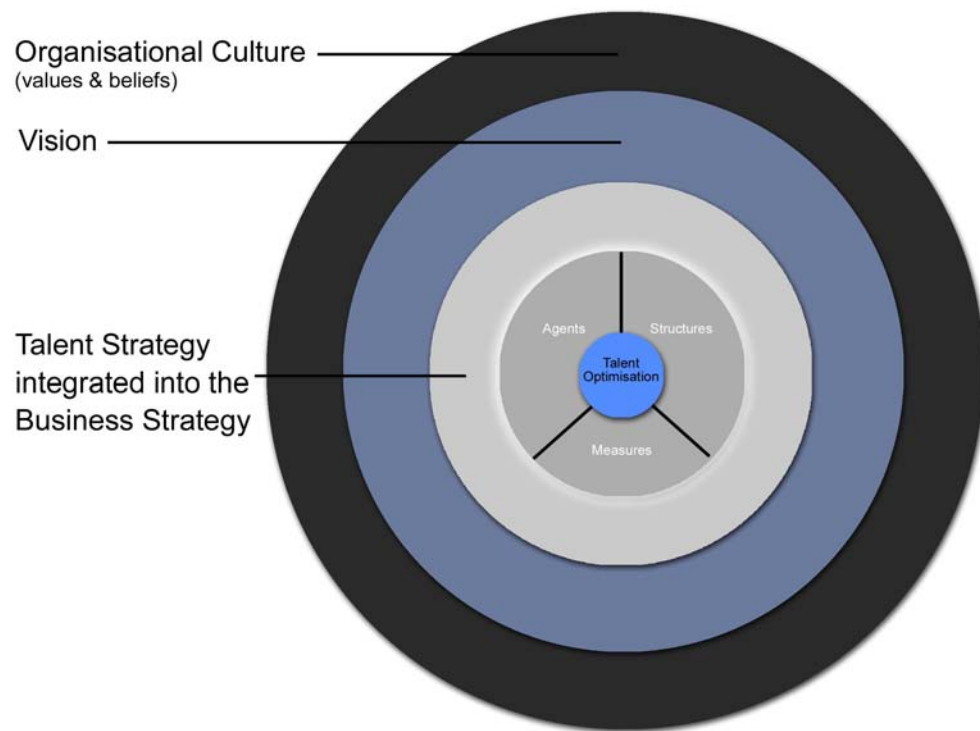


Figure 4 shows that ICT organisations should start by seriously embarking on creating a robust culture around sound beliefs and values. These need to be communicated to all staff members through formal and informal channels ensuring alignment to such culture. Additionally, the management team needs to live these values and lead by example. This is critical in order to create a culture around these values. Simply writing them down on corporate literature and communicating them will not translate themselves into culture. Following this, organisations need to identify the vision through which it will communicate such values and other objectives, establishing how talent-related outcomes relate to customer measures (Dess et. Al, 1984; Branham, 2005) in a market that is constantly changing its course. This has been established in the literature review, where shared vision, which is one of the five disciplines of Senge (1990) featured as an important component. This is a rather difficult task however is an important component in identifying the current and future talent pool that is required to

reach the set goals. In this case, most managers spoke about the challenges they face when trying to align people to their culture and vision. This is mainly done through formal and/or informal communication. Manager C stated that aligning people is a:

*“journey, not something that just happens. It is a matter of communication. As we grew we started disseminating information through monthly newsletters, monthly meetings for staff, but it does not always happens, plus other meetings”*

Manager H said that

*“realistically in an organisation it is inherited top down. So it was probably first defined by the person who set up the company and the culture was passed along. Normally if you introduce somebody that does not fit, that person would stand out. There were people who made the transition and there were some others who did not. We are very frank with our people, we conduct reviews all the time and we make people well aware that they are not fitting in”*

A business strategy with an integrated talent strategy needs to be planned out carefully, supported by three main pillars:

1. *Talent structure*– featuring a number of integrated HR practices aimed at giving clear direction to managers in terms of how develop their employees
2. *Agents* – ensuring that managers know who their employees are and determine the best ways of maximising their talent potential for the benefit of employees themselves and the organisation in general
3. *Measures* – aimed at determining the level of achievement to further strengthen the strengths and minimising the gaps

Following this, it is critical that organisations make good use of these measures. It would be futile to have measures in place and not using the results that emerge. Following evaluation of results, further structures need to be built or enhanced to further address arising talent gaps. Flexible structures are vital in ensuring that actions are related to both internal and external challenges.

All this accounts for talent optimisation resulting in a two-way value proposition:

1. Having an organisation that creates a culture around structures that impact positively on managing talents resulting in enhanced business outcome
2. Having employees with optimised talents who are more motivated and positively contribute towards their personal and organisational success

## 5.5 Conclusion

The above findings and recommendations emerged from the results from the literature review against those resulting from the field work. One of the main challenges was to identify talent and corresponding strategies in literature review where most of these mainly focused around HR practices. One of the main differences identified is that even though TM may be a replica of human resources practices, recommendations show that organisations cannot just focus on these HR practices as independently or as practices aimed at just addressing performance and/or productivity.

Organisations must adopt a culture that focuses on creating a talent mind-set, where talent strategies concentrate around the individual to ensure that talent is really and truly optimised for the sake of the individual and the organisation.

Findings from the fieldwork show that none of the organisations forming part of the sample have a culture built around any talent strategies. Current systems are primarily aimed at enhancing performance and/or productivity and although at face value, they seem to focus around the individual, the reality seems to be somewhat different. Most organisations are finding difficulty particularly in sourcing highly technical employees, and employees having the right balance between technical and soft skills. However, little is done to address this gap in the future and should organisations decide to stick to current structures, little can be done to minimise this disparity.

It is clear that any attempt to optimise talent needs to be taken seriously and HR needs to break the silos between its own systems and move towards a holistic approach revolving around a consolidated talent strategy rather than just functioning at operational levels.

This discussion will be brought to a close in the following chapter, summing up the identified gaps, the findings and recommendations from this study.

## 6 CONCLUSION

### 6.1 Knowledge Gaps and Key Findings

Whilst managing talent within organisations remains a huge challenge, this research explored the variations and depth of such challenge, proposing an understanding about how OCs impact on talent and how structure and the talented agent influence each other. This research also proposes some recommendations of how such a phenomenon can be managed.

This study also addresses some gaps in existing literature, such as a prevailing lack of knowledge and understanding about the relationship between OC and talent. Secondly, this research also established that the impact of OC on talent that was never examined from the structure-agency debate point of view. Thirdly, this study also addresses a lack of principles that guide ICT organisations in Malta in integrating their strategic position with talent.

Through an in depth literature review and an empirical study, three main contributions are proffered. Firstly, within ICT organisations in Malta, there seems to be a lack of a defined corporate culture, lack of talent strategies that dovetail into the business strategy and lack of measurement on the return on investment. Most managers identified some serious challenges such as acute skills shortages both from an interpersonal side as well as a shortage in advanced technical skills. However empirical findings show that managers remain largely complacent in the face of this challenge as they implement measures mainly aimed at addressing short term gaps.

## 6.2 The Theoretical and Practical Future of the Impact of Organisational Culture on Managing Talent

Literature reviewed featured knowledge about the role of TM within organisations. Debates focused around whether HRM is identical to TM and vice-versa, and thus, whether TM came about to give a fresh look to HRM. Research suggested that notions of HRM and TM are quite interchangeable, however with researchers pointing at TM as a step further translated as a ‘talent’ mindset among organisations that assure that management of employees’ talent is positioned at a strategic level.

Academic research also shows that TM should be embraced by every person within the organisation and not something pertaining to the HR Department. However, from an academic point of view, more work is needed in order to clearly define what TM is really all about. The lack of grounded theory emerging from the shortage of academic research, poses a number of questions since TM features more in practitioner literature. Organisations also need to exert more effort to determine or challenge academic and management debates relating to TM. It is hoped that such interventions lead to an expansion of the existing body of knowledge.

The study’s empirical appraisal showed that ICT organisations in Malta need to engage in significant transformations if they are to optimise talent. Primarily, there needs to be authentic commitment by top level management - a critical starting point. Top management together with all other members in the organisation, need to embrace change and be ready to face some tough challenges. In order to address the necessary changes, organisations should create a strong corporate culture that enables them to

embark on activities to compile skills audits to identify gaps and prepare employees to address future challenges. They should also look at frequently redefining roles and responsibilities and create a system where performance management, coaching and mentoring, succession planning and organisational design, amongst other practices, dovetail into one talent strategy which is then dovetailed into the business strategy. This will address one very important ingredient for organisational success, alignment.

### 6.3 Limitations and Future Research

This research has unavoidably its own limitations. Firstly, this research focused on the Maltese ICT sector. This limits the level of the generalisation of the findings across ICT organisations in other parts of the world, as well to organisations in other sectors, both locally and overseas. However, this limitation also features as a comparative strength as empirical work is reliant on a relatively homogenous sample that is facing various challenges.

Secondly this study was conducted at a time where major global changes were happening, marked by a global economic downturn. If economic performance is assumed to impact the relationship between OC and TM, it is likely that findings may be different if the same research is undertaken at a time of economic prosperity.

Thirdly, this study looked at a phenomenon through a cross-sectional approach, involving qualitative and quantitative investigations that relied on perceptions among managers and employees at one point in time. Because the impact of culture on TM is



likely to be a process on its own, this investigation is likely to present an incomplete picture of this mechanism.

Fourthly, this study relied on single informant approaches, particularly when management perceptions on TM and culture were investigated among Maltese ICT. If TM is an organisation-wide process, the reliance on single informants (in both qualitative and quantitative approach) enables only the depiction of a limited picture about a multi-agent process.

A fifth limitation in this study is manifested in Tables 10 and 12 reflecting weak correlation coefficients. The fact that correlations coefficients are shallow could be an indication of small samples. Therefore, a larger sample with bigger number of respondents will provide further opportunities to test the linearity of the relationship and determine the strength in the relationships between variables.

These limitations provide an opportunity for further research in this area. For instance, the link between OC and TM needs to be investigated in organisations outside the ICT field, as well as outside Malta. It would be interesting to conduct a study amongst organisations that may not experience such an acute skills shortage. In that case, would TM be necessary, and should it be at the very core of organisation's plans or would a number of ad hoc HR practices suffice?

Another contention would be research amongst ICT organisations in other countries. Will the challenges of OC on the management of employees' talents be the same, even

when considering that the problem of acute skills-shortage is in many countries worldwide? What types of corporate cultures are needed in order to optimise talent?

Therefore, proposing further research from an academic point of view for the phenomenologist, one strand of research would be to identify how different OCs and their respective structures impact on managing talent in their respective context. On the other hand, a strand of research for the positivist would be to identify the factors that impact on the link between OC and the management of employees' talents and how these factors influence on the link between OC and talent.

It would be interesting to compare findings and identify common and various gaps and opportunities for further growth.

## 6.4 Concluding Remarks

This research attempts to shed some light on the impact OCs have on managing employees' talent. OCs influence and determine the outcome that leads to the success or failure of organisations. Implementing some or most of the outlined recommendations in organisations would be an important step forward in achieving excellence. If employees are not guided in the right direction so as to maximise their talents, some of this talent may be lost at the detriment of employees themselves as well as the organisation. One major challenge that needs to be overcome in order to implement the recommendations is to have top management buy into the idea of creating a corporate culture around a talent mindset. Broadly stating that employees are an organisation's best asset is definitely not enough. Choices around what strategy to

implement and how and whether a talent strategy dovetails into the business strategy need to be taken. The HR department plays a critical role in this and needs to be a driver and work with every person in the organisation to create such culture where TM is everyone's right and responsibility.

The ultimate contribution of this study relates to the exploration of the impact of OC on the management of employees' talents, investigated through a structure-agency perspective. The insight shed in this study builds upon existing knowledge of OCs and TM particularly in the latter, an area which is ill-researched and examined mainly from a practical point of view. This empirical study shows that a relationship between OC and TM exists, at least in Malta and in the field of ICT. By and large, the research demonstrates that the relationship varies between the organisations, depending on factors such as size, management and leadership styles, and the type of internal communication.

The empirical research showed that the smaller organisations tend to be more flexible with reduced structures and also offering very limited exposure to the development of soft skills, notwithstanding the realisation of the importance of such skills. The majority of small organisations also tend to communicate in a very unstructured manner adopting a culture of open communication. This is also due to the fact that in smaller organisations, people have more opportunity to interact and get to know each other. Nonetheless, there were some smaller organisations that adopted some structures. These include structures that enable employees to understand ways of how they can develop and grow within the organisation.

The leadership style adopted by most managers mainly revolved around addressing short-term business needs - hence the reason why the focus was mainly put on the development of project-related soft skills. All these factors do have an impact on how talent is managed within organisations and as they grow in size, bigger challenges arise since the number of talents to be managed increases. At the same time, a larger organisation provides an opportunity for movement should there be no person-organisational fit or should the employee's talents fit better within another position.

The leadership style adopted by managers also has an impact on the way talents are managed since if the focus is merely on organisational results, hence the bottom line, then the employee development will not be at the heart of the organisational vision and strategy. The empirical research shows that although some managers speak about the value employees bring to their respective organisation, they still fail to give due importance to their development. This is mainly due to the lack of structures that allow them to focus on talent management and development, leading, many a times, to addressing short-term strategies rather than taking proactive approaches.

In most cases, organisations are not inclined to underpin in a tangible and coherent manner their value system and generally assume that all employees are aligned to the OC as part of the organisation's day-to-day operations.

Another dimension of this study is that of subcultures which invariably co-exist with the predominant OC in most organisations. This was evident from the managers' responses which showed they may not have been aware that some subcultures may exist within their organisation and that employees may not be aligned to the culture they

perceive. As a consequence, the interplay between OC and subcultures – and the overall variances in cultures – has an impact on the way talent is managed.

The research shows also that the concept of TM is still limited in scope and is misconceived to be tantamount to technical training and a light touch of soft skilling. This latter was particularly evident in larger organisations.

The overarching finding of this study is that ICT organisations in Malta tend to link OC to an overtly limited notion of TM which, as stated earlier, does not encapsulate the wider definition of TM as outlined in the literature review.

As explored, further similar research in various contexts (including other countries and industries) will shed more light as to whether such relationship exists in other realms. There is very limited research on the link between OC and talent and therefore this study pioneers the analysis of these two factors in a distinctive manner. Within the context of the linkage between these two factors, it would be perceived as positive if organisations enhance their respective cultures to sustain TM, promote talent strategies and enable employees to positively contribute towards their organisations.

As determined in the previous sections, OC can be sustained through explicit values communicated to all employees in a transparent manner, a culture that is conducive to employees' TM and development. Additionally, a consolidated structure through which talent is managed needs to be created, maintained or improved, together with a structure through which the return on investment is measured. This value-adding finding will

assist organisations to create more alignment and attract the best talent positioning them as the ‘employer of choice’ whilst nurturing and further developing existing talent.

## APPENDICES

## Appendix A One-to-one      Semi      Structured

### Interviews: Organisations

1. Describe your organisation's history – the start of the organisation, key milestones, present number of management levels, divisions, functions. Who are the organisation's key decision makers? Are your people regarded as your best assets?
2. What are your organisation's values?
3. What are the external challenges that have a significant impact on your organisation's values and beliefs?
4. How does the organisation align its people to its culture?
5. In the event that an employee derails (no person-organisation fit) how is this matter managed?
6. (for an international organisation) What bearing does local culture have on companies' values?
7. How would you define talent in the context of your organisation? And how do you see talents influenced by your organisation's beliefs and values? Can you give me some examples?
8. How do the company's values impact on the organisation's talent strategies?
9. How have your organisation's talent strategies impacted on business outcomes and individual employee performance?



10. How does your organisation empower employees to maximise their talent potential?
11. How does your organisation measure the degree to which employees have enhanced their talents?
12. How does work environment and company climate impact on talent development?
13. Which talents does the company have difficulty resourcing?
14. What are the consequences of such gaps in talent?
15. How does your organisation promote learning and development?
16. How is the ROI from learning and development investment measured?

## Appendix B            Management Questionnaire

### **QUESTIONNIRE FOR SUPERVISORS / MANAGERS / SENIOR MANAGERS**

Beverly Cutajar  
No 9,  
Mons Falzon Street  
Msida MSD 1521  
Malta

March 23, 2010

Dear Participant,

By way of introduction, I am Beverly Cutajar, currently reading a Doctorate in Social Sciences specialising in Human Resources Development at the University of Leicester. As part fulfilment of my Doctorate degree, I am carrying out a study amongst managers and staff members within ICT companies, under the supervision of Dr. Johnny Sung, Head of Department at the University of Leicester. The thesis is titled as follows: The impact of organisational culture on the management of employees' talents: A case study within Maltese ICT organisations.

The research problem that I will be tackling in my study revolves around the understanding of how employees' talents are managed within organisations. A substantial part of this research outcome will be based on the data collated from this questionnaire, which takes about 20 minutes to be completed. This research is voluntary however your input will be appreciated and critical to the research outcomes. I would like to point out that this questionnaire is anonymous and will be treated in the strictest confidence and will be used for statistical purposes only.

Kindly reply by not later than April 15, 2010. Should you require any clarification kindly do not hesitate to contact me on 7944 3029

I look forward to receiving your completed questionnaire. Thank you for your cooperation and valuable time.

Sincerely,

Beverly Cutajar  
Doctorate Student  
University of Leicester

## Section A: General Information

1. Company name: \_\_\_\_\_

2. Number of employees within the company (if known): \_\_\_\_\_

3. Age last birthday: \_\_\_\_\_

4. Gender (please tick where applicable):

Male	
Female	

5. Your present role: \_\_\_\_\_

6. Years in your present role (please tick where applicable):

Less than 1 year	
Less than 4 years	
4 to 6 years	
Over 6 years	

7. Number of employees for whom you are directly responsible: \_\_\_\_\_

8. Level of Education (please tick where applicable):

Secondary	
Secondary Vocational	
Diploma	
First Degree	
Masters Degree	
Doctorate / PhD	

## Section B: Values, Ethics and External Factors

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

9	Trust drives the relationship between the organisation and its employees	1	2	3	4	5
10	Employees in this company are its key resources	1	2	3	4	5
11	I can recall instances when employees were considered more like a cost than any other type of investment	1	2	3	4	5
12	An employee is asked to leave whenever s/he does not fit with the company's culture	1	2	3	4	5
13	As an organisation we have a set of company values in place	1	2	3	4	5

14	Business ethics are a strong aspect of the company's beliefs	1	2	3	4	5
15	There are various external challenges that have an impact on the way we work and develop our workforce	1	2	3	4	5
16	Nowadays, employees have more opportunity to change jobs more frequently	1	2	3	4	5
17	There is a high employee turnover	1	2	3	4	5

## Section C: Customer Focus

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

18	In our company, the customer is king	1	2	3	4	5
19	My company provides us with customer service guidelines	1	2	3	4	5
20	My company advocates a policy by which customer needs take priority	1	2	3	4	5
21	All in all our company manages to deliver the best possible quality in anything we do	1	2	3	4	5

## Section D: Talent Management and Development

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

22	I define talent as being something that a person is born with	1	2	3	4	5
23	I define talent as the person's competence (knowledge, skills and attitude) to do a job	1	2	3	4	5
24	I find difficulty in recruiting people with the right talent attributes	1	2	3	4	5
25	I find difficulty in recruiting people having the right balance between technical and interpersonal skills	1	2	3	4	5
26	Losing talent within our organisation is very costly especially to rehire and retrain a new employee	1	2	3	4	5
27	Some talents within our organisation are harder to replace	1	2	3	4	5
28	Managing and developing our employees' talents helps us to retain employees as they feel that we are investing in their future	1	2	3	4	5
29	Promotions are based on employees' talents rather than the years in service	1	2	3	4	5
30	Promotions are based on employees' technical abilities rather than their interpersonal abilities	1	2	3	4	5
31	I have a talent strategy in place whereby I have a plan of how I am going to manage and develop my employees' talents	1	2	3	4	5

32	I believe that it is very important to identify and make full use of my employees' talents	1	2	3	4	5
33	Employees' talents are identified through informal chats	1	2	3	4	5
34	Employees' talents are identified through performance appraisals	1	2	3	4	5
35	I manage and develop my employees' talents by giving them the opportunity to work on projects	1	2	3	4	5
36	The initiatives aimed at talent enhancement are generally sporadic and unstructured	1	2	3	4	5
37	Employees' talents are managed and developed through the identification and achievement of performance objectives	1	2	3	4	5
38	Throughout the last year, I can recall episodes when employees did something to enhance their talents	1	2	3	4	5
39	There are some critical talents that are missing within my team	1	2	3	4	5
40	Employees' talents are enhanced primarily because we want to be competitive, rather than for the employee's self development	1	2	3	4	5
41	Employees are motivated when they are provided with opportunities to enhance their talents	1	2	3	4	5
42	There are some employees within my team who are not using their talents to the full because there isn't the right opportunity for them	1	2	3	4	5
43	One of today's challenges is to retain talent within our organisation	1	2	3	4	5
44	Employees are encouraged to be creative and innovative by allocating time to try out new things and develop new ideas	1	2	3	4	5

## Section E: Skills, Training and Development

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

45	The organisation develops talents through training opportunities that we provide for our employees	1	2	3	4	5
46	I believe technical skills are more important than interpersonal skills	1	2	3	4	5
47	I feel that providing training in technical skills is more important than interpersonal skills (leadership, teambuilding, customer care, etc...)	1	2	3	4	5
48	Employees are provided more training in technical skills rather than interpersonal skills (leadership, teambuilding, customer care, etc...)	1	2	3	4	5
49	When employees are trained, I measure the return on the investment	1	2	3	4	5
50	I do not believe training enhances my employees' talents	1	2	3	4	5
51	Whenever employees attend training, it is mostly through personal initiative and not because it is suggested by the company	1	2	3	4	5

52	Employees usually pay for the training they receive	1	2	3	4	5
53	There were instances where employees were not given the opportunity to attend training programmes which could have supported their development	1	2	3	4	5
54	Employees attend training at their own time, not during working hours	1	2	3	4	5
55	Employees are provided with one-to-one coaching sessions aimed at addressing performance gaps and optimising talent	1	2	3	4	5
56	I provide guidance on areas of work where my employees require further development	1	2	3	4	5

## Section F: Communication and Decision making

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

57	Employees are aligned to our company beliefs and values through open communication	1	2	3	4	5
58	Employees in our organisation are empowered to take decisions	1	2	3	4	5
59	Employees are involved in decision making in areas that relate to their job	1	2	3	4	5
60	Teamwork is encouraged as opposed to having employees working on their own	1	2	3	4	5

## Section G: Performance Management and Career Progression

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

61	The company has a performance management system in place to make sure that employees are aligned to the business objectives and values of the organisation	1	2	3	4	5
62	The initiatives taken by our organisation in terms of talent management and development are mainly targeted towards addressing immediate performance gaps rather than long term planning	1	2	3	4	5
63	Employees are encouraged to always surpass their previous personal best	1	2	3	4	5
64	I analyse the effectiveness of my employees' work related activities through the success or otherwise of the various projects	1	2	3	4	5
65	If employees are not able to reach an objective because they do not have the right attitude/skills in place, they are provided with all the support they need in order to enhance their talents to reach the desired objectives	1	2	3	4	5
66	I track the outcomes of my employees' performance objectives	1	2	3	4	5
67	There is a structure that determines the career progression and succession planning of every employee	1	2	3	4	5

Any comments:

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*THANK YOU FOR YOUR PARTICIPATION*

## Appendix C      Staff Members Questionnaire

### **QUESTIONNIRE FOR STAFF MEMBERS**

Beverly Cutajar  
No 9,  
Mons Falzon Street  
Msida MSD 1521  
Malta

March 23, 2010

Dear Participant,

By way of introduction, I am Beverly Cutajar, currently reading a Doctorate in Social Sciences specialising in Human Resources Development at the University of Leicester. As part fulfilment of my Doctorate degree, I am carrying out a study amongst managers and staff members within ICT companies, under the supervision of Dr. Johnny Sung, Head of Department at the University of Leicester. The thesis is titled as follows: The impact of organisational culture on the management of employees' talents: A case study within Maltese ICT organisations.

The research problem that I will be tackling in my study revolves around the understanding of how employees' talents are managed within organisations. A substantial part of this research outcome will be based on the data collated from this questionnaire, which takes about 20 minutes to be completed. This research is voluntary however your input will be appreciated and critical to the research outcomes. I would like to point out that this questionnaire is anonymous and will be treated in the strictest confidence and will be used for statistical purposes only.

Kindly reply by not later than April 15, 2010. Should you require any clarification kindly do not hesitate to contact me on 7944 3029

I look forward to receiving your completed questionnaire. Thank you for your cooperation and valuable time.

Sincerely,

Beverly Cutajar  
Doctorate Student  
University of Leicester



## Section A: General Information

1. Company name: \_\_\_\_\_

2. Age last birthday: \_\_\_\_\_

3. Gender (please tick where applicable):

Male	
Female	

4. Your present role: \_\_\_\_\_

5. Years in your present role (please tick where applicable):

Less than 1 year	
Less than 4 years	
4 to 6 years	
Over 6 years	

6. If you are responsible for any personnel, how many: \_\_\_\_\_

7. Level of Education (please tick where applicable):

Secondary	
Secondary Vocational	
Diploma	
First Degree	
Masters Degree	
Doctorate / PhD	

## Section B: Values, Ethics and External Factors

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

8	Trust drives the relationship between the organisation and its employees	1	2	3	4	5
9	Employees are the company's key resources	1	2	3	4	5
10	I can recall instances when employees were considered more like a cost than any other type of investment	1	2	3	4	5
11	An employee is asked to leave whenever s/he does not fit with the company's culture	1	2	3	4	5
12	I am aware of the company's values	1	2	3	4	5
13	Business ethics are a strong aspect of the company's beliefs	1	2	3	4	5
14	External factors have an impact on the way we work	1	2	3	4	5

15	Nowadays, there is more opportunity for us to change jobs more frequently	1	2	3	4	5
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## Section C: Customer Focus

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

16	In our company, the customer is king	1	2	3	4	5
17	My company provides us with customer service guidelines	1	2	3	4	5
18	My company advocates a policy by which customer needs take priority	1	2	3	4	5
19	All in all our company manages to deliver the best possible quality in anything we do	1	2	3	4	5

## Section D: Talent Management and Development

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

20	I define talent as being something that a person is born with	1	2	3	4	5
21	I define talent as the person's competence (knowledge, skills and attitude) to do a job	1	2	3	4	5
22	Promotions are given based on employees' talents rather than the years of service	1	2	3	4	5
23	Promotions are based on employees' technical abilities rather than their interpersonal abilities	1	2	3	4	5
24	The company has a plan for the enhancement of my talents	1	2	3	4	5
25	I believe that it is very important for the company to make full use of my talents	1	2	3	4	5
26	My talents are identified through informal chats	1	2	3	4	5
27	My talents are identified through performance appraisals	1	2	3	4	5
28	My talents are managed and developed when I am given the opportunity to work on projects	1	2	3	4	5
29	The initiatives aimed at talent enhancement are generally sporadic and unstructured	1	2	3	4	5
30	My talents are managed and developed through the identification and achievement of performance objectives	1	2	3	4	5
31	Throughout the last year, I can recall an episode when I did something to enhance my talents	1	2	3	4	5
32	I am motivated when I am provided with opportunities to enhance my talents	1	2	3	4	5
33	I could make better use of my talents if the right opportunity existed	1	2	3	4	5

34	As long as my talents are managed and developed, I will be willing to stay in the organisation's employment	1	2	3	4	5
35	Employees are encourage to be creative and innovative by being allocated time to try out new things and develop new ideas	1	2	3	4	5

## Section E: Skills, Training and Development

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

36	The company provides me with the opportunity to develop my talents	1	2	3	4	5
37	I receive more training in technical skills than interpersonal skills (leadership, teambuilding, customer care, etc...)	1	2	3	4	5
38	I do not believe training enhances my talents	1	2	3	4	5
39	Whenever I attend training, it is mostly through personal initiative and not because it is suggested by the company	1	2	3	4	5
40	I usually pay for the training I receive	1	2	3	4	5
41	I was not given the opportunity to attend training programmes which could have supported my development	1	2	3	4	5
42	I attend training at my own time, not during working hours	1	2	3	4	5
43	I am provided with one-to-one coaching sessions aimed at addressing performance gaps and optimising talent	1	2	3	4	5
44	I believe technical skills are more important than interpersonal skills	1	2	3	4	5

## Section F: Communication and Decision making

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

45	Through open communication, employees are aligned with our company's values and business objectives	1	2	3	4	5
46	I am empowered to take decisions	1	2	3	4	5
47	I am involved in decision making in areas that relate to my job	1	2	3	4	5
48	Employees are encouraged to work in teams	1	2	3	4	5

## Section G: Performance Management and Career Progression

*Kindly indicate how much you agree with the following statements where 1 is strongly disagree and 5 is strongly agree*

49	There is a system in place that measures performance and emphasises alignment to business objectives and values	1	2	3	4	5
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50	The initiatives taken by our organisation in terms of talent management and development are mainly targeted towards addressing immediate performance gaps rather than long term planning	1	2	3	4	5
51	I am always encouraged to surpass my previous personal best	1	2	3	4	5
52	I analyse the effectiveness of my work related activities through the success or otherwise of the various projects I take part in	1	2	3	4	5
53	I feel responsible for the achievements of my objectives	1	2	3	4	5
54	I track the outcomes of my performance objectives	1	2	3	4	5
55	There is a structured approach that determines career progression and succession planning	1	2	3	4	5

Any comments:

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*THANK YOU FOR YOUR PARTICIPATION*

## Appendix D      Informed Consent Form

### **PARTICIPANT INFORMATION / INFORMED CONSENT FORM**

I, the undersigned, hereby declare that I agree to participate in the study to be carried out by researcher Beverly Cutajar titled:

**The impact of Organisational Culture on the Management of Employees' Talents:  
The Case of Maltese ICT organisations**

I further declare that I understand the purpose of the research, that it will be used as part of a Doctorate programme, that it will be stored and accessed solely by the researcher and that it will not be disclosed. I also understand that it can be used for research output based on such research and that my anonymity will be guaranteed.

By making this declaration, I understand that I am allowing the researcher to use the information I am providing her for the purpose of this research and its output and I am also aware that I can pull out of the research at any time.

<b>Name</b>	
<b>Signature</b>	
<b>Date</b>	

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