

**Effect of Talent Management on Organizational Performance in  
Companies Listed in Nairobi Securities Exchange in Kenya**

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Philosophy in Human Resource Management in the Jomo Kenyatta  
University of Agriculture and Technology**

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**DECLARATION**

This thesis is my original work and has not been presented for a Degree in any other University.

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## **DEDICATION**

I dedicate this thesis to my family.

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## ACRONYMS

<b>AFAPAM</b>	African Association for Public Administration and Management
<b>AGHCI</b>	Aberdeen Group and Human Resource Capital Institute
<b>ASUU</b>	Academic Staff Union of Universities
<b>BRM</b>	Business Review Management
<b>CEO</b>	Chief Executive Officer
<b>CIPD</b>	Chartered Institute of Personnel and Development
<b>HCM</b>	Human Capital Management
<b>HR</b>	Human Resource
<b>KCB</b>	Kenya Commercial Bank
<b>MNCs</b>	Multinational Companies
<b>NSE</b>	Nairobi Securities Exchange
<b>PACG</b>	Pan African Capital Group
<b>PWC</b>	Price Water House Coopers
<b>RBV</b>	Resource Based View
<b>SPSS</b>	Scientific Package for Social Sciences
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America
<b>USD</b>	United States Dollar

## **DEFINITION OF KEY TERMS**

### **Talent**

Refers to the sum of the person's abilities; It includes his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitudes, character and drives. This definition will be used in the study to refer to employees who have the special abilities to perform certain tasks (Axelrod, Michael & Handfield, 2001).

### **Talent Management**

An active management system used by organizations to identify ,capture ,utilize, develop, grow and nurture the talent of employees to the benefits of the work team and the organization at large (Meyer, Becker & Vandenberghe ,2004).

### **Attraction**

Attraction is the ability of something being desirable. Attracting includes policies and practices that recruit and select talented individuals. In the context of this study, this definition was used to imply to the ability of companies listed in the NSE to attract the right talent (Schuler, Jackson & Tarique2011).

### **Retention**

Retention is an effort by an organization to maintain a working environment which supports current staff in remaining with the company. In the context of this study, this definition was used to imply to the ability of companies listed in



the NSE to encourage talented employees to remain with the organization (Snell, 2007).

### **Learning and Development**

Learning and development refers to educational activities within an organization designed to enhance the fulfilment and performance of employees learning and development. In the context of this study will refer to all educational and employee development initiatives carried out by companies listed in the NSE (Allen, 2005)

### **Career Management**

Career Management is the combination of structured planning and the active management choice of one's own professional career .The outcomes of successful career management include personal fulfilment and goal achievement (Hamburg, 2003).

### **Organizational Performance**

Organizational performance comprises the actual output or results of organization as measured against its intended outputs (Richard, Timothy & George 2009).

## **ABSTRACT**

The study sought to determine the effect of talent management on organizational performance in companies listed in the Nairobi Security Exchange (NSE) in Kenya. The study specifically aimed at analyzing the effect of talent attraction, talent retention, learning and development and career management on organization performance in firms listed in NSE in Kenya. Cross-sectional survey designs was used and stratified simple random sampling technique was employed to enable select the respondents from the ten stratum of NSE listed companies. The study population was 534 top managers of NSE listed companies. A sample size of 224 respondents was picked from the ten stratum of the NSE listed companies. Questionnaires were the main instruments of data collection and the NSE handbook (2013) was the main source of the secondary data. Data was analyzed using SPSS version 22. Correlation coefficient was used to test for the strength of the relationship between dependent and the independent variables. Research findings were presented in form of graphs, tables, mean, frequencies and charts. The study found that the talent management had positive and significant influence on organization performance. It is recommended that talent management practices should be emphasized as doing so brings about superior organizational performance. The particular practices should include talent attraction, talent retention, learning and development and career management.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

In order to increase the effectiveness of a firm several resources can be used to achieve this, which includes money, men and machines. Of this resources ,the most important of them all is the people (Kehinde, 2012).Over years men working in a business organization have differing values ,they were once referred to as factor of production, they were called human recourse of the organisation .Today more value has been accorded to them as they are regarded as talent working within the firm (Kehinde, 2012).This concept has been borrowed from the intellectual capital theory which is defined as stock of flows of knowledge available to an organisation. These can be regarded as the intangible resource associated with people which together with the tangible resources like money and physical assets comprise the market or total value of business (Armstrong, 2011).

Talent management involves positioning the right people in the right jobs (Devine, 2008). This ensures that the employees maximize their talent for optimal success of the organization. As talent management is a relatively new area for both public and private sector organizations, most organizations have prioritized it to ensure they acquire the right staff. This is because talent management has been linked to successful attraction, retention and

development of employees (Baheshtiffar, 2011). The prominence of talent management can be traced to around the start of the year 2000. This is the period when a management consulting firm, 'McKinsey' reported that employers face a 'war for talents' characterized by difficulties in recruitment of employees due to tight labor market (Hartmann et al., 2010). Since then, the topic of talent management has increased in importance and has gained attention in both the literature and in business practices. It has been claimed to be "more critical than ever to organizational strategic success" and a "fast gaining top priority for organizations across countries" (Hartmann et al., 2010).

Talent management involves mechanisms put in place to ensure attraction, retention and development of talent (D'Annunzio-Green, 2008). Talent management is of essence because organizations are able to successfully attract and maintain necessary talent. Moreover, talent identification and development helps organizations identify employees who are capable of playing leadership roles in future. This approach emphasizes developing talent pools that have high leadership ability (Baheshtiffar, 2011).

### **1.1.1 Talent Management Global Perspective**

Managing talent is a challenge to all organizations in the context of globalization irrespective of the country (Gardner, 2002). Moreover, the concern about the scarcity of talent is almost universal. Organizations around the world are competing for the same pool of talents. This is seen as a global

labor market for talents. Trend of global integration shows organizations' standardizations in talent recruitment, development and management, to ensure their competitive position and consistency. Therefore organizations have to adapt global best practices of talent management and at the same time adapt the local requirements and local labor market (Stahl et al., 2007).

Aberdeen group and human capital institute (2005) study which covered '170 human capital management professionals and executives had the following findings; 57 per cent of companies cited the inability to both get the talent needed and address talent requirements over the next five years as their top overall challenge. 79 per cent of the companies' chief concern was the issue of challenges in implementing succession planning. The study also revealed that 71 per cent of the firms surveyed had formal retention plans for executive and 65 per cent for the mid-level management staff. Nowadays, land, capital and fixed assets are no longer key resources for the organizations to be highly competitive in the current economy (Gardner, 2002). Human capital is a key resource to adapt the organizations to the worldwide competition. Therefore, organizations are competing against each other to acquire and retain talents in order to maintain their operations and continue to grow (Gardner, 2002).

The war for talent is not just about giving talents monetary incentives and material rewards, it is more about developing strategies and approaches that will ensure talented people, who are willing to learn, stand out and contribute.

Williams, (2000) notes that “in the war for talent there are winners and losers, like in business there is success and failure”. Therefore, an organization with talent management has more possibilities to be the winner in the war for talent (Williams, 2000). Hence talent management should be a high priority of every organization.

Talent management best practices should assure organizations to build local talents in the way that is consistent with local norms but still globally standardized, which ensure that all parts of the organization attracts diverse and sufficient professional talents (Stahl et al., 2007). Most organizations have applied global performance standards, which are supported by global leadership competency profile and performance appraisal system (Stahl et al., 2007).

Poorhosseinzadeh &Subramaniam, (2012) found that each organization has its talent management strategies. However, there is a general understanding of the steps that employers should take to enhance talent management. In the study touching on attracting, deploying, development, retention of talent and succession planning, the researchers found that only 67.3% of Malaysian multinational companies had implemented talent management in their organizations. Those that had implemented reported significance relationship between developing talents, talent attraction, talent retention and successful talent management in organizations.

### **1.1.2 Talent Management in Africa**

Chief Executive Officers (CEOs) in Africa are hiring, but it's becoming more difficult to find the right people. So talent management has become top CEO agenda that is 85% said that they planned to focus on the strategies for managing talent over the next years and 75% said that a lack of available talent was a threat to growth (Price Water House Coopers, 2012). Also, many poor African countries have lost some of their highly skilled professionals to the United States, Canada, France, the United Kingdom, Australia and the Gulf States (Gara, 2007).

The African Association for Public Administration and Management (AAPAM) found that African continent has not been able to recruit and retain well-trained and skilled personnel due to several challenges which include, among others, poor compensation, and an uncompetitive working environment (AAPAM, 2008). These factors hence lead to low organizational productivity and the migration of human resources. There is a huge demand in Egypt for skilled professionals of all types, particularly those with technical or quantitative skills such as telecommunications engineers, information technologists, financial planners and investment bankers. Gara (2007) further observed that since the oil boom began in the Gulf region, the temptation for Egypt's best and brightest professionals to take up more lucrative positions abroad has been strong. The exodus of highly skilled professionals to Europe and the United States is a daily

occurrence in many African countries such as Nigeria, Ghana, Kenya and Ethiopia, and is largely responsible for talent scarcity (Gara, 2007).

### **1.1.3 Talent Management in Kenya**

Business Review Management, (2013) reports that Kenya faces the challenge of shortage of talent. These challenges include hiring, retaining, training and motivating professional talent. Moreover, shortage of talent management is felt in both professional and non professional management in Kenya. For example, early retirement leads to shortage of staff as there are no qualified personnel to fill these positions. Kenani, (2011) established that there seemed to be an urgent need for increasing scientific knowledge and skills of the employees at geothermal companies in Kenya. Human resource management needed to put more emphasis on the productive development and use of people in the company to collectively achieve the organization's strategic business objectives. Generally, it was found that geothermal companies were challenged to strive to work towards improved balance between labour supply and demand, a better trained workforce and increased employability of the workforce (Kenani, 2011).

### **1.1.4 Companies Listed in Nairobi Securities Exchange**

Companies listed in the Nairobi securities exchange are composed of the blue chip companies here in Kenya. For the company to be listed in NSE, they must stand out among the rest and they must meet some certain criteria of quality standards .This companies according to NSE manual (2002) must have declared



good profits after tax in at least three months of the last five months completed periods before date of offer also these companies must have a minimum of authorized and fully paid up capital of Kshs 50 million and net assets of not less than Kshs 100million. The researcher therefore had a justification for the choice of NSE companies as the target population as best talent management practices were more likely to be found in them than other companies .

The formation of Nairobi Securities exchange which was formally known as Nairobi stock exchange was as a result of consultations with the London Stock Exchange, leading to the authorization of an overseas stock exchange to serve the East Africa region in 1953. In 1954 the Nairobi Stock Exchange was then constituted as a voluntary association of stockbrokers registered under the Societies Act. The companies listed in the Nairobi securities exchange belong in different categories including agricultural, commercial and services, banking, insurance, investment and manufacturing, construction, energy and petroleum, telecommunication and technology, and allied sectors (Onyenje, 2013). There are as of December 2012, 57 companies listed at the Nairobi securities exchange. Listed companies are generally big and publish their reports hence investors use these reports to judge which firm to invest in (NSE handbook, 2013).

## **1.2 Statement of the Problem**

The logic behind talent management is based on the fact that business is run by people, they are the ones who create value by using corporate assets to create products and

services that people need. The implication is that the better the people an organization has the better it will perform and this is the rationale behind talent management to attract, develop, and utilize the best brains to get superior business results (Tonga, 2007). However, managing talent is a challenge to all organizations as they compete for the same pool of talents (Gardner, 2002). Nyambegera (2002) concurs with the same that performance is more dependent on proper utilization of human capital rather than on physical capital. The importance of talent management therefore in NSE listed companies in Kenya is ensuring the firms are future-oriented that is to have the right skills in place to be able to grow and perform in the future that is increasingly unpredictable, but not to wait for future challenges before attempting to solve them through talent programmes (Nana,2013).

Talent shortage is being experienced and this impact every organization without regard to industry, and that this comes from the fact that the skills set possessed by available workers may not match the advanced, more complex skills required by businesses (Buhler, 2008). Nana (2013) suggests that organizations should ensure that they are better positioned to meet the problems of the talent shortage. Study by the Human Capital Practice of Deloitte (2005), found that the approaching Baby Boomer retirements, widening skills gap due to reducing educational standards and outdated and inefficient strategies to talent management are contributing to challenges that threatens the global business economy. Citing a survey involving 123 Human

Resource senior managers, the research reveals that incoming workers with poor skills (70%); Baby Boomer retirements (61%); and inability to retain key talent (51%) combine to pose the greatest threats to business performance (Nana, 2013).

Globalization has enabled talented employees not to limit the marketing of their skills within one region, but they can look for jobs in firms across the world. As a result of this experts are concerned with the possibility of intense global competition for talents and therefore generate attention over how talent is recruited, retained, developed and managed (Cappelli, 2008).

Most of the studies examining the relationship between talent management practices and the organization performance have been conducted mostly in other countries like Malaysia and Nigeria therefore the researcher intends to fill the existing gap by carrying the study in NSE listed companies in Kenya. Review of the past studies conducted in Kenya on the organization performance did not touch on talent management but other human resource practices .Waiganjo (2013) investigated the effect of competitive strategies on the relationship between strategic human resource management and the firms' performance of Kenyan corporate organizations. Ngari (2012) investigated the relationship between intellectual capital Accounting

and the business performance in the pharmaceutical firms in Kenya. The current study therefore sought to fill the existing research gap and also provide a better understanding through the empirical evidence of the effect of talent management on the organization performance in companies listed in NSE in Kenya.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to investigate the effect of talent management on organizational performance in firms listed in the NSE in Kenya.

#### **1.3.2 Specific Objectives**

Specifically, the study sought to achieve the following objectives.

1. To establish the effect of talent attraction on organizational performance in companies listed in the NSE in Kenya.
2. To determine the effect of talent retention on organizational performance in the NSE listed companies in Kenya.
3. To determine the effect of learning and development on organizational performance in companies listed in the NSE in Kenya.
4. To determine the effect of career management on organizational performance in companies listed in NSE in Kenya.

#### **1.4 Research Questions**

The study was guided by the following research questions.

1. What is the effect of talent attraction on organizational performance in companies listed in the NSE in Kenya?
2. What is the effect of talent retention on organizational performance in companies listed in the NSE in Kenya?
3. What is the effect of learning and development on organizational performance in companies listed in the NSE in Kenya?
4. What is the effect of career management on organizational performance in companies listed in NSE in Kenya?

#### **1.5 Research hypotheses**

H<sub>01</sub>: There is no significant effect of learning and development and organizational performance in companies listed in the NSE in Kenya.

H<sub>02</sub>: There is no significant effect of talent attraction and organizational performance in companies listed in the NSE in Kenya.

H<sub>03</sub>: There is no significant effect of talent retention and organizational performance in companies listed in the NSE in Kenya.

H<sub>04</sub>: There is no significant effect of career management and organizational performance in companies listed in the NSE in Kenya.

## **1.6 Significance of the Study**

The study is relevant to the following stakeholders;

The study findings can help the NSE listed companies in evaluating the importance of talent management on their performance in terms of profitability, productivity, sale increases, return on investment and competitiveness. NSE listed companies are becoming more aware of importance of talent management in this era and this study adds emphasise on the link between talent management and the organizational performance.

The NSE listed companies will also learn from this study and understand the various talent management strategies including talent attraction, talent retention ,learning and development and career management which will help them improve on their organizational performance .The study findings informs the NSE top management on which components of talent management have a better link to the organizational performance and hence save on costs of conducting research on their organization because they can rely on this study findings .

This study would not only benefit the NSE listed firms in Kenya, but it would be of significance for other African developing countries and especially members of the East African community that are culturally, economically and politically similar to Kenya. The study will also benefit potential NSE investors when making decisions on which company to invest in. Finally, the study will be of great benefit to academicians and researchers who would like to pursue

the subject further given the exceptional dearth of local data in this particular field.

### **1.7 Scope of the Study**

The study sought to determine the effect of talent management on organizational performance in the firms listed in the Nairobi Securities Exchange in Kenya. Talent management components of talent attraction, talent retention, learning and development and career management were the independent variables and the organization performance the dependent variable. The target population consisted of 534 top managers including top human resource managers of the 57 NSE listed companies (NSE handbook, 2013). The rationale for choosing NSE was informed by the fact that when considering the value and importance of talent, we needed look no further than the security market (Annual Report, 2009). Furthermore, Capital Market Authority (2008) found that in 1994, the NSE registered a 179% return in dollar terms and was ranked the best performing stock market in the world and in 2006, Kenya was ranked 5th largest after South Africa, Egypt, Morocco and Nigeria.

### **1.8 Limitations**

The study experienced an initial slow response from the respondents who were mainly busy senior managers of the NSE listed companies but this was mitigated by having constant follow up on phones and the physical visits to the respondents' offices by use of research assistants .Another expected limitation

in this study was that most NSE listed companies considered some information as confidential and hence could not be willing to reveal most of it. The study however overcame the limitations by having a letter of introduction from the university to assure the respondents that the information provided would be used for academic purposes only and would thereby be treated with confidentiality.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter looked at the literature reviewed from various studies that helped in explaining more on the dependent variable organizational performance and the independent variables talent attraction, talent retention, learning and development and career management . Also in this chapter a theoretical and conceptual framework for guiding the study was drawn. At the end of the review, a reader was expected to have an understanding of the relationship between attracting talent, talent retention, career management and learning and development in relation to the organizational performance. Critiques and the research gaps were also identified in this chapter.

#### **2.2 Theoretical Framework**

A theory is a set of statements or principles devised to explain a group of facts or phenomenon especially one that has been repeatedly tested or widely accepted and can be used to make predictions about natural phenomena(Popper,1963).Theories are analytical tools for understanding ,explaining and making predictions about a given subject matter (Hawking,1996). A theoretical framework is a collection of interrelated ideas based on theories .It attempts to clarify why things are the way they are based

on theories; It's a general assumption about nature and phenomenon (Kombo & Tromp, 2006).

### **2.2.1 Theory on Talent Attraction**

Maslow (1908-1970) need hierarchy theory was used to expound on concept talent attraction and is based on the assumption that, human needs can be classified into five categories as follows; at the bottom is the physiological needs which are fundamental and must be satisfied before all other needs. Saleemi, (2006) noted that an organization can help individuals satisfy their needs by providing good pay, proper working conditions and other benefits. In the context of this study, the researcher argued that Maslow's theory could be used by firms listed in the NSE to attract employees through favourable working conditions as supported by Mwangi (2009) who observed that organizations could provide basic needs through fair wages and safe working conditions.

Once the physiological needs are satisfied ,safety needs become significant .This needs consists of physical safety or protection against fire ,accident and economic securities against unemployment .An organization can influence safety needs by providing job security, pension plans, Insurance plans, safe and healthy working conditions, Nzube, (2009). It was deduced that employees could be attracted to organizations that satisfied their safety needs by having job benefits such as pension plans and safe working conditions. Next in the

hierarchy is the social needs; man is a social being, therefore he has a need to belong and to be accepted by others. Social needs include need for love and affection, association with and acceptance by various social groups (Saleemi, 2006). It could therefore be inferred that employees were attracted to work for an organization that satisfied their social needs by having good work –life balance as well as having good social net-working (Kelly, 2013).

Self esteem involve how others see us at work and can be enhanced by working for an organization with good employer brand and allowing employees to gain qualification at work. In addition, employees would be attracted to work for organizations that give them room to grow to their full potential thus realizing self actualization (Mwangi, 2009).

### **2.2.2 Theories on Talent Retention**

The following theories were used to explain the concept of talent retention and organization performance; first was the equity theory of motivation as advanced by Adams (1965) .The theory is related to the potential rewards that are promised to an individual. The major tenet of the theory is balance or equity. For example, an individual motivation level is determined by how he/she perceive equity, fairness and justice practiced by the management (Nzuve, 2007). The implication is that the higher the degree of employees perceiving fairness, the more they are motivated to perform and also their levels of commitment increases and hence they are loyal to the organizations and are likely to remain there for long. This theory is based on the assumptions that

individuals are concerned both with their own rewards and also with the reward of others in the same rank, and employees anticipate that an organization will treat them with fairness and equitability in terms of the input they make and the reward they receive. Moreover, Adam (1965) argues that those employees who perceive that their job input does not match the reward they get will seek to address this perception by either low performance or turnover.

In the context of this study, equity theory was important for employee retention, as it influenced the perception of employees working for firms listed in the NSE that they are getting fair and equal rewards. Drafi & Kossen, (2002) in support of this relationship argue that employees are probable to compare the inputs they devote to the work with the outputs they receive from the organization. Once they feel they get less output for the work they have done, they perceive this as unfairness and unequal and tend to be unsatisfied or not motivated and hence are likely to leave the organization. On the other hand, if employees perceive fairness and equity they are unlikely to leave. In the context of the current study it was inferred that organizations could retain their employees by having policies and strategies that employees perceive as fair and equitable for instance having competitive compensation system that has both internal and external equity.

Secondly talent retention was also expounded by use of the Herzberg (1974) two-factor theory. It is based on the tenet that there are two factors that need to

be present in an employee's job situation: hygiene and motivation. According to Herzberg (1974), there are some job factors that result to satisfaction while others prevent dissatisfaction. According to Herzberg, hygiene factors are those job factors that are important for motivation to take place at the work place. If these factors are not present, they lead to dissatisfaction. These factors include pay, working conditions, supervision and company policies and administrative policies (Nzuve, 2009).

On the other hand, motivational factors are those factors that lead to satisfaction of employees. These factors motivate employees to perform. These factors include recognition, sense of achievement, growth and promotion opportunities, responsibility and meaningfulness of the work (Nzuve ,2009) .In the context of this study, the researcher argued that hygiene factors such as competitive compensation system and company policies like having flexible working hours and offer of employees insurance cover were associated with talent retention which leads to improved organization performance, motivational factors too such as growth and promotion opportunities could be associated with talent retention strategies .

### **2.2.3 Learning and Development Theories**

The researcher used reinforcement theory to explain more on the concept of learning and development. Reinforcement conditions behaviour, people are most likely to engage in desired behaviour if they are rewarded for doing so. Behaviours that are not rewarded are less likely to be repeated as people repeat

behaviours that are positively rewarded and avoid behaviours that are punished; managers can influence their junior's behaviour by reinforcing acts that they deemed favourable (Nzuve,2007).There are two schedules of reinforcing; a continuous reinforcement schedule reinforces the desired behaviour each and every time it is demonstrated, in an intermittent reinforcement not every instance of the desired behaviour is reinforced. Reinforcement is given only often enough to make behaviour repeated (Saleemi, 2006).In the context of the current study the researcher argued that the reinforcement of behaviour is related to learning and development strategies that the trainers use when conducting employee coaching ,mentoring and the on the job training of employees because as Gupta (2008) says coaching occurs between the employee and supervisors and focuses on examining employees performances and taking actions to maintain effective performance and correcting ineffective performance .Mentoring also involves helping the employee learn the ropes and preparing the employee for increasing responsibilities (Gupta,2008).All these methods ,the researcher noted were involved in encouraging and reinforcing effective behaviours while at same time discouraging ineffective behaviours.

The second theory was the social learning theory which was proposed by Albert Bandura (1977) and is one of the most influential theories of learning and development .Bandura believed that direct reinforcement could not account for all types of learning and added a social element, signifying the concept that

people can learn new information and behaviours by watching other people. This is known as observation learning or modelling. Bandura believed that people were capable of imagining themselves in similar situations and incurring similar outcomes (Ewen, 1980). Once the behaviour is learned it may be reinforced or punished by the consequences it generates. In the context of the current study on effect of talent management on organization performance in companies listed in Nairobi securities exchange, the researcher argued that social learning theory was applicable to the learning and development strategies like coaching and mentoring.

#### **2.2.4 Career Management Theory**

The self concept theory of career development which was developed by Super (1990) is one of the most influential theories of career choice and development. He suggested that career choice and development is essentially the process of developing and implementing a person's self concept. Self concept according to Super (1990) is a product of complex interactions among a number of factors such as personal experiences, mental growth, environment and physical growth. Super (1990) believed that the degree to which a given individual career development is successful depends on how that person is able to implement his or her career self concept. Individuals career concept according to Super is a product of interaction of the persons personality interest, experiences, skills and the values and the way in which they integrate these characteristics into their various life roles. As people experience new situations, meet new people and

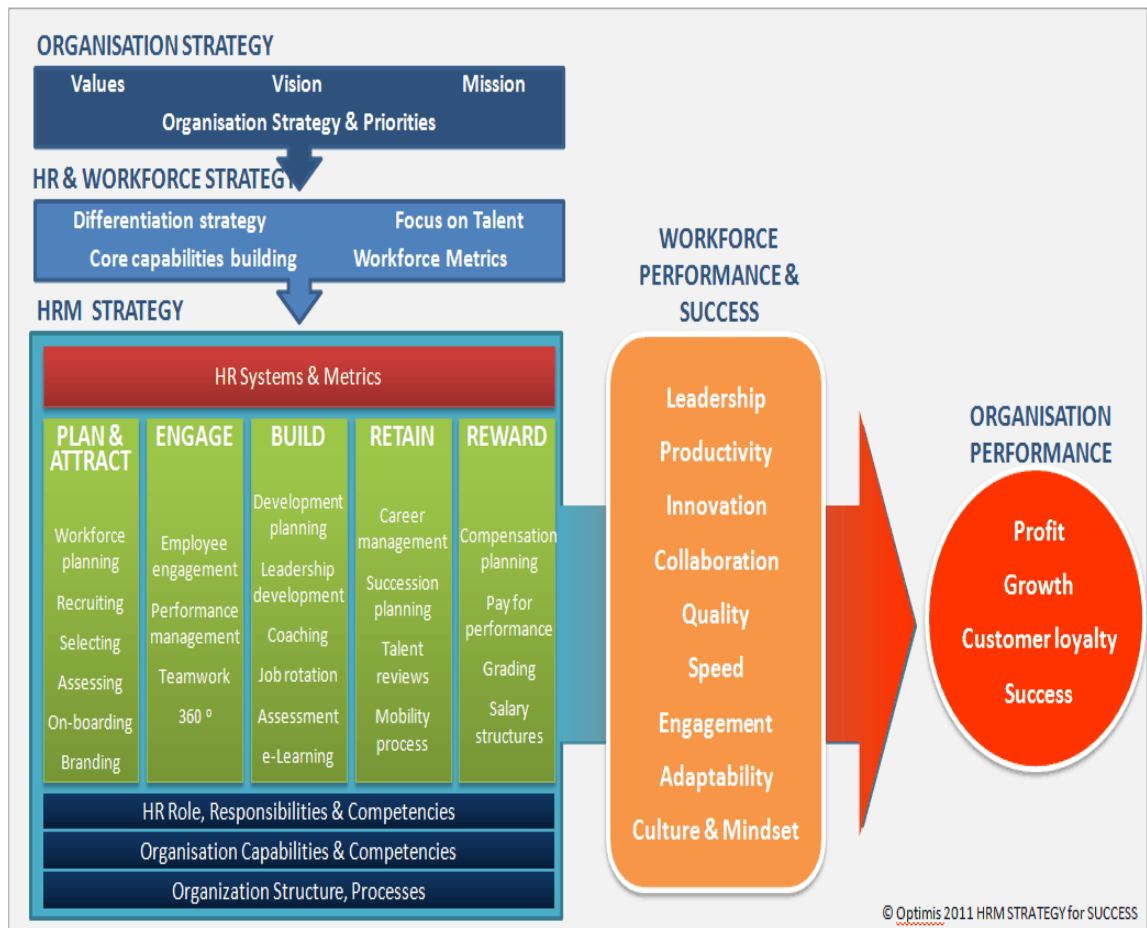
learn more about the world of work ,they are likely to develop new interest ,unlock new possibilities of expressing self concept and find new ways of integrating their career choice(Super,1990).

### **2.2.5 Talent Management Theory**

The researcher used human capital theory which emphasises the value added that investment in people by organization generate worthwhile return .The theory further suggests that investment in people leads to economic benefit for the individual and the organization as a whole (Sweet land, 1996). Further, talent management and its link to the organization performance can be expounded by the resource based theory which provides explanations on how firms can create value by managing their resources including its employees (Ngari, 2013).The theory indicates that a resource has to be valuable that is it must enable a firm to employ a value creating strategy by being rare and inimitable (Barney, 1991).

Optimis, HCM consultancy firm (2011), talent management model was also relied on by the researcher to help identify various talent management components and their link to the workforce performance which eventually lead to organization performance.





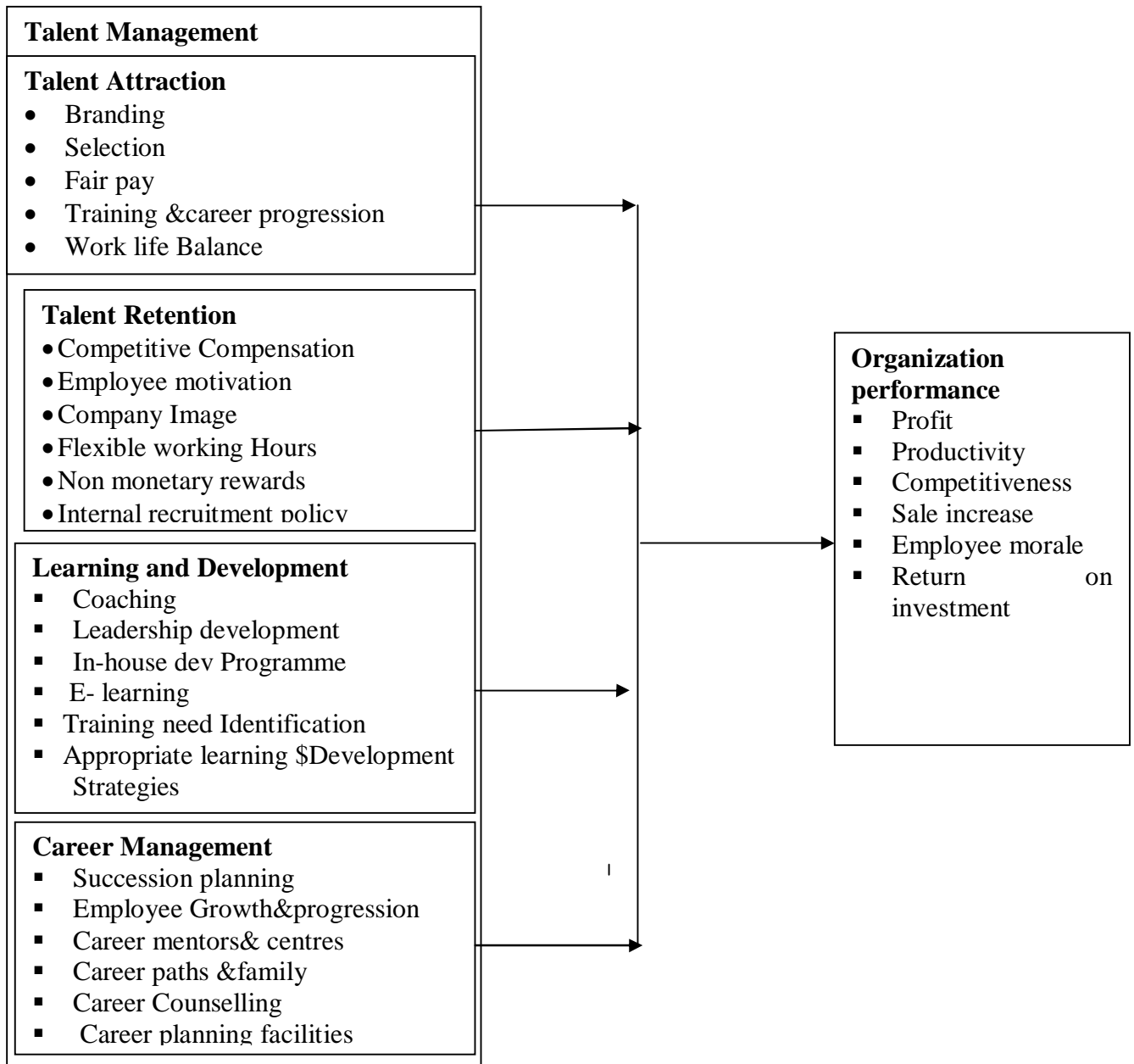
**Figure 2.1: Talent management and Organization performance Model**

Source; OPTIMIS (2011)

### 2.3 Conceptual Framework

A conceptual framework explores the relationship between the independent and the dependent variables. An independent variable is the presumed cause of changes in the dependent variable (Kothari,2004).The conceptual framework hereunder illustrates the perceived link between the independent variable (talent management )and the dependent variable the organizational performance .The

variables considered to affect the organization performance in this study were profit, productivity ,competitiveness, sale increase ,employee morale and the return on investment (Tonga, 2007, Yeung, Cheng et al 2006 Rahman et al 2005).The independent variable talent management had talent attraction, talent retention, learning and development and career management as components that make it up (Armstrong, 2011).



Independent Variables

Dependent Variable

Figure 2.2 Conceptual Framework

## **2.4 Review of Variables**

### **2.4.1 Talent Attraction**

The components of talent attraction are recruitment and selection, employer branding, employee value proposition and employer of choice (Armstrong, 2011). Recruitment and selection requires that organizations use various methods or techniques of selecting the right talent that reflects the culture and value of that particular organization (Armstrong, 2011). The recruitment of members of talent pool is the first task of talent management strategy. The talent pools is a group of employees with special traits and are source of future senior executives (Ballesteros & Immaculate, 2010). The sources of talented employees can be internal or external. The best way to create a talent pool is the internal sources since the employees have already the knowledge of how business processes work and can be incorporated directly into the new position and the morale of workforce uplifted (Davis et al., 2007). However, if the organization want to introduce radical changes or to renew the culture, external sources are the best (Ballesteros et al., 2010). Managers should realize that recruiting and developing talented staff is of importance to the success of their business objectives and hence implied that it is important for the managers to seek employees with competences and abilities that will contribute significantly to their teams (Coetzee, 2004).

To be able to hire the right talented employees for organization success, talent search matrix is very important as it shows different combinations of qualitative and quantitative element of the potential employee. This matrix allows recruiters to focus on the characteristics that are required on the job that has to be done (Davis et al.,2007).The talent matrix elements to shape the image of the employee needed includes experience ,profile ,qualification, expertise, potential and qualification which can be summarized to experience, profile and qualification. Expertise, potential and qualification are important to the future development of the person who the organization is seeking (Davis et al., 2007).

Employer branding includes development of an organization's image, good enough to attract employees. In order to attract the best, organizational branding is a useful strategy, the organizations that manages its corporate brands effectively, will gain advantage in the highly competitive global market place (Kim, 2008).Without the good brand image, it will be difficult to attract the right talents (Ana, 2009).Top rated companies have one characteristic in common that is they give clear and consistent messages about themselves and that translates into a strong pull on talents (Agwarala, 2007). Employee value proposition is characterized by the potential employee's perception of the value of an organization seeking to recruit him. The employee's measure value proposition based on the challenge the job posses, work environment, training opportunities, flexibility and reputation of the organization (Oehley, 2007).

Organizations need to evaluate what they offer to already existing and the new talents and what they expect in return from the view point of the both employer and the employee, this value proposition has to offer fair value exchange .Value proposition is reflected in the organizations image, reputation, mission and records (Sloan &Van, 2003).

Iles & Preece (2010) argued that employers have no choice but to brand themselves as employers of choice. This implies that the companies must have a good image in terms of employee working conditions and rewards. Glen, (2007) relates talent attraction to successful talent management hence good organization performance. For this reason, in order for talent management to be successful, then they have to ensure that they have a ‘talent pool’ where they can draw their workforce from when need arises.

In the study Botha & Swardt, (2011) which intended to develop an employer brand model that would enhance talent attraction and retention, the research paradigm adopted in the study was non empirical and a model building approach. A total of 129 manuscripts were reviewed by means of key words to identify data of relevance. Research findings indicated that employers who first established target group needs were able to attract talented employees. Further findings indicated that communication of employer brand message was also an important determinant of whether the right job seekers would be attracted to the organization.

Kelly, (2013) survey of 100 businesses involved in engineering, finance, government, IT, manufacturing and telecommunication sector, findings indicated that the major components of talent attraction included salary packages, benefits, company culture, recruitment styles, staff turnover, work-life balance, and social networking. The support and active involvement of line managers is very critical at the stage of talent attraction, as in all the other stages of talent management (Stewart, 2008). This is because; line managers interact with employees on a daily basis and therefore the relationship between line managers and employees determined the duration the employees stay in the organization or the input they make at the work place. This implies that line managers are directly involved in the creation of an employer brand.

Worldatwork, (2009) study examined the relative influence of five reward elements on individual attraction, motivation and retention to an organization. Using policy-capturing analysis, the study tested these propositions by surveying three cohorts of professional accounting college students at stages ranging from pre-consulting to post-hire. Findings revealed that development and career opportunities were most important to attracting talented employees to all the big certified public accounting firms in the United States.

A potential employee is motivated to apply for a job at a certain organization due to the job and organization's characteristics (Rynes & Cable, 2003). This implies that information provided to applicants during recruitment, including

rewards, is critical because applicants make inferences about specific job aspects based on largely, the facts that they are given. Moreover, compensation attracts employee on different ways (Barber & Bretz, 2000).

Besides pay, employee benefits also play a key role in attraction of talent (Barber et al., 2000). The authors observed that companies with flexible benefits are able to fill open positions quicker than those without flexibility suggesting that the benefits offered do indeed affect attraction of applicants to the job. In addition, the way an organization is able to balance between work-life and family life, makes the organization more attractive to particular applicants, as some people have a very salient family identity and will look for an organization that supports their life outside work.

#### **2.4.2 Talent Retention**

Retention aims to take measures to encourage employees to remain in the organization for the maximum period of time. Talent turnover is harmful to a company's productivity because costs of attraction are high. Direct cost refers to turnover costs, replacement costs and transitions costs, and indirect costs relate to the loss of production, reduced performance levels, unnecessary overtime and low morale (Echols, 2007). Vaiman & Vance, (2008) define two classifications of retention tool to suffice employee's expectation: extrinsic and intrinsic incentives. Extrinsic incentives includes different sorts of monetary rewards which can satisfy employees' physiological needs, while intrinsic



incentives refer to non-monetary rewards that can fulfil employees' psychological needs. The monetary reward is admitted as an essential tool to retaining talent (Vaiman et al., 2008). Hughes & Rog (2008) said various organizations around the world have similarities and differences on the strategies they use to retain talent. For example, in Brazil, France and Netherlands, they retain talent through stimulation; in Japan, the employers use intimidation to earn employees trust and respect; in Italy, organizations conduct effective performance assessments; in South Korea, employees retention is based on performance targets; while in Canada, the determinants of retention include employee satisfaction and motivation.

In other studies, the monetary reward is admitted as an essential tool to retaining talent (Vaiman et al .2008). O'Callaghan (2008) emphasizes that the only way for organizations to retain talented employees is through making sure that the employees are competitively compensated .He identified the strategies that can help in retention of employees to include signing bonuses , stock options with a maturity clause and market-related incentives and pay.

Mendez &Stander, (2011) further emphasizes that a company needs to invest in employee retention in order to be successful. For example, a good compensation package is important in retaining employees, offering an attractive, competitive; benefits package with components such as life insurance, disability insurance and flexible hours motivates employees to

commit themselves to an organization (Lockwood & Walton, 2008). In light of the above, a salary offered to an employee should not only be viewed as a sum of money, but as a package of remuneration in order for the payment to serve as a retention factor. Gomez-Mejia et al. (2006) refers to this as internal and external equity. External equity is the perceived fairness of the remuneration in comparison to how much other employees in the same kind of work are receiving in the same industry. On the other hand, internal equity refers to how an employee perceives his pay to be fair in comparison to another employee who he perceives to be in a similar position within the same organization. For the talent to be cultivated the employee must be able to experience both intrinsic and extrinsic reward from their jobs. Should the employee find job interesting and challenging, they will exert all necessary effort in doing the job and therefore lead to increased productivity.

Chikumbi, (2011) study was initially carried out through literature review and later empirical study. Findings from both the literature review and the survey were compared to establish whether there was any distinction between the findings of the literature review and practices of talent retention in Zambian Banks. The study found that successful talent retention involved planning the goals of the organization through to succession planning. However, workers complained that the compensation and reward system was biased and therefore many employees felt that their career progression was jeopardized. Moreover,

there was problem of adoption of organizational culture among the respondents to poor perception of the same.

As an element of talent management, talent retention implies that the organization intends to retain its most talented employees or those employees that will likely leave (Armstrong, 2011). Organizations are not always successful at retaining talented workers but can use tried and tested strategies to retain their best employees (Armstrong, 2011). Talent retention is affected by specific demographic factors such as age, gender and the profile of talented employees. There is a tendency amongst younger workers to change jobs regularly whereas older workers require security and job stability. Other factors that influence talent retention are company image, recruitment, selection and deployment, leadership (employees join companies and leave managers), learning opportunities as well as performance recognition and rewards (Armstrong, 2011). Before going out the organization to look for talent, it is prudent to consider in-house pool first .Selecting an internal staff provides a moral boost for serving employees and allows them to grow.

In the study Poorhosseinzadeh & Subramanian, (2012) conducted in Malaysia involving Multinational companies .The Study sought to find the determinants of talent management on success of a the company .The study findings found a positive and significant relationship between talent retention and the success of the Multinational Companies in Malaysia.

### **2.4.3 Learning and Development**

Talent development is the process of changing an organization, its employees, its stakeholders, and groups of people within it, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization (Harburg, 2003). As businesses continually apply new technologies, new business growth models, and new market strategies, the workforce's up-skilling becomes constant and continuous. Understanding strategies of talent development would help companies listed in the NSE to be successful in operating in the market place hence lead to good organization performance. Organizations which practice effective learning and development begin with their employees. This implies that they identify the employees who need learning and development, the level of learning and development they need and the duration during which learning takes place (Harburg, 2003). Organizations with first class learning and development initiatives are excellent in listening to employee improvement needs and are able to express those needs back to the employee in clear and enlightening terms. Davis et al., (2007) noted that the recruitment and development of talented staff was of paramount importance to the success of the business objectives.

People in Aid (2013) further emphasized the need for learning and development by saying that organizations which operated in fast-changing environment needed to adapt in order to stay at the forefront. The usefulness of learning and development was acknowledged in these circumstances because staying at the

forefront meant organizations acquiring new knowledge and skills, and mastering new ways of doing things in order to continue providing a high standard of delivery.

Learning and development has become an important talent management initiative in many companies around the world. For some companies, learning and development is a strategic process that minimizes leadership gaps for critical positions and provides opportunities for top talent to develop the skills necessary for future roles. With other companies, learning and development is a constant struggle, viewed as an administrative exercise rather than as a competitive advantage. In strong economic times, it is easier to ignore deficiencies in the career management process, but in the current economic downturn around the world, the need to identify and develop top talent for critical roles has never been more important (Davis et al., 2007). Learning and development is an approach of an organization ensuring that people with the right qualifications and experience are available when needed (Zheng & Kleiner, 2001). Human resource department is involved in attraction and evaluation of talented people with high potential in the organization, they also have to develop the talent pool meaning they train them in skills that the company needs at that time and in future to exploit their full potential and direct it to improve the organization (Ballesteros et al., 2010).

The report on skills development in sub-Saharan Africa sought to find out the role of government in training (Johanson & Adam, 2012). The study focused on the challenges that governments in Africa were facing in implementation of training programs. The study established that most of the governments focused on policy rather than provision towards the realization of the policies. The overall observation is that Africa was far from addressing the challenges of skill development. Moreover, findings indicated that there were no strategies to address skill development in the informal sector, an area where most of the employment is based, given that white collar jobs are hard to come by in Africa. Analysis indicated that reforms were needed to ensure that both private and public training on skills was beneficial to the workforce.

Johanson et al. (2012) research carried out through literature review was a good indicator of how poor learning and development of employees can hamper effective performance. The study indicated that appropriate strategies have to be put in place to ensure that learning and development leads to organization performance. The researcher, therefore, sought to find out which strategies these were and whether the companies listed in the Nairobi securities exchange practiced these strategies. Moreover, the researcher sought to link those strategies to organization performance. Lockwood (2006) found talent development as an important component in the maintenance of competitive advantage in an organization. The study identified that developing manager

capability, retaining high performers, developing succession pool depth and addressing shortages of management or leadership talent were among the challenges facing human resource managers and business leaders.

#### **2.4.4 Career Management**

Career management is defined as the process by which individuals collect information about values, interests, skill strengths and weaknesses, identify a career goal, and engage in career strategies that increase the probability that career goals to be achieved (Greenhaus et al .,2000). From the company's perspective, the failure to motivate employees to plan their careers can result in a shortage of employees to fill open positions, lower employee commitment and inappropriate use of monies allocated for training and development programs (Gupta, 2008). Using career development approach employers can coach the employee in his individual career planning, and by realizing the plans of employees can plan the allocation of human resources. Thus, the career development is perceived like joint effort between the individual employee and the organization. Career development describes the lifelong process of managing life, learning and work. It involves individuals planning and making decisions about education, training and career choices as well as developing the right skills and knowledge to do this (Farrell &Grant, 2005).

Blackman & Kennedy, (2013) sought to investigate the relationship between talent management and succession planning processes. The study, which was carried out using descriptive and inferential statistics revealed that talent

management and succession planning within government organizations met the requirements and therefore impacted on talent absorption, talent retention and talent development which gave the organizations a competitive edge. This study provided useful insights as to the relationship between career development and talent management. Though the study did not discuss that aspect in depth, it was evident that the existence of one depends on the other. That study therefore acted as a good base for further exploration of the relationship between career development and organization performance in the companies listed in the NSE. Companies with formal succession plan for the top managerial post enjoy a higher return of investment than those that do not have (Heinen et al., 2004).

There are several elements of career management including career development and planning which focuses on planning of employee growth and progression; Career planning seeks to provide guidance and encourage employees to fulfil their potentials and ensure better use of human resources through more satisfied and productive employees. Career planning facilitates expansion and growth of the enterprise .The employees required to fill job vacancies in future can be identified and developed in time. A planned programme of career progress provides a higher level talent from within the organization .It also helps in the optimum utilization of the managerial resources .By meeting their growth aspiration ,it ensures satisfactory employees performance .If the organization is to survive and prosper in an ever changing environment ,its human resources must be continuously developed .In fact ,career planning has now become an



essential prerequisite of effective human resource management ,productivity improvement and organizational growth ( Gupta, 2008).

Career pathing involves creating established career paths and families of jobs within a given area and allowing employees have a vision of progression as well as goals and expectations; employee development consisting of programs and initiatives; learning and development initiatives; management coaching; competitive reward systems; career centres; succession planning; performance management/feedback an effective appraisal system can provide an objective assessment of current performance and future potentials of employees performance feedback helps employees in understanding and developing their potentials ; and cross-functional development programs (Allen ,2005).Career management consists of both formal and informal activities including employee workshops, career mentors , job rotation, job enrichment and career progression ladders, for example organizationally planned programs or developmental stage theories. Organizations may also contribute to career identity by providing abundant opportunities for self-development and opportunities for advancement (Dargham, 2013).

When selecting an employee, organizations may use internal job postings extensively, maintain a job-matching database, encourage job rotations and internal management succession and transfer people across departments laterally to increase their value for themselves and for the firm to improve

organization performance. They may also opt for initiatives like job sharing and only use layoffs as a last resort during conditions of economic uncertainty, as well as give preference to former employees for staffing new positions after a period of downsizing (Lazarova & Taylor, 2009). Dargham, (2013) observations on career management are similar to those of Sturgeins et al., (2002) who observed that organizational career management enhances employee commitment and hence organization performance. Career management help can be seen as one form of perceived organizational support. Perceived organizational support has been positively related to job performance and negatively linked to withdrawal behaviours such as absenteeism and turnover (Rhoades et al, 2001).

Van Dam, (2004) found that people who experience more organizational support have a higher employability orientation. Kraimer et al., (2003) studied the relationship between organizational career management and perceived career support. They defined perceived career support as the employee's belief that the organization cares about his or her career needs and goals. They found that promotional opportunities and informal organizational career management activities, namely informal career discussions with a manager, participation in challenging job assignments and mentoring relationship(s) with senior colleagues, are positively related to perceived career support. Organizational career management practices includes ;performance appraisal as a basis of career planning ,career centres, career counselling by the human resource

department ,formal mentoring ,career workshops, retirement preparation programmes ,succession planning, formal education as a part of career development and lateral moves to create cross functional experience (Agarwala ,2007) .

#### **2.4.5 Organization Performance**

Most commonly used methods for measuring organization performance can be classified into five categories of performance that is financial performance, operational performance, customer satisfaction, employee satisfaction and learning and growth (Tonga, 2007). Financial performance can also be measured by return on investment, competitive position market share growth, overall profitability, sales volume growth, cash flow and Profit improvement (Yeung., et al 2006). Operational performance is measured by productivity, overall quality performance, timeliness, quality improvement, waste reduction, production performance improvement (Fuentes& Montes, 2006). Employee satisfaction is measured by employee morale, employee growth and employee productivity (Rahman, 2006).

Talent-management practices can create the most permanent competitive advantages, new technologies and innovations can be easily be replicated by competitors and generate only temporary competitive advantages. Sustained competitive advantage comes from talent management practices in other words, how the organization

attracts, develops, retains, motivates, manages, and rewards its talent (Heimen et al., 2004). Like a machine, a business will fail to operate successfully if key elements such as processes, systems, and structure are misaligned or hindered by friction between those element and like a machine, a business must be designed, operated, and maintained. These functions are performed by the talent – the human capital employed by the enterprise. Indeed, talent (i.e., an organization's employees), typically is the single biggest lever for driving improvements in business performance. The collective skills of the talent employed in an organization largely comprise the organization's core capabilities.

An organization's talent injects capabilities that are very difficult for competitors to benchmark and replicate. More than any other asset, talent provides the potential for long-term competitive advantage (Lawler, 2008).It means that companies recognize the importance of talent management integration with business strategy to get organization excellence (Boudreau & Ramstad ,2007) .Talent management is important when the firms would like to build winning teams which will be formed by talented people (Davis et al,2007).They can use this teams to solve problems or weaknesses in their organization because they have competent and experienced people in that fields. If a firm wants to be successful, it must invest in talent management of their workers to obtain some conditions in the company like good business

environment (Snell, 2007). For the talent to be cultivated the employee must be able to experience both intrinsic and extrinsic reward from their jobs and should the employee find job interesting and challenging, they will exert all necessary effort in doing the job and therefore lead to increased productivity (Davis et al., 2007).

The company that manages their talents well delivers better results for shareholders. Huselid, (1995) study shows that a standard deviation increase in high-performance talent-management practices is associated with good economic returns. Those select companies, in the top 15 percent of all those in the study in terms of their use of high-performance talent-management practices, were associated with the following financial advantages A seven percent decrease in turnover, an increase of \$3,800 in profits per employee, \$27,000 in sales per employee, and an increase of \$18,600 in market value per employee.

The differentiation point of any business is the skills that its employees possess. Companies that are industrial leaders have devised best plans in attracting, hiring and developing and retaining top performing talents (Snell, 2007). Strategy has to be integrated in all levels or functions of the organization (Davis et al., 2007). fifty percent of the top managers across the globe think there is lack of alignment between talent management strategy and corporate strategy and that is why talent management is not an issue of human resource

department but other organizations top managers are also involved (Ballesteros et al., 2010). There are three factors that should be considered in order to sustain success in the firms, the first factor is the creation of the career paths and reward and development plan for the most talented employees as this will ensure the high quality in the company. The second factor is the development of key positions in the organization and the last factor is the segmentation of the talented pool into each investment category and managing the investment in each category appropriately (Ballesteros et al, 2010).

Management research have accepted that competitive advantage from the internal qualities that is hard to imitate , talent management can be best way to create a long term competitive advantage of the firms (Tonga ,2004), Companies with formal succession plan for the top managerial post enjoy a higher return of investment than those that do not have ( Heinen et al .,2004). Van Dam (2004) found that people who experienced more career support were more productive. He defined perceived career support as the employee's belief that the organization cares about his or her career needs and goals. They found that promotional opportunities and informal organizational career management activities, namely informal career discussions with a manager and participation in interesting and challenging job assignments were positively related to perceived career support.

The RBV theory sought to show that investment in human capital in a firm in the form of training generates a competitive advantage over its rivals, thereby resulting in superior financial performance. That is because such firm specific internal resources are assumed to be inimitable based on its intangible (Barney,1991). Investment in these types of resource affected how learning occurs and knowledge is applied to work, resulting in superior organizational performance.

## **2.5 Empirical Review**

On talent attraction, Poorhosseinzadeh & Subramaniam, (2012) study that was carried out through a quantitative research design on Malaysian multinational companies found a positive and significant relationship between talent attraction and success in an organization with correlation of 0.543 and p value of 0.000 at 0.05 level of significance. They also noted that a company's probability of attracting the right talent depends on the company's values and how the supposed talent views the organization. Also Poorhosseinzadeh et al., (2012) study found positive and significant relationship between talent retention and success with correlation of 0.684 and p value of 0.000 at 0.05 of significance level.

CIPD (2010) study on learning and talent development results indicated that in-house development programmes at 56% and coaching by line managers at 51% ranked among the top effective learning and development practices. E-learning was also identified as key in learning and development. Moreover, the study

found that senior managers and the human resource department were tasked with ensuring that courses were delivered and overall planning of the learning process carried out effectively. This study was carried out through a survey of various organizations. The study also found that the skills the employer said they needed to focus on in order to meet their business objectives were mainly leadership skills at 65%, frontline people management skills at 55% and business awareness at 51%.

Azara and Syed,(2013) study on employee training and the organization performance ,revealed a significant and positive association between training and the organization performance .The study used both the qualitative and quantitative research designs and questionnaires were the main data collection instruments .Poorhosseinzader et al., (2012) cross sectional study done on Malaysian Multinational companies also found a positive and significant relationship between developing talents and the success of the companies with correlation of 0.728 and p value of 0.000 at 0.05 level of significance .

Khulida and Siti (2004) in the study about the relationship between organizational career management and performance, results of the study indicated that there was significant and positive relationship between organization career management and the individual performance. Questionnaires were the main data collection instrument and the sample comprised insurance sales people.



Kehinde (2012) carried out a study on talent management effect on organization performance in Nigeria and had the following findings ;the results showed that there was evidence that talent management ,profitability and return on investment were highly correlated .However talent management index had a higher correlation with profitability level at 3.72 than with return on investment at 3.64 which was attributed to the general belief in Nigeria that the organizations pursue the profit motive at all cost including the use of talent management .The study results showed that 95%of organizations visited were either applying talent management or partially applying talent management. The questionnaires were used as the survey method of primary data collection .Correlation coefficient and t-student distribution were methods used in the analysis of data gathered.

## **2.6 Critique of the Existing Literature Relevant to the Study**

On talent attraction and talent retention, Poorhosseinzader et al., (2012) in a study on determinants of successful talent management in MNCs in Malaysia used only success as a measure of the organization performance. The researcher faulted those findings, and argued that there were many other measures of the organizational performance including profitability, sales, employees' morale, competitiveness and productivity. According to CIPD (2010) study on learning and talent development, carried out through a survey of various organizations. The study detailed in depth the learning and development strategies that were

considered important by different organizations. However, the study did not outline how these strategies had impacted on organizational performance.

On career management, the study on determinants of successful talent management in MNCs in Malaysia (Poorhosseinzadeh et al ., 2012), provided that there was a link between attracting talents, deploying talent, developing talent, retaining talent and succession planning with successful talent management. However, the study did not deeply delve into other components of career management other than succession planning. Also the study did not link talent management with the organization performance.

On talent management and the organization performance, Kahinde (2012) study on how talent management affected organisation performance, the study used only 16 questionnaires which were randomly administered to senior managers. The researcher faulted that study by arguing that the 16 questionnaires may not have been sufficient to effectively reflect the real situation of talent management and organizational performance in Nigerian multinational Companies.

## **2.6 Research gaps**

On talent attraction and talent retention, the researcher intends to fill the existing research gap in Poorhosseinzadeh et al.,( 2012) study by use of other performance measures other than success that is profitability, sales ,employees morale ,competitiveness and productivity and determine the relationship between talent attraction and talent retention and the organization performance .

According to CIPD (2010) study on learning and talent development, carried out through a survey of various organizations. The study detailed in depth the learning and development strategies that were considered important by different organizations. However, the study did not outline how these strategies had impacted on organizational performance. The current study intended to establish the effect of learning and development on organizational performance in companies listed in NSE.

On talent management and the organization performance, Kahinde (2012) on the study that sought to establish the effect of talent management on the organization performance, positively linked talent management and organization performance by stating that talent management was positively correlated to organizational profitability and return on investment. However, Kahinde (2012) study had a small sample of 16 respondents which the researcher faulted not being representative enough. The current study sought to fill that gap by having a sample size of 224 respondent consisting of top managers of NSE listed companies who were representatively drawn from all the ten sectors or stratum of NSE listed companies .

## **2.7 Summary**

Talent attraction ensures that an organization get the best skilled manpower available in the market. Besides skills, organizations sought to get employees who have a passion for their work. From the literature, key component of

learning and development in organizations was to ensure that effective strategies were put in place to allow organizations constantly train employees on their various tasks, ensure that they learnt new tasks and grew career wise hence contributing to the organization performance.

Talent retention was found to be very important by many organizations reviewed in this chapter. This was probably because talent retention touches on the kind of employees that are attracted to the organization, learning and development taking place in the organization and how the employer manages the overall career of employees. Literature reviewed established that there was a significant relationship between retention and organization success due to improved organization performance. Career management is important to any organization because how effectively an organization carries out career management determines its performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The purpose of this study was to investigate the effect of talent management on organizational performance in companies listed in Nairobi securities exchange in Kenya. This chapter sets out the methodology that was used to achieve the objectives of the study .The methodology includes the target population, Sampling techniques and data collection and data analysis techniques.

#### **3.2 Research Design**

The researcher used interpretative philosophy as described by Hatch et al (2006). The interpretative philosophy believes that the social world of management and business is too complex as to be formulated in theories and laws such as in natural sciences .According to the philosophy, there are many truths and meaning of simple fact and there are suitable for every situation and for every research problem (Jansson 2007) .The research philosophy plays an important role in order to produce end result from the collected data. In this research philosophy, the researcher does not only interact with the environment but also seeks to make sense of it through their interpretation of events and meaning that they draw from these (Saunders, 2003).This study will adopt the interpretivist philosophy because the study aims at inquiring into what individual perspectives exist across the companies listed in the Nairobi Security Exchange with respect to organizational performance.

The researcher used cross-sectional survey design using both quantitative and qualitative approaches. The researcher used qualitative approach because it aimed to achieve an in-depth understanding of the situation about talent management and the organizational performance (Cooper & Schindler, 2006). The researcher used open ended questions and content analysis which met the criteria described by Cooper et al. (2006) about qualitative research design. The quantitative approach was used to quantify the hypothesized relationship between dependent variable organizational performance and the independent variables talent management. This was because it described the variables and their relationship (Nicholas, 2011).

### **3.3 Target Population**

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of people, elements, and events, group of things or households that are being investigated to generalize the results. Mugenda & Mugenda (2003) define a target population as that population to which a researcher wants to generalize the findings of a study. The target population of this study was 534 top managers of NSE listed companies. The rationale for choosing top managers was because they are responsible for organization performance of their various companies. They are also responsible for managing budgets and action plans in their companies therefore they determine whether the

components of talent management that could lead to organization performance are in place .

### **3.4 Sampling Frame**

Sampling frame is the actual set of units from which a sample has been drawn (Mugenda & Mugenda, 2003). It is a physical representation of the target population and comprises all the units that are potential members of the sample (Kothari, 2004).The sample frame consisted of NSE listed companies in Kenya. As per NSE handbook (2013) ,there are 57 listed companies in Nairobi security exchange .These led to a sample frame of 57 companies already defined into ten sectors that is agriculture ,automobile and accessories ,banking ,commercial and services ,construction and allied sectors ,energy and petroleum ,insurance ,investment ,manufacturing and telecommunication and technology. The rationale for choosing NSE listed companies was informed by the fact that when considering the value and importance of talent, one need look no further than the security market (Annual Report, 2009).

### **3.5 Sample and Sampling Technique**

The researcher used stratified sampling in order to achieve the desired representation from various sub groups in the NSE listed companies .In stratified random sampling ,subjects are selected in such a way that the existing subgroups in the population are more or less reproduced in the sample (Mugenda & Mugenda, 2003).In the ideal stratification each stratum is homogeneous internally and heterogeneous with other stratum and stratification

is also important when the researcher wants to study the characteristics of each of certain population subgroups (Cooper et al., 2006).The researcher had ten heterogeneous strata from NSE listed companies that consisted of subgroups in agriculture ,automobile and accessories ,banking ,commercial and services ,construction and allied sectors ,energy and petroleum ,insurance ,investment ,manufacturing and telecommunication and technology.

The researcher calculated the sample size using the formula given by (Mugenda & Mugenda, 2003).

$$N = \frac{Z^2 pq}{d^2}$$

Here:

n = the desired sample size (If the target population is greater than 10,000)

z = the standard normal deviate at the required confidence level.

P= the proportion in the target population estimated to have characteristics being measured.

q = 1-p

d = the level of statistical significance set.

If there is no estimate available of the proportion in the target population assumed to have the characteristics of interest 50% should be used (Mugenda et al,2003).Z statistics is taken as 1.96 and desired accuracy at the 0.5 level. The sample size is:



$$N = \frac{(1.96)^2(.50)(.50)}{(.05)^2}$$

$$= 384$$

If the target population is less than 10, 000, the required sample size will be smaller and is calculated using the formula below (Mugenda and Mugenda, 2003).

$$n_f = \frac{n}{1 + \frac{(n-1)}{N}}$$

Where  $n_f$  = the desired sample size (when the population is less than 10,000)

$n$  = the desired sample size (when the population is more than 10,000)

$N$  = the estimate of the population size.

Using the formula the sample size will be.

$$N_f = \frac{384}{1 + \frac{(384-1)}{534}}$$

$$= 224 \text{ respondents}$$

In order to get equal representation from each stratum, the researcher computed percentage presentation by considering the size of each stratum as a percentage

of total population. The researcher then multiplied the percentages of each stratum with 224 to get representative proportionate sample from each stratum.

**Table 3.1 Sample Size**

<b>Sector</b>	<b>No of Companies in Each Sector</b>	<b>Total Population of Top management (x)</b>	<b>Representative s of each stratum <math>\frac{x}{y} \times 100 = Z\%</math></b>	<b>Sample size Z% of 224</b>
Agriculture	7	53	10	22
Automobiles and accessories	4	36	7	16
banking	10	114	21	47
Commercial and services	8	76	14	31
Construction and Allied sectors	5	43	8	18
Energy and petroleum	5	36	7	16
Insurance	6	64	12	27
Investment	3	26	5	11
Manufacturing	7	68	13	29
Telecommunication and technology	2	18	3	7
<b>Total</b>	<b>57</b>	<b>534</b>	<b>100</b>	<b>224</b>

### 3.6 Data Collection Instruments

Zikmund (2003) defines data collection tools as the instruments used to collect information in research or the methods employed to collect research data. The choice of the methods to use is influenced by the nature of the problem and by the availability of time and money (Cooper & Schindler, 2006).

### **3.6.1 Primary Data**

Primary data is the data which is collected a fresh and for the first time and thus happen to be original in character (Kothari, 2004). Louis et al., (2007) describes primary data as those items that are original to the problem under study. Primary data was collected through the administration of semi-structured questionnaires to the top managers of the NSE listed companies. A questionnaire is a data collection tool, designed by the researcher and whose main purpose is to communicate to the respondents what is intended and to elicit desired response in terms of empirical data from the respondents in order to achieve research objectives (Mugenda & Mugenda, 2003). It is a means of eliciting the feelings, beliefs, experiences, perceptions, or attitudes of some sample of individuals (Zikmund, 2003).

Questionnaires can cover a large number of people and a researcher can use them to reach a wide geographic coverage. They are relatively cheap and no prior arrangements are needed before posting. They avoid embarrassment on the part of the respondents as it allows them to consider responses, especially where there are pre-coded options. They also allow for possible anonymity of respondent and have no interviewer bias if administered correctly. Questionnaires were the main data collection instrument used to collect data on the independent variables talent attraction, talent retention, learning and development and the career management and partly the dependent variable the

organization performance. Three research assistants were engaged to mainly make follow ups of the administered questionnaires.

### **3.6.2 Secondary Data**

Secondary data involves the data collected using information from studies that other researchers have made of subject (Dawson, 2009). Zikmund, (2003 ) describes secondary data as data collected by others and found by the comparative researcher in ethnographies ,censuses and histories .Secondary data was obtained from NSE handbook (2013) which was used to calculate various financial performances like the return on investment, Earning per share, current ratio and profit after tax for the period between 2008 to 2012.

### **3.7 Data Collection Procedure**

The researcher administered the questionnaire individually to all respondents of the study. The study exercised care and control to ensure all questionnaires issued to the respondents were received and to achieve this, the study maintained a register of questionnaires, which were sent, and which were received. The questionnaire were administered using a drop and pick later method. NSE handbook 2013 was also used to collect the secondary data on company's financial performances.

### **3.8 Pilot Testing**

Pilot test is necessary for testing the reliability of instruments and the validity of the study (Mugenda et .al 2008). A pilot study was undertaken on 22 top

managers of NSE listed companies to test for the reliability and the validity of the questionnaires. The rule of the thumb is that 10% of the sample should constitute the pilot test (Cooper & Schilder, 2011). The proposed pilot test was within the recommendation.

Pilot testing was conducted to help identify and change confusing, awkward, or offensive questions and techniques thereby enhancing the validity and reliability of the research instruments (Babbie, 1998). Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials (Mugenda & Mugenda, 2003). Cronbach alpha was used to test the reliability of the measures in the questionnaires. The Cronbach alpha results were ranging between 0.926 and 0.745 therefore the construct were acceptable as the recommended value of 0.7 was used as a cutoff point of reliabilities. Cronbach alpha is the most commonly used coefficient of internal consistency and it is computed as;  $\text{Alpha} = N \cdot r + \frac{1}{N-1}$  where  $r$  = mean inter item correlation,  $N$  = to the number of items in the scale. It is tedious to calculate the correlation of each item with every other item to derive the mean inter-item correlation. However, this was easily done using the SPSS computer package.

Validity is used to check whether the questionnaires is measuring what it purports to measure (Bryman & Cramer, 1997). Validity is the strength of our

conclusion, inferences or propositions. The researcher enhanced validity by discussing the questionnaire with the respondents.

### **3.9 Data Processing and Analysis**

Data analysis was guided by the research objectives presented. Once the questionnaires had been administered, the mass of raw data collected from the field were systematically organized to facilitate data analysis. Descriptive statistical analysis was carried out in accordance with the study objectives by use of (SPSS) 22 program that assisted in generating frequency distributions, graphs and pie charts, means and tables. Goodness of measure was done through testing of reliability and the validity. Reliability was done by testing for both consistency and stability. Consistency indicated how well the items measuring the concepts hang together as a set. Crobach Alpha was used to measure reliability. Factor analysis was used to test for the validity of the data.

#### **3.9.1 Quantitative Analysis**

Quantitative data were analyzed by computer using statistical package for Social Sciences (SPSS) version 22 program. Precisely, this study needed to establish relationship between the independent variables talent attraction, talent retention, learning and development and career management and the organization performance as dependent variable. Multiple regressions attempted to determine whether a group of variables together predicted a given dependent variable (Mugenda & Mugenda, 2003). Therefore, multiple linear

regressions were used to obtain an equation which described the dependent variable in terms of the independent variable based on the regression model.

The study used multiple linear regression analysis to test the statistical significance of the various independent variables (talent attraction, talent retention, learning and development and career management) on the dependent variable organization performance. Faraway (2002) states that multiple linear regressions is used in situations where the number of independent variables is more than one. Multiple regression analysis is also valuable in quantifying the impact of various simultaneous influences upon a single dependent variable. Jackson, (2009) states that multiple regression analysis involves combining several predictor variables on dependent measure.

The following multiple linear regression model was used to fit the data.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where;

$X_1$  = is the Talent Attraction

$X_2$  = is the Talent Retention

$X_3$  = is the Learning and Development

$X_4$  = is the Career Management

Y = is the organization performance

$B_0$  is a constant which is the value of dependent variable when all the independent variables are 0.

$\beta_i$ ;  $i = 1,2,3,4$  is the regression coefficients which measures the change induced by  $X_i$ ;  $i=1, 2, 3, 4$  on  $Y$ .

$e$  is the error term.

Multiple regression analysis was conducted on each of the hypothesis indicating whether the individual hypothesis was statistically supported or not at 95% confidence level (Cooper &schindler, 2008). t- test based on t - distribution was used for judging the significance of the regression coefficient  $b_i$  (Kothari, 2004).Test of significance helped the researcher to determine whether obtained results held at a given confidence level (Mugenda & Mugenda, 2003). t-test of significance was used to test whether the change of the independent variables (talent attraction, talent retention, learning and development and career management ) were statistically significant at 95% confidence level.

The Pearson Bivariate correlation coefficient was used to test the strength of the relationship between independent and dependent variables .The Pearson correlation coefficient is a measure of how closely related two variables are. The coefficient of correlation ( $r$ ), determine the degree (strength) of relationship and its value is between -1 and 1. A value 0 implies no relationship, 1 implies a perfect positive relationship, -1 means a negative relationship. An absolute value of  $r$  between 0.5 and less than 1 implies a strong relationship between the variables. If the value  $r$  is greater than 0.3 and less than 0.5 then the relationship



is moderate. The relationship is weak if the value of  $r$  is less than 0.3(Kothari, 2004).

In order to test for the normality of the data One-Sample Kolmogorov- Smirnov test for the dependent variable was conducted .This non parametric significance test was favorable since the research situation called for the comparison of the observed sample distribution with a theoretical distribution. The One-Sample Kolmogorov-Smirnov test was carried out to test that a given data could have been drawn from a given distribution and is independent of arbitrary computational choices (Shenoy &Madan 1994).

Analysis of variance (ANOVA) consisted of calculations that provided information about levels of variability within a regression model and formed basis for test of significance .Through ANOVA technique one can investigate any number of factors which are hypothesized or said to influence the dependent variable . To test for the significance of the combined effect of the variables talent attraction, talent retention, learning and development and career management on organization performance, ANOVA for regression was carried out. In addition ,ANOVA ,unlike other parametric tests such as t-tests ,is quite robust against some deviations from the assumptions in parametric analysis .ANOVA is robust against the parametric assumption that ;the residues have normal distribution and that the variations is the same in each group (Cooper & Schindler, 2006).An F statistics is useful in ANOVA and is used to assess

whether the expected values of a quantitative variable within several pre – defined groups differ from each other .The F statistics tends to be greater when the null hypotheses of independence is not true (Sawilowsky,2002). P values of less than 0.05 indicates that the F statistic is high and that the null hypothesis of independence needs to be rejected since it is not true (Murkowski& Murkowski, 1990).

### **3.9.2 Qualitative Analysis**

Qualitative content analysis is defined as research method for the objective interpretation of content of text data through the systematic classification process of coding and indentifying themes or patterns (Hsieh& Shannon, 2005).Content analysis has also been defined as an approach of empirical, methodological controlled analysis of texts within the context of communication by following content analysis rules and step by step models ,without rash quantification and any qualitative data reduction and sense making effort that makes a volume of qualitative material and attempts to identify core consistencies and meanings (Patton,2002). All these definitions agree that content analysis emphasizes an integrative view of speech /text and their specific contexts. It goes beyond just counting words or extracting objective content from text to examine meanings, themes and patterns that may be manifest in a particular text (Mayring, 2000).It allows the researcher to understand social reality in a subjective but scientific manner .Since there were

some open ended questions in the questionnaires, the researcher used content analysis approach of data analysis.

Content analysis was used in the current study since it allowed the researcher to understand social reality in a subjective but scientific manner as it addressed some of the weaknesses of the quantitative analysis which may be unable to unearth the feelings, emotions and the subjective responses evidenced in social studies (Patton, 2002).

### **3.9.3 Operationalisation of Variables**

Organizational performance was the dependent variable of the study .It comprised the actual output or results of organization as measured against its intended outputs (Richard et al, 2009).For the purpose of conducting the analysis in this study the dependent variable, the organizational performance, was measured by competitiveness, sales increase, employees' morale, productivity and profitability of the NSE listed companies .

Talent attraction includes policies and practices that recruit and select talented individuals (Schuler et al., 2011). Talent attraction was an independent variable in the study and it was measured by existence of communication and implementation of employer branding, good working conditions and fair wages, employee job security, talent search matrix, employee training and career progression and work-life balance as well as social are networking. Talent retention was an independent variable in the study .It was defined as an effort

by an organization to maintain a working environment which supports current staff in remaining with the company (Snell, 2007). The elements that measured talent retention included; leadership style, competitive compensation, recruitment policy, flexible working hours and non-monetary rewards.

Learning and development was an independent variable in the study. It refers to educational activities within an organization designed to enhance the fulfilment and performance of employees. In the context of this study it refers to all educational and employee development initiatives carried out by companies listed in the NSE (Allen, 2005). Learning and development was measured by existence of in-house development programmes, availability of coaching by line managers, existence of appropriate learning and development strategies, existence of E-learning, availability of training need identification and existence of leadership development programme .Career management was an independent variable in the study .It can be defined as combination of structured planning and the active management choice of one's own professional career (Hamburg, 2003). Career management was measured by existence of succession planning, career mentors and career centres, counselling facilities programmes, career paths and family , career planning facilities and employee growth and progression facilities.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSION

#### 4.1 Introduction

The chapter dealt with the analysis of the data. Specifically, the data analysis was in line with specific objectives where patterns were investigated, interpreted and implications drawn on them. This chapter represents the empirical findings and results of the application of the variables using descriptive, qualitative and quantitative research designs.

#### 4.2 Response Rate

The number of questionnaires that were administered was 224. A total of 162 questionnaires were properly filled and returned. This represented an overall successful response rate of 72%. According to Mugenda & Mugenda (2003), a response rate of more than 50% is adequate for analysis. Babbie (2004) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. The achieved response rate was more than 70% which implied that the response rate was very good. The response rate is represented in table 4.1.

*Table 4. 1: Response Rate*

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Successful	162	72
Unsuccessful	62	28
<b>Total</b>	<b>224</b>	<b>100</b>

### **4.3 Pilot Results**

In this study the reliability of the instruments were tested using cronbach alpha. Cronbach alpha value is used in the research to verify the reliability of the construct. A total of 22 questionnaires were obtained from top managers of NSE listed companies. Reliability of all the five constructs representing the dependent variable organizational performance and the independent variables talent attraction, talent retention, learning and development and career management attracted a cronbach alpha statistics of more than 0.7. A cronbach alpha of more than 0.7 indicates that the data collection instrument is reliable (Sekaran, 2003). The reliability results are presented in the appendix III.

### **4.4 Demographic Data**

The study sought to establish the demographic data of the respondents'. The researcher begun by the general analysis on the demographic data got from the respondents which included: The size of the organization, the sector in which the organization belonged to and the position held by the respondents.

#### **4.4.1 Size of the Organization**

The respondents were asked to indicate the size of their organizations. Results in figure 4.1 revealed that 38% said their company had more than 3000 employees, 21% said they had between 300-999 Employees, 21% of the respondents said their company had less than 300 employees while 20 % of respondents said their company had between 1000- 2999 employees. The findings concurred with NSE handbook (2013) which reported that listed

companies are generally big and publish their reports hence investors use these reports to judge which firm to invest in.

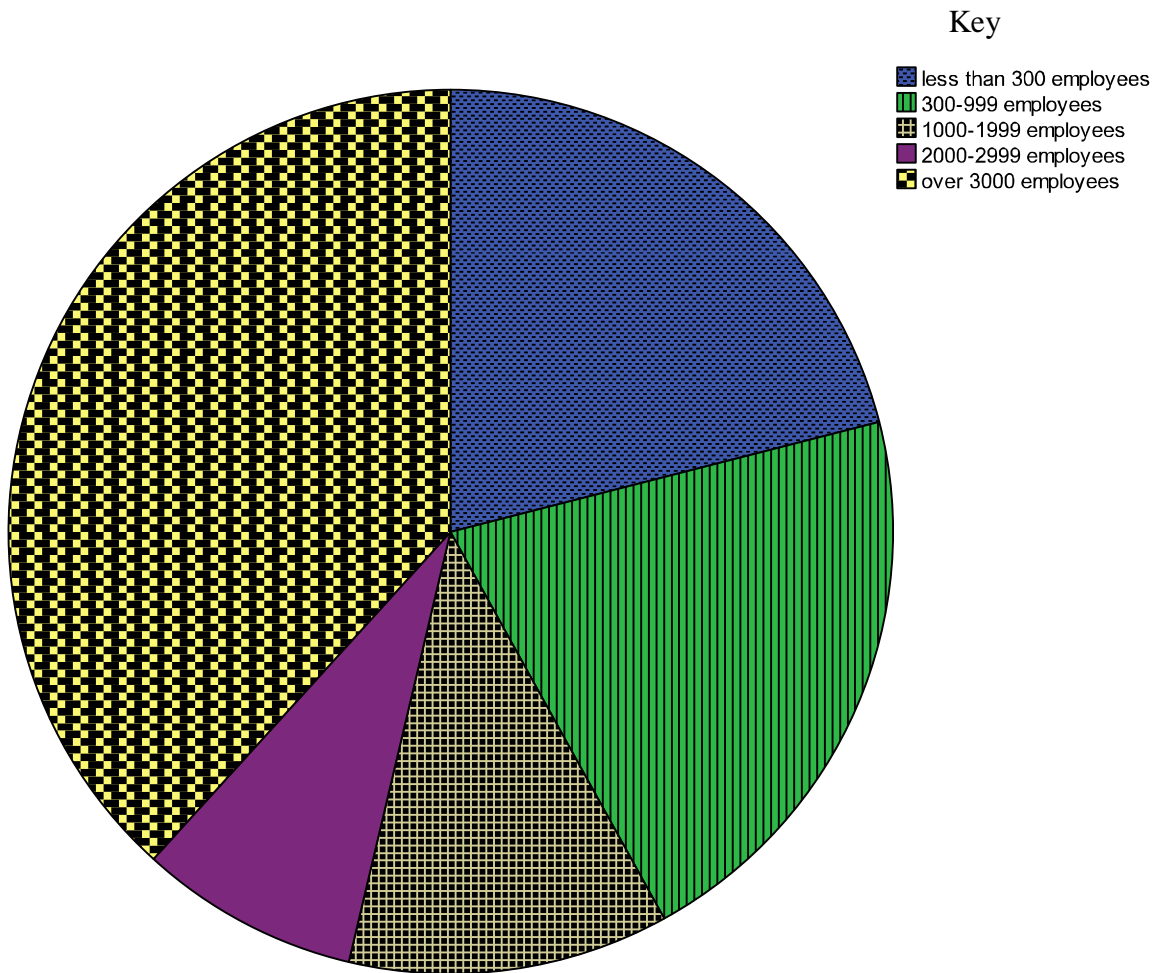


Figure 4.1 Size of the organization

**4.4.2 Sector**

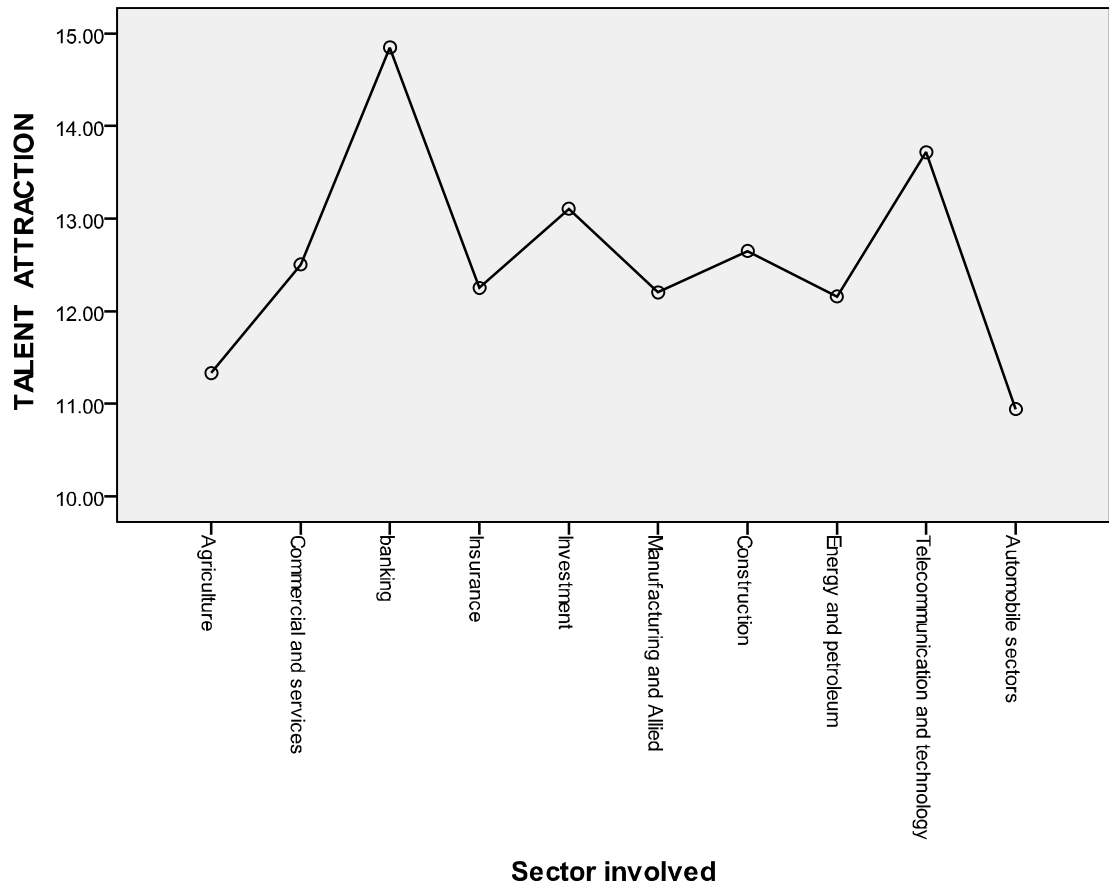
The respondents were asked to indicate their sector. Results in table 4.2 revealed that 19% were from banking sector, 13% were from both commercial

services and manufacturing and allied sector respectively, 11% were from both insurance and construction sector, 10% were from the agriculture sector, 9% were from energy and petroleum sector, 6% were from the investment sector, 5% were from the automobiles sectors while 4% were from the telecommunication industry.

***Table 4. 2: Sector***

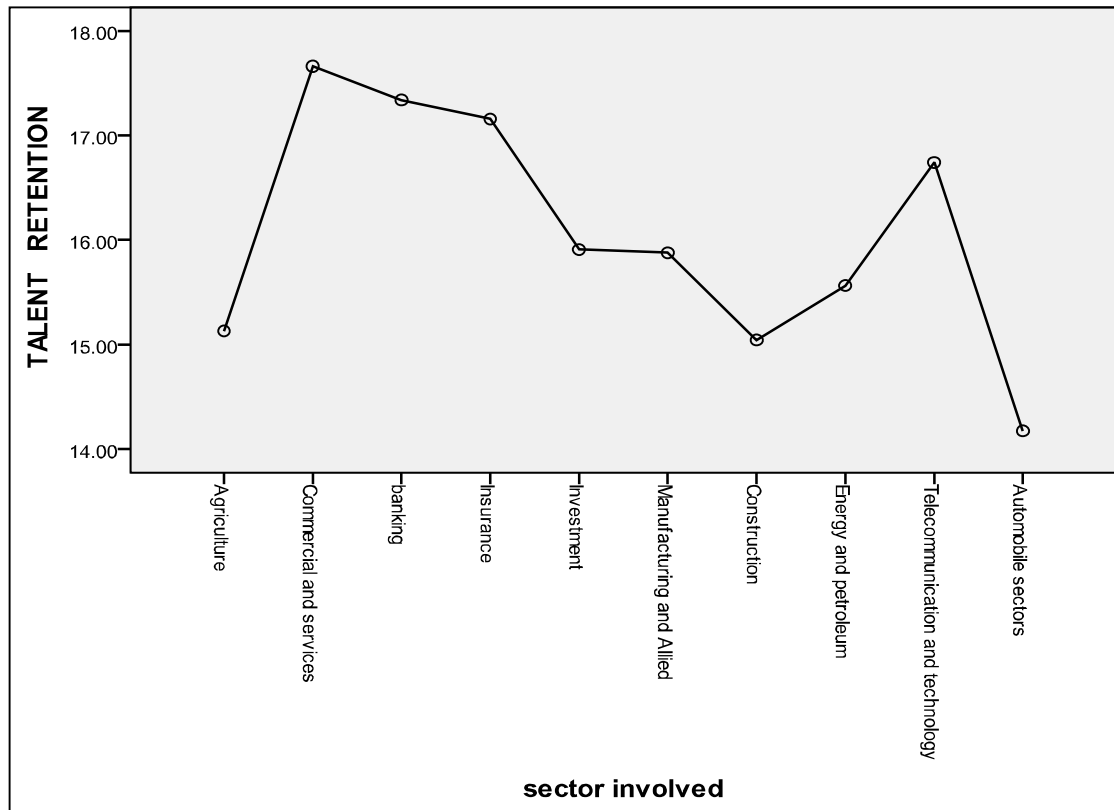
<b>Sector</b>	<b>Frequency</b>	<b>Percent</b>
Agriculture	16	10
Commercial and services banking	21	13
Insurance	30	19
Investment	18	11
Manufacturing and Allied	9	6
Construction	21	13
Energy and petroleum	18	11
Telecommunication and technology	15	9
Automobile sectors	6	4
	8	5
<b>Total</b>	<b>162</b>	<b>100</b>





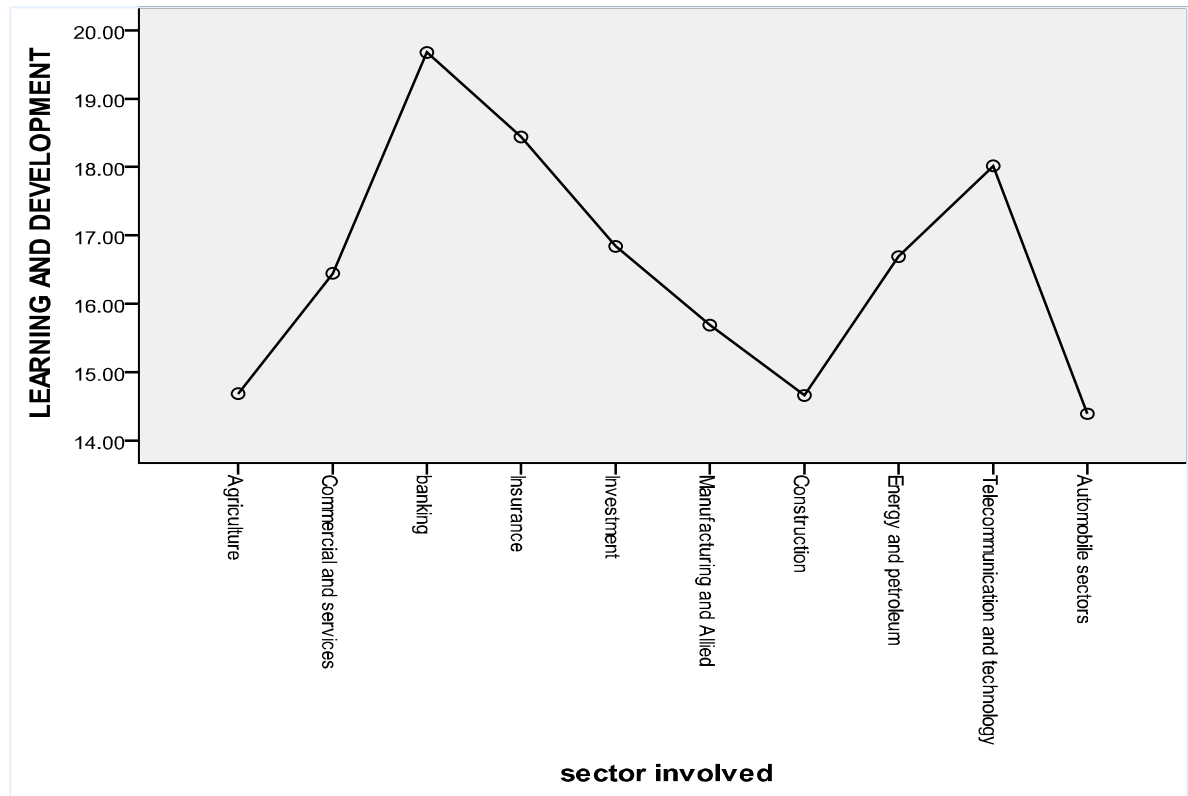
*Figure 4.2: Meanscore for talent attraction*

In figure 4.2 banking and telecommunication sectors had the highest mean score for talent attraction while automobile and agriculture sector had the lowest mean score for talent attraction. This implied that the banking and telecommunication sector may be operating in a competitive environment which may require the implementation of talent attraction policies.



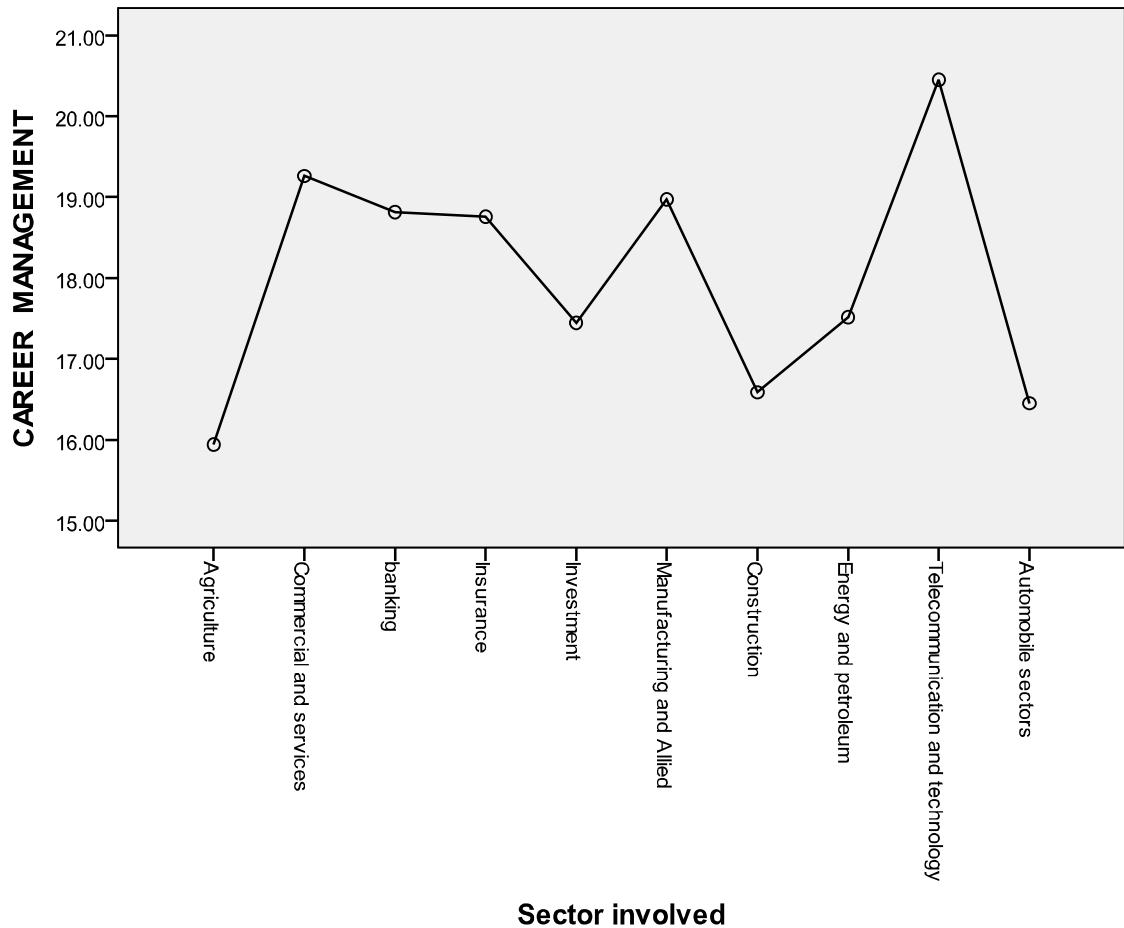
*Figure 4.3: Meanscore for talent retention*

In figure 4.3 commercial, banking, insurance telecommunication sectors had the highest mean score for talent retention while automobile and agriculture sector had the lowest mean score for talent retention. This implied that the commercial, banking, insurance telecommunication sectors may be operating in a competitive environment which may require the implementation of talent retention policies.



***Figure 4.4 Meanscore for Learning and Development***

In figure 4.4 the banking, insurance and telecommunication sectors had the highest mean score for learning and development while agriculture, automobile and construction sectors had the lowest mean score for learning and development. This implied that the banking, insurance and telecommunication sectors may be operating in a competitive environment which may require the implementation of learning and development policies.



**Figure 4.5: Meanscore for Career Management**

In career management the telecommunication and technology, commercial and services and manufacturing and allied sectors had the highest mean score for career management while agriculture ,automobile and construction sectors had the lowest mean score for career management. This implied that the telecommunication and technology sector, commercial and services and manufacturing sectors may be operating in a competitive environment which may require the implementation of career management policies.

In figure 4.6, telecommunication and technology, Manufacturing and allied and the Banking sectors had the highest mean score for organization performance while construction and automobile sectors had the lowest mean score for organization performance. This implied that the banking, manufacturing and telecommunication sectors may have been having best practices of talent management hence resulted to better organization performance

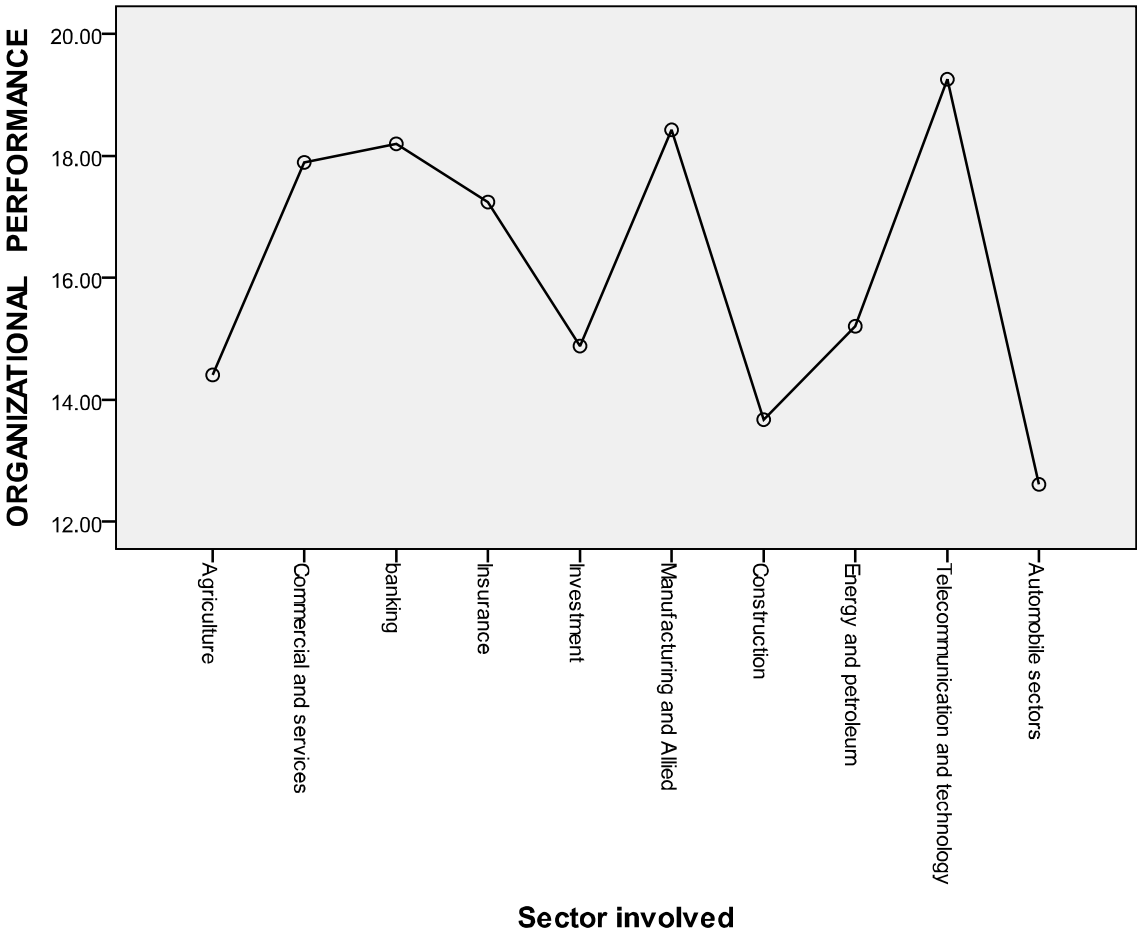
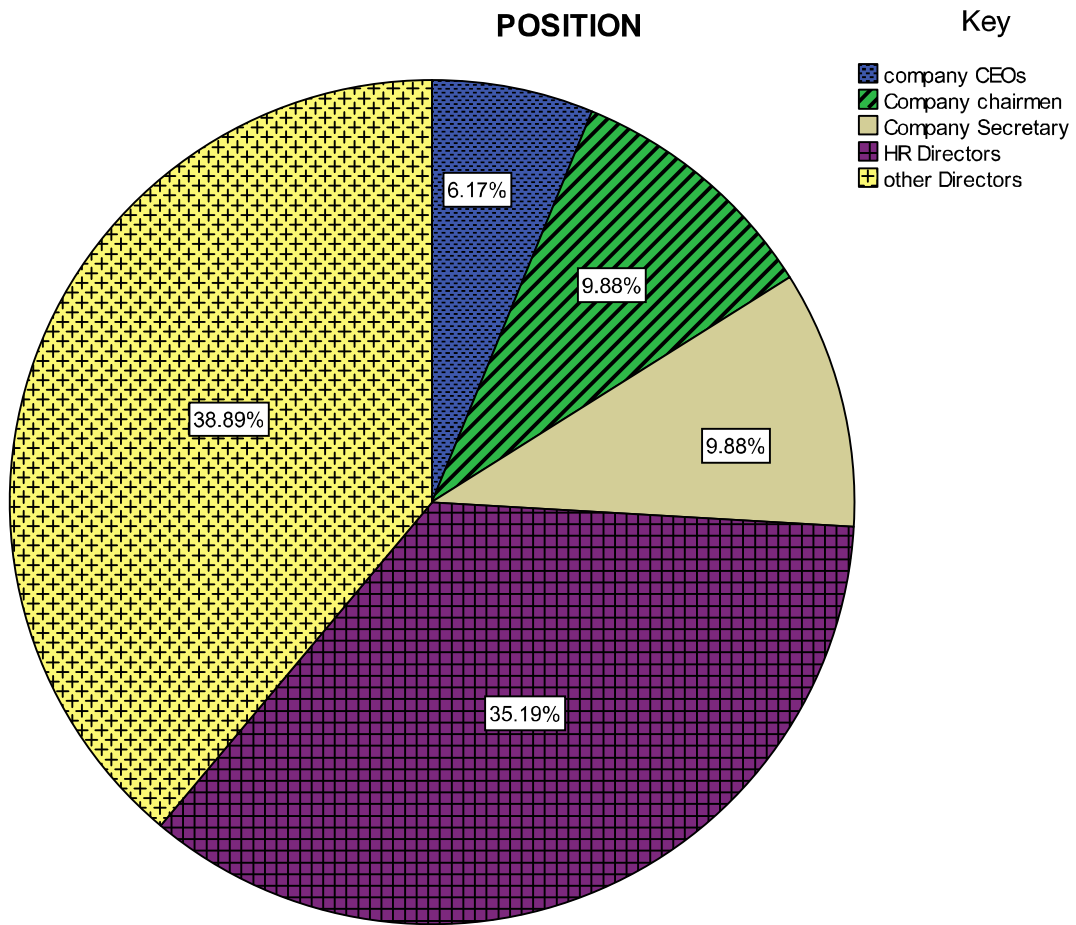


Figure 4.6 mean score for organization performance



***Figure 4.7 Position held in the Company***

The respondents were asked to indicate the position held in the company. Results in figure 4.7 revealed that 39% said they were directors in their companies ,while 35% said they were human resource practitioners, 20% held the position of either the company secretary or company chairman while only 6% held the position of company Chief Executive Officer . The findings concurs with those of Ballesteros et al ,( 2010) who asserted that 50% of the top managers across the globe think there is lack of alignment between talent

management strategy and corporate strategy and that is why talent management is not an issue of human resource department but other organizations top managers are also involved .

#### 4.5 Talent Attraction

The first objective of the study was to establish how talent attraction affects organizational performance.

##### 4.5.1 Descriptive Results

*Table 4.3: Talent attraction*

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We ensure employee Job security in order to attract the right talents	3.70%	3.70 %	0.00 %	72.8 %	19.80 %
My company is actively involved; in communication and implementation of employer branding	5.60%	3.70 %	4.90 %	69.8 %	16.00 %
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees	3.10%	0.60 %	0.60 %	82.1 %	13.60 %
This company's good working conditions and fair wages has enabled it to attract the right talents	1.90%	4.30 %	3.10 %	59.3 %	31.50 %
In this company, we support employee training and career progression	5.60%	6.80 %	7.40 %	46.3 %	34.00 %
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees	3.70%	3.10 %	2.50 %	64.8 %	25.90 %

### **a) Assurance of Employees Job Security**

The study sought to establish whether there was assurance of employee job security in NSE listed companies in order to attract the right talents. Job security in a company was a key determinant of talent attraction. Results in table 4.3 shows that majority of the respondents 93% agreed with the statement that the listed companies ensured employee good Job security in order to attract the right talents while 7% of the respondent disagreed with the statement.

The findings agreed with those of Nzube (2009) who through his explanation of Maslow's motivation theory asserted that an organization can influence safety needs by providing job security, pension plans, insurance plans, safe and healthy working conditions. The findings also agree with those of Rynes & Cable, (2003) who concluded that a potential employee is motivated to apply for a job at a certain organization due to the job and organization's characteristics. The findings also agree with Kelly (2013) whose findings indicated that the major components of talent attraction included salary packages, staff turnover among others. The findings imply that NSE listed companies are actively ensuring employee job security and this may have contributed positively to talent attraction and organization performance.

### **b) Communication and implementation of Employer Branding**

The study sought to establish the extent to which the NSE listed companies were actively involved in communication and implementation of company



brand. Active involvement of company in communication and implementation of branding is crucial for talent attraction. Results in table 4.3 shows that 86% of the respondents agreed that their company was actively involved in communication and implementation of employer branding. Results also revealed that 9.3% disagreed while 4.9% could not make up their minds on the statement.

Findings agree with those in Kim (2008) who noted that talent attraction will be measured by communication and implementation of employer branding. The findings also concur with those in Armstrong (2011) who noted that the components of talent attraction included employer branding. The findings imply that NSE listed companies are actively involved in communication and implementation of employer branding and this may have contributed positively to talent attraction. The findings also imply that the active involvement in communication and implementation of employer branding may have contributed positively to talent attraction and the organization performance of the NSE listed companies.

### **c) Work-Life Balance**

The study sought to establish the extent to which work-life balance as well as social networking facilities in the company was a motivating factor to employees. Work-life balance facility in a company was crucial for talent attraction. Results in table 4.3 shows that majority of the respondents 96% agreed with the statement that work-life balance as well as social networking

facilities in the company was a motivating factor to their employees. Result also revealed that 4% of the respondent disagreed with the statement.

The findings concur with those of Kelly (2013) who did a survey of 100 businesses involved in engineering, finance, government, IT, manufacturing and telecommunication sector, findings indicated that the major components of talent attraction included work-life balance, social networking, salary packages, benefits, company culture, recruitment styles and staff turnover. The findings imply that by NSE listed companies having work-life balance and social networking facilities may have contributed positively to talent attraction. The findings also imply that work life balance and social networking facilities may have contributed positively to organization performance in the NSE listed companies.

#### **d) Company's Good Working Conditions and Fair Wages**

The study sought to establish the extent to which good working conditions and fair wages had enabled companies to attract the right talents. Good working condition and fair wages in a company are determinants of talent attraction. Results in table 4.3 shows that 91% agreed that the company's good working conditions and fair wages had enabled it to attract the right talents. Results also reveal that 6.2% disagreed while 3.1% neither agreed nor disagreed with the statement.

The findings agreed with those in Saleemi (2006) who noted that an organization can help individuals satisfy their needs by providing good pay, proper working conditions and other benefits. Findings also agreed with those in Mwangi (2009) who observed that organizations could provide basic needs through fair wages and safe working conditions. The findings imply that firms listed in the NSE attract employees through good working conditions and this may have contributed positively to talent attraction. The findings also imply that favourable working conditions and fair wages may have contributed positively to organization performance.

#### **e) Employee Training and Career Progression**

The study sought to establish the extent to which the company, supported employee training and career progression. Employee training and career progression in a company is crucial for talent attraction. Results in table 4.3 shows that majority of the respondents 80% agreed with the statements that their company supported employee training and career progression while 12.4% of the respondents disagreed with the statement while 7.4% were neutral of the statement.

The findings concurred with those in Oehley (2007) who noted that the employee's measure value proposition based on training opportunities, flexibility and reputation of the organization. It also agreed with those of Worldatwork (2009) which revealed that development and career opportunities

were most important to attracting talented employees to all the big certified public accounting firms in the United States. The findings imply that listed companies are actively involved in employee training and career progression and this may have contributed positively to talent attraction. The findings also imply that training opportunities and career progression may have contributed positively to organization performance.

#### **f) Company Valued Talent Search Matrix**

The study sought to establish the extent to which the company valued talent search matrix. The matrix used during selection in order to get experienced, qualified, expertise, potential and qualified employees is important for talent attraction .Results in table 4.3 shows that 91% of the respondents agreed with the statements that the company valued talent search matrix during selection in order to get experienced, qualified, and expertise employees, results also revealed that 7% of the respondent disagreed with the same statements and 2% neither agreed or disagreed with the statement .

The findings agreed with those of Davis et al., (2007) who noted that talent search matrix allows recruiters to focus on the characteristics that are required on the job that has to be done. The talent matrix elements to shape the image of the employee needed includes experience, profile, qualification, expertise and potential which can be summarized to experience, profile and qualification. Expertise, potential and qualification are important to the future development of

the person who the organization is seeking. The findings imply that NSE listed companies' valued talent search matrix and this may have contributed positively to talent attraction. The findings also imply that the matrix used during selection in order to get experienced, qualified, expertise, potential and qualified employees may have contributed positively to organization performance.

***Table 4. 4: Talent attraction Analysis Component Matrix***

<b>Statement</b>	<b>Component</b>
We ensure employee Job security in order to attract the right talents	0.918
My company is actively involved in communication and implementation of employer branding	0.909
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees	0.788
This company's good working conditions and fair wages has enabled it to attract the right talents	0.569
In this company, we support employee training and career progression	0.483
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees	0.462

Table 4.4 shows the factor analysis results for statements regarding talent attraction effects on organization performance and six statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

**Table 4. 5: Talent attraction Cronbach alpha**

Cronbach's Alpha	N of Items
0.769	6

Table 4.5 shows Cronbach alpha values for talent attraction. From these findings it can be concluded that the construct measured had adequate reliability for the subsequent stages of analysis since the Cronbach Alpha values was greater than 0.7(Sekaran, 2003).

#### 4.5.2 Quantitative Results

**Table 4. 6: Relationship between Talent attraction and Organizational Performance**

Variable		Organizational Performance	Talent Attraction
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Talent Attraction	Pearson Correlation	0.275	1
	Sig. (2-tailed)	0.000	

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

Table 4.6 displays the results of correlation test analysis between the dependent variable (organization performance) and the independent variable talent attraction. Results on table 4.6 show that acceptance of organization performance was positively correlated with talent attraction. This reveals that

any positive change in talent attraction on organizational performance led to increased acceptance of organizational performance.

***Table 4.7: Model Summary for Talent Attraction***

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.275 <sup>a</sup>	.076	.070	3.62233

a. Predictors: (Constant), TALENT ATTRACTION

Regression analysis was conducted to empirically determine whether talent attraction was a significant determinant of organization performance in NSE listed companies. Regression results in table 4.7 indicate the goodness of fit for the regression between organization performance and talent attraction was satisfactory. An R squared of 0.076 indicates that 7.6% of the variances in the acceptance of talent attraction by NSE listed companies are explained by the variances in the organization performance. The correlation coefficient of 27.5% indicates that the combined effect of the predictor variables have a moderate and positive correlation with organization performance. The model summary results are in agreement with Poorhosseinzadeh et al., (2012) study that touched on attracting talents, developing talents, retaining talents and succession planning in MNCs in Malaysia.

**Table 4. 8: ANOVA for Talent attraction**

<b>Indicator</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	171.904	1	171.904	13.101	0.000
Residual	2099.403	160	13.121		
Total	2271.307	161			

The overall model significance was presented in table 4.8. An F statistic of 13.101 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

**Table 4.9: Regression Coefficient for Talent attraction**

<b>Variable</b>	<b>Beta</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
Constant	12.96	1.237	10.474	0.000
Talent attraction	0.349	0.096	3.62	0.000

Table 4.9 displays the regression coefficients of the independent variable (talent attraction). The results reveal that talent attraction is statistically significant in explaining organization performance of listed companies. This concurs with Poorhosseinzadeh et al., (2012) study that found a positive and significant relationship between talent attraction and success in multinational organizations in Malaysia. The regression results were used to test the null hypothesis “H0: There is no significant effect between talent attraction and organizational



performance in companies listed in the NSE.” The null hypothesis was rejected at (0.05) significance level. This implied that there was a relationship between talent attraction and organizational performance in companies listed in the NSE.

#### **4.5 .3 Talent Attraction Qualitative Results**

The respondents were requested to indicate how else talent attraction affected organization performance. The respondents were reflected in the following quotations;

“Having proper recruitment policy is crucial for success of the company”,  
“Poaching /head hunting talented employees improves organization performance ”, ”good employee allowances given by our company has helped us attract committed workforce”,” Proper selection of talented employees has helped us in getting the right people who do the right job and that improves performance” “Location, infrastructure and other good conditions and facilities of a company has helped our company to attract better employees hence improving performance.

The findings implied that there could be other components of talent attraction influencing organization performance .The findings are consistent with those of Snell (2007) who asserted that if a firm wanted to be successful, it must have invested in talent management of their workers to obtain some conditions in the company like good business environment. The finding also concurs with those of Armstrong, (2011), who asserted that recruitment and selection required that

organizations use various methods or techniques of selecting the right talent that reflects the culture and value of an organization.

#### 4.6 Talent Retention

The second objective of the study was to determine the effect of talent retention on organization performance in the NSE listed companies.

##### 4.6.1 Descriptive Results

*Table 4. 10: Talent retention*

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
We use effective leadership style and we are careful on how we handle employee issues	9.90%	11.1%	4.30%	35.80%	38.90%
My company offers attractive non-monetary rewards to employees	1.20%	1.20%	3.70%	59.90%	34.00%
We have internal recruitment policy that helps to raise the loyalty and morale of our employees	3.10%	4.30%	4.30%	61.70%	26.50%
This company ensures our company image remains good all the time in order to retain our talented employees	1.90%	4.30%	6.80%	56.80%	30.20%
My company has competitive compensation system in comparison to other organizations in the same industry which is a motivating factor to our employees	0.60%	0.60%	3.70%	53.70%	41.40%
My company ensures Employee are satisfied and motivated all the time	1.20%	4.90%	7.40%	46.30%	40.10%
My company flexible working hours is a motivating factor to our employees	0.60%	3.70%	3.70%	38.30%	53.70%

### **a) Effective Leadership Style**

The study sought to establish the extent to which the NSE listed companies used effective leadership style and how they handled employee issues. Effective leadership style and the way employees' issues were handled in NSE listed companies were crucial of talent retention. Results in table 4.10 shows that majority 75% of the respondents agreed that they used effective leadership style and were careful on how they handled employee issues. Results also reveal that 21% disagreed while 4 % neither agreed nor disagreed with the statement. The findings agreed with those in Armstrong (2011) who found out that other factors that influence talent retention are company image, recruitment, selection and deployment, leadership (employees join companies and leave managers), learning opportunities as well as performance recognition and rewards. The findings imply that effective leadership style contributes positively to talent retention and organization performance.

### **b) Attractive Non-Monetary Rewards**

The study sought to establish if the NSE listed companies offered attractive non-monetary rewards to employees. Attractive non-monetary rewards in a NSE listed companies was crucial of talent retention. Results in table 4.10 shows that 94% agreed that their company offered attractive non-monetary rewards to employees, 2.4% disagreed while 3.7% neither agreed nor disagreed with the statement. The findings agree with those in Armstrong (2011) who noted that other factors that influence talent retention are, learning opportunities

as well as performance recognition and rewards which are all non monetary in nature. The findings also agrees with those in Nzuve (2009) who argued that hygiene factors like having flexible working hours and offer of insurance and education cover for children were associated with employees retention and hence talent management which leads to good organization performance, motivational factors too such as growth and promotion opportunities can be associated with talent retention strategies and may influence the employees decision to remain in the organization for long (nzuve ,2009).The findings implied that NSE listed companies offered attractive non-monetary rewards to employees and this could have contributed positively to talent retention. The findings also implied that attractive non-monetary rewards could have contributed positively to organization performance.

**c) Internal Recruitment Policy**

The study sought to establish if the company internal recruitment policy had helped to raise the loyalty and morale of their employees. Internal recruitment policy in a company was crucial for talent retention. Results in table 4.10, shows that 88% agreed that they had internal recruitment policy that helped to raise the loyalty and morale of their employees, 7.4% disagreed while 4.3% neither agreed nor disagreed with the statement. The findings agreed with those in Armstrong (2011) who noted that before going out the organization to look for talent, it is prudent to consider in-house pool first as selecting an internal staff provides a moral boost for serving employees and allows them to grow.

This implies that internal recruitment policy may have contributed positively to talent retention and the organization performance

#### **d) Company Image**

The study sought to establish the extent to which the company image remained good all the time in order to retain the talented employees. Good company image was crucial to talent retention. Results in table 4.10 shows that majority 87% agreed that their company ensured their company image remained good all the time in order to retain their talented employees. Results also revealed that 6.2% disagreed while 6.8% neither agreed nor disagreed with the statement. The findings agreed with those in Armstrong (2011) who noted that other factors that influence talent retention are company image, recruitment, selection and deployment, leadership (employees join companies and leave managers), learning opportunities as well as performance recognition and rewards This implies that company image should be maintained to retain the talented employees as this will contribute positively to organization performance.

#### **e) Competitive Compensation System**

The study sought to establish if the company had competitive compensation system in comparison to other organizations in the same industry. Competitive compensation system in a company was crucial for talent retention. Results in table 4.10 shows that 95.1% agreed that their company had competitive compensation system in comparison to other organizations in the same industry

which was a motivating factor to their employees, 1.2% disagreed while 3.7% neither agreed nor disagreed with the statements.

The finding agrees with those of O'Callaghan (2008) who emphasizes that the only way for organizations to retain talented employees is through making sure that the employees are competitively compensated. He identified the strategies that can help in retention of employees to include signing bonuses, stock options with a maturity clause and market-related incentives and pay. The findings also agree with Vaiman et al., (2008) who found the monetary reward as an essential tool to retaining talent. This implies that competitive compensation system should be maintained to retain the talented employees to achieve good organization performance.

#### **f) Employee Satisfaction and motivation**

The study sought to establish if the company ensured employee were satisfied and motivated all the time. Employee satisfaction and motivation in a company was crucial of talent retention. Results in table 4.10 shows that 86% agreed that their company ensured employee were satisfied and motivated all the time, 6.1% disagreed while 7.4% neither agreed nor disagreed with the statement.

The findings concurred with those of Nzuve (2009) who asserted that motivational factors are those factors that lead to satisfaction of employees. These factors motivate employees to perform. These factors include recognition, sense of achievement, growth and promotion opportunities,

responsibility and meaningfulness of the work. The findings also agrees with those of Hughes & Rog, (2008) who found that various organizations around the world have similarities and differences on the strategies they use to retain talent for example in Canada, the determinants of retention include employee satisfaction and motivation .The findings imply that listed companies have emphasised on employee satisfaction and motivation and this may have contributed positively to talent retention. The findings also imply that the employee satisfaction and motivation may have contributed positively to organization performance.

#### **g) Company Flexible Working Hours**

The study sought to establish if the company working hours was a motivating factor to their employees. Company flexible working hours were crucial of talent retention. Results in table 4.10, shows that 92% agreed that the company flexible working hours was a motivating factor to their employees, 4.3 % disagreed while 3.7% neither agreed nor disagreed with the statement. The findings agree with those in Nzuve (2009) who argued that company policies like having flexible working hours and offer of insurance and education for children cover are associated with employees retention and hence talent management which leads to good organization performance. The findings also agree with Lockwood et al, (2008) who said that offering an attractive competitive benefits package with components such flexible working hours motivates employees to commit themselves to an organization. The findings

imply that NSE listed companies having flexible working hours may have contributed positively to talent retention. The findings also imply that the company flexible working hours may have contributed positively to organization performance.

***Table 4.11: Talent Retention Factor Analysis Component Matrix***

<b>Statement</b>	<b>Component</b>
We use effective leadership style and we are careful on how we handle employee issues	0.891
My company offers attractive non-monetary rewards to employees	0.815
We have internal recruitment policy that helps to raise the loyalty and morale of our employees	0.810
This company ensures our company image remains good all the time in order to retain our talented employees	0.517
My company has competitive compensation system. in comparison to other organizations in the same industry which is a motivating factor to our employees	0.436
My company ensures Employee are satisfied and motivated all the time	0.427
My company flexible working hours is a motivating factor to our employees	0.355

Table 4.11 shows the factor analysis results for statements regarding talent retention affects organization performance and seven statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

***Table 4. 12: Talent Retention Cronbach alpha***

<b>Cronbach's Alpha</b>	<b>N of Items</b>
0.760	7



Table 4.12 shows Cronbach alpha values for talent retention. From these findings it can be concluded that the construct measured had adequate reliability for the subsequent stages of analysis since the Cronbach Alpha values was greater than 0.7 (Sekaran, 2003).

#### 4.6.2 Quantitative Results

**Table 4. 13 Relationship between Talent retention and Organizational Performance**

Variable		Organizational Performance	Talent Retention
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Talent Retention	Pearson Correlation	0.699	1
	Sig. (2-tailed)	0.000	

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

Table 4.13 displays the results of correlation test analysis between the dependent variable (organization performance) and talent retention. Results on table 4.13 show that acceptance of organizational performance was positively correlated with talent retention. This reveals that any positive change in talent retention to increased acceptance of organizational performance.

**Table 4.14: Model Summary for Talent Retention**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699 <sup>a</sup>	.489	.486	2.69302

a. Predictors: (Constant), TALENT RETENTION

Regression analysis was conducted to empirically determine whether talent retention was a significant determinant of organization performance in the NSE listed companies. Regression results in table 4.14 indicate the goodness of fit for the regression between organization performance and talent retention was satisfactory. An R squared of 0.489 indicates that 48.9% of the variances in the talent retention by the NSE listed companies are explained by the variances in the organization performance. The R squared results concurs with Poorhosseinzadeh et al., (2012) study that touched on attracting talents ,developing talents ,retaining talents, deploying and succession planning that was carried out in Malaysian multinational companies . The correlation coefficient of 69.9% indicates that the combined effect of the predictor variables talent retention have a strong and positive correlation with organization performance.

***Table 4. 15: ANOVA for Talent Retention***

<b>Indicator</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	1110.928	1	1110.928	153.182	0.000
Residual	1160.378	160	7.252		
<b>Total</b>	<b>2271.307</b>	<b>161</b>			

The overall model significance was presented in table 4.15. An F statistic of 153.182 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that

there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

***Table 4.16: Regression Coefficient for Talent Retention***

<b>Variable</b>	<b>Beta</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
Constant	3.372	1.146	2.942	0.004
Talent Retention	0.847	0.068	12.377	0.000

Table 4.16 displays the regression coefficients of the independent variable (talent retention). The results reveal that talent retention is statistically significant in explaining organization performance of NSE listed companies. The study concurs with those of Poorhosseinzader et al., (2012) cross sectional study done on Malaysian multinational companies which found a positive and significant relationship between talent retention and the success of the companies. The regression results were used to test the null hypothesis “H0: There is no significant effect between talent retention and organizational performance in companies listed in the NSE.” The null hypothesis was rejected at (0.05) level of significance. This implies that there is a relationship between talent retention and organizational performance in companies listed in the NSE.

#### **4.6.3 Talent Retention Qualitative Results**

The respondents were requested to indicate how else talent retention affected organization performance in the NSE listed companies. The respondents were reflected in the following quotations;

“Equity and fairness has helped to retain talented employees and improved the productivity of the company”, “job characteristics / proper job design in a company determines whether employees leave or stays this impacts on the performance of the company”, “employee retention practices helps support an organization’s productivity since recruiting and training new employees takes time”, “Career progression /promotional facilities were motivating factors to employee’s performance”, “ employees’ overtime was a motivating factor to them and it has help improve their morale”, “by company having good retention strategies has helped improve confidence and trust of the customers and the shareholders in our company”.

The findings implied that NSE listed companies could significantly benefit from employee retention programs because of a direct effect on an organization performance. The findings agree with Nzuve, (2007) who asserted that an individual motivation level is determined by how he/she perceive equity, fairness and justice practiced by the management. This implies that the higher the degree of employees perceiving fairness, the more they are motivated to perform and also their levels of commitment increases and hence they are loyal to the organizations and are likely to remain there for long.

#### **4.7 Learning and Development**

The third objective was to establish the effects of learning and development on organizational performance in companies listed in NSE.

#### 4.7.1 Descriptive Results

*Table 4. 17: Learning and Development*

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
In my company appropriate learning and development strategies are in place	6.20 %	6.80 %	5.60%	51.2%	30.20 %
My company identifies the employees who need learning and development and the level they need before conducting training.	2.50 %	6.20 %	4.90%	62.3%	24.10 %
In my organization employees are continuously acquiring new knowledge and skills, and mastering new ways.	0.60 %	5.60 %	1.20%	66.0%	26.50 %
In our company in house development programme is commonly used	4.90 %	4.90 %	0.60%	64.2%	25.30 %
There is Coaching by the line managers in this company	6.20 %	9.90 %	4.30%	51.2%	28.40 %
In my company we take Leadership skills development very seriously	3.70 %	4.90 %	4.30%	64.20 %	22.80 %
we value business skill development	2.50 %	3.10 %	1.20%	66.7%	26.50 %
We believe E -learning is of great importance	4.30 %	8.00 %	4.90%	67.9%	14.80 %

##### **a) Learning and Development Strategies**

The study sought to establish whether the NSE listed companies had put in place appropriate learning and development strategies. Appropriate learning and developments strategies in a company boost organizational performance. Table 4.17 shows that majority 81% of the respondents agreed with the statement that in their company appropriate learning and development strategies

had been put in place. Result also revealed that 13% of the respondent did not agree with the statement, 6% of the respondent neither agree nor disagree with the statement.

The findings agree with those in People in Aid (2008) who emphasized the need for learning and development by saying that organizations which operated in fast-changing environment needed to adapt in order to stay at the forefront. The usefulness of learning and development was acknowledged in those circumstances because staying at the forefront meant organizations had to acquire new knowledge and skills and master new ways of doing things in order to continue providing a high standard of delivery. The findings imply that NSE listed companies are actively involved in putting in place appropriate learning and development strategies and this may have contributed positively to learning and development. The findings also imply that NSE listed company's appropriate learning and development strategies may have contributed positively to organization performance.

#### **b) Learning and Development Need Identification**

The study sought to establish whether the NSE listed companies identified the employees who needed learning and development and the level of learning and development they needed before conducting training. Appropriate learning and developments need identification in NSE listed companies was crucial to organizational performance. Table 4.17 shows that majority of the respondents

86% agreed with the statement that their company identifies the employees who need learning and development and the level of learning and development they need before conducting training while 9% disagreed with the statement. Result revealed that 5% neither agreed nor disagreed with the statement.

The findings agree with those in Harburg (2003) who noted that the organizations which practice effective learning and development began with their employees. This implied that they identified the employees who needed learning and development, the level of learning and development they needed and the duration during which learning took place. The findings imply that NSE listed companies are actively involved in identifying the employees who need learning and development and this may have contributed positively to learning and development. The findings also imply that NSE listed companies are actively involved in learning and development need identification and that may have contributed positively to their organization performance.

### **c) Acquiring new Knowledge and Skills**

The study sought to establish whether the NSE listed organization's employees were continuously acquiring new knowledge and skills and mastering new ways of doing things. Acquisition of new knowledge and a skill in a company was a key determinant of learning and development. Table 4.17 shows that majority of the respondents 93% agreed with the statement that in their organization employees were continuously acquiring new knowledge and skills,

and mastering new ways of doing things, while 6% of the respondents disagreed with the statement and 1% of the respondents neither agreed or disagreed with the statement .

The findings agreed with those of Ballesteros et al., (2010) who indicated that human resource department were involved in attraction and evaluation of talented people with high potential in the organization, they also had to develop the talent pool meaning they train them in skills that the company needs at that time and in future to exploit their full potential and direct it to improve the organization. The findings imply that NSE listed companies are actively involved in providing new knowledge and skills and this may have contributed positively to learning and development. The findings also imply that mastering new ways of doing things may have contributed positively to organization performance.

#### **d) In - House Development Programme**

The study sought to establish whether the NSE listed companies commonly used in house development programme. In house development programmes are important learning and development strategy. Table 4.17 shows that majority of the respondents 90% agreed with the statement that in their company in house development programme was commonly used, while 9% of the respondents disagreed with the statement. 1% neither agrees nor disagreed with the statement.



The findings agreed with those of CIPD (2010) study on learning and talent development results which indicated that in-house development programmes at 56% and ranked among the top effective learning and development practices. The findings imply that NSE listed companies use of in house development programme may have contributed positively to learning and development. The findings also imply that NSE listed companies use of in house development programme may have contributed positively to organizational performance.

**e) Coaching by the line Managers**

The study sought to establish whether there was coaching by line managers in the NSE listed companies. Coaching by managers in NSE listed companies was crucial component of learning and development. Table 4.17 shows that majority of the respondents 80% agreed with the statement that there was coaching by the managers in the NSE listed companies. Result revealed that 16% of the respondent disagreed with the statement while 4% neither agreed nor disagreed with the statement.

The findings agree with those of Gupta (2008) who said that coaching occurs between the employee and supervisors and focuses on examining employees performances and taking actions to maintain effective performance and correcting in-effective performance. Findings also concurs with the CIPD (2010) study on learning and talent development results indicated that coaching by line managers at 51% ranked among the top effective learning and

development practices. The findings imply that NSE listed companies are actively involved with coaching by senior managers and this may have contributed positively to learning and development and organizational performance.

#### **f) Leadership Skills Development**

The study sought to establish whether leadership skills development was taken seriously in NSE listed companies. Leadership skills development in a company was crucial for learning and development. Table 4.17 shows that majority 87% of the respondents agreed with the statement that in their company they took leadership skills development very seriously, while 8% of the respondents disagreed with the same statement. Result shows that 4% of the respondents neither agreed nor disagreed with the statement.

The findings concur with those of Lockwood (2006) who found talent development as an important component in the maintenance of competitive advantage in an organization. The study identified that developing manager capability, retaining high performers, developing succession pool depth and addressing shortages of management or leadership talent were among the challenges facing human resource managers and business leaders. The findings imply that NSE listed companies are actively involved in leadership skills development and this may have contributed positively to learning and development .Findings also imply that NSE listed companies involvement in

leadership skills development may have contributed positively to organizational performance.

#### **g) Business Skill Development**

The study sought to establish whether business skill development was valued by the NSE listed companies studied. Business skill development in a company is a key determinant of learning and development. Table 4.17 shows that majority of the respondents 93% agreed with the statement that in their company they valued business skill development, while 6% of the respondents disagreed with the statement and only 1% who neither agreed nor disagreed with the statement.

The findings agree with those of Ballesteros et al., (2010) who noted that the differentiation point of any business is the skills that its employees possess. Companies that are industrial leaders have devised best plans in attracting, hiring and developing and retaining top performing talents .The findings imply that NSE listed companies are actively involved in business skill development and this may have contributed positively to learning and development. Findings also imply that business skill development may have contributed positively to organizational performance.

#### **h) E- learning**

The study sought to establish whether top managers in NSE listed companies believed E-learning was of great importance in their company. E-learning was

crucial for learning and development in NSE listed companies. Table 4.17 shows that majority of the respondents 83% agreed that they believed E-learning was of great importance in their company while 12% of the respondent disagreed with the statement. Result revealed that 5% of the respondent neither agreed nor disagreed with the statement.

The findings concur with those CIPD (2010) study on learning and talent development which identified E-learning as a key element of learning and development. Moreover, the study found that senior managers and the human resource department were tasked with ensuring that courses were delivered and overall planning of the learning process carried out effectively. The findings imply that NSE listed companies use of E-learning may have contributed positively to learning and development. Findings also imply that E-learning may have contributed positively to organizational performance.

***Table 4.18: Learning and Development Factor Analysis Component Matrix***

<b>Statement</b>	<b>Component</b>
In my company we take Leadership skills development very seriously	0.782
In my company we value business skill development	0.690
There is Coaching by the line managers in this company	0.679
In my organization employees are continuously acquiring new knowledge and skills, and mastering new ways of doing things	0.635
In our company in house development programme is commonly used	0.551
In my company appropriate learning and development strategies have been put in place	0.548
We believe E- learning is of great importance in our company	0.534
My company identifies the employees who need learning and development and the level of learning and development they need before conducting training.	0.534

Table 4.18 shows the factor analysis results for statements regarding learning and development affecting organization performance and eight statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

***Table 4. 19: Learning and Development Cronbach alpha***

<b>Cronbach's Alpha</b>	<b>N of Items</b>
0.768	8

Table 4.19 shows Cronbach alpha values for learning and development. From these findings it can be concluded that the construct measured had the adequate reliability for the subsequent stages of analysis since all the Cronbach Alpha values were greater than 0.7 (Sekaran, 2003).

#### 4.7.2 Quantitative Results

**Table 4.20: Relationship between learning and development and organizational performance**

Variable		Organizational Performance	Learning and Development
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Learning and Development	Pearson Correlation	0.252	1
	Sig. (2-tailed)	0.001	

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

Table 4.20 displays the results of correlation test analysis between the dependent variable (organization performance) and learning and development. Results on table 4.20 show that acceptance of organizational performance was moderate and positively correlated with learning and development. This reveals that any positive change in learning and development led to increased acceptance of organizational performance.

**Table 4.21: Model Summary for Learning and Development**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.252 <sup>a</sup>	.063	.058	3.64639

a. Predictors: (Constant), LEARNING AND DEVELOPMENT

Regression analysis was conducted to empirically determine whether learning and development was a significant determinant of organization performance in

NSE listed companies. Regression results in table 4.21 indicate the goodness of fit for the regression between organization performance and learning and development was satisfactory. An R squared of 0.063 indicates that 6.3% of the variances in the learning and development by listed companies are explained by the variances in the organization performance. The correlation coefficient of 25.2% indicates that the combined effect of the predictor variables have a moderate and positive correlation with acceptance of organization performance.

***Table 4. 22: ANOVA for Learning and Development***

<b>Indicator</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	143.916	1	143.916	10.824	0.001
Residual	2127.391	160	13.296		
<b>Total</b>	<b>2271.307</b>	<b>161</b>			

The overall model significance was presented in table 4.22. An F statistic of 10.824 indicated that the overall model was significant. This was supported by a probability value of (0.001). The reported probability of (0.001) is less than the conventional probability of (0.05). The probability of (0.001) indicated that there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

***Table 4.23: Regression Coefficient for Learning and Development***

<b>Variable</b>	<b>Beta</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
Constant	13.516	1.191	11.353	0.000
Learning and Development	0.224	0.068	3.29	0.001

Table 4.23 displays the regression coefficients of the independent variable (learning and development). The results reveal that learning and development is statistically significant in explaining acceptance of organization performance of listed companies. The study findings are consistent with those of Azara & Syed, (2013) who found a significant and positive association between training and the organization performance. The study also agrees with those of Poorhosseinzader & Subramaniam, (2012) cross sectional study done on Malaysian Multinational companies which found a positive relationship between developing talents and the success of the companies. The regression results were used to test the null hypothesis “H0: There is no significant effect between learning and development and organizational performance in companies listed in the NSE.” The null hypothesis was rejected at (0.05) level of significance. This implies that there is a relationship between learning and development and organizational performance in companies listed in the NSE.

#### **4.7.3 Qualitative Results**

The respondents were requested to indicate how else learning and development affected organization performance. The respondents were reflected in the following quotations;



“ A policy and a committee for planning and approving the learning and development programs would lead to relevant skill acquisition good for company success”, “on job training would be good for our company because employees would remain productive to the company “,”offering scholarships and study leaves to talented employees would improve their skills to the advantage of the company “,”ensuring that proper learning and development strategies are in place gives a company a competitive edge”.The findings imply that learning and development provides both the company as a whole and the individual employees with benefits that makes it a worthwhile investment.

The findings agree with those in Johnson et al (2012) research carried out through literature review that showed how poor learning and development of employees can hamper effective performance. The study indicated that appropriate learning and development strategies had to be put in place to ensure that learning and development lead to organization performance. It also concurs with CIPD (2010) study on learning and talent development study that found that senior managers and the human resource department were tasked with ensuring that courses were delivered and overall planning of the learning process carried out effectively.

#### **4.8 Career Management**

The fourth objective of the study was to establish how career management affects organizational performance in the NSE listed companies. Career management indicators included existence of career counselling, career centres,

career mentors, career planning, succession planning practices, retirement preparation programmes as well as programmes and initiatives that enhance employee development.

#### 4.8.1 Descriptive Results

**Table 4. 24: Career Management**

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My company offers career counselling	6.80%	4.90%	6.20 %	45.10 %	37.00 %
We have established career centres where employees can access useful materials and advice on career growth and development	0.60%	4.30%	5.60 %	43.80 %	45.70 %
This company believes career planning facilitates expansion and growth of this company	9.90%	11.1%	4.30 %	35.80 %	38.90 %
My company plans on employee growth and progression	4.30%	9.90%	0.00 %	70.40 %	15.40 %
My company strives to establish career paths and families of jobs in every department	4.30%	4.30%	8.60 %	39.50 %	43.20 %
In my company, we develop programs and initiatives that enhance employee development	4.30%	6.80%	9.30 %	53.70 %	25.90 %
We have established succession planning in my company	4.30%	9.90%	0.00 %	70.40 %	15.40 %
My company has provision of career mentors	4.30%	4.30%	8.60 %	39.50 %	43.20 %
In my company we have retirement preparation programmes	4.30%	6.80%	9.30 %	53.70 %	25.90 %

### **a) Career Counselling**

The study sought to establish if the NSE listed companies offered career counselling to its employees. Career counselling in a company was crucial of career management. Results in table 4.24 shows that majority 82% agreed that their company offered career counselling, 12% disagreed while 6% neither agreed nor disagreed with the statement. The findings concur with those in Agarwala, (2007) who found out that organizational career management practices to include career counselling by the human resource department .The findings imply that NSE listed companies, offers career counselling to employees and this may have contributed positively to career management. The findings also imply that career counselling may have contributed positively to organization performance.

### **b) Career Centres**

The study sought to establish if the NSE listed companies had established career centres where employees could access useful materials and advice on career growth and development. A career centres in a company was crucial of career management. Results in table 4.24 shows that majority 89% agreed that they had established career centres where employees can access useful materials and advice on career growth and development, 5% disagreed while 6% neither agreed nor disagreed with the statement. The findings agree with those in Allen (2005) who noted that employee development included existence of career centres. Also the findings agree with Agarwala, (2007) who found

career management practices to include career centres. The findings imply that NSE listed companies have established career centres for their employees and this may have contributed positively to career management. The findings also imply that career centres may have contributed positively to organization performance.

### **c) Career Planning Facilitates Expansion and Growth**

The study sought to establish if the NSE listed companies believed career planning facilitated expansion and growth of their company. Career planning was crucial of career management. Results in table 4.24 shows that 75% agreed that the company believed career planning facilitated expansion and growth of the company, 21% disagreed while 4% neither agreed nor disagreed with the statement.

The findings also agree with those in Gupta (2008) who noted that there are several elements of career management including career development and planning which focuses on planning of employee growth and progression; Career planning facilitates expansion and growth of the enterprise (Gupta, 2008).The findings imply that career planning in NSE listed companies have contributed positively to career management and eventually to the organization performance through facilitation of expansion and growth of the companies.

#### **d) Planning Employee Growth and Progression**

The study sought to establish if the NSE listed companies planned on employee growth and progression. Planning for employee growth and progression in a company was crucial of career management. Results in table 4.24 shows that 86% agreed that the company planned on employee growth and progression, while 14% disagreed with the statement.

The findings agree with those in Gupta (2008) who found out that there are several elements of career management including career development and planning which focused on planning of employee growth and progression. The findings imply that NSE listed companies planning for their employees' growth and progression may have contributed positively to career management. The findings also imply that employee growth and progression may have contributed positively to organization performance.

#### **e) Career Paths and Families of Jobs**

The study sought to establish if the NSE listed companies had established career paths and families of jobs in every department. Existence of career paths and families of jobs in the NSE listed companies were crucial of career management. Results in table 4.24 shows that 82% agreed that their company strived to establish career paths and families of jobs in every department, 9% disagreed while 9% neither agreed nor disagreed with the statement.

The findings agree with those in Allen (2005) who noted that career pathing involves creating established career paths and families of jobs within a given

area and allowing employees have a vision of progression as well as goals and expectations. The findings imply that listed companies' had established career paths and families of jobs in every department and this may have contributed positively to career management. The findings also imply that existence of career paths and families of jobs in every department in the NSE listed companies, may have contributed positively to the organization performance.

**f) Programs and Initiatives to Enhance Employee development**

The study sought to establish if the NSE listed companies had developed programs and initiatives that enhanced employee development. Employee development programs in the NSE listed company were crucial of career management. Results in table 4.24 shows that 80% agreed that in their company, they developed programs and initiatives that enhanced employee development, 11% disagreed while 9% neither agreed nor disagreed with the statement.

The findings agree with those in Farrell et al, (2005) who asserted that career development describes the lifelong process of managing life, learning and work. It involves individuals planning and making decisions about education, training and career choices as well as developing the right skills and knowledge to do this. The findings imply that NSE listed companies' have developed programs and initiatives that enhanced employee development. The findings also imply that NSE listed companies initiation of various employee

development programs, may have contributed positively to the organization performance.

#### **g) Succession Planning**

The study sought to establish if the NSE listed companies had established succession planning in their companies. Establishment of succession planning in a company was crucial of career management. Results in table 4.24 shows that 86% of the respondents agreed that they had established succession planning in their company, while 14% disagreed with the statement.

The findings agree with those in Blackman et al, (2013) who sought to investigate the relationship between talent management and succession planning processes. The study, which was carried out using descriptive and inferential statistics, revealed that talent management and succession planning within government organizations met the requirements and therefore impacted on talent development which gave the organizations a competitive edge. The findings also concur with those Allen, (2005) who asserted that employee development consisting of programs and initiatives such as succession planning. The findings imply that NSE listed companies' have established succession planning in their companies and that has contributed positively to career management. The findings also imply that succession planning practice by the NSE listed companies may have contributed positively to organization performance.

#### **h) Career Mentors**

The study sought to establish if the NSE listed companies had provision of career mentors. Career mentors in a company were crucial of career management. Results in table 4.24 shows that 82% agreed that their company had provision of career mentors, 9% disagreed while 9% neither agreed nor disagreed with the statement. The findings concur with of Dargham, (2013) who asserted that career management consists of both formal and informal activities including career mentors. The findings imply that NSE listed companies have provision of career mentors and this may have contributed positively to career management. The findings also imply that provision of career mentors may have contributed positively to organization performance in the NSE listed companies.

#### **i) Retirement Preparation Programmes**

The study sought to establish if the NSE listed companies had retirement preparation programmes. Retirement preparation programmes in a company were crucial of career management. Results in table 4.24 shows that 80% agreed that in their company they had retirement preparation programmes, 11% disagreed while 9% neither agreed nor disagreed with the statement. The findings agree with those in Agarwala, (2007) who found organizational career management practices to include retirement preparation programmes. The findings imply that NSE listed companies had retirement preparation



programmes. The findings also imply that retirement preparation programmes may have contributed positively to organization performance.

***Table 4. 25: Career Management Factor Analysis Component Matrix***

<b>Statement</b>	<b>Component</b>
My company strives to establish career paths and families of jobs in every department	0.773
My company has provision of career mentors	0.773
In my company, we develop programs and initiatives that enhance employee development	0.675
In my company we have retirement preparation programmes	0.675
This company believes career planning facilities expansion and growth of this company	0.492
My company offers career counselling	0.461
We have established career centres where employees can access useful materials and advice on career growth and development	0.421
My company plans on employee growth and progression	0.391
We have established succession planning in my company	0.391

Table 4.25 shows the factor analysis results for statements regarding career management affecting organization performance and nine statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

***Table 4. 26: Career Management Cronbach alpha***

<b>Cronbach's Alpha</b>	<b>N of Items</b>
0.74	9

Table 4.26 shows Cronbach alpha values for career management. From these findings it can be concluded that the construct measured had the adequate reliability for the subsequent stages of analysis since all the Cronbach Alpha values were greater than 0.7 (Sekaran,2003).

#### 4.8.2 Quantitative Results

**Table 4.27: Relationship between Career Management and Organizational Performance**

Variable		Organizational Performance	Career Management
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Career Management	Pearson Correlation	0.495	1
	Sig. (2-tailed)	0.000	

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

Table 4.27 displays the results of correlation test analysis between the dependent variable (organization performance) and career management. Results on table 4.27 show that acceptance of organizational performance was moderately but positively correlated with career management. This reveals that any positive change in career management on organizational performance led to increased acceptance of organizational performance.

**Table 4.28: Model Summary of Career management**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.495 <sup>a</sup>	.245	.240	3.27433

a. Predictors: (Constant), CAREER MANAGEMENT

Regression analysis was conducted to empirically determine whether career management was a significant determinant of organization performance in the NSE listed companies. Regression results in table 4.28 indicate the goodness of

fit for the regression between organization performance and career management was satisfactory. An R squared of 0.245 indicates that 24.5% of the variances in the acceptance of career management by the NSE listed companies are explained by the variances in the organization performance. The R squared results are in agreement with Poorhosseinzadeh et al., (2012) study that touched on attracting talents, developing talents, retaining talents, deploying talents and succession planning in Multinational companies in Malaysia . The correlation coefficient of 49.5% indicates that the combined effect of the predictor variables have a strong and positive correlation with acceptance of organization performance.

***Table 4. 29: ANOVA for Career Management***

<b>Indicator</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	555.908	1	555.908	51.851	0.000
Residual	1715.399	160	10.721		
<b>Total</b>	<b>2271.307</b>	<b>161</b>			

The overall model significance was presented in table 4.29. An F statistic of 51.851 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

***Table 4.30: Regression Coefficient for Career Management***

<b>Variable</b>	<b>Beta</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
Constant	9.731	1.085	8.972	0.000
Career Management	0.419	0.058	7.201	0.000

Table 4.30 displays the regression coefficients of the independent variable (career management). The results reveal that career management is statistically significant in explaining acceptance of organization performance of the NSE listed companies. These results are consistent with Khulida & Siti (2004) findings which indicated that there was significant and positive relationship between organization career management and performance. The regression results were used to test the null hypothesis “H0: There is no significant effect between career management and organizational performance in companies listed in the NSE in Kenya.” The null hypothesis was rejected at (0.05) level of significance. This implies that there is a relationship between career management and organizational performance in companies listed in the NSE.

### **4.8.3 Qualitative Results**

The respondents were requested to indicate how else, career management affected organization performance. The respondents were reflected in the following quotations;

“performance appraisal can help facilitate career development of the employees’ hence better performance”,” Career management could be enhanced by giving employees challenging and interesting tasks “,” career

management could be achieved through job transfers and rotation which is good for the company”, ” career management helps move people into roles where their skills are most suited and their aspirations are best met”. “If NSE listed company take their employees for seminars and workshops this could lead to improved productivity”.

The findings imply that career management helps to improve employee skills hence improve the organization performance .The findings agree with those Allen (2005) who noted that performance management/feedback and an effective appraisal system can provide an objective assessment of current performance and future potentials of employees and that performance feedback helps employees in understanding and developing their potentials.

#### 4.9. Multiple Regression Analysis for the Overall Model

*Table 4.31: Model Fit for Organization Performance*

<b>Indicator</b>	<b>Coefficient</b>
R	0.990
R Square	0.980
Std. Error of the Estimate	2.53866

Regression results in table 4.31 indicated that the goodness of fit for the regression of independent variables and organization performance is satisfactory. An R squared of (0.980) indicated that (98%) of the variances in the components of talent management (talent attraction, talent retention, career management and learning and development) in the NSE listed companies are

explained by the variance in the organization performance .The regression equation is as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where

Y = Organization Performance (dependent variable)

$\beta_0$  : Intercept

$\beta_i$  :  $i = 1, 2, 3, 4, 5$   $\equiv$  Coefficients of the independent variables

$X_i$  :  $i = 1, 2, 3, 4, 5$   $\equiv$  The independent variables(talent attraction, talent retention, learning and development and career management)

$\epsilon$  : Error term which is assumed to be normally distributed with mean zero and constant variance.

**Table 4. 32 ANOVA for Acceptance of Organization Performance**

<b>Indicator</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	49839.47	4	12459.87	1933	0.000
Residual	1018.28	158	6.445		
<b>Total</b>	<b>50857.754b</b>	<b>162</b>			

ANOVA results were presented in table 4.32. The results indicated that the overall model was significant, that is, the independent variables were good joint explanatory variables/determinants for organization performance (F=1933, P value = 0.000).

The study findings showed a great influence of all the four variables to organization performance .The study found out that there was 98% of

corresponding change in the organization performance for every change in all the four predictor variables jointly. In table 4.32 ANOVA indicated that talent attraction, talent retention, learning and development and career management was significant ( $P < 0.05$ ) and explained organization performance in NSE listed companies in Kenya.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

The assumption in this case when using variance is that;

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$$

$H_1$ : At least one of the  $\beta$  is not zero

The p-value = 0.00 implied that reject null hypothesis and accept that at least one of  $\beta \neq 0$ .

**Table 4.33: Model Summary and Parameter Estimates**

<b>Variable</b>	<b>Beta</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
Talent Attraction	0.069	0.078	0.891	0.374
Talent Retention	0.845	0.065	12.977	0.000
Learning And Development	0.117	0.057	2.053	0.042
Career Management	0.246	0.052	4.713	0.000

#### **4.10 Discussion of the Model Summary Results**

**Research question one: What is the effect of talent attraction on organizational performance in firms listed in the NSE?**

The results shown in the table 4.33 above indicate that talent attraction has a positive but insignificant influence on organization performance. This is shown by the regression analysis value of t-calculated which is less than 2 (0.891), b1 (0.069) which meant that an increase in the talent attraction effectiveness by 1 unit leads to an increase in organization performance by 0.069units and p value of 0.374 at 95% level of confidence that is more than 0.05 .Talent attraction had the least influence on the organization performance.

**Research question Two: What is the effect of talent retention on organizational performance in firms listed in the NSE?**

The results indicates that talent retention had a positive and significant influence on organization performance .Table 4.33 shows talent retention had the highest influence on organization performance as compared to talent attraction, learning and development and career management .This is shown by the regression analysis value of t value 12.977 which is greater than 2 and p-value of 0.000 which is less than 0.05 at 95% level of confidence. (b1=0.845) implied that an increase in the effectiveness in talent retention by 1 unit leads to an increase in organization performance by 0.845 units.

**Research question 3: What is the effect of learning and development on organizational performance in firms listed in the NSE?**

The results indicates that learning and development had a positive and significant influence on organization performance .Table 4.33 shows learning



and development had lower influence on organization performance than talent retention and career management .This is shown by the regression analysis value of t- value 2.053 which is greater than 2 and p-value of 0.042 which is less than 0.05 at 95% level of confidence. (b1=0.117) implied that an increase in the learning and development effectiveness by 1 unit leads to an increase in organization performance by 0.117 units.

**Research question 4: What is the effect of career management on organizational performance in firms listed in the NSE?**

The results indicates that career management had a positive and significant influence on organization performance .Table 4.33 shows career management had the second highest influence on organization performance after talent retention .This is shown by the regression analysis value of t value 4.713 which is greater than 2 and p-value of 0.000 which is less than 0.05 at 95% level of confidence, (b1=0.246) implied that an increase in the career management effectiveness by 1 unit leads to an increase in organization performance by 0.246 units.

After the analysis the study model was as follows;

$$\text{Organization Performance} = 0.845x_2+0.117x_3+0.246x_4$$

**4.11 Organization Performance**

The organization performance was the dependent variable of the study .The elements that measured organization performance were: Competitiveness, sales

increase, employees' morale, productivity and profitability of the NSE listed companies.

**Table 4. 34: Organization Performance**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
In this company we believe talent management increases our competitiveness	6.80%	4.90%	6.20 %	45.10 %	37.00 %
My company's talent retention strategy has led to increase of sales	0.60%	4.30%	5.60 %	43.80 %	45.70 %
Talent management in the organization lead to increased employee productivity.	9.90%	11.10 %	4.30 %	35.80 %	38.90 %
This company's internal recruitment policy helps uplift employees morale	1.90%	4.30%	6.80 %	56.80 %	30.20 %
This companies formal succession planning has contributed to a high return of investment.	0.60%	0.60%	3.70 %	53.70 %	41.40 %
My company believe when we give employees an interesting and challenging job will increase their productivity	3.10%	4.30%	4.30 %	61.70 %	26.50 %
Talent management in this organization has led to increase in profitability.	0.60%	3.70%	3.70 %	38.30 %	53.70 %

**a) Competitiveness**

The study sought to establish if the NSE listed companies in Kenya believed talent management increased their competitiveness. Competitiveness of an NSE listed company was crucial for organization performance. Results in table 4.34 shows that majority 82% agreed that in their company they believed talent

management increased their competitiveness, 12% disagreed while 6% neither agreed nor disagreed with the statement.

The findings agrees with those of Heimen et al, (2004 who said sustained competitive advantage comes from talent management practices in other words, how the organization attracts, develops, retains, motivates, manages, and rewards its talent. Also agrees with Lawler, (2008) who said more than any other asset, talent provides the potential for long-term competitive advantage The findings imply that listed companies have put in place talent management to increase their competitiveness and this may have contributed positively to organization performance.

#### **b) Increase of Sales**

The study sought to establish if the company's talent retention strategy has led to increase of sales in NSE listed companies in Kenya. Increase in sales in a company was crucial for organization performance. Results in table 4.34 shows that majority 90% agreed that their company's talent retention strategy had led to increase of sales, 5% disagreed while 6% neither agreed nor disagreed with the statement. The findings agree with those of Huselid, (1995) who found out that use of high-performance talent-management practices, were associated with the \$27,000 increase in sales per employee, and an increase of \$18,600 in market value per employee. The findings imply that the NSE listed companies have adopted talent retention strategy and this may have contributed positively to organization performance.

### **c) Employees' Morale**

The study sought to establish if the company's internal recruitment policy has helped to uplift employees' morale in the NSE listed firms. Employees' morale in a company was crucial for organization performance. Results in table 4.34 shows that majority 87% agreed that the company's internal recruitment policy helped to uplift employees' morale, 6% disagreed while 7% neither agreed nor disagreed with the statement. The findings agree with those in Rahman, (2006) who noted that employee satisfaction is measured by employee morale. The findings imply that listed companies have uplifted employees' morale and this may have contributed positively to organization performance.

### **d) Return of Investment**

The study sought to establish if the companies formal succession planning had contributed to a high return of investment in the NSE listed companies in Kenya. Formal succession planning in a company was crucial for organization performance. Results in table 4.34 shows that majority 95% agreed that the companies formal succession planning had contributed to a high return of investment, 1% disagreed while 4% neither agreed nor disagreed with the statement. The findings agrees with those in Heimen et al, (2004) who asserted that companies with formal succession plan for their top managerial post enjoy a higher return of investment than those that do not have .The findings imply that listed companies have put in place formal succession planning which have

contributed to a high return of investment hence, increase in organization performance.

#### **e) Productivity**

The study sought to establish if the NSE listed companies gave employees an interesting and challenging job to increase their productivity. Productivity in a company was crucial for organization performance. Results in table 4.34 shows that 88% agreed that the company believed when they gave employees an interesting and challenging job would increase their productivity, 7% disagreed while 4% neither agreed nor disagreed with the statement.

The findings agree with those of Davis et al .,(2007) who argued that for the talent to be cultivated the employee must be able to experience both intrinsic and extrinsic reward from their jobs and should the employee find job interesting and challenging, they will exert all necessary effort in doing the job and therefore lead to increased productivity. Also agrees with Van Dam (2004) who asserted that people who experience more career support are more productive. The findings imply that NSE listed companies giving their employees interesting and challenging job opportunities have contributed positively to productivity and hence, increase in organization performance.

#### **f) Profitability**

The study sought to establish if the talent management in the organization had led to increase in profitability in NSE listed companies. Profitability in a

company was crucial for organization performance. Results in table 4.34 shows that 92% agreed that talent management in the organization had led to increase in profitability, 4% disagreed while 4% neither agreed nor disagreed with the statement. The findings agree with those in Kehinde, (2012) study on talent management effect on organization performance in Nigeria whose results showed that there was evidence that talent management, profitability and return on investment were highly correlated. The findings imply that listed companies have put in place talent management which have contributed positively to profitability and hence, increase in organization performance.

***Table 4. 35: Performance Factor Analysis Component Matrix***

<b>Statement</b>	<b>Component</b>
My company believe when we give employees an interesting and challenging job will increase their productivity	0.776
In this company we believe talent management increases our competitiveness	0.741
Talent management in the organization lead to increased employee productivity.	0.695
This company's internal recruitment policy helps uplift employees morale	0.586
My company's talent retention strategy has led to increase of sales	0.473
Talent management in this organization has led to increase in profitability.	0.459
This companies formal succession planning has contributed to a high return of investment.	0.380

Table 4.35 shows the factor analysis results for statements regarding employee performance on organization performance and seven statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

**Table 4. 36: Performance Cronbach alpha**

Cronbach's Alpha	N of Items
0.7	7

Table 4.36 shows Cronbach alpha values for employee performance. From these findings it can be concluded that the construct measured had the adequate reliability for the subsequent stages of analysis since all the Cronbach Alpha values were greater than 0.7 (Sekaran,2003).

#### 4.12 Normality of Organizational Performance

**Table 4.37: One-Sample Kolmogorov-Smirnov Test**

		Organizational Performance
Normal Parameters <sup>a</sup>	Mean	16.0041
	Std. Deviation	3.50052
Most Extreme Differences	Absolute	0.083
	Positive	0.083
	Negative	-0.08
Kolmogorov-Smirnov Z	1.053	
Asymp. Sig. (2-tailed)	0.217	

a. Test distribution is Normal.

The one sample Kolmogorov-Smirnov test in table 4.37 implied that the dependent variable organization performance was normal. Such that given  $H_0$  and  $H_1$ , set  $\alpha=0.05$ , the rule is that reject  $H_0$  if P-value is less than  $\alpha$  else fail to reject  $H_0$ : where

$H_0$ : Data is Normal

$H_1$ : Data is not normal

Since a P value of 0.217 was above 0.05 we fail to reject the null hypothesis. Therefore the data was normally distributed meaning that the probability of outliers was minimal. The findings imply that the responses were lying close to the line of normality. Furthermore, it implied that the data was ideal for all type of analysis, including parametric and regression analysis.

#### **4.13 Pearson's Bivariate Correlation**

Bivariate correlation indicates the relationship between two variables. It ranges from 1 to -1 where 1 indicates a strong positive correlation and a -1 indicates a strong negative correlation and a zero indicates lack of relationship between the two variables. The closer the correlation tends to zero the weaker it becomes. The correlation between talent attraction and organization performance was weak and positive (0.275) and significant (0.000). This shows that a change in talent attraction and organization performance changed in the same direction though the relationship was not very strong (0.275). However the relationship is statistically significant at a p value of 0.000. The correlation between organization performance and talent retention, learning and development and career management was 0.699, 0.252 and 0.495 respectively and all had statistically significant relationships. There was no multicollinearity since none of the correlation between the independent variables was above 0.8. A correlation coefficient of 0.8 or more indicates serious multicollinearity.



**Table 4.38: Pearson's Correlation between Dependent and Independent variables**

<b>Variable</b>		Organizational Performance	Talent Attraction	Talent Retention	Learning And Development	Career Management
Organizational Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Talent Attraction	Pearson Correlation	0.275	1			
	Sig. (2-tailed)	0.000				
Talent Retention	Pearson Correlation	0.699	0.296	1		
	Sig. (2-tailed)	0.000	0.000			
Learning And Development	Pearson Correlation	0.252	0.447	0.452	1	
	Sig. (2-tailed)	0.001	0.000	0.000		
Career Management	Pearson Correlation	0.495	0.446	0.399	0.335	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of major findings of the study, relevant discussions, conclusions and the necessary recommendations. The study sought to establish the effects of talent management on organisation performance in companies listed in Nairobi securities exchange in Kenya. The summary is done in line with the research questions and objectives of the study based on the output of the descriptive and inferential statistical analyses guided to test the research hypothesis of the study. Each recommendation traces directly to each conclusion in line with practice and policy.

#### **5.2 Summary of the Findings**

##### **5.2.1 Research Question One: What is the Effect of Talent Attraction on Organizational Performance in Firms Listed in the NSE?**

The study found out that talent attraction had a positive influence on the organization performance. Results of inferential statistics such as ANOVA showed that talent attraction which is a component of talent management had a positive and significant effect on the organization performance in companies listed in NSE. The findings further indicated that firms listed in the NSE had practised talent attraction and this had an effect on organizational performance. This observation was arrived at because majority of the respondents agreed

with the statements that their company was actively involved in communication and implementation of employer branding, the company's good working conditions and fair wages had enabled it to attract the right talents, the company had valued talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees, in their company, they supported employee training and career progression, work-life balance as well as social networking facilities in their company was a motivating factor to their employees and that they ensured job security in order to attract the right employees . Talent attraction content analysis results revealed that having proper recruitment policy helped to attract the right employees for success of the company, Poaching /head hunting talented employees from competitor may help improve organization performance and that good employee allowances given by their company had helped them attract committed workforce. Content analysis results implied that there could be more other components of talent attraction which could influence organization performance. The null hypothesis was rejected by regression results and this implied that talent attraction had a significant relationship with organizational performance.

### **5.2.2 Research Question Two: What is the Effect of Talent Retention On Organizational Performance in Firms Listed in the NSE?**

The result indicates that talent retention had a positive and significant influence on organization performance. Talent retention had the greatest influence on

organization performance as compared to talent attraction, learning and development and career management. The study showed that the majority of the respondents agreed that they used effective leadership style and that they were careful on how they handled employee issues; their company had competitive compensation system in comparison to other organizations in the same industry which was a motivating factor to their employees, they had internal recruitment policy that helped to raise the loyalty and morale of their employees, their company flexible working hours was a motivating factor to their employees , their company ensured employee were satisfied and motivated all the time and that their company offered attractive non-monetary rewards to employees. Content analysis results revealed that equity and fairness helped to retain talented employees and improved the productivity of the company, job characteristics / proper job design in a company determined whether employees left or stayed and these impacted on the performance and that career progression /promotional facilities were motivating factors to employee's performance. Content analysis results implied that there could be more other components of talent retention which could influence organization performance. The null hypothesis was rejected by regression results and this implied that talent retention had a significant relationship with organizational performance.

### **5.2.3. Research question 3: What is the Effect of Learning and Development on Organizational Performance in Firms Listed in the NSE?**

The result indicates that learning and development had a positive and significant influence on organization performance. Learning and development had lower influence on organization performance than talent retention and career management. Learning and development was measured by whether the organizations had acquired new knowledge and skills, and mastered new ways of doing things, identification of the employees who needed learning and development, existence of in-house development programmes ,E- learning and coaching. Majority of the respondents agreed with the measures and this was supported by regression results which indicated that the relationship between learning and development and organizational performance was positive and significant. Content analysis results revealed that respondents felt that having a policy and a committee for planning and approving the learning and development programs would lead to relevant skill acquisition good for company success, that on job training would be good for their company because employees would remain productive to their company and that offering scholarships and study leaves to talented employees would improve their skills to the advantage of the company. Content analysis results implied that there could be more other components of learning and development which could influence organization performance. The null hypothesis was rejected by

regression results and this implied that learning and development had a significant relationship with organizational performance.

#### **5.2.4 Research question 4: What is the effect of career management on organizational performance in firms listed in the NSE?**

The results indicated that career management had a positive and significant influence on organization performance. Career management had the second highest influence on organization performance after talent retention. The elements that measured career management included; whether the company had policies on employee growth and progression; the company had established career paths and families of jobs in every department, existence of succession planning, career mentors, career centres, counselling facilities and retirement preparation programmes. Majority of the respondents agreed with the statements and this was supported by regression results which indicated that the relationship between career management and organizational performance was positive and significant. Content analysis results revealed that respondents felt that performance appraisal can help facilitate career development of the employees' hence better performance, that career management could be enhanced by giving employees challenging and interesting tasks and that career management could also be achieved through job transfers and rotation which was good for company. This implied that there could be more other components of career management which could influence organization

performance. The null hypothesis was rejected by regression results and this implied that career management had a significant relationship with organizational performance.

### **5.3 Conclusions**

#### **5.3.1 Effect of Talent Attraction on Organizational Performance**

The study led to the conclusion that components of talent attraction which included ; active involvement of company in communication and implementation of employer branding, good working conditions and fair wages, company valuation of talent search matrix during selection, company support of employee training and career progression, company facilitation of work-life balance as well as social networking and the assurance of employees job security had positive influence on the organization performance in companies listed in NSE. Content analysis results indicated that there could be more other components of talent attraction which could influence organization performance. Talent attraction had positive and significant influence on the organization performance in companies listed in NSE.

#### **5.3.2 Effect of Talent Retention on Organizational Performance**

It may be concluded firms listed on the NSE have put in place effective talent retention practices. This came after the realization that a company needs to invest in employee retention in order to be successful. This has been achieved through effective leadership style, competitive compensation, internal

recruitment policy, flexible working hours, Employee motivation and attractive non-monetary rewards, in order to attract the right talents.

Content analysis results indicated that there could be more other components of talent retention which could influence organization performance. It was further concluded that talent retention had highest positive and significant effect on organization performance.

### **5.3.3 Effect of Learning and Development on Organizational Performance**

Study findings led to the conclusion that firms listed on the NSE have put in place effective learning and development activities. The particular activities include; organizations had acquired new knowledge and skills, and mastered new ways of doing things, identification of the employees who needed learning and development, existence of in-house development programmes, E-learning and coaching. Content analysis results indicated that there could be more other components of learning and development which could influence organization performance. The study concluded that learning and development had a positive and significant effect on organization performance.

### **5.3.4 Effect of Career Management on Organizational Performance**

It was concluded that effective career management practices had been put in place by firm listed on the NSE. The study revealed that practices such as the company having policies on employee growth and progression; the company



having established career paths and families of jobs in every department, existence of succession planning, career mentors, career centres, counselling facilities and retirement preparation programmes contributed positively to organization performance. Content analysis results indicated that there could be more other components of career management which could influence organization performance. The study therefore concluded that listed firms with effective career management practices had superior organization performance. This was supported by a positive and significant relationship between career management and organization performance.

#### **5.4 Recommendations**

The study recommends that organizations should offer favourable working conditions to their employees as the best talented employees who contribute to good organization performance, will be attracted to work for an organizations that they think will be more able to satisfy their needs by providing job security , good pay package and career progression .

It is recommended that the NSE listed firms should keep valuing and ensuring that talent retention strategies like competitive compensation system, effective leadership style and internal recruitment policy are in place because the study found a high influence of talent retention on organization performance.

The study suggest that career management methods like having career counselling facilities ,career mentors, career planning and career development programs should be widely adopted by NSE listed firms as doing so would lead to improved performance.

It is recommended that NSE management should maintain learning and development practices like learning need identification, coaching and in-house development programmes to improve their performance. Overall, it is recommended that talent management practices should be emphasized as doing so brings about superior organizational performance. The particular practices should include talent attraction, talent retention, learning and development and career management.

### **5.5 Areas for Further Research**

The content analysis results indicated that there could be other component of talent attraction, talent retention, learning and development and career management that may contribute positively to the organization performance in companies listed in NSE. Future studies may use additional components of the variables of talent attraction, talent retention, learning and development and career management on organization performance. The study did not use the provision of control variables in the conceptual model and therefore there is an opportunity for other researchers to introduce these variables like the size of the NSE listed companies and establish whether the findings can be generalized.

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## APPENDIX 1: QUESTIONNAIRE

The questionnaire below is meant for collection of data for academic purposes. The study intends to find out the effect of talent management on organization performance in companies listed in the Nairobi Securities Exchange. Please tick or fill in the blank spaces as required. Your contribution will contribute greatly to the development of this study. Thank you

### Part A: Background Information

1. Name of your company?

.....

2. Size of the organization? Tick appropriately.

Less than 300 employees [ ]

300 – 999 employees [ ]

1000-1999 employees [ ]

2000-2999 employees [ ]

Over 3000 employees [ ]

1. Which sector are you involved in?

<b>Sector</b>	<b>Tick</b>
Agriculture	
Commercial and services	
banking	
Insurance	
Investment	
Manufacturing and Allied	
Construction	
Energy and petroleum	
Telecommunication and technology	
Automobile sectors	

2. What position do you hold in your company? Tick appropriately.

- Chief Executive [ ]
- Company Chairman [ ]
- Company Secretary [ ]
- HR Director [ ]
- Other Director [ ]

## **Part B: Variables of Talent management**

### **Talent attraction**

1. To what extent do you agree with the following statements relating to effects of talent attraction on organization performance?

Statement on talent attraction	Strongly Agree	Agree	neutral	Disagree	Strongly disagree
My company is actively involved in communication and implementation of employer branding					
This company's good working conditions and fair wages has enabled it to attract the right talents					
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees					
My organization strives to build a good brand image to attract talented employees					
This company assures employees job security, in order to attract the right talent.					
In this company, we support employee training and career progression					
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees					
We ensure good organizational climate in order to					

attract the right talents					
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2. Apart from those mentioned above how else does talent attraction affect organization performance?

.....

.....

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.....

**Talent retention**

1. To what extent do you agree with the following statements relating to effects of talent retention on organization performance among firms listed in the NSE?

Statement on talent retention	Strongly Agree	Agree	neutral	Disagree	Strongly disagree
We use effective leadership style and we are careful on how we handle employee issues					
This company ensures our company image remains good all the time in order to retain our talented employees					
My company has competitive compensation system in					

comparison to other organizations in the same industry which is a motivating factor to our employees					
We have internal recruitment policy that helps to raise the loyalty and morale of our employees					
My company flexible working hours is a motivating factor to our employees					
This company offers training opportunities to enhance career growth hence retain talented employees					
In my company there is effective performance assessment which enhances the employee confidence.					
My company ensures Employee are satisfied and motivated all the time					
My company offers attractive non-monetary rewards to employees					

2. Apart from those mentioned above how else does talent retention affect organization performance?

.....

.....

.....

.....

## Learning and Development

1. To what extent do you agree with the following statements relating to effects of learning and development on organisation performance among firm listed in the NSE?

Statement on learning and development	Strongly Agree	Agree	neutral	Disagree	Strongly disagree
In my company appropriate learning and development strategies have been put in place					
My company identifies the employees who need learning and development and the level of learning and development they need before conducting training.					
In my organization employees are continuously acquiring new knowledge and skills, and mastering new ways of doing things					
In our company in house development programme is commonly used					
There is Coaching by the line managers in this company					

In my company we take Leadership skills development very seriously					
In my company we value business skill development					
We believe E – learning is of great importance in our company					
We emphasise on Teamwork skills Development in this company					

2. Apart from those mentioned above how else does learning and development affect organization performance?

.....

.....

.....

## Career Management

1. To what extent do you agree with the following statements relating to effects of career management on organisation performance among firm listed in the NSE?

Statement on learning and development	Strongly Agree	Agree	neutral	Disagree	Strongly disagree
My company offers career counselling					
We have established career centres where employees can access useful materials and advice on career growth and development					
This company believes career planning facilitates expansion and growth of this company					
This company encourages job rotation and transfer people across departments laterally to increase their value for themselves					
My company plans on employee growth and progression					
My company strives to establish career paths and families of jobs in every department					
In my company, we develop programs and initiatives					



that enhance employee development					
We have established succession planning in my company					
My company has provision of career mentors					
In my company we have retirement preparation programmes					

2. Apart from those mentioned above how else does career management affect organization performance?

.....

.....

.....

**Part C: Organizational performance**

1. To what extent do you agree with the following statements relating to the effects of talent management on organization performance?

	Strongly Agree	Agree	neutral	Disagree	Strongly disagree
In this company we believe talent management increases our competitiveness					
My company's talent retention strategy has led to increase of sales					
Talent management in the organization lead to increased employee productivity.					
This company's internal recruitment policy helps uplift employees morale					
This companies formal succession planning has contributed to a high return of investment.					
My company believe when we give employees an interesting and challenging job will increase their productivity					
Talent management in this organization has led					

to increase in profitability.					
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2.

<b>Financial Performance</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Current Ratio					
Earnings per share					
Return on Investment					
Profit after Tax					

**THANK YOU**

**APPENDIX 2: TOTAL POPULATION OF TOP MANAGEMENT OF NSE**

**LISTED COMPANIES**

<b>S/No</b>	<b>Company</b>	<b>No of HR and other top managers</b>	<b>%rep from each stratum x/y× 100</b>
	<b>AGRICULTURE</b>		
1	Kakuzi Ltd.	9	
2	Sasini Ltd	10	
3	REA Vipingo Plantations Limited	6	
4	Williamson Tea Kenya Lt	8	
5	Eaagads Ltd	5	
6	Kapchorua Tea	8	
7	Limuru Tea Co. Ltd	5	
	Total	X=53	10%
	<b>COMMERCIAL AND SERVICES</b>		
1	Kenya Airways Ltd	14	
2	Nation Media Group	16	
3	Standard Group Ltd	7	
4	Express Ltd	4	
5	Longhorn Kenya Ltd	8	
6	Scangroup Ltd	10	
7	Uchumi Supermarket Ltd	6	
8	TPS Eastern Africa (Serena) Ltd	11	
	Total	<b>76</b>	14%
	<b>BANKING</b>		
1	Standard chartered Bank	10	
2	Kenya Commercial Bank Ltd	10	
3	Equity Bank Ltd	14	
4	Barclays Bank Ltd	11	
5	The Co-operative Bank of Kenya Ltd	19	

6	NIC Bank Ltd	11	
7	National Bank of Kenya Ltd	9	
8	Housing Finance Co Ltd	8	
9	CFC Stanbic Holdings Ltd	11	
10	Diamond Trust Bank Kenya Ltd	11	
	Total	<b>X=114</b>	21%
	<b>MANUFACTURING AND ALLIED</b>		
1	British American Tobacco Kenya Ltd	10	
2	East African Breweries Ltd	12	
3	Eveready East Africa Ltd	10	
4	Unga Group Ltd	10	
5	B.O.C Kenya Ltd	9	
6	Carbacid Investments Ltd	5	
7	Mumias Sugar Co. Ltd	12	
	Total	<b>X=68</b>	13%
	<b>ENERGY AND PETROLEUM</b>		
1	KenGen Ltd	10	
2	Total Kenya Ltd	6	
3	KenolKobil Ltd	7	
4	Kenya Power & Lighting Co Ltd	8	
5	Umeme limited	5	
	Total	<b>X=36</b>	7%
	<b>TELECOMMUNICATION AND TECHNOLOGY</b>		
1	Safaricom Ltd	11	
2	AccessKenya Group Ltd	7	
	Total	<b>X=18</b>	3%
	<b>AUTOMOBILES AND ACCESSORIES</b>		
1	Car and General (K) Ltd	7	
2	Sameer Africa Ltd	9	
3	Marshalls (E.A.) Ltd	9	
4	CMC Holdings Ltd	11	
	Total	<b>X=36</b>	7%
	<b>CONSTRUCTION AND ALLIED</b>		
1	Bamburi Cement Ltd	13	
2	Athi River Mining	10	
3	Crown Berger Ltd	6	
4	E.A.Portland Cement Ltd	7	

5	E.A.Cables Ltd	7	
	Total	<b>X=43</b>	8%
	<b>INSURANCE</b>		
1	CIC Insurance Group Ltd	14	
2	Britam	10	
3	Liberty Kenya holding Ltd	10	
4	Pan Africa Insurance Holdings Ltd	10	
5	Jubilee Holdings Ltd	9	
6	Kenya Re-Insurance Corporation Ltd	11	
	Total	<b>X=64</b>	12%
	<b>INVESTMENT</b>		
1	Centum Investment Co Ltd	11	
2	Trans-Century Ltd	8	
3	Olympia Capital Holdings ltd	7	
	total	<b>26</b>	5%
	<b>GRAND TOTAL</b>	<b>Y=534</b>	<b>100</b>

Source: NSE handbook 2008-2012

### APPENDIX III: PILOT RESULTS

**Talent attraction  
Component Matrix<sup>a</sup>**

	Component
	1
My company is actively involved in communication and implementation of employer branding	.878
This company's good working conditions and fair wages has enabled it to attract the right talents	.711
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees	.751
My organization strives to build a good brand image to attract talented employees	.720
This company assures employees job security in order to attract the right talent	.791
In this company, we support employee training and career progression	.878
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees	.830
We ensure good organizational climate in order to attract the right talents	.848

**Reliability Statistics**

Cronbach's Alpha <sup>a</sup>	N of Items
.926	8

**Talent retention  
Component Matrix<sup>a</sup>**

	Component
	1
We use effective leadership style and we are careful on how we handle employee issues	.734
This company ensures our company image remains good all the time in order to retain our talented employees	.780
My company has competitive compensation system in comparison to other organizations in the same industry which is a motivating factor to our employees	.860
We have internal recruitment policy that helps to raise the loyalty and morale of our employees	.683
My company flexible working hours is a motivating factor to our employees	.884
This company offers training opportunities to enhance career growth hence retain talented employees	.711
In my company there is effective performance assessment which enhances the employee confidence.	.759
My company ensures Employee are satisfied and motivated all the time	.700
My company offers attractive non-monetary rewards to employees	.751

**Reliability Statistics**

Cronbach's Alpha	N of Items
.745	9



**Learning and Development  
Component Matrix<sup>a</sup>**

	Component
	1
In my company appropriate learning and development strategies have been put in place	.785
My company identifies the employees who need learning and development and the level of learning and development they need before conducting training.	.814
In my organization employees are continuously acquiring new knowledge and skills, and mastering new ways of doing things	.728
In our company in house development programme is commonly used	.904
There is Coaching by both external and internal practitioners in this company	.862
In my company we take Leadership skills development very seriously	.748
In my company we value business skill development	.882
We believe Innovation and creativity skills development is of great importance in our company	.899
We emphasise on Teamwork skills Development in this company	.727

**Reliability**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.884	9

**Career Management  
Component Matrix<sup>a</sup>**

	Component
	1
My company offers career counselling	.890
We have established career centers where employees can access useful materials and advice on career growth and development	.979
This company believes career planning facilities expansion and growth of this company	.908
This company encourages job rotation and transfer people across departments laterally to increase their value for themselves	.815
My company plans on employee growth and progression	.711
My company strives to establish career paths and families of jobs in every department	.979
In my company, we develop programs and initiatives that enhance employee development	.917
We have established succession planning in my company	.882
My company has provision of career mentors	.730
In my company we have retirement preparation programmes	.779

**Reliability**

**Reliability Statistics**

Cronbach's Alpha <sup>a</sup>	N of Items
.756	10

**Organizational performance  
Component Matrix<sup>a</sup>**

	Component
	1
In this company we believe talent management increases our competitiveness	.877
My company's talent retention strategy has led to increase of sales	.690
Talent management in the organization lead to increased employee productivity.	.813
This company's internal recruitment policy helps uplift employees morale	.725
This companies formal succession planning has contributed to a high return of investment.	.934
My company believe when we give employees an interesting and challenging job will increase their productivity	.751
Talent management in this organization has led to increase in profitability.	.886

**Reliability**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.762	7