Talent Management Initiatives in the Irish Public Service – how State Agencies under one Government Department are using Talent Management to respond to skills shortages in a tight labour market

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Abstract

Competition for highly skilled employees is becoming increasingly competitive given the recently tightening Irish labour market. While the private sector can offer competitive salaries to attract talent, the nature of the public service pay in Ireland means that they cannot compete against industry on salaries. This research was concerned with Talent Management (TM) use within the public service as a means of competing for talent and it sought to determine how non-commercial semi-state agencies (NCSSAs) under Department X were responding to skills shortages. Semi structured qualitative interviews were conducted with HR professionals in nine NCSSAs agencies under Department X.

The results suggested that all agencies apart from the smallest are experiencing difficulties attracting key skills, in particular technical skills. In addition, over half of the agencies are seeing higher levels of attrition compared to two years ago. Managers identified three reasons for the skills shortages; the buoyant labour market, public service salary policies and a lack of career paths on offer in smaller organisations.

Organisations are responding by employing a variety of TM initiatives, in particular, by emphasising their total rewards package to potential and current employees. They are redesigning role profiles and focusing on learning and development in order to become an employer of choice. In addition, agencies are 'selling' their work / life balance initiatives to attract staff and they are aware of the need to build their employee brand in order to be regarded as an employer of choice. Finally, in terms of access to TM they operate an inclusive model where all employees have access to TM initiatives.

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List of Abbreviations

DPER   Department of Public Expenditure and Reform

EVP   Employee Value Proposition

L&D   Learning and Development

MNC   Multi-national Corporation

NCSSA   Non Commercial Semi State Agency

SHRM   Strategic Human Resource Management

SME   Small and Medium Enterprises

TM   Talent Management

WLB   Work / Life Balance

Chapter 1: Introduction

1.1 Context

Over the past several years, the labour market in Ireland has tightening significantly, meaning that competition for staff and in particular, skilled staff is becoming fierce (CIPD, 2015a; IBEC, 2016; CIPD, 2017c). IBEC notes that at the end of March, 2017 there were twice as many unfilled vacancies as there were in 2011 and that unemployment amongst those with an honours degree has now fallen to 3.3% (IBEC, 2017, p.5).

The Irish private sector has the means at its disposal to raise salaries in order to attract highly skilled, talented workers, and evidence suggests that salaries are rising to pre-recession levels (IBEC, 2016; Abrevia, 2017). However, recent public service pay policy as determined by the Department of Public Expenditure and Reform [DPER] does not allow individual public service organisations the flexibility to offer competitive starting salaries and therefore they are unable to fully compete in terms of reward and compensation.

Talent Management [TM] is a practitioner driven approach to recruitment and retention used to gain competitive advantage by attracting and retaining the best talent (Chambers et al, 1998; Scullion, Collings and Caligiuri, 2010). TM is a means of strategically anticipating and meeting current and future workforce needs and encompasses a range of attraction and retention practices, including succession planning, career development and leadership development (Capelli and Keller, 2014). It regards talent as a valuable resource that must be leveraged in order to drive business objectives in an increasingly competitive and complex environment and according to Chambers et al (1998) "Superior talent will be tomorrow's prime source of competitive advantage".

Recent UK and Irish research indicates that employers are reacting to the current skills shortage by using a variety of TM tactics such as, developing their employer brand, upskilling staff for succession planning and considering flexible working practises in order to attract skilled employees to their organisations (CIPD 2015a; CIPD, 2017a; CIPD, 2017c). The most recent CIPD survey found that over half of CEOs surveyed were increasing their TM budgets in order manage retention and turnover (CIPD, 2017a).

The Irish public service is still facing considerable resourcing challenges. Public spending is amongst the lowest in Europe yet there is a rising demand for public services (Boyle, 2016b). This means that it is critical that the public service can attract and retain the right people. The government has made a commitment to develop TM initiatives (DPER, 2014a; DPER, 2014b) yet little progress has been made outside the civil service on these objectives (DPER, 2016). Strategic talent management may be a way for public service bodies to gain competitive advantage by becoming an employer of choice and by promoting the total rewards package on offer (including generous leave and work life balance initiatives) and this research will examine if public service HR Departments are using these tactics.

1.2 Objectives

This research will seek to understand what public sector bodies are doing to respond to the tight labour market and its resulting skills shortages. Specifically, it will examine what TM initiatives non-commercial semi-state agencies (NCSSAs) under one government department, Department X are doing to attract and retain key staff and what is proving successful. Are they experiencing skills shortages and are they actively using TM initiatives to attract and retain staff and what practices are proving successful? In particular, the research will ask if they are offering learning and development opportunities, promoting work life balance [WLB] initiatives, developing their employer brand and whether TM encompasses all employees in their organisations or just those who add the most value.

1.3 Rationale

While much has been written in recent years on TM, most of the research has been on initiatives in multi-national corporations (MNCs) (Stahl et al, 2012) and there has been surprising little interest in the public sector domain. Even less research has been conducted in Ireland despite almost one person in seven being employed in the public service (Boyle, 2016b).

According to Boyle (2016a) there are 257 national non-commercial state agencies across 16 government departments who perform a variety of tasks such as "service delivery,

regulatory functions, research or contracting for services across a multitude of policy areas" (Boyle, 2016a, p. 8). While they have some degree of autonomy in terms of how they run their business, and each has a governing Board or Council, they are subject to strict recruitment and salary sanctions laid down by the Department of Public Expenditure and Reform [DPER]. Most are small or medium sized organisations and do not necessarily have a clearly stated employee value proposition so this research will set out to examine how they are facing the challenge of competition with the private sector.

Since there is such a dearth of TM research in the Irish public service, this study will add value to the research field by initiating the conversation on public sector approaches to TM and by contributing to the overall body of work on TM in Ireland.

1.4 Dissertation Overview

The research is positioned within theoretical discussions of talent management and Chapter Two will provide a review of current literature on the subject. It will explore the field of TM from an academic point of view and also examine how TM is currently being used in practice. Finally, it will assess the appetite for talent management within the public service in Ireland.

Chapter Three outlines the methodology. The research questions will be discussed, along with the aims and objectives and the chapter will summarise how the research was conducted and analysed.

Chapter Four presents the findings and discussion. Six thematic areas emerged from the data and the findings will be presented under these, which will then be discussed with reference to current literature and research.

Chapter Five presents the conclusions, makes recommendations and suggests areas for further research.

Chapter 2: Literature Review

2.1 Outline of Review

This research is embedded in theoretical discussions of talent management (TM), an area of study that is becoming increasingly prevalent in the field of HRM and Management (Collings, 2014). However, far from being a conceptually driven research area, initial work on TM was primarily practitioner driven (Cappelli and Keller, 2014) and focused on initiatives used in practice to attract and retain talented staff in order to compete for skills in an increasingly tight labour market.

This review of literature will provide an overview of current TM research. Keeping in mind that TM is a relatively new area of study, it will attempt to conceptualise the field and to provide a definition, despite much contention on the matter. It will explore the practical application of TM initiatives to discover how organisations are using it to maintain competitive advantage. Finally it will discuss TM within the public service in Ireland and argue that it could serve as a valuable tool to attract and retain highly skilled employees despite public service pay restrictions.

2.2 Conceptualising the Field of TM

Talent management, as an academic area of study is less than two decades old and has its roots in a 1998 McKinsey Report entitled "The war for talent" (Chambers et al, 1998; Guthridge, Komm and Lawson, 2008). Concerned with critical leadership skills shortage in the US labour market, the authors use 'war' as a metaphor for the search for talent and argue that in order to win, it is imperative that TM be elevated to "a burning corporate priority" (Chambers et al, 1998).

The notion of TM was quickly accepted by practitioners who realised that the key to growth and sustainability was a highly skilled, engaged workforce (Michaels, Hanfield-Jones and Axelrod, 2001; Capelli and Keller, 2014; Gallardo-Gallardo and Thunnisson, 2016). In addition, TM was a useful approach in a turbulent market place with uncertain labour markets (Capelli and Keller, 2014).

However, since the McKinsey article, there has been little theoretical academic research compared to practitioner based research (Collings and Mellahi, 2009; Festing, Schafer and Scullion, 2013; Cappelli and Keller, 2014). The academic research that does exist is problematic in that it has not succeeded in establishing a standardised theoretical framework and in general, there is little academic consensus amongst contemporary researchers with either the theoretical approach or indeed the definition of TM (Scullion et al., 2010; Gallardo-Gallardo, Dries and Gonzales-Cruz, 2013; Thunnissen, 2016).

2.3 Towards a Definition of TM

Cappelli and Keller (2014, p.307) offer a simple definition of TM as "the process through which organizations anticipate and meet their needs for talent in strategic jobs". The CIPD defines it as the "systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation" (CIPD, 2015b, p.20)

However, these definitions are fundamentally different in that the first refers to strategic *roles* whereas the CIPD definition is concerned with valuable *individuals.* Throughout the literature, this distinction between the individual and the activity constantly recurs.

Many scholars also stress the need to distinguish TM from HRM (Scullion et al, 2010; Capelli and Keller, 2014). However since TM programmes involve high level HR practices such as strategic recruitment, succession planning and training and development initiatives among others, HR practitioners may simply regard this as a distinction without a difference. McDonnell et al (2017) make the argument for the separation of TM and HRM by stating that TM is concerned with how human capital add overall organisational value and how they influence organisational performance. They emphatically argue that "we see the ultimate goal of TM as contributing to sustainable organisational performance" (McDonnell et al, 2017, p.116), but is this not precisely the goal of strategic HRM (SHRM)? In the words of Ulrich et al (2017, p.2), "HR is not about HR. HR begins and ends with business".

Surprisingly, much of the research does not attempt to offer a definition of what is meant by "talent". According to Gallardo-Gallardo et al (2013) many scholars appear to take the

notion of talent for granted and they note that talent can often mean whatever the particular actor wants it to mean.

In their quest for a theoretical framework, Gallardo-Gallardo et al (2013) divide the literature into an understanding of talent-as-subject versus talent-as-object. The talent-as subject approach regards "talent as people" and often takes the position that all employees are talented (referred to below as the inclusive approach) while the talent-as-object approach regards talent as "characteristics of people", such as natural ability, mastery, commitment and fit.

2.4 Inclusive versus Exclusive Approach

The problem of definition is further compounded by the lack of agreement as to whether TM is an inclusive or exclusive exercise. In other words, do TM initiatives apply to all staff members (inclusive) or do they focus on high potential top performers (exclusive). Initial focus was on the exclusive approach where key employees with exceptional abilities in strategic roles were considered high potentials or "A players" or, as defined by Cope (1998, p.4) an "organization's likely future leaders". The argument was that "A players" generate the most competitive advantage and therefore should be the focus of attention and reward (Chambers et al., 1998; Stahl et al, 2012). Most research has focused on these exclusive performers (Gallardo-Gallardo et al, 2013).

In reality, while the notion of developing high potential employees makes sense, it is less clear as to how one might identify high potentials, particular those who are not necessarily currently performing at an optimum level and the process is open to inherent management biases. Gallardo-Gallardo et al (2013, p.296,) argue that the classification of a person as high potential is usually "based on past performance data, which might be seen as a form of halo bias."

The inclusive approach, however, has gained momentum in recent years and is a strengths-based approach. It essentially takes the position that every employee has particular strengths and that the organisation should nurture these to enable all employees to reach full potential. In fact, ten years after the initial report, even McKinsey began to make the case for an inclusive approach, questioning the wisdom of alienating solid B performers

who make up the majority of the workforce. They argued in favour of generating social capital and increasing organisational morale by taking a more egalitarian approach (Guthridge et al, 2008).

Other recent research has indicated that more and more organisations have expanded this definition to take a more inclusive approach adopting the position that all employees have talent worth nurturing and therefore TM initiatives should be extended to all employees (Harris and Foster, 2010; Stahl et al, 2012; Cole, 2016). This would also imply that all employees have the ability to master a role and to develop skills and this concept fits well into current theories of organisational culture and engagement (Gallardo-Gallardo et al, 2013).

A recent critical review of TM literature conducted by Gallardo-Gallardo and Thunnissen (2016) found that while much of the research to date has been exclusive in nature, the picture might be quite different in practice. According to the CIPD (2015b), just over half of organisations who engage in talent management activities do so by including all staff. However, it is worth stressing that these approaches are not mutually exclusive and in practice, organisations are usually inclined to use both the inclusive and exclusive TM approach (Stahl et al., 2012).

It is important to mention that the environment in which an employee works is also significant since employees, talented or otherwise do not operate in a vacuum (Gallardo-Gallardo et al, 2013). In this regard, TM should not be interpreted as simply managing the talent of individual employees but rather it should be considered a way of harnessing all talent in the organisation in order to progress organisational goals and to develop a TM culture.

In a similar vein, Iles (2008) argues that "leadership development", which is one of the key foci of TM should refer to the development of leadership rather than the development of leaders, so that the overall objective is to develop social networks within an organisation and again, generate a culture of leadership.

Ulrich et al (2017) also urge a shift from thinking about individual talent to focusing on collective action. They argue that the value of the HR department lies in building

organisational capabilities and championing organisational culture to achieve business success through the organisation. This, they argue can have as much as four times the impact on business outcomes compared to focusing on individual talent.

2.5 TM Practices

Although many scholars refer to the importance of developing a specific talent management architecture or the systems and practices of TM in an organisation, (Sparrow and Makram, 2015; Garavan, Carbery and Rock, 2017) in practice, most research into TM initiatives are concerned with HR activities such as: recruitment and selection; retention; training and development; compensation and total reward and performance management (Scullion et al, 2010; Stahl et al, 2012; Gallardo-Gallardo et al, 2013 and Thunnissen, 2016).

In the UK, CIPD's Resourcing and Talent Planning 2015 Survey (CIPD, 2015a) found that skills shortages continue to escalate over time and employers are responding using the TM initiatives outlined below.

(a) Recruitment and Selection

The dominant feature of recruitment practice in a tight labour market is fierce competition for talent (Taylor, 2010; Henkens, Remery and Schippers, 2005), In order to attract talent, organisations are becoming more strategic in terms of resourcing, a factor deemed critical in winning the war for talent (Chambers et al, 1998). UK organisations are strengthening their employer brand, primarily by enhancing their websites and improving the candidate experience. They are exploring issues of diversity, including internship programmes. This is echoed in Ireland where skills shortages are forcing organisations to invest both time and money into strategic recruitment and brand development (CIPD 2017c). While Deloitte praise newer talent acquisition strategies such as social media and gaming, they also stress the importance for all organisations of improving digital brand and taking an approach that regards the recruitment experience through the "candidate's lens" (Deloitte University Press, 2017, p.44).

(b) Retention

The survey identified a general increase in retention difficulties and employers are responding to this by offering increased rates of pay and increased learning and development opportunities including coaching. They are also considering expanding flexible working arrangements. Subsequent surveys provided similar results (CIPD, 2017a; CIPD, 2017b).

In terms of staff retention, despite his critics, Herzberg's motivation – hygiene theory (two factor theory) continues to be relevant today (Basset-Jones and Lloyd, 2005). This 'two-factor theory' postulates that the factors that motivate employees are distinct from the factors that demotivate employees, in other words, satisfaction and dissatisfaction are not part of a continuum. Hygiene factors such as salary, supervision, company policies and working conditions and relationships must exist in order not to demotivate employees, whereas true motivational factors are intrinsic – achievement, recognition, interesting work, responsibility and growth. These are what in the words of Herzberg (1987, p. 112) will "install a generator in an employee". In today's tight labour market, any employee who is not motivated may simply go elsewhere.

Pink (2009) builds on this theoretical approach and argues that once you pay well enough to take money off the table, then autonomy (self-determination) where work is self-directed, mastery (self-betterment), and purpose (meaningfulness) are the three basic components of intrinsic motivation. Pink refers to the 'drives' that we have as human beings to become better and to learn. He argues that the reason traditional rewards do not work is because they can inhibit intrinsic motivation and that even when a job is repetitive or boring, allowing employees autonomy to choose 'how' they do the job will have a positive effect on motivation.

In their study of responses from 24,829 employees, Hausknecht, Rodda and Howard (2009, p.279) reported job satisfaction as the number one retention factor cited by participants. This was followed closely by extrinsic rewards (salary) and constituent attachments (relationships). However, they noted that extrinsic rewards are less important to high performers whereas advancement opportunities and organisational prestige were more likely to make them stay.

(c) Learning and Development (L&D)

According to CIPD (2015a), the top response to retention difficulties amongst employers is to upskill existing staff to take on more skilled roles, with 50% of all private sector respondents planning to upskill their current employees. This had increased to 57% in the 2017 Survey (CIPD, 2017a). Recent research from Ireland suggests employers are also increasing Learning and Development budgets in order to upskill staff (IBEC, 2016).

Business leaders are increasingly recognising the importance of L&D in terms of organisational performance and much of the focus is on the development of future leaders (CIPD, 2015b; CIPD, 2017a). In terms of the type of L&D activities employed by organisations, the top six most used methods were reported to be: on-the-job training (48%); in-house development programmes (46%); coaching by managers or peers (32%) online learning (29%); instructor led training (29%) and external conferences, workshops and events (27%) (CIPD, 2015b).

Research by Heffernan and Flood (2000) showed a correlation between investment in L&D and organisational profit. However, Stolovich and Keeps (2002), analysing traditional training methods found that there was virtually no change to performance from traditional training. Instead, they argue, experiential training is most effective in the workplace. Kajewski and Madsen (2013) investigating the validity of the 70:20:10 model of training (that 70% is experiential on-the-job training, 20% coaching and mentoring and 10% formal training) found that it is widely used in organisations but that the percentages are a guide rather than a rigid application of the model.

(d) Total Rewards and Compensation

Recent research in Ireland has indicated that most employers have budgeted for pay increases in 2017 by up to 5% (IBEC, 2016; Abrevia, 2017) and private sector salaries are now higher than they were in early 2008 (IBEC, 2017). In the UK, 41% of employers were expecting to pay salary increases of 2% or more as a result of recruitment and retention issues with only 23% expecting pay freezes. For the Irish public service, pay increases are planned but this is because of pay restoration, rather than an attempt to create parity with the public service.

According to Heneman and Coyne (2007) the total rewards package and not pay alone is a key motivator for employees. Total rewards is a blend of monetary and non-monetary rewards. Non-monetary factors include paid sick leave, pension, flexible working, career development, opportunities for promotion, and performance management to develop skills.

The CIPD (2015b) found that many organisations were considering introducing flexible working practises to increase work life balance (WLB). WLB research suggests that flexible working practices tend to attract more women to positions (IBEC, 2015; CIPD, 2015a) and also that younger workers have high demands for WLB (CIPD, 2011).

Many studies have shown that WLB is a powerful option when trying to attract and retain staff who may appreciate time for family or other commitments (Den Dulk and Groeneveld, 2012; McCarthy et al, 2013). Henkens et al. (2005 p.423) go so far as to suggest that WLB 'seduces…women re-entering the labour market after childbirth'. The most useful types of flexible working arrangements to increase motivation are part time working and flexi-time (Russell, O'Connell and McGinnity, 2009; Hall and Atkinson, 2006).

According to the Family Friendly Working Hours Taskforce (2010 p.7), flexible working leads to '"higher retention, increased productivity, increased ability to recruit from a wider talent pool and greater loyalty among staff"

While the public sector leads the way in terms of WLB (O'Connell and Russell, 2005), research on German SMEs by Festing et al (2013) foun d that of the 700 CEOs interviewed, 45% reported that developing flexible working practices was the most important long term challenge to retaining staff.

(e) Employer Branding

Employer branding as a means of attracting and retaining talent has become increasingly popular in recent years (Rosethorn, 2007; Taylor, 2010) with Taylor arguing that it can increase competitiveness by determining the "quality and quantity of job applicants who come forward when jobs are advertised" (Taylor, 2010 p.197).

Chambers et al (1998) discovered that employers who constantly refine their EVP and understand why people would want to work in their organisation manage to stay ahead of competitors in terms of attracting talent. The CIPD (2017a, p.5) noted that there was consistent, widespread focus on developing employer brand, with 90% of respondents to their 2017 survey having made efforts to strengthen their employer brand since 2015. The top two methods considered most effective for recruitment were the improvement of their websites and the use of professional networks.

Findings are similar in other jurisdictions. In their 2012 Global Recruiting Trends Survey, LinkedIn announced that "Employer branding is the new black" (LinkedIn, 2012). In the survey (of 3,028 Talent Acquisition leaders), 83% of respondents believed that employer branding was key to attracting top talent and interestingly most admitted to worrying whether their direct competitors were investing in employer branding. A more recent Employer Brand International Survey (Minchington, 2014) indicated that employers worldwide are increasing their employer branding budgets and 35% of companies have a clear strategy. The most popular methods of brand building are via social media and a clearly defined EVP.

2.6 Why Talent Management?

It is widely accepted that talent is increasingly becoming a scarce resource (Wellins, Smith and Erker, 2011; CIPD, 2015a). In particular, leadership talent is in demand and in short supply (CIPD, 2015a). TM is not simply a "nice to have" initiative in an organisation; there is significant research to suggest that, at least in the case of large corporations, investment in talent management results in higher company earnings (Wellins et al, 2011; Ulrich and Smallwood, 2012). A 2007 Hackett Group survey revealed that organisations that engage in effective and strategic TM can produce earnings that are 15% higher than similar organisations that do not invest in TM (Teng, 2007). For top Fortune 500 companies, this can lead to hundreds of millions of dollars' worth of profit.

A 2012 KPMG international survey of 418 management executives found that 81% agreed that their talent management strategy was a "critical source of competitive advantage" (KPMG, 2012, p.9).

However, commitment to a TM architecture takes a considerable degree of organisational investment. Ulrich and Smallwood (2012, p.60) referring to the "talent equation" argue that managing talent requires competence and commitment on the part of the employee but in addition, it is critical that that person has an opportunity to contribute or make a difference within the organisation and this requires a culture of talent development.

2.7 Talent Management in the Public Service

While there is increasing evidence that effective TM initiatives in the private sector lead to better business performance (Wellins et al, 2011), what does this mean for the public service, which in Ireland is the largest single employer? (Abrevia, 2017).

International public service research indicates that there is a willingness to explore TM within the sector, although it is still in its infancy (Glenn, 2012; Buttiens and Hondeghem, 2015), but to date, little research has been conducted in the Irish public sector with most available research concentrating on the area of work life balance (WLB) (Russell et al, 2009; McCarthy et al, 2013). WLB is a significant advantage for public sector organisations in their quest for talent and is one way for the public service to compete with private sector organisations (Den Dulk and Groeneveld, 2012).

Both the Civil Service Renewal Plan (DPER, 2014a) and the Public Sector Reform Plan (DPER, 2014b), recognise the need to introduce TM schemes to attract and retain talent and also to develop future leaders and they have set objectives to this end. The Public Sector Reform Plan (DPER 2014b, p.30) acknowledges that the Irish public service is lagging behind not just in terms of TM but also in the "critical area of leadership development", which, it argues, will be the key driver of performance within the sector. However, despite this awareness, the Final Progress Report on the Public Service Reform Plan (DPER, 2017a) indicates that, outside of the civil service, little progress has been made against these objectives.

The urgency to develop leadership capacity and manage talent amongst senior public service managers is compounded by recent CSO research which indicates that mid to high

earners in the public sector earn less than their private sector counterparts with the percentage differential between the top 10% of earners at -12.48 in 2014 (Central Statistics Office, 2017).

While there are some difficulties comparing roles between sectors given that some roles are sector specific (the Gardaí and Defence forces being specific to the public service and the hospitality industry being exclusively private sector), it is clear that top leadership talent appears to be more valuable in the private sector (CSO, 2017).

Much of this differential has to do with the introduction of the public service pension levy, which imposes higher taxation on public service workers. Many would argue that guaranteed pensions will mitigate this difference but with the introduction of the Single Public Service Pension Scheme for new members to the public service from 2013 onwards, the public service may not be as attractive an employer as it was in the past. The Public Service Pay Commission (2017) estimates that while pensions in this new scheme are on a par with private sector pension schemes, pre-2013 pensions, of which there are more 243,000 members, could be up to 18% more valuable than private sector schemes. This may be useful in order to retain staff but could present difficulties in attracting future talent.

2.8 Public Sector Difficulties with TM

The public service faces three distinctive difficulties in terms of embracing talent mangement.

The first is that public service managers have little control over recruitment practices since staff recruitment, promotions and backfills must be sanctioned by the parent department. A recent IPA survey revealed that public service managers regard themselves as having restricted autonomy in terms of recruitment and promotion, although more than civil servant management whose recruitment is all conducted through the Public Appointments Service (Boyle, 2016a).

Secondly, while the private sector can respond to skills shortages by offering competitive salaries and benefits, the public service must compete despite having no capacity to offer increased rates of pay. (Fleming O'Donnell, 2014; Stackhouse and Reichenberg, 2015). Recent research in Ireland by Abrivia and TCD has indicated that 80% of employers expect to increase salaries in 2017 by around 5% (Abrivia, 2017, p.11) while the legacy of public service agreements has meant that the public service is tied to the outcome of the Public Service Pay Commission (2017).

Thirdly, the public sector places strong emphasis on equality and diversity and this presents difficulties with the exclusive model of TM (Harris and Foster, 2010). In addition, unions are particularly strong actors within the Irish public sector and any differentiation that many be interpreted as discrimination must be carefully considered. Therefore it might initially make sense that an inclusive approach is the most appropriate given the values of the public service. However, as Collings and Mellahi (2009) point out, TM is expensive and there are still major restrictions on spending within the public service. In 2015, public spending in Ireland was joint lowest in the EU28, at 35% of GDP and on a par with Lithuania (Boyle 2016b, p.6).

It makes sense then, given the exclusive nature of talent pools, that the public service would concentrate on senior 'roles' rather than simply identifying talented 'individuals' and indeed developing leadership skills among senior managers only is the initial focus of the Reform Plan (DPER, 2014b). However, the Civil Service Renewal Plan proposes to roll out TM initiatives to all other grades on a 'merit' basis (DPER, 2014a, p.23) although it is unclear what form these talent management initiatives will take. Ulrich and Smallwood (2012) refer to the 50:30:20 rule of leadership development as 50% work experience (development), 30% formal training (perhaps by way of a leadership academy and 20% life experience. To be fully effective, this would involve considerable job redesign rather than simply a focus on formal training initiatives.

2.9 Research Gaps

Having reviewed the research, it is clear that certain gaps exist and more empirical evidence is necessary. With the evolution of interest in Global Talent Management, much

research has examined TM in MNCs while significantly less research has focused on SMEs and public service organisations. In particular, there is very limited research in the Irish public service.

There is also a limited number of perspectives in the research. While TM is concerned with the development and retention of individual employees, most of the research is conducted amongst employers or HR professionals and presents an organisational point of view. Thunnissen (2016) refers to both the organisation and the talented employee as the two critical actors within the realm of TM yet despite this, she argues that the view is narrow and biased and the research contains little evidence of the employee voice.

In addition, while there is a belief that TM initiatives are successful, there is insufficient empirical evidence to gauge how TM really works in practice (Powell et al, 2013; Collings, 2014; Gallardo-Gallardo and Thunnissen, 2016). Boudreau and Ramsted (2005) suggest that while the success of TM should be robustly measured in terms of efficiency, effectiveness and impact, in practice, most measurements systems only measure efficiency. Glenn (2012) takes this further by pointing out that the research to date has not been able to accurately measure whether TM actually gets the right people in the right roles at the right time.

However, despite these gaps, Gallardo-Gallardo and Thunnissen (2016) predict that the next few years will change the field dramatically due to recent interest by researchers. The following research aims to add to the body of work, particularly in the Irish context.

Chapter 3: Methodology

3.1 Aims and Objectives

This research set out to examine which TM practices (if any) public sector HR professionals are employing as a response to the current labour market skills shortage with a view to discovering if a particular approach to TM is successful in attracting and retaining talent.

The fieldwork consisted of semi-structured face-to-face interviews with HR decision makers in non-commercial semi state agencies (NCSSAs) under the auspices of one government department, Department X. This department is responsible for 17 NCSSAs.

The use of semi-structured interviews as a research instrument allowed the researcher to explore the thoughts and experiences of HR professionals in the public service and to obtain some insight into the kinds of TM initiatives they are employing. Given that state agencies are subject to strict salary rules imposed by DPER, it also revealed the relatively unique staffing difficulties they face as state agencies in the current labour market.

Horn (2009, p.108) defines Methodology as the "organised, critical discussion of the principals and methods of a subject area". Following a comprehensive overview of the research objectives and sub objectives, the principals or "underlying philosophy" of the chosen research methodology is discussed below, followed by the methods undertaken to conduct and analyse this research.

3.2 Research Questions and Objectives

This research seeks to examine TM initiatives in the public service and how non-commercial state agencies under Department X are using TM as a response to skills shortages in a tight labour market. While research in the UK by the CIPD (2017a, p.4) indicates that over 80% of organisations surveyed felt that competition for key skills had increased since 2016, this research will attempt to discern if empirically, skills shortages are being experienced in the Irish public service.

In particular, the overall aim of the research is to answer the question: *How are HR professionals in state agencies under one Government department using TM initiatives to respond to the current skills shortage and increased competition for talent?*

In order to achieve this objective, the research was broken down as follows:

Objective 1: Are state agencies experiencing skills or talent shortages?
Sub Objectives:
  (i)   Are agencies having difficulties attracting talent with the necessary skills?
  (ii)   Are agencies experiencing difficulties with retention of staff?
  (iii)   Are salaries on offer causing problems in attracting and retaining key employees?

Objective 2: What TM initiatives are these agencies using to respond to these difficulties? And if they are not experiencing difficulties, how are they managing to keep attrition levels low?
Sub Objectives:
  (i)   Are they using flexible work practices and work/life balance initiatives as a means of attracting and retaining staff?
  (ii)   Are they investing in learning and development as a means of attracting and retaining staff and what kind of methods are they using?
  (iii)   Are they leveraging career planning and succession planning to retain employees or to develop employees for future skills shortages?
  (iv)   Have they worked on developing their employer brand or EVP?
  (v)   Are they improving line manager skills?
  (vi)   Are they investing in health and wellbeing initiatives?
  (vii)   In addition, which of these, if any, do they feel helps retain and attract employees?

Objective 3: If agencies are employing TM initiatives, are they inclusive or exclusive?

By providing answers to these questions, this research will enhance our understanding of the reality of TM in the public service in practice.

3.3 Philosophical Approach

It is necessary at the outset to state the philosophical approach underlying the research as it will determine the research design. Ontologically and epistemologically, this research is based on the premise that reality and meaning is generated in the social space between actors and a qualitative, inductive approach was taken.

3.3.1 Ontology

The object of this research was to discover how HR professionals are using TM initiatives to attract and retain key skills. The study attempts to explore the thoughts and opinions of these professionals on the effectiveness of each of these initiatives as they pertained to their respective organisations with the overall aim of understanding the complexity of TM initiatives in the public service. In order to capture this nuanced reality, the ontological paradigm underlying this research is social constructionism, that is, that reality is socially constructed and subjective and which acknowledges the existence of multiple realities. This is also known as interpretivism and stands in stark contrast to the objectivist ontological model of reality as an external, singular and objective entity that is independent of 'social actors' (Bryman, 2004; Creswell, 2007; Collis and Hussey, 2014).

3.3.2 Epistemology

Epistemology is concerned with how this reality can be measured and what is deemed as knowledge. More specifically, it is concerned with determining "what constitutes valid knowledge in the context of the relationship of the researcher to that being researched" (Collis and Hussey, 2014, p. 341). The question for the researcher is what would be considered as knowledge in the context of this research and how should it be obtained; this will subsequently inform the collection and interpretation of data (Horn, 2009, p.108).

The two main epistemological positions are positivism and interpretivism (Quinlan, 2011; Collis and Hussey, 2014). Positivism maintains that valid knowledge is only that which can be measured and scientifically verified. It can be obtained using logical reasoning and objectivity, driven by the ontological position that reality is external, objective and verifiable (Collis and Hussey, 2014).

In contrast, interpretivism, stemming from the social constructionist view of reality, accepts that if reality is not singular and knowable, but subjective and multiple, then it must have to be interpreted. Given that this research seeks to understand the perceptions of HR professionals, the epistemological choice for this project is interpretivist.

While positivism was the dominant paradigm for the natural sciences for centuries, social scientists found the model to be inadequate to understand the study of social phenomena since it is impossible to examine people without attempting to interpret their perceptions (Collis and Hussy 2014, p. 45).

Bryman (2004, p.13) suggests that the main difference between positivism and interpretivism is that the former seeks to explain human behaviour while the latter seeks to understand it, somewhat akin to Weber's *Verstehen* approach. Certainly when dealing with *Talent*, it is imperative to understand employees' motivations to work or stay in a particular organisation. In addition, with respect to organisational culture, organisations themselves are not static, pre-ordained entities and as social actors, employees actively and constantly contribute to the organisation and its culture (Bryman, 2004).

This research could certainly have taken a different ontological and epistemological approach and much early HRM research has been dominated by the positivist paradigm (McKenna, Singh and Richardson, 2008). It could, for example, have examined recruitment, attrition and retention metrics and drawn empirical conclusions based on the data versus the types of TM initiatives employed. However, while this may have given good data on attrition levels, it would have supplied very little information on perceptions of the effectiveness of TM in the public service, with no nuancing or understanding of the reasons behind the choices employed in each organisation.

3.4 Chosen Research Method

There were a number of research method options available to this particular project and while the chosen method was qualitative research in the form of semi-structured interviews, other methods were considered and are discussed below.

3.4.1 Considerations for Quantitative Research

A quantitative study consisting of a large-scale survey was initially considered, as it would have provided statistically relevant data about TM initiatives that are utilised in the public service. The survey could have been disseminated to many more agencies under other government departments and would have created a reasonable opportunity to generalise across the entire public service. However, it would have been limited to closed questions and therefore would not have given a full picture of which TM initiative was the most useful and the considerations behind it. It was felt that a qualitative approach would yield richer, more contextualised information in terms of the real use of TM within each organisation and the challenges associated with it.

3.4.2 Qualitative Research

The qualitative approach was the preferred option in this context in order to best understand the individualised experience of the participants. In general, the qualitative approach is exploratory in nature and, according to Bryman and Bell (2011, p.386) it "emphasises words rather than quantification in the collection and analysis of data".

Many authors have noted that qualitative methodology is the most common approach taken in similar organisational studies (Hay, 2011; Burbach and Royle, 2010; Valverde, Scullion and Ryan, 2013) with Gallardo-Gallardo and Thunnissen (2016) stating that 63% of research studies in their review were qualitative, mostly based on semi structured interviews or focus groups.

The use of focus groups was a methodology considered by the researcher. While focus groups would have generated good discussion amongst participants, invariably some contributors are more participatory than others. There is also the risk of groupthink with focus groups, whereas the purpose of the research was to get as much information as possible on what each individual organisation was currently doing, and not simply their points of convergence. In this case, with a small group of people, it was felt that in-depth interviews would provide more specific information on each organisation.

Case Studies are particularly popular in TM research (Burbach and Royle, 2010; Gallardo-Gallardo and Thunnissen, 2016; Stokes et al, 2016) but on this occasion it was discounted quite early on. In order to make reasonable generalisations of what organisations are doing,

a case study of one or perhaps two organisations is limited in its applicability and a multi-organisational case study is not appropriate to the time frame for this type of research.

The chosen method was to conduct the research through semi-structured interviews. Kvale and Brinkmann (2009, p.3) refer to the qualitative interview as an "*inter view* conversation", that is, a sharing of views between the interviewer and interviewee. It is through the analysis of these conversations that the lived in experiences of the subjects can be interpreted. In the case of this research project in particular, while most participants felt that the tight labour market had a negative effect on their organisation retention levels, the experience of others did not match this and yet both positions are considered equally valid. During the interview process, it became clear that there were distinct reasons for these positions, reasons that would not have been revealed without an in-depth discussion.

3.4.2 Inductive versus Deductive Approach

The initial proposal for this research stated that the approach was inductive rather than deductive, in which instance theory emerges from the research rather than using research to test the theory. With respect to the previous paragraph and retention levels, Saunders, Lewis and Thornhill (2009, p. 126) point out that inductive methodologies are more open-ended than deductive approaches and allow for "alternative explanations" to be reached during the course of the research and in some respects, this was the case.

However, Bryman (2004, p.11) notes that within qualitative research, the notion of inductive versus deductive research is not completely straightforward. He argues that while theory is often used as a background to qualitative research, despite providing insightful information, the research often generates little theory of itself and that inductive and deductive approaches should be considered tendencies rather than strategies. In the case of this piece of research, when conducting a thematic analysis, it became evident that it was the questions rather that the data which led to the identification of the themes, which Braun and Clarke (2006, p. 84) refer to as a 'theoretical' thematic analysis, where the coding framework has already been established by the structure of the questions. However, despite this pre-established framework, a couple of themes emerged that were not framed by the questions and there were some points of divergence from the CIPD findings (CIPD, 2015a).

3.5 Research Instrument.

The research consisted of semi-structured interviews. The interview questions were based on the 2015 CIPD Resourcing and Talent Planning quantitative survey (CIPD, 2015a), which is a long established questionnaire, currently in its twentieth year. The main findings were included, while questions that either did not pertain to this jurisdiction or that were not relevant to the public sector were excluded. Examples of this were questions on resourcing candidates from overseas or the paying of bonuses.

Kvale and Brinkmann (2009) advise limiting the scope of the study in order to make the data more manageable. Taking on board this perspective, the initial questions were specific rather than general and all participants were asked the same questions. However, the initial objective was to put the participants at ease as much as possible and the tone of the interview was relaxed. This created an opportunity to explore in some detail the topic within each question area and meant that the duration of interviews was varied as participants were encouraged to speak as much as they wanted.

3.6 Participants and Process

3.6.1 Sample

According to Boyle (2016a) there are 257 national non-commercial state agencies across 16 government departments. The decision was made to conduct in-depth interviews with HR decision makers in the non-commercial semi-state agencies of Department X, of which there are 17 bodies.

This particular sample was chosen as the researcher has reasonable access to this cohort and it was easier to develop rapport in order to elicit more meaningful answers. In addition, according to Boyle (2016a p.9) state agencies have "some capacity for autonomous decision making" meaning that they are not reliant on DPER for their TM initiatives. The 17 organisations ranged in size from large (greater than 600 employees) to the very small (nine employees) although most had between 40 and 80 staff members).

The rationale for interviewing HR managers, or where they were not available, Heads of HR was that they are directly responsible for TM practices in their organisations, or at the

very least, strong influencers on TM decision making. In two cases, CEOs were interviewed, where there was no HR manager in situ. One interview (Organisation D) consisted of two subjects, the Head of HR and the Learning and Development Manager. In all, nine interviews were conducted with ten participants (see table 1 below).

Interview	Name	Role	Duration	
Interview 1 20/06/17	Manager A	HR Manager	57 Minutes	Organisation A 60-80 employees
Interview 2 21/06/17	Manager B	CEO	44 minutes	Organisation B 40-60 employees
Interview 3 23/06/17	Manager C	Head of HR	37 minutes	Organisation C 40-60 employees
Interview 4 28/06/17	Manager D	Head of HR	68 minutes	Organisation D > 300 employees
Interview 4 28/06/17	Manager E	Learning & Development Manager	68 minutes	Organisation D > 300 employees
Interview 5 28/06/17	Manager F	HR Manager	51 minutes	Organisation F > 300 employees
Interview 6 04/07/17	Manager G	Head of HR	82 minutes	Organisation G 40-60 employees
Interview 7 06/07/17	Manager H	HR Manager	43 Minutes	Organisation H 80-100 employees
Interview 8 07/07/17	Manager I	CEO	65 minutes	Organisation I < 20 employees
Interview 9 10/07/17	Manager J	HR Manager	60 minutes	Organisation J 40-60 employees

Figure 1: Interview Participants

3.6.2 Research Process

All 17 HR Managers/ Heads of HR were contacted with the contact details supplied by Department X. Emails were sent asking for participants (See Appendix 1), with a one page explanation of the research attached to the email (See Appendix 2). This also outlined the aims and objectives of the research and offered a definition of TM. It was hoped to conduct interviews with eight of the 17 agencies. In the end, there were nine immediate responses and consequently nine interviews were arranged, giving a sample of more than half of the population. A further offer of a telephone interview was made but this was deemed unnecessary given the level of positive responses.

Prior to interview, all participants were sent a consent form (See Appendix 3) and a copy of the interview schedule (See Appendix 4) in order to best prepare for the subject matter.

Interviews were conducted between 20 June and 10 July 2017 and ranged from 37 minutes to 82 minutes although average time was between 50 and 55 minutes. All, apart from one, were held in the office of the interviewees for the convenience of the participants. The other was held in the office of the researcher.

3.6.3 Pilot Interview

A pilot interview was held on the 20 June and lasted 57 minutes. This was to test the questions, along with the reliability of the recording instrument, which was an iPhone Dictaphone app. The interview and questions were later reviewed with the interviewee and no changes were suggested at the time. However, as the interviews continued, question 3 (See Appendix 4) was considered to be redundant as the subsequent questions dealt with the matter in a more structured way and it was no longer used.

The pilot subject agreed that the aims and objectives were evident and that the one page description of the research gave a clear outline of the research context. The questions were clear and unambiguous. The quality of the recording was excellent.

3.7 Data Analysis

The data was transcribed and thematically analysed. Braun and Clarke (2006, p.77) argue that thematic analysis "offers an accessible and theoretically flexible approach to analysing qualitative data". They assert that thematic analysis is concerned with exploring 'patterns' within the data. However, despite its flexible nature, they caution against failing to provide the detail of *how* the analysis was done. Miles and Huberman (1994, p.10) propose that the first stage in analysing qualitative data is to reduce the data which they refer to as the "process of selecting, focusing, simplifying, abstracting and transforming the data" and that this should be an ongoing process throughout the data collection and analysis.

Braun and Clarke (2006) introduce a tool for doing thematic analysis – a six step process which involves:

(i)   Familiarizing yourself with your data (transcribing and re-reading)

(ii)   Generating initial codes (collating data relevant to each code)

(iii)   Searching for themes

(iv)   Reviewing themes

(v)   Defining and naming themes

(vi)   Producing the report (Braun and Clarke, 2006, p. 87)

Because the interview questions asked about specific TM initiatives rather than leaving questions too open ended, it meant that coding and analysis of the data was relatively straight forward which allowed for good comparative analysis.

Braun and Clarke's (2006) method of thematic analysis was applied to the data. All of the interviews were transcribed by the researcher; this afforded an opportunity to revisit the interviews and become familiar with the data. The transcriptions were then read and coded.

In all, 32 codes were identified but analysis of the codes revealed six major themes, most of which corresponded to the initial research questions. However, in some cases, question areas were combined under one theme. For example, rather than separating problems attracting talent and problems retaining talent, coding revealed that the reasons given by managers for both of these were the same and that their responses to them were the same. Also in some cases, recruitment and retention issues were not reported across the board but

were confined to certain skills. For this reason, this data was combined under one thematic area. The six themes were as follows:

1. Most NCSSAs are experiencing skills and talent shortages
2. Most NCSSAs are actively using TM in order to respond to staffing difficulties
3. Learning and Development is used as a powerful TM initiative
4. WLB is regarded as a perk to 'sell' the organisation
5. Organisations are paying attention to their Employer Brand
6. Most NCSSAs take an inclusive approach to TM

The report was prepared under these thematic areas. The interviews generated a considerable amount of very relevant data, the volume of which presented challenges when writing up the report. As a result, it was difficult to keep the findings and discussion chapter within an acceptable word count and there was scope to delve even deeper into the findings. While the obvious solution to this would have been to limit the questions, it cannot be denied that despite these challenges, the very rich data generated in the project makes a key contribution to the discussion of TM in the public service.

3.8 Limitations

One of the overall limitations with the research is the sample size. As the research is conducted with agencies under just one department, to what degree can the findings be deemed to represent the overall public service? It would be wise not to attempt to generalise too much across the entire public service, however in this case, since all agencies are subject to DPER arrangement and public sector policies there is reasonable scope to obtain a meaningful snapshot of TM in the public service. In addition, much of the findings are consistent with other research (Den Dulk and Groenevelt, 2012; Fleming O'Donnell, 2014; Buttiens and Hondeghem, 2015; CIPD, 2017a).

A further limitation is that such qualitative interviews also capture a particular moment in time and there is nothing to suggest that if the interview was repeated two years from now that the results would be consistent. However qualitative research is often reported as being low on reliability but high on validity (Quinlan, 2011; Collis and Hussey, 2014) and

part of the value of the research is in getting the discussion started and adding to the body of research in TM.

In terms of validity, it was felt that the data gathered from this research was particularly rich, useful and meaningful. The participants were especially knowledgeable about the chosen subject area and most had spent considerable time reflecting on TM within their respective organisations. And if validity is the "extent to which a test measures what the researcher wants it to measure and the results reflect the phenomena under study" (Collis and Hussey, 2014, p.53) then it follows that the study had high validity.

Since only the views of HR Managers were sought, the lack of an employee voice is a criticism that could be levelled at the research. Findings by Gallardo-Gallardo and Thunnissen (2016, p.40) indicate that 48% of TM research involved the perspective of HR managers and the perspectives of employees are absent from many studies. While, according to many of the managers interviewed, exit interviews can often provide good data, there is certainly scope for a further research project to survey employees as they are leaving organisations in order to capture this viewpoint.

3.9 Ethics

Bryman and Bell (2011, p.128) argue that ethical concerns are central to business management research because "they relate directly to the integrity of a piece of research and of the disciplines that are involved". They identify four key areas of ethical concern, namely whether there is harm to participants; a lack of informed consent; invasion of privacy and deception is involved (Bryman and Bell, 2011, p.128).

Participants in the research were given an outline of the research, the purpose of the research was explained to them and they were assured anonymity. In addition, they all signed consent forms (see Appendix 3).

One of the key issues in this particular research was to guarantee anonymity and confidentiality. Given the small size of the sample, any specific information, such as number of employees in an organisation, certain job titles or specific skills could have

clearly identified the participants. For this reason, the government department responsible for the agencies was also anonymised to Department X. Despite the focus in the findings on technical skills shortages, the decision was made not to detail specific skills that could prove as identifiers of individual organisations. In addition, any confidential or sensitive information that participants either accidently or deliberately conveyed to the researcher was disregarded.

Furthermore, when the dissertation process is completed, recordings will be destroyed and participants informed of this.

Chapter 4: Findings and Discussion

4.1 Introduction

This research was conducted amongst HR professionals in nine non-commercial semi-state agencies (NCSSA) under Department X. Semi-structured interviews were held over a three week period and thematically analysed. Six major themes emerged and are listed below with reference to the research objectives as detailed in the previous chapter.

1. Most NCSSAs are experiencing skills and talent shortages (Research Objective 1)
2. Most NCSSAs are actively using TM in order to respond to staffing difficulties (Research Objective 2)
3. Learning and Development is used as a powerful TM initiative (Research Objective 2)
4. WLB is regarded as a perk to 'sell' the organisation (Research Objective 2)
5. Organisations are paying attention to their Employer Brand (Research Objective 2)
6. Most NCSSAs take an inclusive approach to TM (Research Objective 3)
7.

The findings and results are outlined below and are arranged thematically. Each theme will be discussed with reference to current literature

4.2 Thematic Analysis

4.2.1 Most NCSSAs are experiencing skills and talent shortages

The research revealed that agencies are experiencing difficulties attracting and retaining staff, although not all to the same degree. There are many reasons for this but it is clear that the salary and workforce planning policy within the agencies are making it particularly difficult to compete with the private sector.

Difficulties Attracting Talent

While some respondents (Managers A, C, G, H and J) are experiencing difficulty attracting employees across the board (at all grades and within all skill areas) eight out of the nine organisations surveyed are experiencing difficulty attracting suitable candidates with

technical skills, in particular, science and technology and certain professional skills such as Finance or ICT. When asked about difficulties attracting skills, Manager E said "*definitely in pockets…the technical skill set is a bit limited in the market and particularly what's difficult for us is in the IT area…*".

There was broad agreement amongst other managers:
"*We are seeing this year for specific skills like communications, finance, research, process improvement and legal roles, we are finding it very hard to get the right candidates*" Manager A.

"*Definitely the number of applications has gone down; we have less suitable people coming through*" Manager H.

Six managers experienced difficulties with ICT in particular, three with a Finance Manager role and seven for other technical positions. The only organisation without any skills difficulty was the smallest; however, they only recruited externally for one position over the past year.

Difficulties Retaining Talent

When asked about staff retention, the two largest organisations indicated that attrition levels have not changed significantly over the past few years; however, this is not the case with organisations employing between 40 and 100 employees. Five out of six respondents in this bracket reported that there was a noticeable difference with retention levels from 3 years' ago (Organisations A, C, G, H and J) "*Retaining talent in a very competitive economy where we are now is a hard hard task*" (Manager A).

Manager C "*there is more movement in the jobs market and we have people ourselves moving out whereas three years ago people wouldn't budge*".

Manager H "*in the height of the recession we only had one or two a year leaving whereas now it's up to 6 or 7*".

Overall though there is a pragmatic attitude to attrition, and an acknowledgement that some attrition is important for the organisation.

> "*We're at a point in time now where we had no mobility and no movement for 7 or 8 years and people might have felt stuck but if they're moving out of an organisation, then there's others who want to move in to it so it more a freshening up than a loss so it's almost like a rotation*" (Manager B).

While Manager E notes that this view is not always shared by line managers, her perspective was that "*it's a good thing to have turnover and I don't think you should have careers for life in all roles. I think people can stagnate, get disengaged.*"

There are also problems recruiting and retaining agency staff and Managers B, C, G, and J reported having problems with this.

> "*agency staff in general are not as freely available … by the time you'd have somebody lined up they'd have received a permanent or longer term offer which we can't offer – we have to go out to public competition for each role*" Manager J.

Reasons for Recruitment and Retention Difficulties

Participants cite three main reasons for the difficulties with recruitment and retention of key talent. These are: a general increase in competition as a result of the tight labour market, public service salaries and the lack of promotional opportunities available to talented staff.

(i)   Increased competition as a result of a buoyant labour market

All agreed that the labour market has become more buoyant meaning that there is increased competition for talent and there are fewer suitable candidates available. "*three or four years ago there was less opportunities in the market… but there's more choice out there now in terms of jobs*" Manager C.

There is a clear acknowledgement that the private sector has the ability to offer higher salaries. "*The private sector is attracting the majority of the high calibre candidates because of the pros that they offer including salary*" Manager A.

"*What they're getting in industry, financially, is way different and it makes it so difficult … to try and [attract someone] with an entry level salary*" Manager F.

Not only are they seeing increased competition with the private sector but five of the Managers (A, C, G, H and J) referred to increased competition within the public service itself. The civil service in particular has created large panels at Assistant Principal Officer, Administrative Officer, Higher Executive Officer and Executive Officer levels and many of the agencies are losing staff to these promotions (A, C, G, and J). "W*e are seeing high attrition this year; we know the AP panels are moving*" (Manager J).

"*We have had posts fall vacant through promotion of our staff to other organisations and even the Department itself got two of our staff to promotions*" Manager G.

"Manager E "*There are plenty of jobs out there now with the moratorium embargo being lifted.*"

As a result, the standard of applications that they are receiving has dropped.

> "*You can see anybody who joined in 2012/2013, their experience … their education, their training, their background, they were bringing a lot more, we were getting a lot more compared to the calibre of CVs what we're getting now; there's a massive difference*" Manager J.

Manager A "*It's very hard to get the right calibre of Candidate; the CVs that are coming through … are not what they used to be compared to the last 2 years*"

(ii)   Government salary policy inhibits competition with the private sector

Eight out of the nine agencies had difficulty with both the system of sanction from Department X and the approved salaries. Again, only the smallest agency did not experience difficulty but this is because they have not had the need to request high numbers of staff. Not only do new positions have to be sanctioned by Department X, but in situations where a staff member has resigned, that post also requires sanction to backfill. There is considerable frustration at this and the length of time it can take to receive sanction. "*It took ages to get nine positions backfilled [and] it took me a year to replace my IT Manager when she left*" Manager G

There is general agreement that the salaries are not competitive for attracting talent. Government policy as stipulated by DPER is that each new position (or backfill) must be filled at the first point on the salary scale and there is no scope to pay at a higher point on the scale. This is causing difficulties in seven out of the nine agencies.

> "*The Department [X] caps are killing us ... we are under instruction to advertise at the first point on the scale but we will not get the person we need ... you're missing out on key talent; you're positioning yourself in the marketplace at the lower end of the scale and talent will go to the higher end of the scale*" Manager D.

> "*that's the real killer … the quality of the people that we are looking to get in it doesn't merit giving them the first point on the scale and then the people out there with the qualifications just won't even look at it because of the salary*" Manager G.

Manager C "*It is an impediment as we can only give what the Department agrees and start on the first point of the scale. We can make a case but usually it's futile*"

Manager J echoes these sentiments suggesting that being able to offer a higher point on the scale "*would open up the range and the calibre and the experience that we would get coming from the private sector*"

She continues, "*We're very limited to the first point on the scale so we really are struggling to attract good people. If you go to recruitment agents and tell them what you need and spec it out for them, they will tell you anyone is looking for up to 40% more than that.*" Manager J.

(iii)   No career progression in the smaller agencies

One of the biggest issues in terms of retention of staff in the smaller agencies is that there are no clear career paths. Limited promotional opportunities is identified as a problem in Organisations A, B, C, G, I and J. Manager G, "*promotions causes a problem – because we're so small, we can't offer them and when we do there is so much competition*"

> "*[there] isn't a huge amount of opportunity with such a small organisation ... people can go so far, I suppose because we're not that big, there aren't so many senior slots becoming available so the only opportunity is to move out*" Manager C.

Manager I "*One thing that [Organisation I] cannot offer is a career path. The career path for people who are working in here is going to be elsewhere in the public sector*". Manager I further goes on to say that it is his role as a manager to offer them all the experience he can in order to compete. "*I think I would have failed as a manager if I didn't prepare them in a way that they are actually competitive when they go and look for the job elsewhere*".

Millennials and Career Progression

While most managers do not see a noticeable difference between the demands of millennials and those of older staff members, many felt that the problem of career progression was particularly prevalent amongst millennials,

> "*People stay with us maybe a year, two years, and then they go. There are limited promotional opportunities and [when there are] many people will go for interview*" Manager A.

Manager D "*we have brilliant young people here but brilliant young people want promotion*".

On the other hand, Manager C found that while there was an expectation that millennials at Clerical Officer level would possibly leave after a year or two,

> "*they're not moving on because they're happy ...they do develop friendships ... and they choose to spend their social time together ... and they're more likely to feel part of the work family and less likely to move on just for the sake of it*"

The findings are not surprising and concur with recent research which suggests that organisations across the board are experiencing increasing difficulties attracting well qualified talent (CIPD, 2015a, IBEC, 2016, Deloitte University Press, 2017). This year, in Ireland, ICT topped the list for skills shortages throughout every sector (CIPD, 2017c) and six of the organisations surveyed have had similar problems.

Attrition levels have increased considerably for five of the organisations. According to CIPD (2017a), 50% of organisations in Ireland had seen increased employee turnover over the last year and CIPD expects that this trend will continue for the foreseeable future. The figure of 50% means that although there was increased turnover, it was not a feature in all organisations and the research amongst the NCSSAs supported this. Organisations B, D, F and I did not have higher attrition levels than normal, however they are not complacent and are consciously pursuing TM initiatives, with organisations D and F reporting that the total rewards systems that they currently have in places contributes to the retention of their staff.

Respondents gave three reasons for recruitment and retention problems – the competitive labour market, government salary policies and a lack of career paths.

The inability to compete on salary in a tight labour market is the number one reason reported by managers for their recruitment difficulties and this is supported by academic research (Fleming O'Donnell, 2014; Stackhouse and Reichenberg 2015).

Their concern is not misplaced since private sector salaries are now higher than they were in quarter 1 of 2008 (IBEC, 2017, p.6). The Abrevia survey reports that the starting salary for an ICT Project Manager is between €65,000 and €105,000 (Abrevia, 2017). Six of the agencies recently attempted to recruit an ICT Manager at Higher Executive Officer level, and were sanctioned to offer a (non-negotiable) starting salary of €47,081. Despite the total rewards package on offer from the agencies, when the private sector is in a position to offer up to 100% more money as a starting salary it is evident that this is becoming unsustainable.

Government salary policy is a particularly critical factor for the smaller agencies who regard themselves as '*structurally lean*' (Manager C). Managers can take on a great deal of pan-organisational responsibility and the inability to replace people quickly and with the right skills can have a serious effect on the organisation's ability to deliver on its work programme.

The Public Service Pay Commission (2017, p. 6) has recognised that the salary issue is a problem across the general public service and has recommended revisiting "previous

flexibilities around pay scales" for these hard to get skills, however this may take some time to implement.

While salary is an issue for attracting talent, lack of opportunity for career progression is regarded as the main cause of regretted attrition amongst the managers, particularly in agencies with between 40 and 100 employees. Talented individuals who want to progress will seek roles in organisations that will allow them to develop the skills they need for career advancement (Corporate Leadership Council, 2006; Guthridge et al, 2008; CIPD, 2011).

The Abrevia report which surveyed both employers and employees in Ireland found that the number one reason that employees leave an organisation was the lack of opportunity for career advancement (Abrevia, 2017). It is interesting to note that all of the agency managers surveyed in this research were very much aware of the reasons that employees leave and were already using TM initiatives to address them.

4.2.2 Most NCSSAs are actively using TM to respond to staffing difficulties

Most of the organisations interviewed had already started to respond to these issues and had developed or were planning to develop HR, TM and L&D strategies in order to address attraction and retention challenges. Understandably, agencies were at different points in the process.

Much of the emphasis was on L& D and Work life balance (WLB) initiatives and these will be discussed as separate themes below (See 2.3 and 2.4).

Use of Contingency Workers/ Outsourcing

One of the ways of filling staffing gaps while waiting for positions to be sanctioned or backfilled was the use of contingency workers, either agency staff or outsourced services. Seven out of nine of the organisations surveyed regularly used agency workers to bolster the workforce, four with more than 20% of their staff from agencies (organisations B, G, H and I). Referring to how to reduce reliance on agency staff, Manager H wondered, "*I don't know how we're going to work our way down*".

Outsourcing to other organisations was another way of filling the gaps. Organisations C, D, G and H availed of external companies for IT and Organisation B for HRM. For some this has proved successful. *"What we decided to do is specialise in our internal critical systems but take non-critical systems and outsource ...this has actually been a good thing"* Manager D.

For others however it is far from ideal,

> "It *took me a year to replace my IT person when she left ... the day to day support is outsourced but that meant more reliance on them but you're then requiring your outsourced service provider to maintain and ensure that the core of the business is up to speed which is difficult to manage and expensive"* Manager G.

Redefining Roles

Many managers have examined the roles within their overall workforce plan and looked at redefining them as a means of attracting staff with the salaries on offer. Six of the managers interviewed were actively redefining hard-to-fill roles (Organisations D, F, G, H and J) and considering whether the requirements for some roles might be unnecessarily high "*In ICT we had to ultimately regrade the role but that took the guts of a year"* Manager H.

> *I have managers saying to me ... this is a really important role and I'm saying, I know it's really important but you're going to have to dumb down that role profile because you're not going to get somebody in for €47,000"* Manager F.

Autonomy/ Extra Responsibility

Many managers report that giving employees more responsibility for their own work makes the organisation more attractive and gives them a breadth of experience that they would not necessarily get in a larger organisation (Manager C, G and I). "O*ne of the benefits of a smaller organisation is that they get lots of experience … we try to give people more autonomy over their work"* Manager I.

"We try to get them involved with Boards or outside meetings with other organisations to try to increase their self-esteem within the organisation" Manager H.

Some have organised lateral moves with staff rotation policies to retain, particularly junior members of staff who are performing well. "*The fact that we have been able to offer departmental change is also attractive because they get to expand their experience*". Manager C. Even the largest organisation (Organisation D) engages in staff rotation, as they are aware that the level of specialisation is a hindrance to attracting talent. However, none has a staff rotation policy preferring instead to retain the flexibility of rotating on a needs only basis.

Partnering

Others looking at partnering with industry or other organisations (Organisations B, D, F, I, J), whether through inward and outward secondments, partnering with universities to attract graduates, or in the case of Organisation D, work sharing with other organisations in order to get particular hard to fill technical skills.

> "*they do not want to specialise in [the] narrow field that we offer but we're saying to [other organisations] this would be a very good specialist post in your area to do two and a half, three days a week with us and ye can have the other days .. and that person is getting the benefit of the broader area but also the benefit of specialisation in the area they're most interested in*" Manager D.

Most managers reported using contingency workers such as outsourcing companies or agency workers to bridge the gaps between a lack of sanctioned resources and the resources needed to complete their work plans. They were also exploring other innovative ways of attracting staff. One of the key methods cited was to examine job design and attempt to restructure roles to make them more attractive for the salaries on offer. This appears to be in keeping with the experience of businesses nationally since 70% of respondents in the CIPD Ireland survey felt that job design was a critical focus over the next two years (CIPD, 2017c).

Within the NCSSAs, many of the mid-level managers were professionalised with specialist qualifications, for example, HR, Communications, Finance and ICT managers, yet private sector salaries for these positions could be up to 30% higher (Public Service Pay Commission, 2017, p. 61). In the case of the participants interviewed, some noted that there is an argument for considering generalists over specialists in some cases and

subsequently providing specialist training. Organisation D has had a good deal of success with this.

Managers were also looking at proactive ways to retain talented employees. The most popular in the absence of promotional opportunities was to give employees extra responsibilities and autonomy over their work in order to increase motivation, engagement and retention levels. Autonomy, according to Herzberg (1987) is a motivation factor and one that Pink (2009) regards as a key motivator for intrinsic employee motivation.

Changes in work practices mean that employees in general and millennials in particular have increasing expectations of meaningful, interesting and challenging work (Gutheridge et al, 2008; Wellins et al, 2011). Many of the managers argued that the work of their organisations was interesting and meaningful and that the more interesting they could make it, the easier it would be to retain talent. Managers C, H and I felt that there was evidence that they had a degree of success with this and without being explicit, they were providing employees with opportunities for autonomy, mastery and purpose in order to increase intrinsic motivation (Pink, 2009).

4.2.3 Learning and Development is used as a powerful TM Initiative

There was a particularly high emphasis placed on Learning and Development (L&D) from all respondents. Managers believed that there was good investment in the area and that their organisation offered good opportunities for staff. All participants agreed that L&D was important for staff retention and engagement, and all offered development opportunities and both formal and informal learning; however, there were noticeable differences in the structure of L&D within each organisation's HR Department.

Unsurprisingly, the two larger organisations had L&D departments with L&D Managers and accompanying strategies. Manager E explained that part of their strategy was to instil a culture of learning within the organisation. With this in mind they developed a comprehensive L& D strategy, conducted skills audits and created career paths all with a view to retaining talent.

> "*Overall we'd like to have this learning culture and become an employer of choice – that's our ultimate aim… and then this feeds into our employer brand so that*

people will want to work here because we are known as an organisation who develops their staff and you will lose some staff and that's okay but if you have that brand then people will want to work here" Manager E.

While many of the others mentioned that they would ultimately like to instil a culture of learning, some were still looking at more basic level training.

"*We don't have a training plan, we don't have an identification of skills gaps, there's nothing codified. I've been thinking a lot of Maslow lately and think that we need to satisfy those basic level needs – competencies, capabilities – before I can think about something like a learning culture*", Manager B.

Of those seven organisations without an L&D strategy, five produced an annual training plan and felt confident that L&D would help retain most staff for a period of time but not indefinitely.

"*A Masters will keep somebody for a period of time but we also need to think how we can use these skills and how can we provide opportunities to allow them to use them*" Manager J.

All nine organisations offered **on the job training** and there was an acute awareness of the importance of this with the 70:20:10 model being used in the largest and smallest organisations, that is, 70% training is on-the-job training, 20% is interaction such as coaching and mentoring and 10% is formal classroom-type training (Kajewski and Madsen, 2013). In addition, two of the smaller organisations felt that despite not having career paths, they had the advantage of being able to give a broader breadth of experience as a result of their size (Organisations I and C).

"*What we can do as a smaller organisation is that we have the flexibility that we can offer them quite a wide range of experience at different things so they can sell that at interview*" Manager I.

Seven of the nine organisations had formal **induction training** programmes with the other two (Organisations B and I) having informal arrangements. However Manager B is currently developing a formal induction programme as part of an overall training plan.

All offered **academic training and educational opportunities** to staff. Some argued that allocation of budgets had been ad hoc in the past but that in general there is currently i some element of control. In most cases, either the training had to be of benefit to the organisation (Organisation B, C, D, F and J) and/or there was an emphasis on getting people to a basic level of training, for example, offering degree courses to staff who did not have any formal qualifications (organisations A, C, G, H, and I).

> *"In the past, it was very much 'what do you want to do and we will pay for it' and not as focused on the organisation needs and more money resting in one part of the organisation but we've now centralised the fund for academic qualification ... you've got to submit a business case and a decision will be made"* Manager J.

> *"Over the last couple of years we have had admin staff who had no qualifications taking on degrees and have developed scientific technical skills and one or two have got promoted on that basis" Manager H.*

However, all were aware that learning and development and in particular academic support, was used as part of a total rewards package in order to attract and retain staff and Manager J went on to say, *"this [academic education] would have been one of our unique selling points"*.

Some organisations currently offered or were about to offer **on-line training modules** (C, D and H). These were used in particular for mandatory skills such as Health and Safety or Data Protection training, soft skills such as communications and managing performance but also for technical skills in some instances.

Returning to the problems with getting staff sanctions from Department X, Managers D and E noted that online learning and other such methodologies enabled them make the most out of their T&D budgets. *"I would like to increase the headcount within the training*

and development department but that's a very hard resource to get ... whereas money for new technology will come easier" Manager D.

Leadership/ Line Manager Training

Eight of the nine organisations had invested in formal line management training with Organisation I not doing so because of its size.

All of the eight ran leadership training courses for all managers (senior and middle management levels) and also regular training for new managers. Five of the organisations offered training to emerging managers (Organisations A, B, C, D and J).

Four of the nine agencies interviewed had come together in 2016 for leadership training (organisations A, B, C and J). The managers felt that this had been a good opportunity for staff to learn from other organisations while at the same time providing a cost-effective way of delivering training and further training is planned for the end of this year.

However, the most positive results were seen from the organisations that had developed a clear strategy in terms of management development and had focused on embedding the learning. Unsurprisingly, the organisations with L&D Departments had seen the most positive results. Manager D describes the line management training as "*the best thing we've ever done ... the feedback we're getting is top class*".

Manager E added that the training "*had a big impact on the organisation in terms of skills and knowledge across the business*".

"*We have seen definitely that there has been a lot of growth and development for those individuals that have gone through the process*" Manager F.

Interestingly, both of these Organisations (D and E) offered accreditation for their Management Development Training. "*In here, they like qualifications. So we're identifying what they like and trying to provide it for them*" Manager F.

Succession Planning

Most organisations had thought about succession planning and were actively preparing for the next level (Organisations A, C, D, F and H), however only the two largest organisations had a formal succession plan in place.

There was general agreement though that succession planning in the public service is quite frustrating given that, unlike the private sector, vacancies in the agencies cannot be directly filled from within the organisation but must be advertised externally. This means that even if staff members are identified and developed for succession purposes, there is no guarantee that they will get the job.

> "*I'm not sure about succession planning, I cannot **really** be convinced that if I single this person out as my successor that they're going to get anywhere, because of the public recruitment process and system and it almost pre-empts and biases the system and it could be challenged*" Manager B.

> "*if you're in the private sector, you can plan a little bit more and you can earmark people for certain roles but I think in the public service, you still have to say well look, we can develop you to a certain point but if this role comes up, we're still going to have to go to an open competition*". Manager J.

Many managers noted that the fallout from unsuccessful interviews was difficult to manage and that in reality, succession planning does not work in the same way as it does in industry. Manager H argued that while it is important to develop skills internally for a future position, in reality "*all you're equipping them to do is to be eligible to apply*".

> "*You can say, what's the point in going through all the effort to do it when you have to have an open competition anyway, but at least it's the more proactive approach ... so that when it comes to the crunch and somebody with a unique skillset leaves, you're not scrambling*" Manager F.

However, other managers took a more altruistic attitude towards this, in particular the participants at CEO level, arguing that the focus should be on the public service as a whole

and not simply the individual organisations. According to Manager I, "*What you want to do is build people who are going to be committed to the public sector*".

> Manager B "*you develop them to be ready in their career in the public service rather than here. The opportunities are just not here for them. But if I invest in people and another [agency] benefits well I would hope that that would be reciprocated, so you are developing a public service*".

Coaching/ Mentoring

Six of the nine organisations offered staff coaching but it was mostly used for senior management or for a specific identified need.

Very few offered mentoring opportunities; only Organisations A, D and E operate mentoring schemes. For Organisations D and E these were delivered on an informal basis; only Organisation A had a formal mentoring programme in place. Others (Managers C and H) agreed that it is something they are considering investing in.

Acting up Positions

Seven out of the nine organisations use temporary "Acting up roles" as a way of retaining certain staff. This is typically where an employee goes on maternity leave or secondment to another organisation and another staff member backfills the position on a temporary basis.

> "*Because we're 75% female we have a lot of maternity leave acting up vacancies so people get an opportunity to get exposure at a more senior level … this definitely helps to retain people*". Manager I.

Overall, in terms of learning and development, managers were in agreement with the need to invest in L&D and to instil a culture of learning in their respective organisations but they were at different points in the process.

L&D is the top response favoured by employers to manage retention difficulties, with organisations also reporting it as highly effective (CIPD, 2017a). All of the participants in

this study believed that L&D was their most effective approach to employee retention and most intended to leverage L&D to become an employer of choice. Those larger organisations with L&D departments or managers had more extensive strategies and a larger budget. They also had developed tailored organisational approaches to organisational learning whereas other agencies such as Organisation B were at the design stage of their L&D strategy.

Similar to UK research (CIPD, 2015b), on-the-job training and coaching delivered by line managers are by far the most popular methods of development, with some of the smaller agencies remarking that they could give a breadth of development experience that would be impossible in a larger organisation. This, they felt, gave them a competitive edge over other larger organisations. Managers were also upskilling employees in order to take on more responsibility. In the case of Organisation C this was the method by which they filled a vacant ICT Manager role, by offering specialised training and external coaching to an internal candidate. Acting up opportunities created by periods of maternity leave also helped to retain people and Organisations F and J who had high levels of maternity leave believed that this helped to mitigate salary and progression problems.

CIPD (2015b) found that 29% of organisations were using e-learning technologies and in line with this, only one third of the NCSSAs were actively using online resources to deliver training. However, it is an area that some of the others are exploring as an alternative, efficient approach to L&D.

All of the organisations except for the smallest had invested in Leadership Development, with four of the agencies (Organisations A, B, C and J) coming together to share training. Furthermore they envisaged enhanced spending on leading and managing in the coming year. This will be a key recommendation for the research. Since organisations offer much of the same training, collaboration with each other will help to stretch their budgets further.

Learning and Development should focus on where it can make a difference (Wellins et al, 2011). The government has determined that public service success lies in developing its leadership and this is where its TM initiatives are concentrated. NHS research revealed the same focus on leadership within the UK's public service (Macfarlane et al, 2012).

According to the Public Service Reform Plan (DPER, 2014b) "The quality and calibre of top and senior level managers is one of the main determinants of the performance of the Public Service overall." However, in the final progress report of the Public Service Reform Plan the only mention of talent management was regarding the implementation of the civil service renewal initiatives (DPER, 2017a). With civil servants numbering 38,000 out of a total of over 306,000 public servants (DPER, 2017b), the vast majority of the public service are not included in any talent management strategy and are obliged to make their own arrangements. This is a further reason why the smaller agencies should come together to share L&D resources.

In terms of succession planning, most organisations were engaged in the process although there was a degree of pessimism surrounding the system of promotion within the public service. All competitions had to be externally advertised and there was no sanction for promotion within the organisation. While many managers expressed frustration at the fact that they are developing people for a role that they might never get, Manager F added that "*at the end of the day, you get the best candidate for the role*". However, Manager A felt that the best candidate at interview was not always the best candidate for the role and she and other managers mentioned having to deal with the "*fall out*" from the interview process.

These findings are similar to UK public service research by Harris and Foster (2010, p.428) where line managers in particular were frustrated when suitable internal candidates did not get a role that they interviewed for, yet those managers were subsequently obliged to "pick up the pieces". However, the authors felt that despite this, the openness and transparency of the interview process was preferable as it was more rigorous and avoided any notion of bias.

Yet again, there was a degree of despondency about investing time and money in developing people for a career that lay elsewhere in the public service. While it may be an indicator of a healthy and efficient public service from the perspective of senior public service management and indeed the government, it can have a particularly negative impact when it comes to delivering on the strategy of an individual agency.

4.2.4   Work Life Balance is regarded as a perk to 'sell' the organisation

All of the managers surveyed believed that public service WLB initiatives help them to compete for talent.

"Our CEO has a good attitude towards work life balance and encourages staff to do what they need to if they have issues in their home life ... I think there is evidence that it helps retain staff" Manager C.

"We try to sell the package in terms of superannuation, pay, flexibility, working hours, location ... and it does appeal to lots of people I still find" Manager H.

Flexitime

All nine of the organisations used flexible working arrangements as a means of competing for talent. "*We have flexible working time and we plug that as a biggie*" Manager G.

Manager F believes that flexitime offers an effective way of competing with industry where employees would have to work much longer hours, *"It's definitely attractive for people. We're 75% female with the majority of them being of childrearing age ... so that allows people to facilitate their work life balance"*.

Some managers reported difficulties managing so much flexi leave while at the same time delivering on the business needs, but all agreed that it is indeed a unique selling point. In the words of Manager F, *"They somewhat mitigate the salaries; people put a price on their time"*. Manager H takes it as step further and argues *"if it's worked well, it's better for the organisation ... it's probably more productive than 9 to 5"*

Other WLB Benefits

All of the organisations offered maternity and paternity top up to full pay, public service sick pay benefits, study leave and compassionate leave, yet only one organisation (Organisation F) regularly reminds staff of these generous benefits.

"We try to highlight these in our newsletter – top up maternity leave, adoptive leave, generous annual leave, pension, L&D, employee assistance, WLB, complementary tea and coffee – a lot of things become unnoticed and you just need to raise it again" Manager F.

However she refers to it as similar to the 'Uber effect' (where people now expect a taxi in 3 minutes), people who appreciate the benefits at the beginning, over time begin to see them as an entitlement. Other managers (A, B, D, E, G and H) agree that these benefits are often viewed as an entitlement and not as part of a total rewards package. In the words of Manager H, "*People take for granted the packages they have and okay the salary isn't competitive, particularly at the middle level, but some people take it as their entitlement*".

Both Managers B and F remarked that although flexi leave, with the capacity to build up 13 extra days' leave a year, is clearly a benefit, employees tend to regard it as an entitlement.

Only one of the organisations (H) offered the shorter working year scheme, where employees can take unpaid leave to deal with family or other personal matters, often during the summer months.

"*We would have a big uptake on the shorter working year ... what most people want is 2-4 weeks to supplement childcare. And other people take it for education or other stuff. It seems to retain people as it makes a difference to people with children*" Manager H.

Most of the other organisations felt that resources were too tight to allow for a shorter working year, which is common in the civil service, although Organisation C did have a policy that allowed employees to take unpaid leave to a maximum of four weeks in any three-year period.

Working from home was considered in most agencies but only on a needs basis and usually confined to management.

Health and Wellbeing

Health and Wellbeing policies were present in seven out of the nine agencies, with the eighth in the process of establishing management/employee forum.

Four out of nine had an established organisational Health and Wellbeing Group (Organisations A, C, G and J), but all of the others had health and wellbeing initiatives usually organised by HR. Some of the initiatives included lunch and learns (with talks on subjects such as healthy eating, mindfulness and resilience), charity events, health checks, walks and runs, social events, fruit trays, bake offs etc. All participants firmly believed that these initiatives were very attractive to employees. According to Manager A, *"the wellbeing group is one of our gold stars"*.

"It's a big thing here – there's lots of strong connections around the house and everything you do socially does cement that a bit" Manager H.

"The rapport [from the wellbeing initiatives] makes them more inclined to feel part of the work family and less likely to move on just for the sake of it" Manager C.

"Staff know that we're interested in their health and wellbeing" Manager G.

"That almost gets more traction than the bigger ticket items that we try and do for people" Manager F.

Three of the managers were cognisant of the part that the work environment plays (Organisations C, D and I) and during renovations, designed the office space with this in mind.

Eight out of the nine organisations have an Employee Assistance Programme.

In terms of corporate social responsibility, just one organisation (Organisation F) offered a Volunteer Time-off Programme. However, of the remaining eight, five of the others (Organisation A, C, D, H and J) regularly organised events for charity as part of their wellbeing initiatives and believed that this contributed positively to their culture.

> *"We do daffodil day and raised €11,000 this year and €10,000 the year before … we set up stalls in the foyer, cakes, books, and offer massages et cetera and it breaks down all of the silos … you'd love that feel to be the feel of the organisation all the time"* Manager E.

It is common for public service organisations internationally to lead the way in terms of WLB and flexible working arrangements due to well-developed equality policies and it is a means of attracting people, particularly women, to the public service (O' Connell and Russell, 2005; Den Dulk and Groeneveld, 2012).

All of the NCSSAs had extensive WLB initiatives from flexi-time to wellbeing programmes and all of the managers felt strongly that it was a key way of retaining staff, particularly women with children. Most of the organisations had more female employees than male with Organisation F being 75% female. Manager F maintained that if a monetary value was placed on generous leave arrangements, it would balance out the higher salaries in industry and noted "*I have spoken to some individuals who have received a job offer from somewhere else who stayed because despite a €10,000 increase, the increase in hours means that the hourly rate is less.*"

Flexible working arrangements give employees more control over their time which is a way to create additional autonomy (Hall and Atkinson, 2005; O'Connell and Russell, 2005). Hall and Atkinson (2005) found that informal flexibility (flexibility for unplanned matters) was also highly valued. While this was not a specific question to the NCSSA managers, many of them (C, D, F, G, H and I) indicated that they are flexible when it comes to personal employee matters.

Like WLB, those managers whose organisations operated health and wellbeing programmes felt that it was very attractive to their employees and helped to improve organisational culture. According to CIPD (2017c) 69% of Irish organisations surveyed have a health and wellbeing programme.

4.2.4 Organisations are paying attention to their Employer Brand

Eight out of the nine managers were aware of the need to build their Employer brand in order to promote their total rewards package and become an employer of choice but some are more strategic than others.

> "*It's around ... getting across the message of what we're like to work for, we're a bit unique in some ways ... I'd love to give people a better sense of what's it's like to work here and the package that you don't get elsewhere.*" Manager H.

The two largest organisations are actively working on building the brand with Organisation F delivering talks to colleges and universities, sponsoring exhibitions and initiating a graduate recruitment programme. Organisation D is also working with students and according to Manager E, *"branding starts in the colleges ... we go to the schools when they're making career decisions"*.

Three of the organisations feel that the public does not really understand what they do (Organisations A, C and J) *"The brand does not really work in our favour – it is a mixed response"* Manager A.

Public Service Brand

Three of the managers (B, F and H) believe that the public service is still a brand that people find attractive and argue that it appeals to many potential employees. *"I still think there's a lot of interest in the public sector even though the private sector is more lucrative and can pay better"* Manager H.

"There is definitely more choice but I would feel there's definitely still a lot of interest from people wanting to work in the public service." Manager B.

According to Manager F, the public service ethos and mission of the organisation is appealing to some employees who have grown weary of industry and this is something they actively promote. *"We try to leverage our mission and vision and this is a unique selling point for some scientists ...we do tend to hold on to people who have a similar ethics to us"*, Manager F.

Social Media

Four agencies are harnessing social media for recruitment purposes. Five of the organisations do not have any social media presence (Organisations B, C, G, I and J). Some are unsure exactly how to use it and others feel it could be used as simply a complaints forum. *"we should get better at social media, we have toyed with Twitter but don't fully understand how we could use it"* Manager H.

Only two of the organisations (A and H) have LinkedIn accounts and four have Twitter accounts (Organisations A, D, F and H). Organisation D is the only organisation that has a Facebook account.

Some of the brand initiatives are regarded as good to have but their use is limited by a lack of resources: "*It's on my list*" Manager B; "*this is one of my projects*" Manager H; "*We don't really have the resources yet*" Manager I; "*We haven't done enough work on our employee brand*" Manager E. As a result, items such as L&D tend to take priority over branding yet eight participants indicated that they had considered social media accounts for recruitment purposes.

It has been twenty years since the McKinsey article urged employers to create an employee value proposition [EVP] that can attract talent (Chambers et al, 1998). One of the key elements of the new Civil Service People Strategy has been to develop the civil service as an employer of choice (DPER, 2017a). Many of the managers in this research echoed the desire to be regarded as an employer of choice, although given their status as small agencies they were finding it difficult. Some found that the publicity they received in the past had been negative (Organisations A, B, D and G).

Despite the differences, almost all agreed that they were interested in developing the brand although in many cases, it was often at the end of a long list of things to do. This is similar to international organisations who are increasing their employer brand budgets year on year (Minchington, 2014).

Three of the managers felt that the public service brand was still attractive to employees and argued that despite salary constraints, L&D opportunities, flexible working arrangements and the ethos of the public service serve to deliver an attractive public service EVP. Interestingly, in Boyle's survey of NCSSAs carried out at the end of 2015, most of the managers felt that the attractiveness of the public service as an employer had deteriorated (Boyle 2016a). However, it may be the case that public sector reform coupled with economic recovery has improved the image of the public service.

The managers in this research are very much aware of the effectiveness of social media in attracting more candidates and in promoting their organisations as an employer of choice. Furthermore, for those organisations who have worked on improving their brand they believe that it has had a positive effect (Manager E and F). However, many managers were unsure of how their organisations could use social media.

4.2.5 Most NCSSAs take an Inclusive Approach to TM

All of the agencies have an inclusive approach to TM and offer opportunities to all employees. They are not closed to the idea of exclusivity though and some already develop their 'stars' in a more informal way. "*If I was truthful with you, I already have two or three people that I have given coaching to, moved their jobs, given them opportunities and it's working*" Manager B.

> "*We do both – I would push for people who are very good and go the extra mile, or those who are good who are missing certain skills, but not someone who is coasting and just wants to do a course*" Manager A.

> "*I find in the public sector it's harder, there's more contention around that sort of stuff, if I see you're getting an opportunity that I'm not getting. It is a little more difficult but that's not to say we shouldn't be trying and really, we do it a little bit informally, we just don't have a formal process*. Manager H.

While the HR professionals interviewed were aware of the potential of developing key talent in an exclusive way, this is less obvious amongst other line managers.

> "*From a cultural perspective it's too soon to go straight in with [an exclusive] approach that it would have to be more inclusive and then once we work with managers and get them thinking in a particular way, you could move to being a little bit more inclusive*" Manager F.

The TM philosophy at the moment in most agencies is an inclusive one. For many of the managers the notion of exclusivity raises ethical questions of bias, fairness and equal treatment. This is very much in line with public sector research conducted in other jurisdictions where there is much evidence of the inclusive approach (Harris and Foster, 2010; Buttiens and Hondeghem, 2015).

Harris and Foster (2010, p.423) refer to the "tensions and dilemmas" of the exclusive model for managers in the public sector, the tension being brought about by the public service approach to equality and fairness and the fear of litigation.

However many of the managers show a willingness to explore other options and admit to taking an exclusive approach on an informal basis, where they nurture particularly talented individuals. As Stahl et al., (2012) assert, in practice, these are not mutually exclusive and most organisations operate both philosophies.

In fact, it could be argued that the civil service focus on leadership development is an exclusive approach that identifies strategic positions for development as it is reserved for senior managers. Research by Glenn (2012) on the Canadian public sector found that when the exclusive approach is used, it primarily focuses on executives and executive feeder groups. However, given the hierarchical structure of most public service organisations, particularly the civil service, this is an exclusive approach that is not in conflict with public service ethos.

4.3 Conclusions

The research findings indicate that the state agencies under Department X are experiencing difficulties with recruitment and retention of certain key skills and this is in keeping with the literature (CIPD, 2017a; CIPD, 2017b). There is clearly a sense that it is harder to attract certain staff than before and that they are competing against industry who have the ability to offer much higher salaries. They are also aware, particularly amongst those with 40 to 100 employees that they are competing against other larger public service organisations.

Most organisations are actively using TM initiatives as a response and in order to detract from salaries, they are attempting to promote their total rewards package. However while the total rewards package available is attractive, some of the smaller agencies believe that until the hygiene issues such as salaries are dealt with, it is going to become increasingly difficult to compete. In the words of Manager A "*Still, with all of the things that we offer I don't think it's really working because it's coming down to money or career progression*".

Chapter Five: Conclusions and Recommendations

5.1 Conclusions

This research set out to examine TM practices amongst public service bodies in Ireland. It sought to discover whether organisations were experiencing recruitment and retention difficulties and if they were using TM initiatives to compete for talent.

Semi-structured interviews were conducted with managers directly responsible for TM initiatives in nine NCSSAs under the auspices of Department X. Participants were asked if they were experiencing skills shortages and what TM initiatives they were using to attract and retain key employees. Specifically, they were asked about their approaches to L&D, WLB, succession planning and employer branding and if they operated an inclusive or exclusive philosophy.

The findings support research conducted in the private sector both in Ireland and internationally (CIPD, 2017a; CIPD, 2017c). Most NCSSAs are experiencing skills and talent shortages. Eight out of the nine organisations are having difficulties attracting candidates with suitable technical and scientific skills and certain professional skills such as finance and ICT.   While all agencies are experiencing difficulty attracting technical skills, the organisations with employee numbers between 40 and 100 are experiencing difficulties with skills across the board. This cohort also reported high attrition levels compared to the larger organisations and the smallest.

What is very clear from the research is that TM is evolving in the public service; there is both an awareness of it and willingness to implement practices. Organisations are at different points in the process but all HR professionals are very focused on driving their business and there is an awareness of the need to balance the organisational goals with employee needs "*we figure out what they want and give it to them*" (Manager F).

One of the most challenging problems that the research made explicit was that many of the smaller organisations were experiencing high levels of attrition due to an inability to provide career paths or promotional opportunities to staff. Because of restrictions on public service pay they were unable to offset these problems by offering better starting salaries.

From time to time, there was inevitable frustration at the notion of 'hands being tied', particularly in terms of succession planning, since agencies cannot promote from within, but at the same time, participants are aware of the reasons for this and appreciate public sector values of transparency and fairness. Notwithstanding these issues, agencies are using TM initiatives to present a total rewards package to potential employees and are working towards becoming an employer of choice.

They are using contingency workers, partnering with other organisations and redesigning role profiles to make them more attractive to employees. In addition, they are very focused on L&D initiatives to prepare for future skills shortages and to offer good development opportunities to enhance employee motivation.

Future research

One of the interesting outcomes of this research is that it has, at least amongst the group questioned, initiated the discussion about TM in the public sector which is "almost non-existent" in the literature (McDonnell et al, 2017, p.92). McDonnell et al (2017, p. 117) further go on to question the extent to which the public service has considered strategic talent management in the context of public sector reform and renewal. While this research has shown that TM is very much on the agendas of the agencies under Department X, it would be very interesting to build on this project by conducting a large scale quantitative survey of all of the NCSSAs to see if the findings, particularly those on the use of TM practices, are reflected in other parts of the public service.

Another area of great interest would be to investigate public service TM from an employee perspective. As Gallardo-Gallardo and Thunnison (2016) noted the employee voice is conspicuously absent from the research. A qualitative study to explore attitudes of employees who have left organisations would make a significant contribution to the body of work.

This research shows that agencies are very much aware of the benefits of using talent management initiatives and all managers interviewed were able to give clear examples of TM in practice, although the capacity of some of the organisations to deliver on more strategic TM initiatives is somewhat limited by resources. The following recommendations would offer cost effective ways to invest in further TM initiatives.

5.2 Recommendations

The research has identified 3 main recommendations:

(i)   Introduce flexibility to pay beyond the first point on the scale

The Department of Public Expenditure and Reform must introduce a method of sanctioning positions where skills are in short supply at a point other than the first on the scale. This will amount to an increase in the public sector pay bill and it should not be something that is considered for positions across the board since the state's ability to pay not just salaries, but future pension liability must be considered.

On the face of it, taking the Higher Executive Officer as an example, it could add anywhere from €1300 (for the second point of the scale) to €8,300 (for the sixth point of the scale) per employee. In practise, though in the agencies, a new employee is generally replacing an employee with at least two or three years' service so increased costs to the organisation may be negligible, although they will impact on the overall public service cost.

The public service pay commission (2017, p. 6) has suggested revisiting "previous flexibilities around pay scales" for these hard to get skills but this will need to be sanctioned by central government and will take some time.

(ii)   Agencies should Collaborate on L&D delivery

Most of the agencies currently have an L&D budget of 3% of salaries. The agencies with higher L&D budget found it easier to retain and upskill staff, yet increasing their budgets to even 4% may not be feasible for some organisations, particularly if they are not self-funding. In the case of organisation C, this would cost an extra €20,000 per year. A better option would be for agencies to collaborate on certain types of training, particularly formal training.

Many agencies had the same competency and skills needs and four agencies had already come together to offer leadership development training. Four of the same agencies, along with an agency from another Department had come together for legal training. The total

cost for three four-day leadership development courses, which consisted of eight modules, was €9,600 and for that, thirty people were trained at a cost of €320 per person. This would make some training less ad hoc and more strategic and it would save on money and time spent by each individual organisation that currently organise the same training. Short inter-agency secondments and agency resource sharing could also contribute to development.

Online platforms should be developed to deliver training. It would be in the interests of Department X to invest in this. The cost of developing online material varies from company to company but three years ago, Organisation H developed a suite of soft skills training materials for €5,000 which they are still using. A key recommendation would be to develop as much on-line content as possible that can be reused and quickly accessed, allowing more agility and keeping costs low. These initiatives could be implemented immediately.

(iii)   Agencies should develop their Employer Brand

Organisations should invest time developing their brand. This does not have to be an expensive endeavour and could be as simple as having a good social media presence and an attractive, informative website, along with creating a good candidate experience. Many of the managers feel that there is a genuine interest in the public service as an employer but agencies do not have the brand presence that private sector organisations have. The agencies in question have many elements to their total rewards package and could present a very impressive EVP. Organisation F was the only agency to regularly promote this package in-house and all of the organisations should do this so that their staff can appreciate the value of what is on offer.

The reality is that with smaller organisations with little career progression options, there will always be difficulty attracting and retaining certain staff but organisations can promote WLB and wellbeing practices to be regarded as an employer of choice.

Chapter Five: References

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Personal Learning Statement

Having finally reached completion, I feel that the entire journey of the MA, culminating in this dissertation was a fantastic opportunity to reflect on my own practice as a HR Manager.

This research was not just an opportunity to revisit long forgotten social theory, but to get a new perspective on Talent Management practise within other organisations.
I particularly enjoyed conducting the interviews as I got to speak to peers about matters concerning us all and to ask the questions and have the conversations that we do not usually take the time to have. A welcome side effect was the opportunity to cement professional relationships.

It was very heartening to realise that public service bodies were very much in tune with strategic HR initiatives and are employing TM as a means of not just attracting and retaining employees but also of creating a culture of performance and excellence. One of the criticisms sometimes levelled at HR practitioners is that they are not focused enough on driving the business. But my experience in conducting this research showed this to be very far from the truth. The professionals I interviewed were very much concerned with the business as a whole; they all had a clear voice at the management table and many were also driven by the ethos of public service.

The findings themselves were useful for my organisation, particularly in terms of developing a learning and development strategy and in finding further ideas for wellbeing initiatives, which I have already introduced into my own workplace.

Time constraints proved very challenging and I underestimated the time it would take to write up certain chapters, in particular my methodology. I need to be less optimistic and more conservative about planning my time. Nevertheless, while it was extremely difficult to devote enough time to the process and would have been more enjoyable without a full time job, I am very glad I undertook the period of study. And survived it!

Appendices

Appendix 1 – Email to Participants

Dear Colleague,

I am the HR Manager in ***Organisation Y[1]*** and am currently doing a Masters dissertation in Human Resource Management. My area of research is Talent Management (TM) in the public service and I am particularly interested in learning whether non-commercial state agencies are using TM initiatives to attract and retain key staff members.

I would like to conduct semi-structured interviews with those responsible for HR and TM initiatives in the state agencies under ***Department X*** and would be really grateful if you would consider allowing me to interview you for my research. Interviews should last no longer than 40 minutes. All information will be treated as completely confidential and participants will be anonymised.

I attach a short document outlining the research. You can contact me by return email or on any of the numbers below.

Kind regards,

Sharon O' Brien
HR Manager

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[1] Note: Italicised text in bold has been changed to protect anonymity

Appendix 2 – Attached Research Synopsis

Talent Management Initiatives in the Irish Public Service – how State Agencies under one Government Department are using Talent Management to respond to skills shortages in a tight labour market.

Research Overview

The past several years have seen the labour market in Ireland tightening significantly, meaning that competition for staff and in particular skilled staff is becoming fierce. Talent Management (TM) is an approach to recruitment and retention used to gain competitive advantage and the CIPD defines it as the "systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation"

Recent CIPD UK research indicates that employers are reacting to this skills shortage by using a variety of TM tactics such as by developing their employer brand, upskilling staff for succession planning (through training and development) and considering flexible working practises.

While the Irish private sector has means at its disposal to raise salaries to meet the demands of highly talented workers, and evidence from IBEC suggests that salaries are rising, the nature of the public service (particularly in recent years) prevents individual organisations from setting their own salaries and thus fully competing in terms of reward and compensation.

Aims and Objectives

This research will seek to understand what state agencies are doing to respond to the tight labour market and its resulting skills shortages. Given the lack of flexibility as regards salaries, are they employing strategic TM initiatives? And if so, what is proving most effective? While a recent IBEC employer survey indicates that 64% of employers surveyed plan to increase TM programmes in 2017, this research will specifically examine what TM initiatives non-commercial semi-state agencies (NCSSAs) under *Department X* are doing to attract and retain key staff and what is proving successful.

Appendix 3 – Consent Form

The purpose of this research is to ascertain what Talent Management Initiatives State Agencies under one government department are employing to compete for talent and skills.

One to one interviews will be conducted with managers responsible for HR initiatives in each organisation and each interview should take about 40 minutes. The information will be recorded and uploaded to a secure computer only accessible by the researcher and all recordings will be destroyed upon completion of the project.

Participants will remain anonymous and any information received will be treated with the utmost confidentiality.

I……………………………………voluntarily agree to participate in this research study.

I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.

I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.

I agree to my interview being audio-recorded.

I understand that all information I provide for this study will be treated confidentially and that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.

I understand that disguised extracts from my interview may be quoted in the dissertation.

I understand that signed consent forms and original audio recordings will be retained in on a secure computer only accessible by the researcher until the project has been completed.

I understand that under freedom of information legalisation I am entitled to access the information I have provided at any time while it is in storage.

Signature of research participant ---------------------------------------   Date ----------------

I believe the participant is giving informed consent to participate in this study

Signature of researcher ---   Date-----------------

Appendix 4 – Interview Schedule

Questions:

1. Are you having difficulty attracting talent with the necessary skills? Are there certain skills/ roles that are particularly difficult to hire? Do you feel that competition has increased over the past 3 years?

2. Are you having difficulty retaining talent? Why do you believe this is?

3. How are you responding to this?

4. Are you using TM initiatives to remain competitive?

5. I would like to ask you about specific TM practices to see if you use them or have considered using them to help retain and attract employees.
   - Are you using flexible working practices and work/life balance initiatives to attract and retain talent? (flexi/ work from home)
   - What kind of training and development initiatives are you using?[2] Are you using career planning and succession planning as a means of retaining staff?
   - Have you worked on building your employee brand or EVP in order to attract talent? (social media)
   - Have you invested in improving line manager skills in order to retain staff?
   - Have you invested in health and wellbeing of your staff?

6. Are you focusing TM initiatives on all employees or just key roles?[3] What do you think would improve your chances of remaining competitive?

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[2] In CIPD L&D survey, the top five most used methods were reported to be:

• on-the-job training (selected by 50%)

• online learning (29%)

• in-house development programmes (25%)

• learning from peers (through face-to-face interactions or online networks) (25%)

• external conferences, workshops and events (15%).

[3] CIPD L&D survey asked "Which employees are covered by TM activities" 54% said all staff, 35% said HiPos and 23% said senior managers.