EFFECT OF TALENT MANAGEMENT ON EMPLOYEES RETENTION IN KENYA'S STATE CORPORATIONS

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Effect of talent management on employees retention in kenya's state corporations

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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

This thesis is dedicated to my family; my dear husband Kibui, my children Matu, Joan and Lyan for their encouragement and continuous support throughout my studies. To my mother for her tireless dedication and prayers to ensure I get educated. I love you all and may God bless you.

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To you all who made the completion of this work possible, may God bless you in a mighty way.

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ABBREVIATIONS

AAPAM	The African Association for Public Administration and Management
CIPD	Chartered Institute of Proffessional Development
HRM	Human Resource Management
MDG	Millennium Development Goals
RBV	Resource based view
RBM	Results Based Management
RoK	Republic of Kenya
ROM	Results Oriented Management
SCRP	Corporations Reform Programme

DEFINITION OF TERMS

Competency Mapping: A process of identifying key competencies for an organization and/or job and incorporating those competencies throughout the various processes that is job evaluation, training, recruitment) of the organization (Kesdee, 2013).

Employee engagement: The level of commitment and involvement an employee has towards the organization (Lindholm, 2013).

Employee Retention: The various policies and practices which let the employees

stick to an organization for a longer period of time. Employees' retention is also the effort by an employer to keep desirable workers in order to meet business objectives (Walker, 2007).

Reward Management: Formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization (Kock and Ellström, 2011).

Millenial generation: The generation born between1980 and 2001(Howe & Straus, 2000)

Performance Management: An ongoing, continuous process of communicating and clarifying job responsibilities, priorities and performance expectations in order to ensure mutual

	understanding between supervisor and employee (Jyotsna, 2007).
State Corporation:	This is a nationalized corporation which is publicly owned by the state or government and is a legal entity created by a government to undertake commercial activities with view to develop and indigenize its economy. In Kenya, the provision of its establishment, control and regulations is set out under the State Corporations Act chapter446 laws of Kenya (RoK, 2009).
Talent:	Those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential (CIPD, 2013).
Talent Management:	The systematic attraction, identification, development, engagement and retention of those individuals who are of particular value to an organization, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles (CIPD, 2013)

ABSTRACT

Employee retention and talent management issues are becoming the most critical workforce management challenges of the immediate future. State corporations are organizations formed and owned by the government to provide services to citizens. State corporations in Kenya are operating in highly competitive environment owing to today's rapidly moving dynamic, uncertain and highly competitive global markets. The objective of this study was to establish the effect of talent management on employees' retention in Kenya's state corporations. Specifically, the objectives were to establish whether competency mapping, employee engagement, career development and performance management influenced employee retention and the moderating effect of age on employees' retention in state corporations in Kenya. The study adopted a cross sectional design as it took a representative sample of its target group based on overall findings of the views of those targeted. The target population comprised of all the employees in the 162 state corporations in Kenya as in December 2011. The respondents were the heads of departments and HR managers in the state corporations. Stratified sampling was used to select the respondents from different categorization of state corporations. A self-administered questionnaire was used as the main tool for data collection and was administered to a total of 385 respondents. Reliability of the survey questionnaire was calculated according to Cronbach's alpha coefficient and in order to measure the validity of research, content validity was used. To analyze the collected data, descriptive and inferential statistics were used. Statistical software used was SPSS version 20. The study findings indicated that talent management had a positive and significant effect on employee retention. Obtained results showed that there was a significant positive relationship between competencies mapping, employees' engagement, performance management, and career development and employee retention in Kenya state corporations. Moreover, the findings revealed that there is a significant positive moderating effect between age and employee retention. The moderating effect of age strengthened the positive relationship between: career mapping, employee engagement, and career development and employee retention. The study recommended that state corporations in Kenya should devise measures of retaining employees through career mapping, employee engagement in decision making, performance management and career development. It further recommended that talent management strategy must be engraved in the business strategy characterized by state corporations' regulary analyzing talent and communicating the same talent strategy to employees.The study suggests future studies should look at the different levels of state corporations for a comparative study with other sectors such as County and Central government.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Globalization has not only increased competation among organizations but has also created new window of opportunity for the workforce .In the view of Wheelock (2010) in Hanief, et al, (2013), the present economic situation of the world has increased the importance of talent management and retention.She further adds that intellectual capital is always an asset for any organization which they must invest in. People, intellectual capital and talent are ever more critical to organizational strategic success. Retaining talented employees is the priority of many organizations and it is the key differentiator of human capital management (Mohammed, 2015). It is one of the critical issues facing organizations today and the biggest challenge faced by HR in modern economy (Lathitha, 2012) because of shortage of skilled workers, economic growth and high employee turnover.

The demand for competent employees is high especially for key decision making workforce; therefore organizations are exposed to a continuous competitive fight for the best and talented employees. Indeed, there is a paradigm shift from human resource to human capital which consists of knowledge, skills and capabilities of the people employed in an organization which is indicative of their value (Armstrong, 2010). Major companies are today facing the challenge of retaining their talent competes in the global markets (Sculer et al,. 2011;Scullion et al,. 2010, Tarique & Schuler ,2010). The directive for organizations in this time of "war for talent" is to reduce turnover in favor of the retention of talented employees (McDonnell, 2010). The main purpose of retention is to prevent competent employees from leaving the organization as this could have adverse effects on productivity and service delivery (Ng'ethe , Iravo , & Namusonge, 2012). Research indicates that companies doing best of managing their talent deliver better results (Ntonga, 2007). The identification and development of internal high-potential employees is reffered to as 'talent management within the human resource function (Nyanjom, 2013).Talent management is actions taken by organizations for the purpose of attracting, selecting, developing and retaining the best employees in most strategic roles (Scullion & Collings, 2011). It aims at developing the right people in the right jobs at the right time, ensuring the right environment for individuals to deliver their best and remain committed to the organization (Uren & Jackson, 2012). According to Chartered Institute of Professional Development (CIPD, 2013) talent consists of those individuals who can make a difference to organizational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential. The growth potential of organizations worldwide depends on the ability of companies to have the right people, in the right place at the right time.

Talent management ensures that organizations have the right people with fit skills located at the right place to access business strategy (Devine 2008, Ballesterous,2010; Mohammed,2015).This ensures that the right employees maximize their talent for optimal success of the organization. Talent management involves mechanisms put in place to ensure attraction, retention and development.The employment relationship is undergoing fundamental challenges that have implications in attracting, motivation and retention of talented employees and talent shortage has resulted to fierce competition (Nyanjom, 2013). Although talent management is a relatively new area for both public and private sectors, most organaizations have prioritized it to ensure they acquire the staff (Kagwiria, 2014). This is because talent management has been linked to successful attraction, retention and development of employees (Baheshtiffar, 2011).

Today, more value has been accorded to the human resources as they are regarded as talent working within firms (Kahinde, 2012).Companies are also discovering that, not only is it becoming increasingly difficult to recruit top talent , but that they are running the constant risk of losing the ones they have to competitors . For many organizations, the ability to hold on to highly talented core employees is crucial for future survival. Over the past few years, organizations have developed a keen interest in the field of talent management with surveys showing that at least 75% of CEOs acknowledging that talent management is on top of their agendas (CIPD, 2007). Consequently talent management is now viewed as a tool to strengthen organizational capability through individual development, performance enhancement, career development and succession planning (Iles ,2007).

In Kenya, Business Management Review, (2013) reports that Kenya faces the challenge of shortage of talent.These challenges include hiring,retaining and motivating professional talent.For example,early retirement leads to shortage of staff as there are no qualified personnel to fill these positions (Kagwiria,2014). State corporations in Kenya as is the case in most African countries have been faced with a myriad of challenges which include low staff morale and motivation which has been one of the problems afflicting Kenyan state corporations leading to loss of qualified personnel (Tetty, 2006). Inspite of this fact, state corporations in Kenya will continue to play an important role in the production and creation of wealth necessary for enhancing national development. For them to play this role, it is important that they are governed and managed effectively, efficiently and sustainably (Wario, 2012). The most critical problem is hiring, retaining, training and motivating professional talent in a scenario where there is already critical shortage of human talent. This affects all kinds of areas whether professional or nonprofessional Management in Kenya. Being so, human talent is more critical to ensure the competitiveness of a company for the long term for proper Management in Kenya (Athanne, 2012).

Murungi (2012), in his study on staff retention strategies in Kenya, states that many state corporations in Kenya are faced with the challenge of staff retention caused by movement of staff to organizations that are receptive to change. In Kenya, many organizations have not yet embraced the concept of talent management and thus face critical challenges in recruitment and retention of talented staff. Parastatals reforms have been a subject of public reform for a long time but none of the reforms has addressed areas of talent management unlike most private organizations which have started recognizing the role of talent management on employee retention and now employing talent management strategies to recruit and develop young talented employees. The increasing customer expectations, corporate obligations and responsibilities necessitate a continuous review of the services being offered by the state corporations to meet changing user needs. This calls for the development of talent management programs in order to help in recruitment and retention of talented staff that could play a significant role in improvement of the quality of public service delivery process.

1.1.1 Kenya's State Corporations

State corporations are businesses that are owned or managed by the government to provide services to the citizens. They are defined as corporate bodies established by or under an act of parliament or can also represent a bank or financial institution licenced under banking act or other company incorporated under the company act. They exist to meet explicit social and political objectives such as to provide education, health or even redistribute income in developing areas (Njiru, 2008). These corporations were first established in Kenya by the colonial government to provide services that were not provided by the private sector. The history of state corporations in Kenya can therefore be traced back to the early days of colonial rule. During this period, corporations were established mainly in the transport, communication and agricultural sectors mainly to enable the exploitation of the colonial territory.

After independence, the new government through Session Paper No. 10 of 1965 titled "African Socialism and its Application to Planning in Kenya" announced a series of policy initiators that emphasized the complimentary roles of the public and the private sectors in national development. The establishment of state corporations was driven by a desire to a) accelerate social and economic development b) address regional economic imbalances c) increase citizen's participation in the economy d) promote foreign investments through joint ventures and e) promote indigenous entrepreneurship. These corporations cover many sectors of the economy and their growth can be attributed to economic as well as social and political objectives (Mwaura, 2007).

The government exercises immense control over the state corporations as it has the power to appoint directors and issue directives of a general nature. However, the government failed to motivate these corporations to realize competitive business standards. Even though they were not set out to make profits and as such profit maximization ought not to be the sole basis for measuring their efficiency, they still need to provide quality products and services to the citizenry (Mwaura, 2007). The failure to measure performance by profitability is regarded by the neo-classical law and economics theorists as the main cause of their inefficiency as it deprives them of the incentive to increase gains, cut costs and operate efficiently. It is no wonder that these corporations have for a long time been registering losses hence becoming a big liability to the government having to be financed by the treasury for them to carry out their mandate.

State corporations have been confronted with challenges that have constrained their service delivery capacities (Lienert, 2003; as cited in Kobia & Mohammed, 2006). Cases of nepotism, mismanagement and corruption have been rampart. This is partly because soon after independence, political leaders used the public service as an instrument for patronage and this led to a tendency to reward political and personal loyalty with personnel recruitment and staff promotions. This essentially means that leadership was not necessarily given out of merit. For this reason there was a lot of disenchantment with the public service Aseka (2002). State corporations have also faced challenges that have included the human resource factor relating to shortages of manpower in terms of numbers and key competencies, lack of appropriate mindsets and socio-psychological dispositions. Other problem indicators have included absenteeism from work, lateness, corruption, theft, a high rate of complaints, low quality work output and high turn-over of professional staff (Chepkilot, 2005).

The Kenyan Government responded to service delivery challenges in the state corporations by formulating and implementing Public Sector Reforms (PRS) way back in 1993. The public sector reform programs were aimed at restoring public confidence and turning around these organizations back to profitability. Various initiatives were recommended and implemented with a view to enabling the public sector to cope with the turbulent business environment. Among the measures implemented have included downsizing, privatization, outsourcing, performance based management and generally results based management. In order to manage performance challenges in the public service, the government adopted performance contracting as a strategy for improving service delivery to Kenyans. The performance contract is one of the elements of the broader public sector reforms aimed at improving efficiency and effectiveness while reducing total costs (Kobia &

Mohammed, 2006). These changes have led to flatter, leaner, more focused organizations with the capability and capacity to provide efficient management of public resources (GoK, 2007).

1.2 Statement of the Problem

Employee retention is one of the challenges facing many organizations both public and private (Chew,2004; Ng'ethe,Iravo & Namusonge,2012). Retention of talented employees has become an even greater challenge confronting human resource practitioners because talented candidates in the global job skills market have a luxury of choice. The increasing importance of talent management in the modern and competitive business world has initiated a need to focus on managing talent as an organizations competitive asset (Nyanjom, 2013).However , managing talent is a challenge to all organizations as they compete for the same pool of talents (Gardener ,2002; Kagwiria ,2014). The importance of talent management in state corporations in Kenya therefore,is ensuring that they are future oriented ,that is they have the right skills in place to be able to retain talent ,grow and compete in the future that is increasingly unpredictable (Nana,2013).

Talent shortage is being experienced in every organization regardless of the industry as a result of the fact that skills set possed by available workers may not match the more complex advanced skills required by business (Buhler,2008; Kagwiria,2014). Nana (2013),suggests that organizations should ensure that they are better positioned to meet the problems of talent shortage.

State corporations in Kenya have been affected by mass exodus of employees in search of organizations that are more receptive to change (Murungi, 2012), terms and working conditions (Ndetei, 2008; Nyanjom, 2013). Kenya Airways for example has lost it's well trained pilots and cabin crew to competators both internationally and locally on the bases of basis of pay and working conditions (Mumero, 2012; Nyanjom, 2013). According to a report by ROK by Kenya ICT action network 2010, Kenya Broadcasting corporation lost 410 highly skilled and talented employees to the local and international competitors between the year 2005 and 2008 (Kimani, 2012). Research shows that up to three quarter (75%) of doctors leave the government employment three years after joining the public health sector in Kenya to join either private sector or travel abroad to seek a better employment (Mwende, 2011).

In order to redeem the public sector from poor performance and mismanagement ,Kenya government initiated reform programs which targeted both civil service and state corporations.The reforms recommended the re-organization and restructuring of all state owned enterprises to make them competative and generate revenue.Although the reforms have achieved their objectives ,a number of problems related to these changes are yet to be addressed, among them retention of employees (Opisa, 2013).The study recommends that it is imperative for state corporations to design strategic responses to the problem of staff retention, an area that the current study seeks to address.

Getting the right people at the right place and keeping them there continues to be a major pre -occupation for organizations today (Kamau, 2013). Vaiman & Holder (2012) in their research on talent management in the private sector noted that although there was no doubt that talent management plays a greater role within public sector services ,there was little research and few guidelines on how government in practice can implement effective talent management. A study carried out on state corporations in Kenya by (Njiru, 2008), found out that state corporations in Kenya suffer deficiency ; a fact that maybe attributed to low tenure,ineffective employee commitment measures and unattractive retention schemes (Njoroge, 2012). In Kenya, the talent management domain is not given much emphasis within the public sector and this has lowered the level of employees' retention by 30% in over 60% of state corporations (Njoroge, 2012). Over 38% of employees leave public sector annually to join the private sector or to take up self-employment hence making state corporations to lose most of the talented employees. Njoroge, (2012) revealed that talent management challenges leads to employees recruitment and employees reward management problems in state corporations.

Past studies on talent management in Kenya have addressed talent management problems in different perspectives: Wafula,(2010), investigated the effectiveness of strategic talent management practices in organizations, Njiru (2008), analyzed challenges facing human resource management practices in state corporations ,Njoroge (2008, looked at talent management practices in commercial state corporations in Kenya, Ngari,(2012) studied the relationship between intellectual capital accounting and firm performance while Kagwiria (2014) studied the role of talent management on firm performance in Kenya. This hence demonstrates existence of a major knowledge gap on relationship between talent management and employee retention in state corporations. It is hence against this background this study was undertaken to fill the missing knowledge gap by establishing the role of talent management on employee's retention in Kenya State Corporations in Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to establish the effect of talent management on employee retention in Kenya in state corporations in Kenya.

1.3.2 Specific Objectives

The specific objectives of this study were:

1. To establish the effect of employee engagement on employee retention in state corporations in Kenya**.**
2. To establish the effect of competencies mapping on employee retention in state corporations in Kenya.
3. To establish the effect of performance management on employee retention in state corporations in Kenya.
4. To establish the effect the of employee career development on employee retention state corporations in Kenya.
5. To establish the moderating effect of age on the relationship between talent management and employee retention state Corporations in Kenya.

1.4 Research Questions

1. How does employee engagement affect the retention of employees in state corporations in Kenya?.

2. To what extent does competency mapping affect the retention of employees in state corporations in Kenya?.
3. How does performance management affect the retention of employees in state corporations in Kenya?
4. How does career development affect the retention of employees in state corporations in Kenya?.
5. What is the moderating effect of age on the relationship between talent management and employee retention in state corporations in Kenya?

1.5 Research Hypotheses

A hypothesis is a logical conjectured relationship between two or more variables expressed in form of testable statements. The researcher came up with five hypotheses for the study.

Hypothesis 1

Ho_1 :There is no significant influence of employee engagement on employee retention in state corporations in Kenya.

Hypothesis 2

Ho_2 :There no significant influence of competencies mapping on employee retention in state corporations in Kenya .

Hypothesis 3

Ho_3 :There is no significant influence of performance management on employee retention in state corporations in Kenya.

Hypothesis 4

Ho_4 :There is no significant influence of empoyee career development on employee retention in state corporations in Kenya.

Hypothesis 5

Ho_5 : There is no significant moderating effect of age on the relationship between talent amnagement and employee retention in state corporations in Kenya.

1.6 Significance of the Study

Parastatals play an important role in the economic development of the country. They are at the center-stage in the fulfillment of the aspirations of vision 2030 and as such this study is of paramount importance. The findings of this study will improve understanding of talent management and how it leads to employee retention.

The study will guide the policy makers in state corporations in how best to manage talent. The study can also be used for pro-active decision –making on talent management and employee retention and also open up new opportunities for the retention of talent for other organizations that have not embraced talent management.

Talent management is vital for organizations particulary in the current business scenario of high compettition.The study is of great significance to the government since it will help in creating awareness on the role played by talent management in enhancing employee retention in state corporations in Kenya. The study findings will help the ministry of public service to manage the experienced talent management challenges in state corporations and thus influence retention of competitive employees. By recognizing the interrelatedness nature of talent management, state corporations in Kenya are able to better develop, promote and retain talent to meet the current and future business needs.The government can get a further insight on state corporations through this research and will enable them design appropriate policy on talent management for employee retention.

The study will be of great significance to human resource managers in state corporations since the obtained findings will shed more light on talent management benefits and thus help human resource managers to understand the strategic talent management practices that lead to realization of increased level of employee’s retention. The economic downturn being experienced world over has created the need for organizations to invest in committed employees since such employees are unlikely to be lost to their competators. The findings of the current study will play an important role in providing information on ways of engaging the employees to enhance commitment.

The study will also be of assistance to academicians, scholars and other stakeholders as a platform for further research on role of talent management on employees' retention in Kenya state corporations. The study aims at making contributions to knowledge on talent management and strategic use of talent management strategies to enhance staff retention. The study is important since it will contribute to additional knowledge on theory and practice of human resource management by providing a comprehensive report on how talent management can influence employees' retention in organizations. The academic researchers and students will find this research important in helping them understand talent management practices and in effect will open up other research gaps.

1.7 Scope of the Study

The study was carried out in state corporations in Kenya because employee retention and talent management is a pertinent issue raised other studies . The study focused on talent management and employee retention and used the following factors to evaluate the effect of Talent management in state corporations in Kenya: competency mapping, employee engagement , performance management and career development.

State corporations in Kenya have been clasified into eight broad functional categories based on the mandate and core functions.These are financial, commercial/manufacturing ,regulatory,public universities, training and research ,regional development authorities and tertially state corporations. The state corporations within each category were first sampled ,then employees in each were sampled propotional to size. A sample of 81 state corporations out of the total 155 were included. The study addressed the top, middle level managers and section heads to answer questions as both supervisors and also employees of the state corporations.

1.8 Limitations of the Study

The study had a number of limitations. It was a cross sectional survey and hence the researcher could not monitor the turnover behaviour of the respondents. The measurements relied on the the perceptions of the respondents and not their actions. However ,cross sectional studies have consistently proved that employees' behaviour patterns of intention to leave their employees are the strongest predictors of actual turnover and is used in retention studies (Chew, 2004; Sutherland, 2004).

The study also experienced an initial slow response from the respondents who were mainly busy seniour managers of state corporations in Kenya but this was mitigated by having constant follow-up on phone and physical visits to the respondents offices personally and by use of research assistants.

Another limitation was that some managers failed to respond to a number of items and left blank spaces. The researcher however followed them up and read the unanswered questions to get a verbal response and subsequently fill in the blank spaces.It was expected that apathy or unwillingness by staff to divulge important or correct information was to pose a major problem to the research study. However, efforts were made to convince the respondents that the information given was only meant for study purposes. Equally, there were attempts to show the respondents how the research was to benefit them.

Some respondents also took alot of time to respond and some lost their copies of the questionnaires, hence extending the period of data collection for more than the intended one month. The reseacher resulted to physically following up with them and replacing the questionnaires which were lost. The study was also limited because it was based on state corporations in Kenya only and hence the study findings may only help in understanding talent management and employee retention in such institutions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Retaining talented employees is one of the critical issues facing organizations today because of shortage of skilled workers, economic growth and high employee turnover. The employment relationship is undergoing fundamental challenges that have implications in attracting ,motivation and retention of talented employees and talent shortage has resulted to fierce competition.

This chapter provides an overview of related literature and also looks at related past studies in this area and the gaps inherent in organizations in terms of talent management .

2.2 Theoretical Framework

The theoretical framework discusses models and theories on the effects of talent management on employees' retention in organizations.A theory is a set of statements of 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 phenomenon (Popper ,1963 in Kagwiria, 2014). For talents to be cultivated, an employee must be able to experience both intrinsic and extrinsic rewards from their job. Motivation is a hidden force to enable organizations to keep talent; what people view as motivation is grounded in their values, beliefs and attitudes which can vary among individuals (Vaiman & Vince, 2008). Should the employee find his/her job interesting and challenging, they will exert all the necessary effort in doing the job and therefore increase productivity.

In an attempt to explain the relationship between talent management and employee retention,the researcher focused on seven theories as debated by various researchers : Resource based view (RBV), , Social exchange theory, Adams equity theory, Social cognitive career theory, Herzberg's motivation-Hygiene theory , Person –environment theory and Talent DNA Model, all of which are relevant to this study.

2.2.1 Resource Based View

The resource based view (RBV) posits that human and organizational resources more than physical, technical or financial resources can provide a firm with sustained competitive advantage because they are particularly difficult to emulate. How a firm's system among it's other attributes, enable it to achieve competitive advantage is the central idea of resource based view. The RBV argues that firms possess resources, a subset of which enable them to achieve competitive advantage and a subset of those that lead to superior performance. To generate competitive advantage, the resource must be valuable, rare, inimitable. The RBV points out that firms can sustain competitive advantage only by creating value in a way that is rare and difficult for competators to imitate.

Human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, promote complex social relationships and generate tacit organizational knowledge. (Joo & Mc Lean, 2006) argued that engaged employees are strong assets for sustained competitive advantage and strategic asset. The major strength in resource based view is that it focuses less on 'static' advantage-creating resources, such as brands to focus more upon exploring how these resources are created and used for compettitive advantage thus its relevance to this study.

2.2.2 Social Exchange Theory

The exchange theory views employment relationship as consisting of social or economic exchanges (Aryee, Budhwar, Chen, 2002; Cropanzano, Rupp & Bryne, 2003). Economic exchange relationships involve the exchange of economic benefits in return for employees' efforts and are often dependent on formal contracts which are legally enforceable. On the other hand, social exchanges are 'voluntary actions' which may be initiated by an organization's treatment of it's employees, with the expectation that the employees will be obligated to reciprocate the good deeds of the organization (Aryee *et al.*, 2002; Gould & Davies, 2005).

The exchange approach view of organizational commitment or engagement posits that individuals attach themselves to their organizations in return for certain rewards from the organizations. According to this view, employees enter the organization with specific skills, desires and goals, and expect to find an environment where they can use their skills, satisfy their desires and achieve their goals. Perception of favourable exchange or rewards from the employees' view point are expected to result in increased engagement to the organization.

On the other hand, failure by the organization to provide sufficient rewards in exchange for employees efforts, is likely to result in decreased organizational engagement. From this perspective, social–exchange theory suggests that employees respond to percieved favourable working conditions by behaving in ways that benefit the organization and or other employees. Equally, employees retaliate against dissatisfying conditions by engaging in negative work attitudes such as absenteeism, lateness of preparing to quit the organization (Haar, 2006; Crede *et al*., 2007).

The exchange theory has also been used to explain the employees attitudinal engagement to the organization. The theory offers a theoritical basis to explain why employees choose to become more or less engaged in their job.The theory contends that responsibilities are generated through a series of interactions between parties who are interdependent (Shiau & Luo, 2012). A basic tenet of SET is that relationships grow over time into trusting, loyal and mutual pledges as long as parties stand by certain 'rules' of exchange.

According to the exchange perspective, employees exchange their identification, loyalty and attachment to the organization, in return for incentives from the organization.This implies that an individual's decision to become and remain a member of an organization, is determined by their perception of the fairness of the balance of organizational inducements and the employee contribution. Meyer and Smith (2000) argue that unless employees believe they have been treated fairly, they will not be committed to the organization.

2.2.3 Adams Equity Theory

Adams Equity theory asserted that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outputs of others. Adams (1965) as cited by Ng'ethe *et al*, (2012) uses the equity theory to explain employee retention. The theory is founded on people's perception of fairness or equity which is usually subjective. The theory posits that employees seek to maintain equity between the input that they bring into the job such as education, time, commitment, and effort and the outcome they receive. For instance, an individual's motivation level is determined by how he/she perceives equity, fairness and justice practiced by management (Nzure, 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 hence they are likely remain there for long. Equity theory suggests that employees ‟ perceptions of a working situation in terms of how fairly they are treated compared with others influence their level of motivation".

According to equity theory, employees make comparisons and determine their own work outcomes versus the effort or input required to achieve the outcomes and compare these with outcomes and efforts of other employees. If they recognize that their comparison is equal to what others receive for similar inputs, they will believe that their treatment is fair and equitable. Education, experience, effort, ability among others is the inputs factors to the job by the employees that can affect employee's retention. Outcomes that employees receive from a job are also the other factors of employee retention and include pay, benefits, promotions and rewards. A state of equity refers to the ratio of one person's outcomes to inputs being equal to the ratio of other outcomes to inputs.

Inequity takes place when the situation is reverse, which results into low employee retention; for example when an employee with a high level of education or experience receives the same salary as a new, less educated employee, one may perceive it as inequality and is most likely to leave the organization. The implication of equity theory for the organizations is that to motivate employees to stay with the organization, it is necessary to ensure a state of equity in the work place by establishing mechanism to deal with perceived inequity situations otherwise, organizations may face high absenteeism and turnover. In the context of the current study, it was inferred that organizations could retain their employees by having Talent management policies and strategies that employees perceive as fair and equitable.

2.2.4 Social Cognitive Career Theory

The social cognitive career theory was conceptualized as a derivative of Bandura's general social cognitive theory in which the intersection of intrinsic and extrinsic factors influences psychosocial learning. This theory has been termed as the most promising career theory that may prove satisfactory in retention and career development. Lent and Brown (2006) expanded the scope of social cognitive career theory, offering a new and related social – cognitive model designed to explain the ways in which previously identified inputs such as self-efficacy and outcome expectations, along with person and contextual variables are related to job satisfaction.

The authors cited recent research (Heller, Watson & Llies, 2004), that linked job satisfaction to overall subjective well-being, thus providing a rationale for the use of the theory in the current research. The primary focus is on the central elements of social cognitive namely: self-efficacy and outcome expectations. Self-efficacy can be defined as an individual's sense of control and responsibility for his/her personal environment. It is also defined as the beliefs in ones capability to organize and execute the courses of action required to produce given attainments. Self-efficacy is concerned with the belief in the ability to exercise control over ones actions and events that affect their lives.

Beliefs impact life choices, motivation, quality of actions and the ability to overcome adversity. The sources of self-efficacy are derived from three sources: mastery experience, vicarious experience and social persuasion. Vicarious experience is observing the model of someone similar managing a task successfully and drawing experience. Outcome expectations refer to the personal belief that successfully performing certain tasks may result in probable response outcomes.

Lent *et al*., (2006) expanded upon Bandura's work to focus exclusively on the development of the individual within the context of career. Managers who wish to retain talent can borrow heavily from this theory. Career behavior is driven by self-efficacy or the believe in the ability to accomplish something worthwhile. The degree of achievement depends on two factors: outcome expectations or the idea that initiating a particular behavior will yield the desired results and goals. If a person feels confident of his/her abilities, he/she is more likely to take specific actions to reach them. This is especially so for the young generation of employees popularly known as the millennials. They have grown up with an abundance of role models from parents and other mentors and still expect the same at work.

This theory associated individual failure to insufficient skill and knowledge which are deemed as acquirable. It is therefore imperative to provide customized training and development opportunities to the employees. This theory is relevant to the current study in that career behavior is driven by self-efficacy or belief in the ability to accomplish something worthwhile. The degree of achievement depends on two factors; outcome expectations or the idea that initiating a particular behavior will yield to desired results. Goals are keys because if a person feels confident of his/her abilities, he's more likely to take specific actions to reach them. If employees feel supported and their goals and career advancement looked into, their intention to stay will be higher.

2.2.5) Person-Environment theory

This theory explains a dynamic approach of matching a person with an occupation. The P-E fit perspective explicitly assumes that people and the environment change continually in an on-going adjustment (Chattland, 1991; in Kamau, *et al* 2013) and people seek congruent environments. Holland theory is used to illustrate the P-E fit theory. Holland (1992; in

Kamau, 2013), described his assumption about people and the environment acting on each other as the interactive components; he claimed that jobs change and people change jobs. In this regard, Holland's theory assumes that people search for environments that will let them exercise their skills and abilities, express their attitudes and values and take agreeable problems and roles. He claimed that people seek environments that are compatible with their values and attitudes and allow them to use their skills and abilities. Further, behavior is determined by interactions between the individual and the environment.

Holland (1997) discussed the relationship between an individual and the environment in terms of congruence ,satisfaction and reinforcement and suggested that incongruence is resolved by changing jobs, changing behavior and perception.In applying Holland's theory to the current study based on the meaning of talent management and employee retention, people tend to remain with the institution if there is a sence of achievement through personal development which is realized by providing opportunities of career growth and appropriate use of competence.They will stay in an organization if they perceive that the environment is compatible with their personalrity and individual needs .Those already in employment tend to remain with the institution if there is a sence of achievement through personal development which is realized by providing growth opportunities.The theory is therefore anchored to two independent variables in the study: competency mapping and career development. According to Lewa (2010), Kimani and waithaka (2013) and Tarique and Sculer (2014), talent management emphasizes on growth from within and development as key elements of business strategy, maintaining career paths, coaching, clear competencies, mentoring and demanding quantifiable results from employees.

However, Hollands theory reamin descriptive with little emphasis on explaining the causes and timing of development hierarchies of personal modal styles .He concentrates on factors that influence career choice rather than on developmental process that leads to career choice (Kamau, *et al*., 2013).The theory has also been criticized for not adequately addressing the career development of women, racial and ethnic groups.

2.2.6) Herzberg's Motivation-Hygiene Theory

According to Herzberg, the hygiene factors are those if fulfilled remove dissatisfaction; these are basic needs, working conditions and motivators. If these remain unsatisfied, they bring demotivation to work; employees tend to lose interest in work and attempt to find other employment opportunities (Breaugh, *et al,* 2000). Herzberg concluded that factors which seemed to make an individual feel satisfied with their jobs were associated with the content of the job these were labeled motivators, yet factors that seemed to make individuals feel dissatisfied were associated with the job context; these he labeled hygiene factors.

Herzberg argued that two entirely separate dimensions contribute to employee behavior at work. Hygiene factors and motivator hygiene factors refer to the presence or absence of job dissatisfies. When hygiene factors are valued, work is dissatisfying. These are considered maintenance factors that are necessary to avoid dissatisfaction but they do not themselves contribute to the jobs satisfaction and motivation of personnel. That is, they only maintain employees in the job. Therefore managers should provide hygiene factors to reduce sources of worker dissatisfaction and be sure to include motivators because they are the factors that can motivate workers and lead ultimately to job satisfaction, in line with Herzberg's view, unsafe working conditions or a noisy work environment would cause employees to be dissatisfied with their job but their removal will not lead to a high level of motivation and satisfaction other examples of hygiene factors include, salary, status, security, supervision and company policy. On the other hand motivators, leading to job satisfaction are associated with the nature of the work if self. They are those job related practices such as assignment of challenging jobs, achievement, work itself, recognition, and responsibility advancement and opportunities for growth in the job. Herzberg argued that when motivators are absent, workers are neutral towards work, but when motivators are present, workers are highly motivated to excel at their work. Sergiovanni cited in Cheptoek (2002) while studying factors which affect job satisfaction, and dissatisfaction of employees, came up with the view that the factors, which contribute to their satisfaction are, achievement, recognition and responsibility while those contributing to dissatisfaction were organizational policy and administration, interpersonal relationship, supervision and personal life. The present emphasis on self development, competency mapping and career development can be said to have evolved from Herzberg's theory (Mullins, 2010).

2.2.7) Talent DNA Model

Knowledge infusion (Shravanthi & Sumanth, 2008), proposed a talent management model that seeks to create a roadmap to realize the organizational objectives. The model is based on the concept of 'DNA' that has three components: identification of key roles, identification of competencies required for key roles and creation of a database of competencies. The talent DNA model provides a mechanism to make accurate decisions on talent needs –have it, build it and retain it.

Effective talent management centres on the concept of talent DNA. In order to successfully balance the notion of talent supply with organizational demand, there must be a match between capabilities and needs. Talent DNA serves as a foundation for talent management acting as a common currency between each sub process. Talent DNA is the building block that serves as alink among various HR processes such as career planning and performance management.Talent management is a continuous process that plans talent needs, attracts the very best talent, speeds time to productivity, retains the highest performers, and enables talent mobility across the organization. In order to successfully balance the notion of talent supply with business demand, there must be a match between capabilities and needs (Shravanthi & Sumanth, 2008). Talent management focuses on enhancing the potential of people by developing capacities. Capacities are the basic DNA of an organization and also of individual potential. The point of departure for the DNA model is to translate the organization's vision into goals and mapping the competencies to achieve to achieve goals. Organizations have to assess talent to profile the level of capabilities. They must invest on individual growth to meet and accept varied, increamental and tranformational roles in an overal scenario of acknowledged need for change.

Talent planning is designed to use an organizations existing capacities and potential to meet the current and future business needs. The Talent DNA Model is relevant to the current study as it emphasizes that skills and capabilities required throughout the organization must be identified, skills and capabilities must be able to relate to job position and organizations must be able to hire the right people. State corporations in Kenya are no exception. With these three components in place, organizations can apply the talent DNA Model to recruit and retain talented employees (Shravanthi & Sumanth, 2008).

This model guided the development of the conceptual framework because talent DNA is the building block of talent management that serves as alink among various HR processes such as career development, performance management and competency mapping which form the majority of independent variables in the conceptual framework. Meeting the organizations supply and demand for staff requires a 'Talent DNA'. By implementing an effective talent management system, organizations can ensure that the right people are in the right place at the right time as well as the organization's readiness for the future.

2.3 Conceptual Framework

A conceptual framework is the diagrammatic presentation of variables, showing the relationship between the independent variable, moderating variable and the dependent variables.In this study, the independent variables were; employee engagement , competencies mapping, performance management and career development. The study sought to understand how these independent variables determine the level of employee retention which was the dependent variable. Age was used as the moderating variable. This relationship is presented schematically in the conceptual framework in Figure 2.1

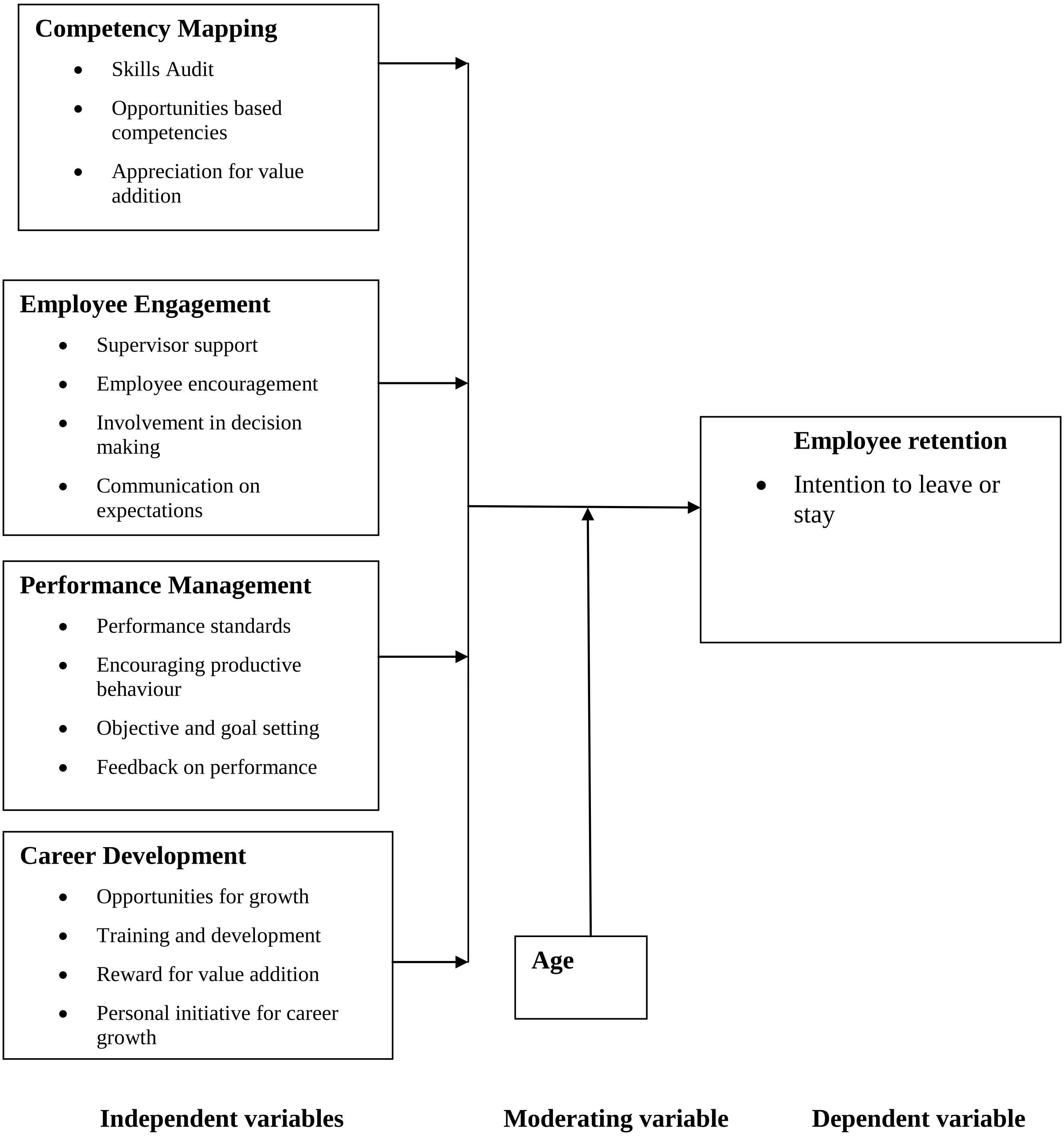

Figure 2.1 Conceptual Framework

2.4 Review of related theoretical literature

2.4.1 Effects of Talent Management on Employee Retention in Kenya

Every organization today is interestingly concerned with selecting and retaining competent, committed people who are excusively known as knowledge workers (Iles *et al*., 2010).

Retention policies are designed to to ensure that people remain as committed members of the organization. The outcome of these is a talent flow that creates and maintains the talent pool. Firms seek to ensure that hired employees will perform well and make positive contributions to firm performance as well as stay in the firm for a reasonable period of time (Agarwala, 2007; Njoroge, 2012). Gupta (2006), indicate that in the era where global business is key, every employer has to be ready for meeting the future business damands, which can be efficiently handled through talent management. Retention of staff is a major component of talent management and an organization's retention strategy needs to have information why people leave the organization. As organizations continue to pursue high performance and improved results through talent management,they are taking a holistic approach to talent management.Some of the factors in this approach are reviewed below**.**

2.4.2 Competency Mapping

At the heart of any successful activity lies a competence or a skill. In today's competitive world ,it is becoming particulary important to build on the competitive activities of business (Sanghi, 2007). There has been much more thinking about business strategy over the past three decades ,particulary regarding what competencies a bussiness needs to have in order to compete in a specific environment.Organizations that possess inherent strengths that are core comptetencies are likely to have an edge over others (Sanghi, 2007). More often than not, competencies are an organizations most important resource because they are valuable,rare and difficult to imitate .Organizations can capitalize on this resource; after identifying them (competency mapping), can make decisions about how to exploit them and also learn how to expand them.

Competency mapping is becoming an important HR tool today. Competency mapping is a process which identifies an individuals strengths and weaknesses in order to help them to better recognize themselves. It is a process through which one assesses and determines one's strengths as an individual worker and in some cases as part of an organization.It generally examines two areas:strengths of an individual in areas like team structure ,leadership and decision making.It consists of breaking a given job or given role into constituents tasks or activities and identifying the competencies (technical,managerial ,behavioural,conceptual knowledge ,attitudes ,skills etc) needed to perform the same successfully.

In the current economic environment ,there has been a paradgm shift from 'quantity to quality' of talent. The present globalization of economy necessiates innovative approaches in managing the talent in an organization through competency based HR practices.As HRM is undergoing a major transformation in today's organizations,HRM practitioners are expected to be experts in leveraging human talent within their organizations for the purpose of achieving competitive advantage. Competency based HRM is increasingly being recognized as an effective way of talent management over the previously adopted job-description related approach.It involves a translation from the traditional HR based on what people have(eg skills and abilities) to what people can do (performance).Effectively mapped competencies translate the strategic vision and goal of the organization into behavioural actions that employees must display.

The success of any talent management strategy depends on a well defined roadmap that supports a long term vision (Lathitha, 2012). The long term vision of the organization will facilitate in assessing its current talent. HRD aims at constantly assessing competency requirements of different individuals to perform the jobs assigned to them effectively and provide opportunities for developing these competencies to prepare them for future roles in the organization.

Competencies are the first building blocks to talent management. By identifying the critical competencies existing with high performing employees, the other employees can also be motivated with the same by conducting training and development programmes . Anatoui (2007), identified the importance of competency based recruitment practices. His argument states that attraction and selection of talent requires a flexible and well designed competency based recruitment system as a starting step towards the management of talent in any organization. Once the recruitment system is streamlined ,the second phase of talent management will be proper training and development of the employees.

Competency based talent management is an important strategic approach of any organization as it has an impact the employers ability to attract talent, retain employees and ensure optimal level of performance in meeting the organization's strategic objectives competencies, organizations can make sure they are recruiting and managing talented people in the most strategic way, putting the right people in the right jobs with the abilities to perform at their maximum potential every day.

Modern societies are characterized by rapid technological changes and an exponential increase in availability and accessible knowledge (Bryan, 2007). With liberalization and globalization of economic activities, the need to develop skilled human resources of a high caliber is imperative. Employees are not only expected to possess relevant domain-specific knowledge, but also to use this knowledge to solve increasingly complex problems as well as acquire new knowledge. In knowledge and service based sector, the quality of skills and talent is almost the only point of reverage that a firm has to create competitive advantage.

Competencies combine knowledge and skill; they represent both the underlying knowledge base and the set skills required to perform useful actions. The purpose of talent management is to ensure that a firm has the right talent with the right skills at the right time. Organizations need to learn to manage tommorow's opportunities as they manage today's businesses, therefore building core competencies becomes essential to competitive advantage building (Guthridge , Lawson, & Komm, 2008).While employees need to understand how to be effective in their current roles, deliver specific business challenges and pull together a personal development plan for shaping future careers, organizations too have to strategize how best to utilize the people's talents and identify areas for internal development necessary for ensuring future success.

Farah, (2009) has discussed about the performance of companies and concludes that performance depends mostly on the quality of their human resource. For obvious economic and business reasons, organizations have always been concerned about the competence of its people.There is a large diversity in the understanding of the term 'competency' and as a result, consensus on the definition of the term does not exist (Sanghi,2007).

For this study, competencies will be looked at an underlying characteristic of an individual that is related to effective performance in a job. This is especially significant in this recessionary environment where human capital is one of the most important assets of an organization and needs to be nurtured. Competencies will also be looked at as the sets of behaviour patterns that individuals managers need to bring into a position to in order to attract, select, engage, develop and retain talented employees in order to reach specific desirable business objectives of the organization. A competency is capability of applying or using knowledge, skills, abilities, behaviours and personal characteristics to successfully perform critical work tasks, specific functions or operate in a given role or position. Talent itself has little meaning unless it is woven into the weft and warp of corporate strategy

(Sanghi, 2007). According to Mc Gee (2007) efficient work with talents is based on building talent management that will be in line with organizations business strategy. Only then the strategy of human resource management key decisions can originate suggesting whether and which activities of talent management should be implemented. Strategy of talent management is aimed at ensuring a fund of highly talented, competent, committed and loyal individuals able to contribute to achieving the current as well as future organizational requirements- talent pool. Of major importance are the competencies required to meet the future challenges of the organization (Nair,2012) .It is essential that these are identified and form the basis of appointments, personal career development and are closely related to the key result areas required by people in different roles in the organization.

The process of determining competencies required for a job is referred to as competency profiling, and the process of comparing jobholders competencies against the targeted competencies is called competency mapping (Kesdee, 2013). Competency mapping is a process of identifying key competencies for an organization and/or a job and incorporating those competencies throughout the various processes (that is ; job evaluation, training, recruitment) of the organization (Kesdee, 2013).

Competency Mapping is also a process through which one assesses and determines one's strengths as an individual worker and in some cases, as part of an organization. The individual's level of competency in each skill is measured against a performance standard established by the organization. In competency mapping, gaps are identified between requirements and capabilities, employees expectations are defined in a way that is measurable, objective and defensible and behaviour targets are set to encourage empolyees to go above and beyond expectations. Competency mapping is required to reinforce corporate strategy, culture, and vision. Organizations have to assess whether there are available employees with key already identified competencies who will be needed in the future. Competency mapping establishes expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction, and better employee retention. It increases the effectiveness of training and professional development programs by linking them to the success criteria.

Competencies required for a particular job depends on many factors some of which include; social culture, nature of the business, business environment, organizational culture, work environment, organizational structure, duties and responsibility, nature of processes and assigned activities, attitude and motive of colleagues, superior and subordinates. Some of these factors may change with time and thus changing competency requirements for the same job position in the organization (Nair, 2012). Unlike other resources, human being is the only asset that can appreciate with useful inputs; Competencies can provide the logic for designing an organization that will enable human resources to continually add value to its firm.

The competency mapping is required to reinforce corporate strategy, culture, and vision. Competency Mapping establishes expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction, and better employee retention. It increases the effectiveness of training and professional development programs by linking them to the success criteria. It provides a common framework and language for discussing how to implement and communicate key strategies. It provides a common understanding of the scope and requirements of a specific role and common, organization-wide standards for career levels that enable employees to move across business boundaries.

Competency Mapping also identifies performance criteria to improve the accuracy and ease of the hiring and selection process. It provides a clear foundation for dialogue to occur between the manager and employee about performance, development, and career-related issues. Competency mapping identifies the success criteria (i.e., behavioral standards of performance excellence) required to be successful in their role. It supports a more specific and objective assessment of their strengths and specify targeted areas for professional development.

Core competencies are essential to competitive advantage building because advantages emanating from the product – price-performance - tradeoffs are almost short term. According to Verma (2007), competencies create an environment that fosters empowerment, accountability and performance evaluation which is consistent and equitable. Competencies need constant updating because professional development is an ongoing process and employers expect more and broader competencies from their employees.

In conclusion, unlike other resources ,human being is the only asset that can appreciate with useful inputs. It is one such asset that adds value to itself with respect to time and therefore it is considered as a resource that can be cultivated by the manure of training and development.

Competencies can provide the logic for designing an organization that will enable human resources to continually add value to its firm

2.4.3 Employee Engagement

Globalization has increased the workforce's mobility and employees are now expecting more from their employers than they previously did. The focus on talent is forcing organizations to adapt their business model in order to empower and engage their employees (Bakker & Demerouti, 2008; as cited by Stander ,*et al*. 2011). Contemporary organizations need employees who are psychologically connected to their work, who are willing and able to invest themselves fully in their roles, who are proactive and committed to high quality standards. Retaining and attracting the talent will require renewed focus and energy on employee value propositions,with greater flexibility to attract increasingly diverse talent. (Cheese, 2010).

Employee engagement is key to the retention of talent and is emerging as a critical organization issue especially as businesses are recovering from trauma of global recession. It is a dominant source of competitve advantage and thus has been drawn to its reported ability to solve organizational challenges such as decreasing turnover rates and increasing productivity .This is supported by (Kular, Soanne & Truss,2008) that organizations with high levels of employee engagement reports positive organizational outcome.Employee engagement is viewed as an important construct because it has been linked to increased retention of top talent as an outcome of talent management processes (Bhatnaganar, 2007). Schaufeli and Bakker (2004), found that engaged employees are likely to have greater attachment to their organizations and thus a lower tendency to leave the organization. The lack of employee engagement would weaken workers long-term commitment to the organization making it even more difficult to attract ,develop, align and retain highly talented employees (White, 2009). Employee engagement is therefore of vital significance to successful retention of talented people.

According to a research done by Towers and Safian (2012), there is a linkage between engagement and retention .The research was conducted among 50 multinational companies and over a period of 12 months, the companies with high level of engagement outperformed the ones with low engagement level and these companies also experienced higher levels of retention. After 25 years of research, Gullup (2005) put forward that a high number of engaged employees will help an organization attract more talented people while disengaged employees will cost the organization such as lower productivity, higher absenteesm ,recruitment and training costs Ologbo,et al. (2012). In their research, Ologbo & Safian on individual factors of employee engagement and concluded that employee engagement could be a strong factor for organizational performanceand success as it has a significant potential to affect employee loyalty, productivity and retention (Ologbo & Sofian, 2012).

Social exchange theorists have produced significant quantities of research that support the theory that the level of engagement demonstrated by an organization to the employee will have a direct impact on the commitment that employees show to the organization in return (Nyanjom, 2013). Employee engagement is a complex concept. It has been extensively studied during the last decades and many diffrent definations of employee engagement have been created by different authors (Cook, 2008; Elegbe, 2010; Hellevig, 2012; Lindholm, 2013). However, one of the most glaring issues concerning the concept of employee engagement is that there is no clear definition as the ones given by scholars and practitioners varry. Macey (2008) defines employee engagement as a desirable condition which has an organizational purpose and connotes involvement, commitment, passion, focused effort and energy so it has both attitudinal and behavioural component. Moreover, Wellin and concelman (2005), Macey , (2010) state that employee engagement is the illusive force that motivates employees to higher (or lower) levels of performance. Employee engagement is the level of commitment and involvement an employee has towards the organization. No matter how the definitions differ from each other, it is safe to say that almost all authors find employee engagement to be a very important aspect in the profitability of business and the success of human resource management policies (Cook, 2008; Lindholm, 2013).

Employee engagement has also been cited by a number of researchers as having an effect in the relationship between it's antecedents, job satisfaction, and intention to leave or stay in an organization. Becker, (2011), attests that lower retention, high absenteesm and poor productivity are attributed by weak employee engagement. According to Hellevig (2012), employee engagement is about the means to achieve the organizations strategic goals by building the conditions for employees to thrive and each staff member to 'fully switched on in their best efforts in the best interest of the business'(Helevig, 2012; Lindholm, 2013). Saks (2006), argues that the extent to which an increase in the motivating potential of a job is likely to correlate with a decrease in intents to quite would be determined by the extent which engagement is experienced by the employee. Organizations with higher engagement levels tend to have lower employee turnover, higher productivity, higher total stakeholder returns and better financial performance .

In their research, on Individual Factors and Work Outcomes of Employee Engagement, Ologbo and Sofian (2012 state that dividual factors of employee engagement are consistent with alot of literature on the subject of employee engagement and that employee engagement could be a strong factor for organizational performance success and has a significant potential to affect employee retention. Towers Perrin (2008), indicates that there is a linkage between engagement and retention. Towers Perrin studied 50 multinational companies and found out that the companies with high employee engagement level outperformed the companies with lower level of engagement.

Employee engagement within an organization provide a competitive advantage as explained by the resourse based view (RBV) of the firm (Joo & Mc Lean, 2006) and hence there is need to continously engage employees. The RBV points out that firms can develop sustained competitive advantage only by creating value in a way that is rare and difficult for competators to imitate. This approach requires that a firm be seen not through its activities in product market, but as a unique bundle of resources that are complex, intangible and dynamic (Joo & Mc Lean, 2006). They further posisted that engaged employees are strong organizational assets for sustained competitive advantage and a strategic asset. These engaged employees are difficult to imitate and are unique to an organization thus leading credence to the resourse based perspective of the firm.

A well fuctioning organization is the product of it's heathy, committed and motivated employees**.** Engagement takes place when employees are committed to their job. It involves loyalty, faith and pride in an organization, a willingness to advocate for his/her organization as a personal responsibility. Employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006) or the amount of discretionary effort exibited by employees in their job (Frank et al, 2004). Staff engagement tends to lead to staff performance, reduces turnover and improves the well being of employees (Grffith,2004; Robinson et al,.2004; Taris et al.,2003; Wright & Cropanzano, 2000).

Organizations that manage to create involving and creative environment will definitely attain low employee turnover . Vren's (2007) asserts that creating an atmosphere that encourages participation from employees quarantees high levels of commitment, loyalty and dedication from employees to the firm. Employee engagement is critical to any organization that seeks to retain valued employees, state corporations in Kenya not being an exception. It is the key driver of organizational effectiveness as employees need to have a sense of belonging and share in the organization's vision and find their roles in the organization (Kennedy & Dain, 2010).

Fair evaluation of an employees performance is an important criterion for determining the level of employee engagement and motivate them to stay. According to Holbeche and Springett (2003), people's perceptions of 'meaning' with regard to the workplace are clearly linked to their levels of engagement and ultimately their performance.They argue that unless organizations try to provide a sense of meaning, employers are likely to quit.

Saks (2006) argues that one of the ways that individuals repay their organizations is through their level of engagement. In other words, the employees will choose to engage themselves in varying degrees and in response to the resources they recieve from their organization. Towers Perrin ,(2008) states that there is a linkage between engagement and retention of employees.Towers studied 50 multinational companies and noted that those with high employee engagement experienced higher levels of retention. Organizations talent management strategy should contribute to employee engagement and effective recruitment as this will create positive employer brand and employees will minimize turnover (Oladapo, 2014).

2.4.4 Performance Management

Managing talent is key at all levels of performance management because without focus on performance it is hard to see how an organization can find competitive advantage through talent (Brayan , Joyce , & Weiss, 2006), argue that many companies that understand the value of talented people put considerable effort into recruitment ,then alienate their talent with poor performance management systems. The argue that few companies use talented people in an advantageous way by creating work experiences to develop their expertize.

A study by Njoroge (2012) on talent management practices in commercial state corporations in Kenya, sought to know if promotion from within was encouraged and if performance management was aligned to the need to nurture and retain talent.He found out that majority of the respondents were not sure of the practices on capability development and performance management .Reilly (2008) has rightly stated that the key to effective talent management is the alignment of talent management philosophy and with the organization’e employees psychological contract. This can only be materialized when the goals of talent management are clear to the organization so that they act as tourch bearers.

In order to enhance organizations ability to survive through tubulent environment, most corporations take great care in managing the performance measures of their employees (Nyanjom, 2013). A propery functioning performance management system can address the challenge of retaining talent. According to Mahapatro (2010), increasingly emphasis on talent management also means that organizations are re-defining performance management to align it to the need, to identify, nurture and retain talent. According HCI (2008), achieving sustained organizational performance through the development of a capable workforce lies in the very heart of talent management. Performance management provides a means of building relationships with people, identify talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. The identification of talents is made on the basis of assessment of the current performance and a forecast of their potential. Performance appraisal is the measurement of actually achieved results within those areas which the specialized individual is responsible and/or competencies understood as critical for the success of performed work as well as of the entire organization. A forecast of potential is a prognosis for how many levels within the organization an employee can advance on the basis of their past and current performance appraisal, training and development, preferences in their careers and the current and planned levels of competencies.

Performance management is a means of increasing the engagement and motivation of people by producing positive feedback and recognition (Armstrong, 2006). Lawler and Mcermott (2003), suggest that it is very difficult to manage human capital without a system that measures performance and performance capability. Organizations need a performance management system that can identify capabilities of it’s human capital so that they can effectively manage staff projects, implement strategic initiatives and manage development of their workforce. Measures of performance are also required to deal with performance problems and motivate performance excellence. Effective performance is the building block of an organization’s human capital management system. The system is used in decisions regarding performance based pay, employee development (by giving feedback on the stengths and weaknesses) and training and development efforts. Performance management is a process for ensuring employees focus on their work in ways that contribute to achieving the organization’s mission, which is indispensable for the organization. Fletcher, (2001), defined performance management as an approach to creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing to enhance the performance of both the individual and the organization.

A performance management system benefits the organization by ensuring that the day to day activities of employees are aligned with, and promote the organization’s goals. The employee benefits by having regular feedback on performance and being provided with development opportuinties to improve their performance. Authors such as Buchner (2007), Helm et al,. (2007), Glendinning (2000), and Neary (2002) have noted that performance management systems is crucial to organizational performance as it facilitates the organization achieving it’s vision and business objective, aligns the employee performance goals with the organization’s strategic goals, ensures the individual has clarity regarding performance expectations, and is a prerequisite to developing a performance culture within the organization. Performance is the process of creating a work environment to the best of one’s abilities. Performance management is a whole –work system that begins when a job is defined as needed.

According to Mathias and Jackson,(2006), performance management involves a process of identifying, measuring and communicating, developing and rewarding employee performance. The purpose of this review is to nurture the talent of employees so that they can reach their full potential in their job. The results of this evaluation is then used to build the weak areas of an employee through identifying the right training an employee needs. Performance management systems can be used to identify employees of high potential, formulate personal development plans, connect ratings with succession planning system or talent pool (Byham, 2001). In this manner, the development needs of high potential employees can be accurately assesed in order to maximize the effectiveness of development actions (Bucking & Vosburg, 2001). A more recent definition of performance incudes a‘systematic process for improving organizational performance of individuals and teams (Armstrong, 2006). The current study will adopt this later definition by Armstrong. Over the years research recognised the significant of context of performance. For example Blumberg and Pringle posited that performance is a function of capacity (ability, health, intelligence, education ect.), willingness (motivation, job satisfaction, status ect.) and opportunity to perform (tools, equipment, working conditions, co-worker and leader behaviour). Performance management is an ongoing, continuous process of communicating and clarifying job responsibilities, priorities and performance expectations in order to ensure mutual understanding between supervisor and employee (Jyostna, 2007). It is a philosophy which values and encourages employee development through a style of management which provides frequent feedback and fosters teamwork. It emphasizes communication and focuses on adding value to the organization by promoting improved job performance and encouraging skill development. Performance Management involves clarifying the job duties, defining performance standards, and documenting, evaluating and discussing performance with each employee (Burbach & Royle, 2010).

Application of effective performance management systems helps determination of the employees work capabilities and this assists in assigning of organization jobs tasks functions in accordance to the employees unique capabilities. This increases the level of employees job task functions and contributes greatly to increased level of employees' retention in the organization. Performance review is at the core of talent management as it provides insight for reward system, succession plans and staff development. It helps to evaluate competencies of the workforce and provides feedback to employees which is important to retention.

A study by Aguinis et al (2013), recommended that organizations use performance management systems to create and maintain individualized development plans (IDPs) for top performers. IDPs are agreed upon, individually tailored courses of action to be taken by both the manager and the employee to improve performance. Individualized development plans are a valuable weapon in the struggle to retain top talent as they provide a structure via which employees recieve managerial mentorship ,ensuring that the objectives of personalized development plans are met.This improves retention of top talent by providing the learning and development opportunities that top performers seek (Allen et, al., 2010).

2.4.5 Employee Career Development

The emergence of new career has highlighted the need for employees to be concerned with career development and employability.In a knowledge economy,developing competencies forms an essential part of organizational competencies. One of the key factors of the retention of skilled employees is the provision of training and development opportunities (Chitalu, 2011).Most organizations may use career management programmes to assist their employees to properly plan their careers because it is believed that ,generally employees react positively to career development and advancement opportunities (Khan,2010). According to Lewa (2010), Kimani and Waithaka,(2014), talent management emphasizes on growth from within and development as key elements of business strategy ,maintaining career paths,coaching ,clear competencies ,mentoring and demanding quantifiable results. Today's employees are more career conscious than ever. They are demanding more in terms of personal growth and development. Developing high potential individuals presents one of the means by which organizations can face its competitive pressures. The fact that high-potential employees are career-minded is important for organizations to create an employee value proposition that supports career development. According to many career authors, organizational career management supports the development of employee commitment (Sturges et al., 2002). When organizational career management practices meet employees pre-joining expectations (Sturges *et al*., 2000), this will enhance commitment, satisfaction and other positive outcomes. According to (Lubitsch & Smith, 2007), the shift away from a psychological contract that provided job security and a mutual employment relationship, towards one where individuals have to maintain their' employability' through managing their own development and career progression has undoubtedly shifted the balance of power towards talented professionals. Organizations that fail to allow employees to meet their individual needs will be losing valued employees. Career development is an approach of an organization ensuring that people with the qualifications and experience are available when needed (Kleiner , 2001).

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.Vos and Megarck (2009), indicated that career development plan for employees play a vital role in the retention of employees. Providing career development opportunities restrict employees from leaving the organization and increases loyalty.

The world of work has also udergone changes in both the nature of work and the emergence of new forms of work, which result from innovation, the development of new knowledge,increased competition and other factors (Brown,*et al*,. 2003; Sennett, 2006). Social developments such as continuing globalization, technological innovation and growing global competation place pressure on organizations to emphasize their need to maintain their competitive edge at least in part through maintaining their skills . This need makes it important for an organization to evolve through a continous learning and development. There is also a shift from commodity based economy to knowledge –based economy in which an increased proportion of organizational assets are intangible. Although salary and benefits play a role in recruiting and retaining employees, people are also looking for opportunities to learn, the challenge of new responsibilities and the prospect of personal and professional growth (Wagner, 2000). Satisfying these intrinsic needs helps build trust, morale, loyalty and overall satisfaction in employees, (Nunn, 2000).

There has been a shift from job security and lifelong employability to lifelong learning and talent management (Brown et al., 2003; Sennet, 2006). It is therefore important to give employees oportunities to develop and learn (Arnold 2005; Bernsen et al.,2009; Herman, 2005) such that employees maintain their capabilities as effective employees, resist redundancy are retained by their organization. Garrow and Hirsh (2008) define the term talent management as encompassing career development by the organization's HR taking up the responsibility of developing human capital. Research shows that opportunities for training and development has a significant (percieved) ability to retain talented people and in line with the pschological contract ,high performers often percieve development as a benefit which they are entittled. When employees percieve a constructive and individual return from the training they recieve,their organization usually gains in form of increased commitment, employee satisfaction and retention.The primary goals of many employee development programs is to communicate the vision of the organization, help workers understand the corporate values and culture, and show employees at every level how they can help the company succeed. They exist in order to support business's strategic goals by providing learning opportunities and engraining the organizational culture. Although the need for technical training in a specific position will never disappear, understanding an organization's culture and fitting into it are becoming increasingly important for employee success. Two factors that are crucial to the success of employee development programs are keeping them current and putting learning in the hands of employees. For many workers, an opportunity for continuous learning weighs heavily in their decision to accept or remain in a position. As a result; employees are increasingly emphasizing career development activities. The psychological contract in which employees were almost guaranteed long term loyalty and commitment to the organization in return for giving employees job security, opportunities for promotion and training are not there (Feldman, 2001). People have realized they are reaching plateaus in their careers and opportunities for advancement do not exist.

Career development is the series of activities or the on-going/lifelong process of developing one's career. It usually refers to managing one's career in an intra-organizational or inter-organizational scenario. It involves training on new skills, moving to higher job responsibilities, making a career change within the same organization, moving to a different organization. The talented people are very ambitious and they expect a high development of their career and they demand the help of the organization to achieve that development. Hence, they will stay in the firm only if the employer gives them every opportunity to develop their potential. So the retention is about motivation, commitment, career investment, career project and also rewarding, which does not mean only money (Davis *et al,* 2007). Organizations with high levels of engagement provide employees with the opportunities to develop their abilities, learn new skills ,aquire new knowledge and realize their potential. Learning and development programmes are essential components in the process of talent management, ensuring that people acquire and enhance skills and competencies they need (Armstrong, 2005). Unlike in the past when employees had clearly defined career paths and jobs-for – life, the trend emphasises employability, self development and individual responsibility for career development (Sturgel et. al., 2000). Building employees' capacity therefore, drives our attention to the importance of providing effective proffessional development for employees (Wei et al., 2005). For employees ,an opportunity for continous learning weighs heavily in their decision to remain in the profession. Employees with good career opportunities in their organizations are more likely to feel an obligation to their employing organization and develop a strong emotional attachment to the organization (Meyer & Smith, 2000).

2.4.6 Employee Retention

Retention of talent remains a primary concern for many organizations today. Hiring knowledgeable people for the job is essential for an employer but retention is even more important (Nyanjom, 2013). Retention is a voluntary move by an organization to create an environment which engages employees for long term. Employee retention encompasses talent management which is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops talented people it needs now and in the future. The main purpose of retention is to prevent the loss of competent employees from the organization which could have an adverse effect on productivity and service delivery.

Employee retention is another area where consistent processes can help the HR function to identify clusters of key talent, set retention benchmarks, apply retention strategies and then evaluate and refine overtime. The objective of any organization is not only to recruit personnel but also to maintain, develop and retain such manpower. Organizations ought to put in place effective manpower retention mechanisms to retain their staff. The retention plan should address each of the areas in which lack of commitment and dissatisfaction can arise these would include pay, jobs performance, training, career development, commitment, conflict with managers, lacking group cohesion, recruitment, selection promotion and over marketing.

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. By taking a proactive approach to develop an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resourses (Nyanjom, 2013). Empirical evidence suggests that the environment of a well-defined organizational goals and objectives influence employee retention.

2.4.7 Age as a Moderating Variable

In this study, age is hypothesised to be a moderator affecting the relationship between retention and the independent variables. According to (Berry, 2010) as cited by (Ngethe, Iravo, & Namusonge, 2012), age is a restraining factor in keeping employee on the job and decreasing turnover intention.Young workers below the age of 35 years have high expectations from the work place and hence risk of turnover. Older employees on the other hand prefer to retain the status quo since since they do not want to disrupt their benefits such as pension, (Ng'ethe , Iravo , & Namusonge, 2012). Kipkebut (2010) established that older employees were less likely to quit their jobs as compared to younger employees. Price and Mueller (1981) cited in Kikebut (2011) found out that younger employees were more likely to leave than older ones. Older workers are more embedded within their jobs and therefore have a lower need to change jobs, and are in general more committed to their organizations than younger workers (Feldman, 2007). A study by Posthum and Champion (2009), concludes that because older workers in general have fewer opportunities on the labor market, they might be more inclined to stay within their organization.

2.5 Empirical Review

In this age of globalization where talent and brain power are becoming predominant, managing talent has become imperative for business success. The concept of talent management has gained strategic importance in human resource management since talent can make a significant difference to the current and future performance of an organization. Research indicates that the war of talent has become intense due to labour market shortages and glowing global competition .The available literature reveals that organizations have focused on talent management and understand that talent management is aligned to the employees with the mission and vision of the organization which ends up with better results to the organization and enhanced employee retention. This view is shared by the by Oladapo (2012), who indicates that the war of talent has become intense due to labour market shortages and glowing competition. Any employer's foremost responsibility is retention of the best employees and this can be achieved by managing employee talent well to keep them satisfied and motivated. He recommends that to attract and retain the best talent anywhere in the world, an organization must have strategies for managing those talents for achieving competitive advantage.

This view is also supported by a study by Karemu, *et al* (2014), on critical analysis of talent management on medical employees retention in public hospitals in Kenya, which indicated that talent management strategies impacts positively on the retention of doctors and nurses at Kenyatta National hospital in Kenya.The studied variables were career development, compensation and benefits attractiveness, nature of work climate and levels of training and development. The data obtained from the study indicated that talent management strategies impacts positively on the retention of doctors and nurses at Kenyatta national hospital in Kenya. Availability of career development opportunities showed the highest significant relationship with retention (β=0.614,p-value =0.019). A unit increase in career development opportunities would lead to effects in retention of with the findings of the current study which shows career development playing the greatest role in employee retention and talent management.

Makwaro and Abok (2014) investigated factors affecting talent management in state corporations.The study used stratified random sampling to select 224 staff doctors and nurses in Kenyatta National hospital in Kentya. These findings concur of Kenya power and lighting compant limited. The regression coefficients of the study indicated that recruitment and selection ,developing and compensation have positive and statistically significant effect in intergrated talent management at Kenya power and lighting company in kenya.The study found out that factors such as organizational culture ,reward,career development and workforce enviromnment significantly affect implementation of talent management.

Bano *et,al.* (2011), studied talent management in the corporate sector of Islamad , Pakistan and found out that talent management has a positive ,significant influence on employee attitudinal outcomes and organizational effectiveness like employee work engagement, turnover avoidance and value addition. They concluded that organizations which are enthusiastic for gaining competitive advantage over their business rivals need to manage their talent in a vigilant and effective ways.

A research carried out by Alicja (2007) to dignose the status of talent management practice in polish companies practice received replies from 36 companies, indicated that over 50% of the companies diagnosed problems of talent and talent management. More than 25% of the respondents pointed out that talent is addressed and resolved on ad-hoc basis while another 25% of the companies are in the process of developing talent management strategy.

In Sweden,a study called Talent Management Barometer conducted by Tidskriften Personal & Ledarskap Sveriges human resource Forening &Stardust consulting in 2012, a set of respondents comprising of 40% human resource managers,30% human resource professionals and 30%line managers , revealed that very few(16%) are pleased with their present talent management and agree that more resources need to be placed on this in future.Over half of the respondents agree that talent management one of the most important issues today,while 81% think it will be a growing concern in the future.

Tiwari & Shrivastara, (2013) in their study on strategies and practices of talent management and their impact on employee retention and effectiveness in India concluded that talent management is one of the primary management tool in the 21st century human assets management.The prime focus of this study was to analyze the talent management initiative taken by HR professionals and find out the effectiveness of such initiatives to the satisfaction level of employees leading to employee retention.The study revealed that the age of the employees is independent from the employee satisfaction and retention. However, experience was found to affect the satisfaction level of employees with practices of talent management. These findings are contrary to the findings of the current study that revealed that there is a significant positive relationship between employees age and retention (β =0.245 and P=$\leq$ 0.05).This study provided useful insights as to the relationship between performance management and talent management and retention.

Gorvaerts, *et,al* . (2010), in an exploratory study to identify ways to retain talent conducted in professional organizations ,collected data from a sample of 972 employees.They concluded that to retain employees, it is important to pay attention to learning and development of the employees.Learning and development of employees plays a key role in talent management strategy. This kind of management practices leads to satisfied employees which lead to retention. This study supports the current study whose findings indicate that carrer development of employees is crucial in talent management and retention.

Anand (2004) as quoted by Tiwari (2013) explored to understand the talent management innovation, practices and process in a major telecom company in India. The researchers revealed the process of effective management of talent pool which led to enhanced employee engagement and reduced attrition and proportionately increase the average tenure of employees. It further concludes that every organization in whatever sector it serves should have defined capabilities in terms of skills ,knowledge ,ability and behavior .A gap analysis should be conducted by assessing every employees competency profile and correct if there are any deficiencies that exists between the actual and the desired current performance.The study also concludes that talent management should be made mandatory as it fosters a lot of innovative ideas to an organization which ultimately leads to its growth and success.Thus implementing an effective talent management strategy ,organizations can ensure that the right people are selected at the right time for the right job.

Employee engagement is key to talent management which various researchers have recommended as an area of rigorous research (Bennet & Bell,2004; Cartwright & Holmes, 2006). Employee engagement as an aspect of talent management has become a focal point of employee retention programs in the light of the weak economy and limited opportunities for compensation and career growth. Increasingly, engagement, which has been identified as a distinct construct worthy of attention by both academics and practitioners, refers to an individual employee's emotional, cognitive and behavioural state directed toward designed organizational outcomes (Shuck, 2011; Wolland, 2010). According to a research done by Towers Perrin ,(2012), there is a linkage between employee engagement and retention.The research was conducted among 50 multinational companies and over a period of 12 months, the companies with high level of engagement outperformed the ones with low engagement level and these companies also experienced higher levels of retention.However, the study also states that even though engagement has an impact on retention ,that alone does not retain employees. This study concurs with the findings of the current study where employee engagement accounts for only 11% as a predictor of employee retention, meaning that there are other factors that contribute to employee retention besides engagement.

Plansoongnein, *et al,.(*2011) investigated talent management strategies and employee engagement implemented in three leading cement companies in Thailand. The objectives were to investigate the talemt management strategies implemented in the cement companies and to investigate the factors influencing employee engagement. The study revealed thet robust talent management planning , support of management ,worklife balance and other environmental factors were crucial factors to keep talent rooted to organizations.The study findings indicated that recruitment of talent is heavily emphasized as the most significant process in managing talent because firms believe in a concept of great input-great outcome. These findings are supported by a concept of (Lewis & Heckman, 2006) who views talent management as a new term for succession planning; hence many firms concentrate on recruitment of talent. The study concluded that talent management depends on many factors and therefore recommended a management team to make efforts to build effective ,practical and holistic talent strategies that are not only able to attract talent but also address employee engagement as key thus boosting productivity. Towers Perrin (2008), indicates that there is a linkage between engagement and retention. Towers studied 50 companies and found out that the companies with high engagement level outperformed the companies with lower engagement level.

According to Vijay Kumar *et.al*, (2012), Indian software industries face crises in various retention and attrition strategies of talented workers. The authors examined the phenomenon if employee retention in the IT sector can help organizations to retain their variable talented employees. The study concluded that HR department has to play a vital role in design policies and strategies that enable the organizations to retain the human resources contributing significantly to the business. Eric et al,. (2012) studied how employees regard the importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. It was found that training and development, performance management and compensation are significant to employee retention.This contradicts the findings of the current study that found out that performance management is not a predictor of employee retention.

Bano et al,. (2011) studied talent management in the corporate sector in Ismabad, Pakistan and found out that talent management has positive significant influence on employee attitudinal outcomes and organizational effectiveness like employee work engagement, turnover avoidance, and value addition. They concluded that organizations, which are enthusiastic for gaining competitive advantage over their business rivals, need to manage their talent vigilant and effective ways.

Mendez and Stander (2010 further emphasizes that a company needs to invest in employee retention in order to be successful. Many studies have indicated that in today's rapidly moving dynamic, uncertain and highly competitive global markets, firms worldwide are facing major decisions and challenges in the global talent management (Schuler et al., 2011; Scullion et al., 2010; Tarique & Schuler, 2010). As a result of a highly competitive market, companies are discovering that, not only is it becoming increasingly difficult to recruit top talent, but that they are running the constant risk of losing the ones they have to competators (Sutherland, Torricelli & Karg, 2002).

2.6 Critique of the Existing Literature

The theoretical framework and empirical literature demonstrates that past theories/models and empirical studies have not clearly addressed the relationship between talent management and employees retention in organizations. The review of the related literature on the title unanimously acknowledges that successful organizations share a fundamental philosophy of valuing and investing in their employees and managing retention of promising employees" is considered as fundamental of mean of achieving competitive advantage amongst organization. Schuler (2011) explained that the current situation of talent management in global competitive market.Though literature has shown that talent management is crucial to employee retention, it is clear that the predictors of retention differ and therefore management needs to carry out a need based survey on specific organizations to identify what keeps the employeees commited to those organizations.

A study by Boston Consulting Group (2007) highlighted talent management as one of five key challenges facing the HR profession in the European context,Collings and Mellahi, (2009) investigated the notion of talent management, Heckman (2006) identified three types of conceptualizations of talent management. Staffanand Ellström, (2012) studies the process of identifying, securing, developing, and managing relevant talent. McDonnell (2010) explained the challenges faced by CEO on talent management and in Kenya a study by Charles (2010) revealed existence of employee retention problems in many organizations.

The reviewed literature demonstrates that while there is much prescription about the need for integrated approaches to talent management practices, there is little rigorous research on relationship between talent management and employees retention in state corporations in Kenya. The explored theoretical models and empirical studies have not managed to effectively address the role of talent management on employee retention in public sector organizations, indeed most empirical studies were undertaken in developed nations while only few studies were undertaken within the local context. In order to improve on talent management, there is a need to undertake a more comprehensive study to uncover talent management challenges affecting employees' retention within the context state corporations in Kenya.

A number of studies indicate that developing countries are faced with the problem of adequate qualified employees (EFA Global Monitoring Report, 2002; Kanyiri,2009; World Bank,2003). Although the review of the literature shows that talent management is a growing field, the effect of talent management and its added value has still not been explored. Moreover, research dealing with the effect of talent management on employee retention is lacking. The available literature is mostly confined to the US (Tarique & Schuler, 2010). For these reasons, the current study seeks to innvestigate and provide literature on the effect of talent management on the retention of employees in state corporations Kenya.

2.7 Research Gaps

Many organizations have realized the value of managing their talent and have initiated new human resource practices which responds to the change crises that arise due to enhancenment in knowledge based economic society (Tymon, et al., 2010). However, scarce literature exists on talent management in employee retention in Kenya. The current study aims to contribute to the literature on talent management and their retention practices along the mechanisms by providing empirical evidence which extends existing conceptualization in this area.

On employee and talent retention, the researcher intends to fill the existing gap in Nyanjom (2013) study by use of other retention measures than employee training and development, employee commitment and compensation and determine the effects of talent management in employee retention in Kenya's state corporations. Manyura (2012) investigated perceived factors affecting employee retention at Kenya commercial Bank limited headquarters. The study however was a case study of one organization and the researcher did not find any empirical study was seeking to fill this research gap in all state corporations in Kenya.

Brundage and Koziel (2010),highlighted the importance of talent retention by saying that effective talent management and talent retention is a continous process and it must be part of the organizational culture.They conclude that compensation,leadership training,reward and retention strategies as part of the organization culture. The current study highlighted other retention strategies of performance management, career development, and competency mapping and employee engagement.

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 organizations .However ,the study did not outline how these strategies impact on employee retention. Kagwiria (2014), studied on the effect of career development on firm performance.Though she acknowleged that career development contributed to talent retention, she did not discuss this in depth.The current study intended to establish the effect of career development on employee retention in state corporations in Kenya.

Veiman and Holder (2011) in their research on talent management in the public sector noted that although there was no doubt that talent management plays a greater role within public services, there was however little research and few guidelines in practice that can implement effective talent management. Studies have shown that most talent management in employee retention research studies have been carried out using western samples and emerging economies in Asia such as China and South Korea. However ,few studies have used samples from sub-saharan Africa and Kenya in particular, thus challenging the generalisation of these studies to a non-western context. In order to improve on talent management, there is a need to undertake a more comprehensive study to uncover talent management challenges affecting employees' retention within the context of state corporations in Kenya which this study is to address.

The existing theoretical models focus on general issues of talent management and do not specifically address the relationship between the explored variables and employees retention. Most of the empirical studies such as a study by Schuler (2011), Staffan and Ellström, (2012), Kock and Ellström, (2011), Charles (2010) and (McDonnell, 2010) were undertaken in developed nations and thus there lacks a comprehensive study within the local context that explains the role of talent management on employee retention in Kenyas public sector.

Researchers have attempted to answer the question of what determines people's intention to stay or quit an organization (Kalliath & Beck, 2011). To date there has been little consistency in findings. Some of the reasons identified are job satisfaction, employer branding, changing hiring practices, interview exits , (Lathitha ,2012). Little research has addressed talent management and its effects on retention.

Talent management is the most important factors in ensuring sustainable organizational success (Mc Donnel, 2011). The reviewed literature demonstrates that while there is much prescription about the need for integrated approaches to talent management practices, there is little rigorous research on relationship between talent management and employee retention in state corporations in Kenya. This has therefore left a major knowledge gap on how competency mapping, career development, reward management, work life balance, performance management and training and development affects employee retention in state corporations in Kenya. This study aims to fill the missing knowledge gap by establishing the role of talent management on employee retention in state corporations retention in Kenya.

2.8 Summary

Today„s markets have become global and highly competitive and HRM is udergoing a major transformation .HRM practitioners are expected to be experts on leveraging human talent within their organization for the purpose of achieving competitive advantage.It has therefore, become essential for the survival of the firms that they become adaptive and responsive to change. People, intellectual capital and talent are ever more critical to organizational strategic success. (Michaels *et al*., 2001). From the literature review, it is also clear that talent is unmistakably an individual's property. Therefore, individuals, who own the talent and have, Invested in developing it through education, training and experience do have expectations of what they can get out of their jobs and other engagements within their workplace. If individual's needs are not taken care of, it is likely that they will be demotivated and thus not realize their potential. The preliminary step is to attract the right candidate. In order to acquire a good candidate, their capabilities must be known by the employer.

Seven theories have been advanced by the researcher to explain the staff retention and talent management. These theories are: Resource based view, Social-exchange theory, Person- environment theory, Social cognitive career theory, Herzbergs the two-factor theory, equity theory advanced and the Talent DNA model.

Employee retention has recieved increased attention in literature either seperately or as part of talent management strategies. The current study has discussed retention issues and talent management around career management, competencies mapping, performance management, and employee engagement which form independent variables in the conceptual framework with age as the moderating variable between these varaibles and employee retention. Retention is conceptualized in terms of employees staying and employees leaving.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodological approach for the study and it comprises the research design, population sampling, data collection, data analysis and presentation.

3.2 Research Design

Kothari (2004) defines research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in the perspective (Abok, 2015). For this study, the researcher used descriptive survey. Descriptive survey design enables the researcher to summarize and organize data in an effective way (Kireru, 2014). It provides tools for describing collections of statistical observations and reducing information to an understandable form. Mugenda and Mugenda (2003) define descriptive research as a process of collecting data in order to test hypothesis or answer questions concerning the current status of the subjects in the study This study adopted a descriptive research design since the design helps to understand the characteristics of a group in a given situation,offer ideas for further probe and research and help to make certain decisions (Sekaram,2003; Abok,2015).

Further, according to Singh,et al,(2006) descriptive research design is suitable where the study sought to describe and portray characteristics of an event ,situation and a group of people ,community or population which is the case adopted in this study.Other

Scholars, (Kimani & Waithaka, 2013; Njoroge, 2012; Ngethe et al, 2012, Abok, 2015) who have researched on related topics used a similar research design in their studies.

3.3 Target Population

The target population defines those units for which the findings of the study are meant to generalize. The target population thus comprised of all the employees in state corporations in Kenya which totals to 162 (Inspectorate of State Corporations Report, 2011). These state corporations are further subdivided into categories which include: financial (20), regulatory (30), commercial/manufacturing (30), learning institutions (32) and service (50).The interest in this population was driven by the fact that state corporations , due to their weak governance are vulnerable to loss of valuable talent through people leaving.

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 list of items where a representative sample is drawn for the purposes of research (Sekem, 2003). The sampling frame for this study was the list of 162 state corporations that the researcher obtained from the Directorate of state corporations.The heads of departments were picked as the respondents for this study. Talent management was also identified as a key element in employee retention as firms seek to hired employees will perform well and make a positive contribution to firm performance as well as stay in the firm for a reasonable period (Gupta,2006; Njoroge,2012).

3.5 Sample size and Sampling technique

The researcher selected a sample of 50% of the state corporations in Kenya. The state corporations were selected using stratified sampling method. Stratification was done by sector. Each sector (stratum) contributed 50% of its total number of corporations to the overall sample. The final respondents were picked randomly from each strata .The heads of departments were the respondents in the study. 81 state corporations were selected which formed slightly more than 50% of the target population as shown in figure 3.1 below. 50% was a manageable sample.

Category	**Total**	**Sample propotion**	**Sample size**
Financial	20	10	50%
Regulatory	30	15	50%
Manufacturing /commercial	30	15	50%
Learning institutions Manufacturing	32	16	50%
Service	50	25	50%
Total	162	81	50%

Source:(inspectorate of state corporations report 2011)

This have sufficiently surpassed the minimum threshold sample size recommended by Gay (2005) that a sample size of the target population is regarded as adequate for small population ($N \leq 1000$). (mugenda, 2008)

The target population comprised of all the employees in the state corporations in Kenya. According to Kothari,2009,when the popolation is more than 10,000 participants, the formular below can be used to calculate the target population:

Population _ State corporation employees

More than $\Rightarrow$ 10,000

$$n = \frac{z^2 p\, q}{e^2}$$

p$\Rightarrow$ probability of success

q=1-p (failure)

p$\Rightarrow$ intention to stay <20%>

q=80%

20%, 30%, 40%, 50%

P= 50% $\uparrow$

Q= 50% 30 ± 10

$50 \pm 10 \leftarrow [50 \pm 5\%] \rightarrow (45 - 55)$

↑ ↑

P e

$Z^2 = 1.96$ <if $\propto$=0.05> level of significance

$$N= \frac{1.96^2 \times 0.5 \times 0.5}{0.15} = 385$$

The respondents of the study were 385 heads of various departments in the sampled state corporations.They helped to provide information of talent management on their organization, the employees they supervise and their immediate supervisors.

3.5.1 Sampling Techniques

The study used a simple random sampling design .The state corporations were sampled first using stratified random sampling to ensure all the categories were represented then employees in the sampled corporations were sampled proportional to size by use of systematic random sampling. According to Mugenda, (2008) stratified random sampling helps the researcher achieve the desired representation of various subgroups in the population where the population embraces a number of distinct categories of different sizes. Data was collected from state corporations Kenya.

3.6 Data Collection methods

3.6.1 Primary Data

Primary data is the data which is collected afresh and for the first time and thus happen to be original in chacter (Kothari,2004) as quoted by Kagwiria (2014).Louis *et, al.,(*2007),describes primary data as those items that are original to the problem underway. Primary data was collected using questionnaires as the main data collection instruments.The questionnaires was designed to address specific objective ,research question or test hypothesis (Mugenda & Mugenda, 2003). The questionnaire was adopted and modified from a study done by Mbwiriria, K. N, (2010) on the influence of the principal's leadership styles on teachers. The questions on job satisfaction and performance management were adopted and modified from a study by Pradhan et al,. (2012) , on employee performance management and it's implications on their retention in India.The questionnaires contain both open ended and close ended questions with the quantitative section of the instrument utilizing both a nominal and a Likert-type scale format. The Likert-type format was selected because this format yields equal-interval data, a fact that allows for the use of more powerful statistics to test research variables (Kiess & Bloomquist, 2009). Questionnaires were preferred since according to Kothari (2006) the information obtained from questionnaires is free from bias and researchers influence and thus accurate and valid data will be gathered.The questionnaires were self- administered with the help of research assistants. According to Cooper & Schindler (2003), self administered questionnaires are advantageous in that they cost less than personal interviews and also enable the researcher to reach participants who may otherwise be inaccessible.

3.7 Data Collection Procedures

The reseacher obtained an introductory letter from the University and a reseach permit from the National Research Council.This was followed by the recruitment of research assistants.The researcher collected both primary and secondary data for this study. The researcher collected primary data at source while secondary data was collected from published reference materials such as reports and journals.The questionnaires were self- administered with assistance from the research assistants. Self administered questionnaires are advantageous in that they cost less than personal interviews and also enable the researcher to contact participants who might otherwise be inaccessible.

3.8 Pilot Testing

Before the actual data collection, piloting of the questionaire was done using employees in state corporations who were not included in the final study.

According to Sekeran (2003), a pilot study is necessary for testing the reliability of data collection instruments. Joppe (2000) explains reliability of research as determining whether the research truly measures that which it was intended to measure or how truthful the research results are. The suitability of the questionnaire for this study was tested by first administering it to 39 heads of departments who are approximately 10% of 385, the total number of the intended respondents. Piloting enabled the researcher to ascertain the validity and reliability of the instrument. The questionnaire was pretested on 35 staff from four state corporations. 27 them responded which is amounted to 90% of the questionnaires distributed. All the questionnaires received were referenced and coded to facilitate data entry. This process helped the researcher to assess the clarity of the questions and prepare for the actual data collection. A coefficient of 0.74 was obtained on all the four variables on average which was found to be on the boarder line.

3.8.1 Validity

The validity of that concept the questionnaires was determined using construct validity method. Construct validity is the degree to which a test measures an intended hypothetical construct (Cozby, 2001) of HRM and issue them with the questionnaires. The coefficient of the data gathered from the pilot study was be computed with assistance of Statistical Package for Social Sciences (SPSS). A coefficient of above 0.5 indicates that the data collection instruments are valid (Zinbarg, 2005). Data validity plays an important role towards generalization of the gathered data to reflect the true characteristics of the study problem.

3.8.2 Reliability

The reliability of the questionnaires was be determined using test retest method. A reliable measurement is one that if repeated a second time gives the same results as it did the first time (Mugenda & Mugenda, 2008). Test-retest reliability is a measure of reliability obtained by administering the same test twice over a period of time to a group of individuals (Moskal & Leydens, 2000). The scores from Time 1 and Time 2 can then be correlated in order to evaluate the test for stability over time. Test-retest reliability is the degree to which scores are consistent over time, it indicates score variation that occurs from testing session to testing session as a result of errors of measurement (Cozby, 2001). Data reliability plays an important role towards generalization of the gathered data to reflect the true characteristics of the study problem (Zinbarg, 2005).

3.9 Data Processing and Analysis

Data analysis was guided by the research objectives presented. The data collected from the field was analysed using statistical package for social sciences (SPSS) 22 program . All questionnaires recieved were referenced and items in the questionnaire coded to facilitate data entry. The study generated both quantitative and qualitative data. Descriptive statistics data analysis method was applied to analyze numerical data gathered using closed ended questions. Descriptive analyses are important since they provide the foundation upon which correlational and experimental studies emerge; they also provide clues regarding the issues that should be focused on leading to further studies (Mugenda & Mugenda, 2008). Content analysis was used to analyse qualitative data while quantatitive data were analysed via Statistical Package for Social Sciences (SPSS) .The data were be cleaned, coded, categorized per each of the research variables. Multiple regression model was fitted to the data in order to test the influence of the independent variables on the dependent variable. Multiple regression is a statistical tool that was used because it is the procedure that uses two or more independent variables to predict a dependent variable.Multiple regressions attempted to determine whether a group of variables together pedicted a given variable (Mugenda &Mugenda,2003). The hypothesis were tested using the t-test and f-test at 0.05 level of significance.

3.9.3 Statistical Model

This study used multiple regression model to measure employee retention in state corporations in in Kenya. There are four independent variables in this study thus the multiple regression model will be as follows:

$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta 1X1Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \beta_4 X_4 Z + \varepsilon$
where:

βo= Constant,β_1,β_2,β_3, β_4 = coefficient of predictors

Y= represents the dependent variable (employee retention)

$X_{1\,=}$ represents competencies mapping

$X_{2=}$represents employee engagement

$X_{3=}$represents Performance Management

X_4= represents employee Career Development

X_1Z= interaction effect of Age and competencies mapping

X_2Z = interaction effect of Age and employee engagement

X_3Z = interaction effect of Age and performance management

X_4Z = interaction effect of Age and career development

B_iX_iZ = Moderating effect of Age (Z) with each of the independent variables (X).

ε = error term If the hypothesis $H_{O:}\beta 1=0$ is rejected thenX_1will be taken to have significant influence on Y (i=1,2,3,4

3.9.4 Variable defination and Measurement

To measure the research variables, the study first determined the indicators/parameters of each independent variable and the employ ordinal/Likert scale to measure the independent variables. The scale comprised of an ordinal scale of 1-5 (1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent).

Employee retention is the effort by an employer to keep desirable workers in order to meet business objectives. Employee retention was the dependent variable of the study,which was measured using two dimensions;intention to leave and intention to stay.For the purpose of conducting the analysis of this study,employee retention was measured using parameters of the length of time the employee had worked in the organization and how much longer they intended to stay,ways in whish the organization supported talent retention,whether talent management of the organization supported employee retention and whether there were strategies to develop and retain talent in the organization.

Employee engagement is about how an employee is emotionally committed to an organization.Employee engagement was an independent variable in the study .It was measured by existence of supervisor support,employee encouragement ,involvement in decision making,recognition for good work opportunties challenging tasks and responsibilities , and communication of expectations. Employee engagement has been cited by researchers as having an effect in the relationship between antecedents ,job satisfaction,and intention to leave or stay in an organization.

Competency mapping is becoming an important HR tool today.It is the process through which one assesses and determine one's strengths and weaknesses inorder to help them to better recognize themselves. Competency mapping was an idependent variable used in this study. It was measured using attributes like: skills needed for the employee roles,talent audit,opportunities based on competency needs,appreciation for value addition and opportunities to utilize talent.Competency mapping establishes expectations for performance excellence ,resulting in a systematic approach to professional development ,improved job satisfaction and better employee retention.

Career development is a series of activities or the on-going/life process of developing one's career. Employee Career development was an independent variable in this study. One of the key factors of retention of skilled employees is the provision of training and development opportunities (Chitalu,2011). For many employees , an opportunity for continous learning weighs heavily in their decision to accept or remain in a position.Employee career development was captured in attributes like: training and development, good use of skills, rewards for value addition,personal initiatives for career growth and encouragement for growth and learning.

Managing talent is key at all levels of performance management because without focus on performance ,it is hard to see how an organaization can find competitive advantage through talent. Performance management is a means of increasing the engagement and motivation of people by producing positive feedback and recognition.Performance management was an independent variable in this study. It was measured using various attributes like availability of feedback on performance, objectives and goal setting, communication of performance expectations, competency factors to achieve results, encouragement for growth, and performance standards. These variables are operationarized in the table below.

Table 3.1 Operationalization of Variables

	Variables	Measures	Questions/ page
1.	Competency mapping	• Skills audit	a,b and e 6
		• Opportunities based on competencies	d,i and k
		• Appreciation for value addition	c,g,f,
		• Opportunities to utilize talent	k and 2
	2.Employee engagement	• Supervisor support	g,h and k 7
		• Employee encouragement/empowerment	d,h,k 7& 8
		• Involvement in decision making	c and f 7
		• Delegation of tasks to employees	a and i 7
		• Encouragement for team work	
		• Communication on expectations	j and f
	3.Performance management	• Performance standards	a,b and j 8
		• Encouraging productive behaviour	d 8
			j,c
		• Objectives and goal setting	
		• Communication on expectations	
		• Feedback on performance	b, m and l 8
		• Encouragement for growth	h,k
		• Competency factors to achieve results	
		• Opportunities for growth	h and k, f 8
	4. Career devlopment	• Training and development	2 and 3 10
		• Provision of opportunities for growth	a,d,and g 10
		• Rewards for value addition	c,e, and h
		• Encouragement for growth and learning	i,j and 2 10
		• Personal initiative for career growth	4 and 5 10

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The current chapter describes the methods applied in order to achieve the study objectives. The data analysis was carried in line with the study objectives from which the patterns were investiagted, interpretations done and conclusions drawn. The main objective of the study was to establish the effect of talent management on employee retention in state corporations. Specifically the study sought to establish the effect of employee engagement on employee retention in state corporations in Kenya,To establish the effect of competencies mapping on employee retention in state corporations in kenya, To determine the effect of performance management on employee retention in state coprporations in Kenya ,To establish the effect of employee career developemnt on employee retention on state corporations in Kenya and to establish the moderating effect of age on employee retention. Both descriptive and inferential statistics were used to analyse the data. The chapter is organized as follows: response rate, reliabiliy and validity analysis, back ground information, descriptive analysis, hypotheis testing and discussion of the study findings.

4.2 Response Rate

Data was collected from heads of department drawn from different categories of state corporations in Kenya .A total 385 questionnaires were issued from which 382 were filled and returned which represents a response rate of 99.2%. The response rate was considered satisfactory since Mugenda and Mugenda (2008) asserted that a response rate of 50% is adequate for analysis. Babbie, (2004) also asserted that the return of rates of 50% are acceptable to analyze and publish ,60% is good and 70% is very good. Nyamjom, (2013) carried out a study on staff retention in state corporatons and got a response rate of 75% which she also considered excellent and a representative of the population.The achieved success rate in the current study was more than 70% which implied that the response rate was very good. The success rate was attributed to the self administration of the questionnaires applied by the researcher from which the intended respondents were pre -notified prior to the date of data collection from which the reseacher agreed on the actual date and venue for the data questionnaire administration. Follow-up calls to clarify queries were made thus enhansing the high response rate.The response rate is represented in table 4.1

Table 4.1 Response Rate

Questionnaire	Count	Percentage
Returned	382	99.22
Non returned	3	0.78
Total	**385**	**100**

4.3 Descriptive Results for Personal and Contextual Information

The personal and contextual characteristics collected included age, gender, job title, department, highest level of academic qualification, category of corporation, years worked in the current corporation, length of the longest serving employee, means of supporting talent retention in an organization and organization objective in talent retention discussed as follows:

a) Respondents Age

The study sought to identify the different age categories of the respondents. As table 4.1 shows majority of the respondents were aged between 36 to 40 years as accounted for by 35.1%, followed by 26.4% who aged between 31 to 35 years while 21.2% aged between 41 to 45 years. Therefore the sample was representative enough to capture the views of different age groups in management in the public sector.

The study findings differs with the findings of Kereru (2013) who studied talent management in Kenya broadcasting corporation ,which is a state corporation in Kenya and found out that majority(40%), indicated their age bracket was between 41-50.Analysis of the findings indicated that 28% of the respondents were between 31-40 years ,15% between 51-60 while 7% were between 21-30.

The findings however imply that the respondents were old enough to provide valuable responses that pertains talent management in state corporations in Kenya. This is further reinforced by the fact that some of the respondents had stayed in the state corporations for more that ten years hence conversant with the talent management in the state corporations. A study by Berry, (2010), indicate that age is a restraining factor keeping employees on the job and decreasing turnover intention.Young workers have high expectations from the work place and hence at risk of turnover. Older workers on the other hand prefer to retain their status quo, since they do not want to disrupt their benefits such as pension.Kipkebut (2010) also found out that younger employees are likely to leave than older ones.

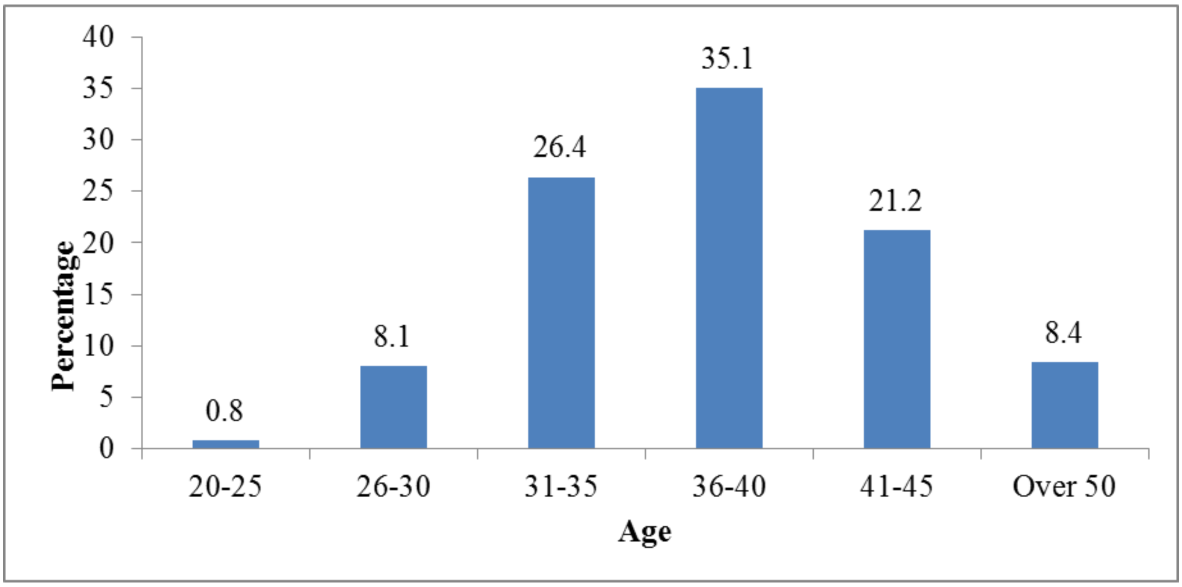

Figure 4.1 Respondents Age

b) Respondents Gender

The study findings revealed that majority 57% of the respondents were males while 43% were female. Though the employees in the state corporation are skewed to males, it does not violate the gender based policy enshrined in the constitution which stipulates that none of the gender should be more than one third. Thus both genders were fairly sampled to generate representative data.

Acker (2006) as quoted in (Kireru 2013) observed that gender equality was very important as a trait as it can be used to improve talent management of all the staff involved. He argued that it fosters teamwork and also creates a sense of unity and an aspect of working together for a common goal with every individual effort being important to the attainment of the overall objectives. Given the difference was very small, it can be inferred that state corporations in Kenya are gender sensitive institutions that provide equal opportunities to both male and female employees.

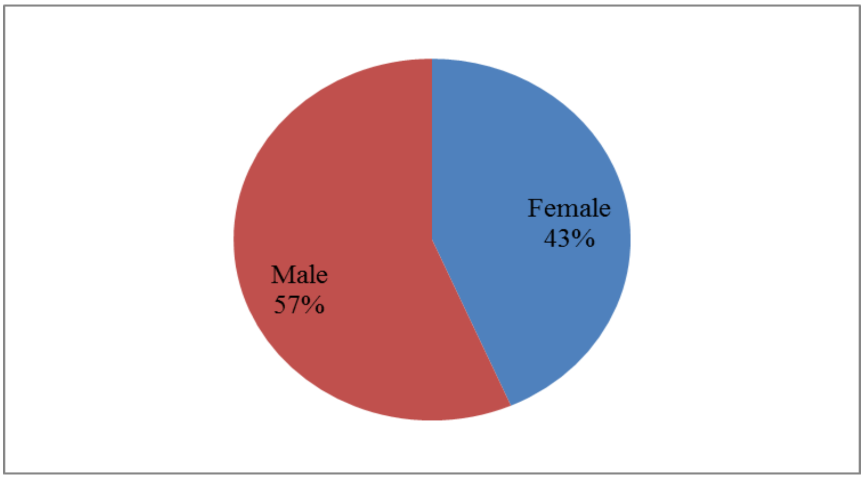

Figure 4.2 Respondents Gender

c) Highest Level of Academic Qualification

The employees level of education was categorised into; diploma, bachelors, masters and PhD. The pictorial presentation depicted that majority 46.1% of the respondents had attained bachelors level of education, followed by 35.3% who were masters holders, while 12.6% were diploma holders and 6% had attained PhD. This implies that the state corporation had a homogenous pool of staff though skewed towards bachelor holders. The findings agree with the findings by Malachi and Wario (2013) in a related study done at KPLC found out that 50% of the employees had university degrees while the rest had diplomas. These findings differ from those recorded by Makwaro (2014) who conducted a similar research in KPLC and found out that 45% were diploma holders , followed by 37% bachelor degrees, 12 % Masters and the least 6% PhD holders. The findings show that the respondents had sufficient academic qualifications not only to head departments but also to understand and appreciate the importance of talent retention and whatever policy programmes.

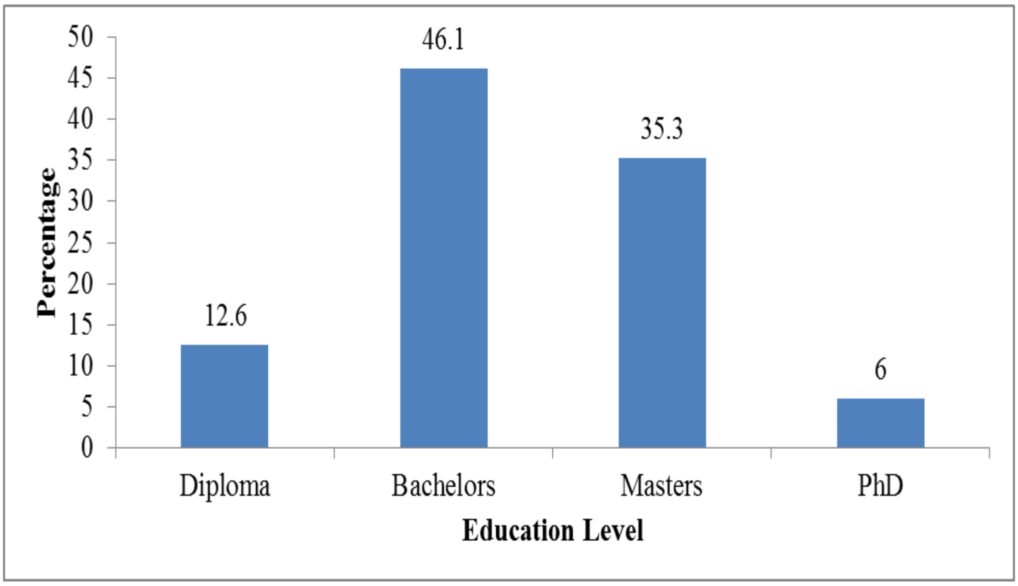

Figure 4.3 Highest Level of Academic Qualification

d) Category of the State Corporations

The state corporations provide services in different lines therefore the study sought to find out the category of the state corporation. The study findings revealed that majority 47.1% of the state corporations are service oriented, followed by 25.1% in the regulatory sector, while 16.5% were in learning institutions and 11.3% were in the financial sector. This provides a fine mix of state corporations to enable the study to capture the different talent retention practices and needs

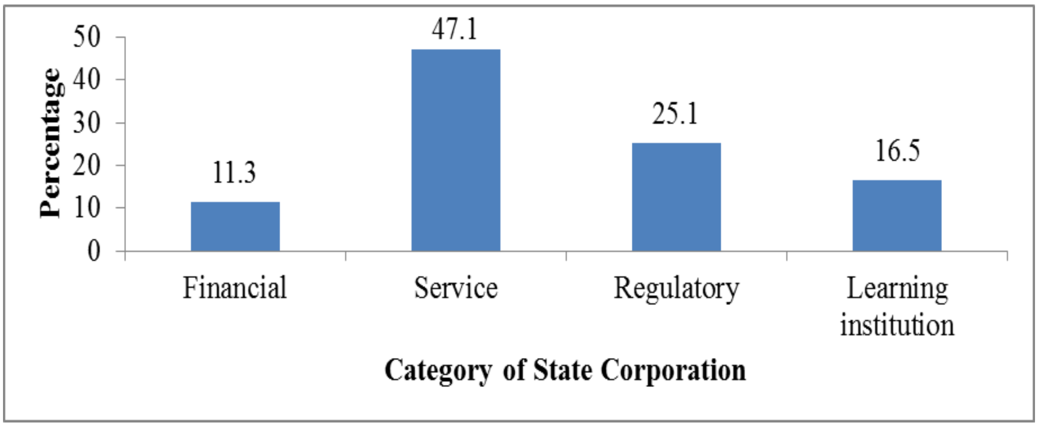

Figure 4.4 Category of the State Corporation

e) Years Worked in State Corporation

How long a head of department has worked in an institution gives them institutional memory and therefore place them in a vantage position to understand how the organization works. To this end, the study sought to find out how long the heads of department being interviewed had worked in their organizations.

The study sought to establish the number of years that the respondents had served in the state corporations.From the findings in table 4.7, it was found that majority (36.9%) had served in the state corporations worked for a period ranging between 4 to 6 years, followed by 33% who had worked for a period of 7 to 10 years. In addition, 17% had worked for a period of 11 to 20 years and 7.6% had worked for a period of 1 to 3 years. This implies that majority of the respondents had worked in the state corporations for a time long enough for them to understand and share their respective talent management and retention policies and practices. Studies suggest that for investment on human capital to be realised ,employees should remain in the organization for a long period.These findings however, concur with the findings of Nyanthom (2013) ,who did a similar research and found out that the majority (36%) had served in the state corporations for 21 years and above,26% had served for between 16-20 years, 12% between 6-10 years while 4.9% had served for between 1-5 years.

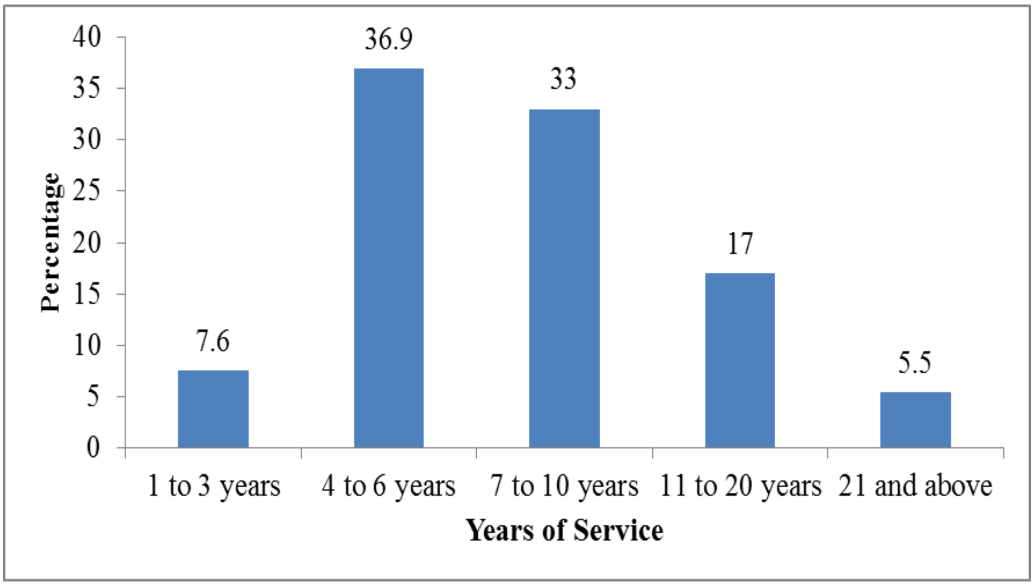

Figure 4.5 Years Worked in State Corporation

f) Longest Serving Employee

The study findings revealed that there are high chances of employees retention in the state corporations since majority 39.3% had served for a period of between 14 to 21 years followed by 32.2% who had served for a period of between 7 to 13 years. It was important to note that 25.1% of the employees had served for 22 years and above and 3.4% had served for a period of between 1 to 8 years. This implied that majority of the respondents had served in the state corporations for a duration long enough long to be conversant with the operations of the state corporations and thus were in a position to give reliable information on the role of talent management in employee retention in state corporations in Kenya.

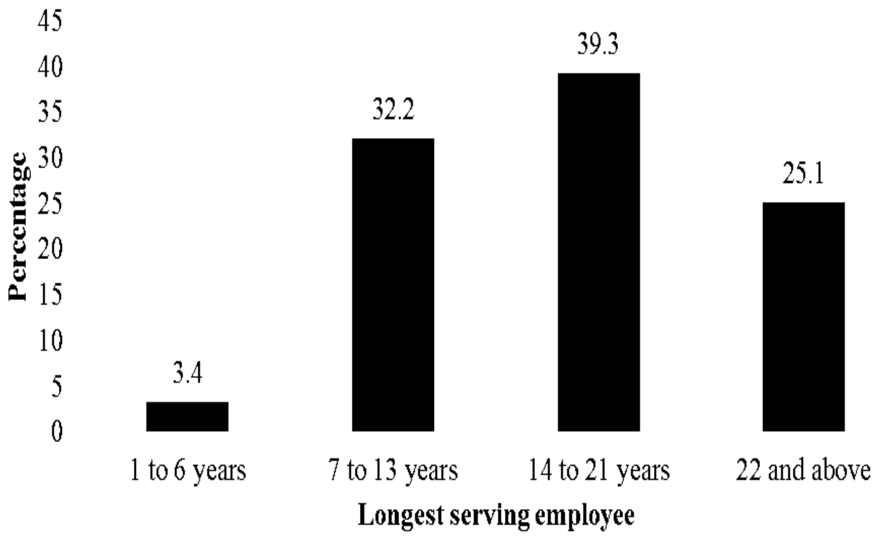

Figure 4.6 Longest Serving Employee

g) Findings on the Role Talent Management in Employee Retention

The study sought to find out the role of talent management in employee retention employee in state corporations. From past studies it was hypothesed that there are five main objectives of talent management in an organization which were to develop and retain talent, for employees engagement, for employees career development, a guide to employees performance management and a guide to competency mappings/ skills assessment. Using multiple response analysis since the respondents could state more than one response , the study findings depicted that majority (250) 65.4% reported that the main objective of employee retention is a guide to employee career development. Secondly, (226) 59.2% reported that the main objective of employee retention is to develop and retain talent. Thirdly, 48.4% reported that their main objective for employee retention is for employee engagement while 42.7% uses it as a guide to employee performance management.

Table 4.2 Objective of Talent Management Policy

Objective of Talent Management Policy	Frequency	Percentage
To develop and retain talent	226	59.2
For employee engagement	185	48.4
For employees career development	250	65.4
As a guide to employees performance management	163	42.7
To guide in competency mapping/skills assessment	56	14.7
n=382		

4.4 Reliability and Validity Analysis

A research instrument is reliable if after being administered to different groups of respondent's yields consistent results. Various methods such as inter rater reliability used to test how different observers give consistent ratings on a research instruments, test retest which is evaluated on same group for different time periods, parallel reliability evaluated on similar research instrument at different time periods and internal consistency reliability evaluated to test the internal consistency across the research items mostly tested using Cronbach's alpha. The Cronbach's alpha measures reliability using coefficient ranging between 0 to 1. In the current study Cronbach Alpha was used as a measure of internal consistency.

4.4.1 Reliability Analysis for competences Mapping

The study findings depicted that on overall the Cronbach's Alpha was 0.692 (0.7), since the coefficient was 0.7 for mapping skills all the constructs for mapping skills when combined were reliable. It was important to note that the statement " performance assessment is not done based on individual competencies" if deleted the Cronbach's Alpha would have been the highest of 0.758, but it was retained since on overall the constructs were reliable. According to Zinbarg (2005) all the data collection instruments with Cronbach Alpha equal to or greater than 0.5 then the data collection instrument is valid.

Table 4.3 Reliability Analysis for Competences Mapping

Mapping Skills	**Scale Mean if Item Deleted**	**Scale Variance if Item Deleted**	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
Encouragement of employees to develop their skills	36.01	22.055	0.453	0.658
The organization stresses the importance of different competencies	36.45	22.306	0.369	0.668
Performance assessment is not done based on individual competencies	37.23	22.932	0.033	0.758
Employee competencies and job description can help in retention of employees	36.19	23.756	0.169	0.695
Tasks are distributed based on specific competencies	36.45	21.744	0.348	0.669
HR department undertakes gap analysis to guide employees on development path	36.68	19.394	0.538	0.631
The organization undertakes competency mapping to improve recruitment and selection	36.69	19.055	0.559	0.625
Competency gap analysis is done to identify training needs	36.67	19.46	0.519	0.634
I encourage employees to undertake self-development initiatives	36.21	22.956	0.26	0.683
All employees are granted the opportunity to utilize talents, skills and resources	36.36	20.693	0.503	0.643
Overall Cronbach's Alpha				**0.692**

4.4.2 Reliabilty Analysis for Employee Engagement

The overall reliability for employee engagement was 0.554 (0.6) since the coefficient was greater than 0.5 the research instrument had attained internal consistency. Though the coefficient would have declined to 0.496 if the construct on “tasks are shared according to employee abilities” the item was retained. The highest coefficient of 0.551 would have been attained if the item “ I always recognize staff good performance in my department” it was retained.

Table 4.4 Reliabilty Analysis for Employee Engagement

Employee Engagement	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Tasks are shared according to employee abilities	28.64	10.541	0.355	0.496
Staff know and do what is expected of them	28.81	11.8	0.165	0.548
Important decisions are always made by the supervisor	29.06	9.797	0.247	0.533
I always recognize staff good performance in my department	28.91	11.457	0.161	0.551
I always build staff through encouragement and affirmation	28.83	10.829	0.249	0.526
Staff are given opportunity to handle tasks and responsibilities outside their domain	29.16	9.996	0.273	0.519
I always give on-going, constructive feedback on staff performance	28.84	10.422	0.338	0.498
All supervisors have good relationship with staff	29.26	9.515	0.354	0.486
Overall Cronbach's Alpha				**0.554**

4.4.3 Reliability Analysis for Performance Management

The overall reliability for performance management was 0.692 (0.7) since the coefficient was greater than 0.5 the research instrument had attained internal consistency. Though the coefficient would have increased to 0.754 if the construct on “good performance is rarerly rewarded” the item was item was retained.

Table 4.5 Reliability Analysis for Performance Management

Performance Management	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Promotion is not based on seniority but on performance	44.38	35.239	0.319	0.676
Targets and their due date are clearly communicated to staff	44.1	38.161	0.349	0.674
There are mechanisms in place to ensure performance and feedback	44.1	36.503	0.424	0.663
Good performance is rarely rewarded	45.81	42.762	-0.151	0.754
Staff are provided with opportunities for growth and development	44.27	37.197	0.377	0.669
The organization conducts performance reviews regularly	44.45	36.08	0.412	0.663
Performance reviews provides me with accurate information about me	44.33	35.975	0.396	0.664
Weaknesses detected in appraisal lead to training and development of staff	44.77	34.271	0.472	0.651
I rarely involve staff in decisions that impact their work performance	46.07	40.575	-0.021	0.73
I provide staff with regular feedback on their performance	44.2	37.374	0.345	0.672
HR department is responsive to employees training and development needs	44.35	35.439	0.463	0.656
Internal appointments are done in a fair manner	44.41	33.083	0.594	0.633
Before a vacancy is advertised, effort is made to tap from the internal talent pool	44.3	33.89	0.538	0.642
Overall Cronbach's Alpha				**0.692**

4.4.4 Reliability Analysis for Career Development

The overall reliability for employee engagement was 0.772 (0.8) since the coefficient was greater than 0.5 the research instrument had attained internal consistency. Though the coefficient would have increased to 0.846 if the construct on “little effort is made to use skills before outsourcing” the item was item was retained. Although, the coefficient would have declined to 0.720 if the item on “progress and career development policy is clearly outlined to all employees” it was retained.

Table 4.6 Reliability Analysis for Career Development

Career Development	**Scale Mean if Item Deleted**	**Scale Variance if Item Deleted**	**Corrected Item-Total Correlation**	**Cronbach's Alpha if Item Deleted**
The organization plans on employee career growth	27.02	20.897	0.601	0.725
As a supervisor i frequently mentor staff to grow professionally	26.9	25.853	0.198	0.783
Employee career development programs offered are clear to all and are linked to each employee's career needs	27.03	20.902	0.626	0.721
Little effort is made to use skills or create capacity before outsourcing	28.03	26.123	-0.012	0.846
Progress and career development policy is clearly outlined to all employees	27.16	20.551	0.627	0.72
The organization has efficient in-house development programmes to develop its employees	27.22	21.486	0.571	0.731
There is an efficient employee development strategy understood by all employees	27.18	20.603	0.673	0.714
The organization has provision of career mentors	27.27	19.359	0.691	0.705
Overall Cronbach's Alpha				**0.772**

Validity of the Research Instrument

The degree to which a research instrument measures what it is supposed to measure is called validity. Prior to using the questionnaire for data collection the researcher discussed it with the supervisors and colleagues . During the pilot survey the questionnaire was administered to 30 employees working in Nairobi County. Since the researcher self administered the questionnaire she encouraged the respondents to express their opinion on the clarity and clearness of the questions in the questionnaire. The respondents opinion was used to improve the research instrument for the final study. In addition, Kaiser-Mayor-Oklin measures of sampling adequacy (KMO) and Bartlett's test of sphericity were applied to test whether the correlation between the study variables exist as shown in Table 4.6. Kaiser- Mayor- Oklin was used as a measure of sampling adequacy and had a value of 0.951 and p-value <0.5. The Bartlett's test of sphericity was used as a test of the adequacy of the correlation matrix whereby it tests the null hypothesis that the correlation matrix is has all diagonal elements as 1 and non diagonal elements as 0. If the test value is large and the sigificance level is small, then the null hypothesis that the the variables are independent can be rejected. In the present study, the Bartlett's test of Spherity yielded a chisquare value of 5057.744 and an associated level of significance (p value) of 0.00. Therefore, the null hypothesis that the the correlation matrix was identity was rejecetd and the relationship between variables can be investigated.

Table 4.7 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.915
Bartlett's Test of Sphericity	Approx. Chi-Square	5057.744
	df	741
	Sig.	0.00

4. 5 Descriptive Analysis for Independent and Dependent Variables

Descriptive analysis is used to describe the basic features of the data under study as they provide summaries about the sample and its measures. In the current study descriptive analysis included means, standard deviation, frequencies, percentages and graphical presentations. The mean was used as a measure of central tendency while standard deviation was used as a measure of dispersion to inform how the responses were dispersed from the mean. The section was subdivided into personal and contextual data and descriptive analysis for independent and dependent variables.

4.5.2 Factors influencing employee retention

4.5 2.1 Competencies Mapping on Employee Retention in State Corporations in Kenya

The first objective of the study was to: To establish the effect of competencies mapping on employee retention in state corporations in Kenya**.** The corresponding research questions was: To what extent does competency mapping affect the retention of employees in state corporations in Kenya? Among the wide range of organizational processes related to retaining high performing employees, corporate competencies have become a focal point , helping successful organizations understand where to focus resources such as incentives ,coaching and training programs. To this end, the study sought to find out from respondents the extent to which they thoght that their organizations encourage employees to develop skills and competencies.

On a five point Likert Scale the respondents were requested to indicate their level of agreement; strongly disagree, disagree, neutral, agree and strongly agree. The frequencies, percentages, mean and standard deviation were used to summarise the study findings as shown in Table 4.8. The study findings depicted that majority 61.8% of the respondents strongly agreed that encouragement of employees to develop their skills increased the chances of employees retention. With liberalization and globalization of economic activities, the need to develop skilled human resources of a high caliber is imperative. Employees are not only expected to possess relevant domain-specific knowledge, but also to use this knowledge to solve increasingly complex problems as well as acquire new knowledge (Birenbaum, 2003).

With Liberalization and globalization, organizations are undergoing rapid changes as well as the raft of skills and competencies required to keep the organization on a competitive edge. The organizations that will stand the test of time are those that provide their employees with a wide spectrum of skills and competencies. Therefore, state corporations should develop measures to encourage the employees to develop their skills.

Table 4.8 Organization Emphasizes importance of Different Competencies

No	Scale of Influence	Frequency	Percent
1	Disagree	4	16.7
2	Neutral	6	25
3	Agree	12	50
4	Strongly Agree	2	8.3
	Total	**24**	**100**

Accordingly, the study sought to find out whether organizations emphasize diversity of skills. Table 4.8 shows that half (50%) of the respondents agreed that their organizations emphasize importance of different competencies. However a significant 25% were indifferent or actually disagreed (16.7%). It is imperative that organization empower their employees with different competencies to navigate the ever changing corporate environment. Competencies required for a particular job depends on many factors some of which include; social culture, nature of the business, business environment, organizational culture, work environment, organizational structure, duties and responsibility, nature of processes and assigned activities, attitude and motive of colleagues, superior and subordinates. Some of these factors may change with time and thus changing competency requirements for the same job position in the organization.

Job description must be met with relevant competencies and skills. Indeed, the individual's level of competency in each skill is measured against a performance standard established by the organization. To this study sought to know whether employee competencies and job description can help in employee retention .The results show that majority 47.6% strongly agreed that employee competencies and job description can help in retention of employees while 1.3% disagreed. . When employee competencies match the job description the outcome usually is fulfilling work environment and the meeting of organizational. This certainly arguments talent retention. This implies that there is need for description of employee's skills and their job is fully described as such the chances of their retention.

Table 4.9 Tasks are distributed based on specific competencies

No	Scale of Influence	Frequency	Percent
1	Strongly Agree	1	4.2
2	Don't Agree	3	12.5
3	Neutral	5	20.8
4	Agree	8	33.3
5	Strongly Agree	7	29.2
	Total	**24**	**100**

As earlier observed there needs to be a fit between competencies and job description. However this is not enough. Organizations must go further and ensure a fit between tasks allocated and employees' competencies. This data is presented in Table 4.9. Most (33.3%) of the respondents agree that tasks are distributed based on specific competencies followed by 29.2% who strongly agree. This shows that majority (62.5%) of the organizations appreciates the importance of skills and competency mapping by linking task allocation to specific skills.

Table 4.10 Competencies/Skill Mapping and Talent Retention

Competencies/skills mapping		SD	D	N	A	SA	M	S.D
Encouragement of employees to develop	f	4	6	7	129	236	4.5	0.7
	%	1	1.6	1.8	33.8	61.8		

their skills								
The organization stresses the importance of	f	5	12	30	228	107	4.1	0.8
different competencies	%	1.3	3.1	7.9	59.7	28		
Performance assessment is not done based on	f	54	95	25	90	118	3.3	1.5
individual competencies	%	14.1	24.9	6.5	23.6	30.9		
Employee competencies and job description can help in retention of	f	5	6	18	171	182	4.4	0.8
employees	%	1.3	1.6	4.7	44.8	47.6		
Tasks are distributed based on specific	f	8	20	37	178	139	4.1	0.9
competencies	%	2.1	5.2	9.7	46.6	36.4		
HR department undertakes gap analysis to guide employees on	f	12	44	41	170	115	3.9	1.1
development path	%	3.1	11.5	10.7	44.5	30.1		
The organization undertakes competency mapping to improve	f	14	40	54	151	123	3.9	1.1
recruitment and selection	%	3.7	10.5	14.1	39.5	32.2		
Competency gap analysis is done to	f	15	36	51	158	122	3.9	1.1
identify training needs	%	3.9	9.4	13.4	41.4	31.9		
I encourage employees to undertake self-	f	3	10	31	150	188	4.3	0.8
development initiatives	%	0.8	2.6	8.1	39.3	49.2		
All employees are granted the opportunity to utilize talents, skills	f	7	15	36	165	159	4.2	0.9
and resources	%	1.8	3.9	9.4	43.2	41.6		
Overall average							4.1	1

Key SD= Strongly disagree D= Disagree N=Neutral A=Agree SA=Strongly agree M=Mean S.D=Standard Deviation f=frequency % =Percentage

a) Extent Felt of Employee Job Description is Competency Based

Job description must be met with relevant competencies and skills. Indeed, The individual’s level of competency in each skill is measured against a performance standard established by the organization. To this study sought to know whether employee competencies and job description can help in employee retention end the state corporations in Kenya.

The pictorial presentation depicted that majority 53.4% of the respondents reported that their jobs was competency based on the range of (51 to 70)%, followed by 23% who felt the job competency level was on the scale of 26 to 50 %.

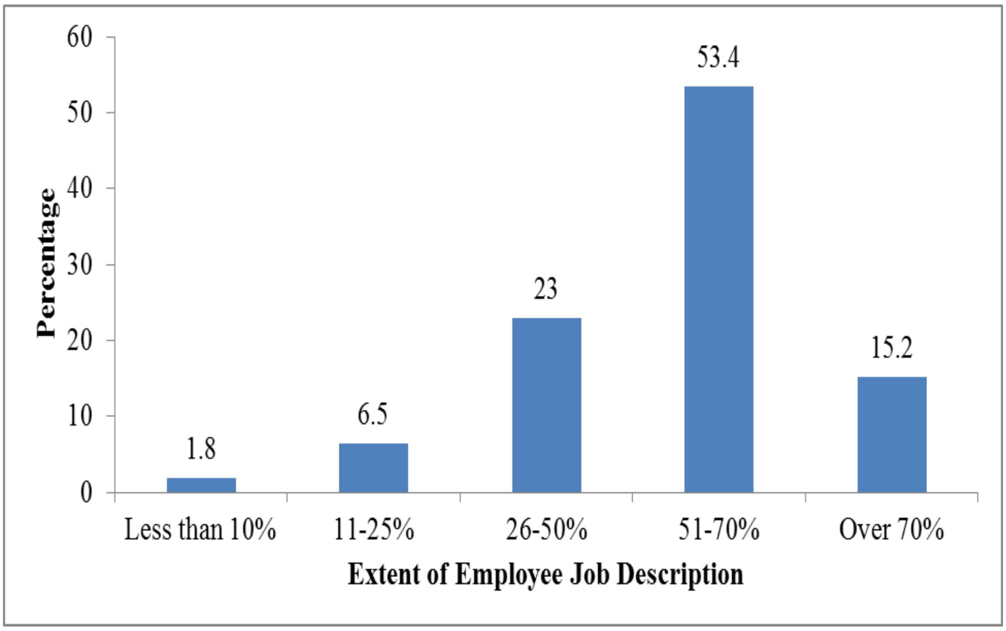

Figure 4.7 Extent Felt of Employee Job Description is Competency Based

Figure 4.7 shows that majority of the respondents agreed or strongly agreed that employee competencies and job description can help in employee retention. When employee competencies match the job description the outcome usually is fulfilling work environment and the meeting of organizational. This certainly augments talent retention.

Table 4.11 Tasks are distributed based on specific competencies

No	Scale of Influence	Frequency	Percent
1	Strongly Agree	1	4.2
2	Don’t Agree	3	12.5
3	Neutral	5	20.8
4	Agree	8	33.3

5	Strongly Agree	7	29.2
	Total	**24**	**100**

As earlier observed there needs to be a fit between competencies and job description. However this is not enough. Organizations must go further and ensure a fit between tasks allocated and employees' competencies. This data is presented in table 4.2. Most (33.3%) of the respondents agree that tasks are distributed based on specific competencies followed by 29.2% who strongly agree. This shows that majority (62.5%) of the organizations appreciates the importance of skills and competency mapping by linking task allocation to specific skills.

b) Competeny Mapping and Employee Retention

Competency mapping is a process which identifies an individuals strengths and weaknesses in order to help them to better recognize themselves. Thus the study was interested in finding out whether organizations undertake competency mapping to improve retention. Having established the extent felt in regard to the job description on competency basis the study further sought to find out on whether the mapping of skills increases the chances of employee retention. The findings revealed that 86% of the respondents reported that the mapping of skills increased employees retention while 14% contrasted on the same.

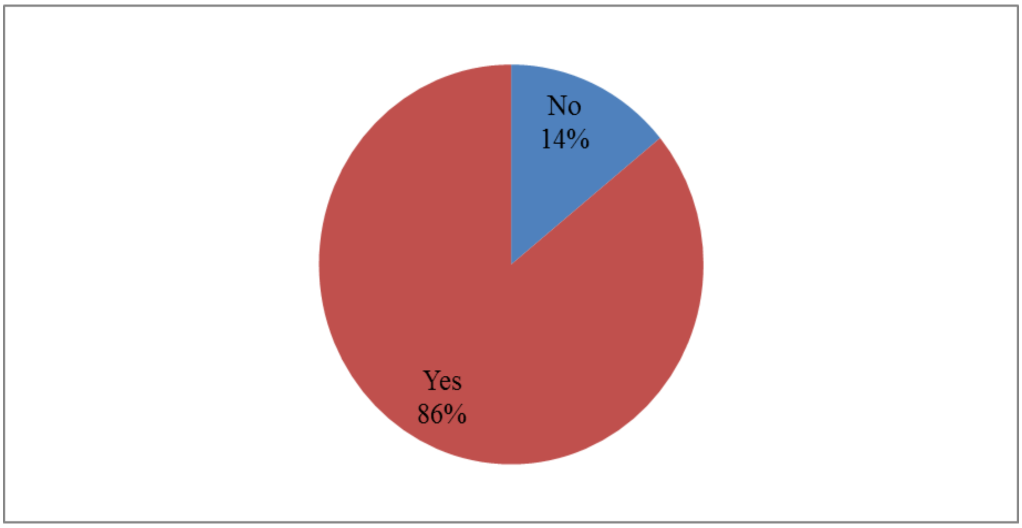

Figure 4.8 Mapping Increase Employee Retention

c) Rate of Employee Retention Increase Occassioned by Competencies on Mapping Skills

The pictorial presentation depicted that through mapping of skills the chances of employees retention increased by 51-75% as accounted for by 57.6%, followed by 22.5% who reported an increase in employee retention at the rate of 26-50% while 10.5% reported an increased retention at the rate of 76-100%. Therefore, it can be deduced that through mapping of employees skills their retention rate increases.

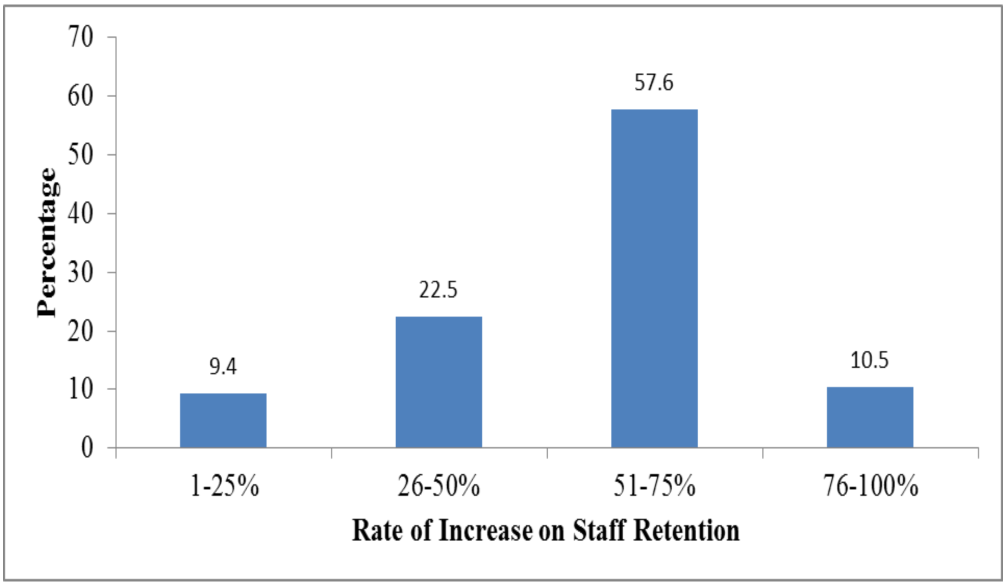

Figure 4.9 Rate of Employee Retention Increase Occassioned by Competencies on Mapping Skills

d) Competency Assessment and Employee Retention

The graphical presentation on the relationship between employee retention and competency assessment depicted that there is an increase on employee retention based on capacity assessment as accounted for by 84% who reported an increase.

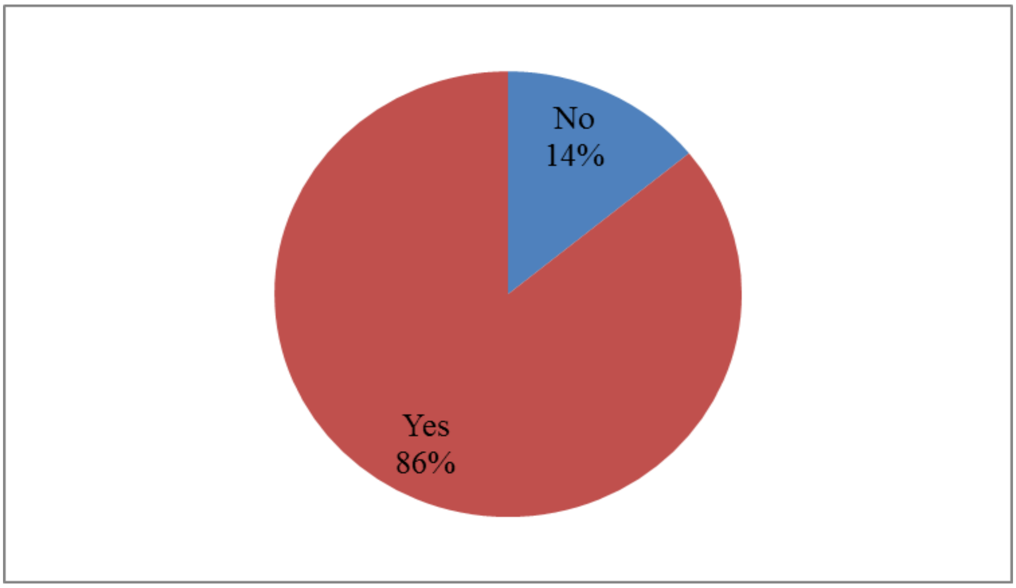

Figure 4.10 Competency Assesment Increases Employee Retention

4.5.3 Employee Engagement and Employee Retention

The second objective of the study sought to establish the the effects of employee engagement on talent retention. To achieve this the respondents were requested to indicate their level of agreement on a five point likert scale while descriptive analysis such mean, standard deviation, frequencies and percentage were used to summarise the study findings. Firstly, majority 55.2% of the respondents strongly agreed that the tasks are shared according to employees abilities and 59.7% agreed that their staff know and do what is expected of them. Moreover, majority 43.5% strongly agreed that important decisions are always made by their supervisors while 46.6% agreed that they always build staff through encouragement and affirmation. An overwhelming number 45.3% of respondents agreed that staffs are given opportunity to handle tasks and responsibilities outside their domain while 45.5% agreed that they always give ongoing, constructive feedback on staff performance. Further, majority 39.3% agreed that all supervisors have good relationships with supervisors. On average the respondents agreed that employee engagement influenced employee retention as accounted by mean of 4.1 and standard deviation of 1.0.

Table 4.12 Employee Engagement and Talent Retention

Employee Engagement		**SD**	**D**	**N**	**A**	**SA**	**M**	**S.D**
Tasks are shared according to employee abilities	f	4	11	12	144	211	4.4	0.78
	%	1	2.9	3.1	37.7	55.2		
Staff know and do what is expected of them	f	2	5	15	228	132	4.3	0.6
	%	0.5	1.3	3.9	59.7	34.6		
Important decisions are always made by the supervisor	f	19	37	30	130	166	4.0	1.2
	%	5	9.7	7.9	34	43.5		
I always build staff through encouragement and affirmation	f	8	10	25	178	161	4.2	0.8
	%	2.1	2.6	6.5	46.6	42.1		
Staff are given opportunity to handle tasks and responsibilities outside their domain	f	15	34	40	173	120	4.2	0.9
	%	3.9	8.9	10.5	45.3	31.4		
I always give on-going, constructive feedback on staff	f	7	8	33	174	160	3.9	1.1

performance								
	%	1.8	2.1	8.6	45.5	41.9		
All supervisors have good relationship with staff	f	8	48	64	150	112	4.2	0.8
	%	2.1	12.6	16.8	39.3	29.3		
Overall Average							**4.1**	**1.0**

Key SD= Strongly disagree D= Disagree N=Neutral A=Agree SA=Strongly agree M=Mean S.D=Standard Deviation f=frequency % =Percentage

_a_) Relationship between Employee Engagement and Retention

The pictorial presentation depicted that there is a relationship between employee engagement and retention since 92% of the respondents reported that the employee engagement in decision making increased employees retention. Therefore, the state corporations should strive to engage their employees in decsion making as such to increases their levels of retention.

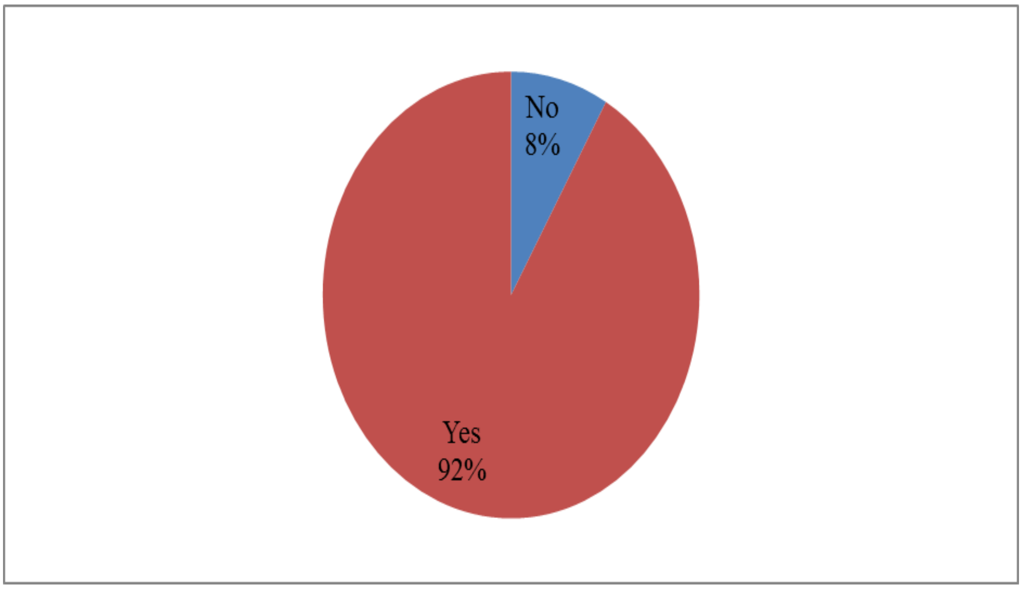

Figure 4.11 Employee Engagement Increases Employee Retention

b) Increased Rate of Employee Retention Due to Engagement in Decision Making

The study findings of the study revealed that majority 55.5% of the respondents reported that the level of employee retention by 51 to 75% due to involvement in decision making, followed 19.6% who reported that their retention increased by either 26 to 50% or 76 to 100% respectively and 5.2% reported an increased level of retention by 1 to 25%.

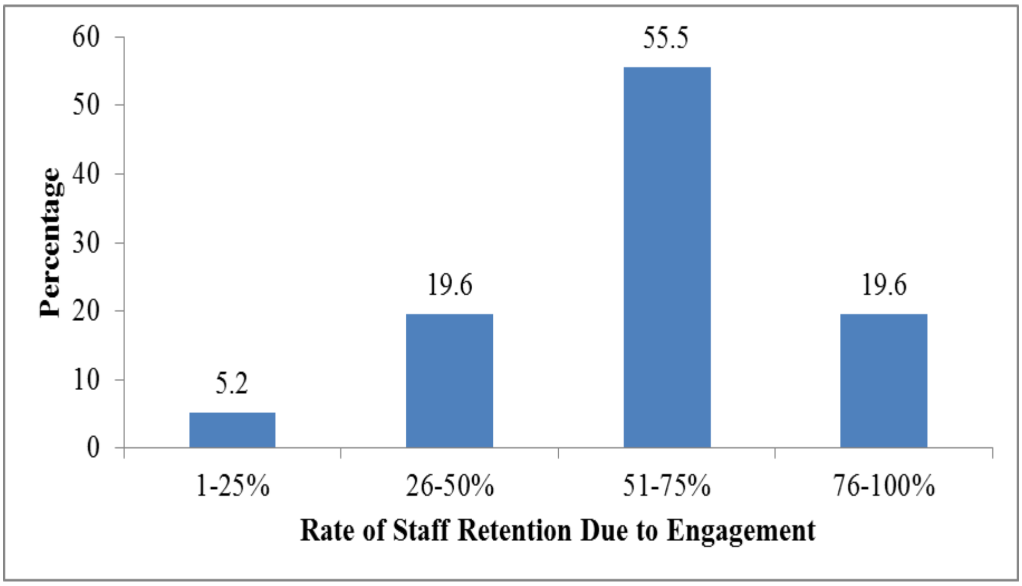

Figure 4.12 Rate of Employee Engagement Due to Engagement

4.5.4 Performance Management and Employee Retention

The third objective of the study sought to establish the effect of performance management on employee retention. To achieve this the respondents were requested to state their level of agreement on a five point Likert scale and their responses were summarised using mean, standard deviation, frequecy and percentage. The respondents differed on their level of agreement in regard to the item on that promotion is not based on seniority but on performance as accounted for by a standard deviation of 1.3 but on average majority (mean =3.9) agreed on the same. There is a culture of communicating employees target level as well as their expected date as accounted by 58.1% who agreed that the targets and their due dates are clearly communicated to the staffs. Moreover, majority 42.7% of the respondents agreed that there are measures and mechanisms in place to ensure performance and feedback. It was important to note that there was a culture of rewarding performance in state corporations since majority (mean =2.5) neither agreed or disagreed that good performance is rarely rewarded.

In addition, majority 50% agreed that state corporations staff are provided with opportunities for growth and development while 52.4% agreed that their organizations provided conducts reviews regularly. Moreover, the findings revealed that majority 41.6% agreed that evaluation provides them with accurate information about them. Though, the respondents differed more on the statement that weakness detected during evalution leads to development and training of staff as accounted for by standard deviation of 1.1 majority agreed on the same (mean =3.5). Although, majority 36.1% disagreed that they rarely involve their staffs in decision that impact their performance the responses differed so widely among the respondents as accounted for by standard deviation of 1.3. Moreover, the results depicted that majority 51.6% agreed that they provide staffs with regular feedback on their performance and 45% agreed that their human resources (HR) department is responsive to employees training and development needs. Finally, majority 37.4% agreed that internal appointments are done in a fair manner and 39.5% strongly agreed that before a vacancy is advertised, effort is made to tap from the internal talent pool. On overall majority (mean = 3.7, standard deviation = 1.1) of the respondents agreed that employees performance management had effect on their retention.

Table 4.13 Performance Management and Employee Retention

Performance Management		SD	D	N	A	SA	M	S.D
Promotion is not based on seniority but on performance	f	40	27	26	121	168	3.9	1.3
	%	10.5	7.1	6.8	31.7	44		
Targets and their due date are clearly communicated to staff	f	4	12	16	222	128	4.2	0.7
	%	1	3.1	4.2	58.1	33.5		
There are mechanisms in place to ensure performance and feedback	f	5	22	30	163	162	4.2	0.9
	%	1.3	5.8	7.9	42.7	42.4		
Good performance is rarely rewarded	f	126	102	37	77	40	2.5	1.4
	%	33	26.7	9.7	20.2	10.5		
Staff are provided with opportunities for growth and development	f	2	27	47	191	115	4.0	0.9
	%	0.5	7.1	12.3	50	30.1		
The organization conducts performance reviews regularly	f	11	37	43	200	91	3.9	1.0
	%	2.9	9.7	11.3	52.4	23.8		
Performance reviews provides me with accurate information about me	f	11	32	48	159	132	4.0	1.0
	%	2.9	8.4	12.6	41.6	34.6		
Weaknesses detected in appraisal lead to training and development of staff	f	21	63	71	149	78	3.5	1.1
	%	5.5	16.5	18.6	39	20.4		
I rarely involve staff in decisions that impact their work performance	f	138	137	31	35	41	2.2	1.3
	%	36.1	35.9	8.1	9.2	10.7		
I provide staff with regular feedback on their performance	f	9	17	31	197	128	4.1	0.9
	%	2.4	4.5	8.1	51.6	33.5		
HR department is responsive to	f	12	25	53	172	120	4.0	1.0

employees training and development needs								
	%	3.1	6.5	13.9	45	31.4		
Internal appointments are done in a fair manner	f	18	32	58	143	131	3.9	1.1
	%	4.7	8.4	15.2	37.4	34.3		
Before a vacancy is advertised, effort is made to tap from the internal talent pool	f	14	35	40	142	151	4.0	1.1
	%	3.7	9.2	10.5	37.2	39.5		
Overall Average							**3.7**	**1.1**

Key SD= Strongly disagree D= Disagree N=Neutral A=Agree SA=Strongly agree M=Mean S.D=Standard Deviation f=frequency % =Percentage

a) Realtionship between Performance Management and Employee Retention

The pictorial presentation depicted that there is a relationship between performance management and employee retention accounted for 85% who reported that there is a relationship between performance management and increase in employee retention.

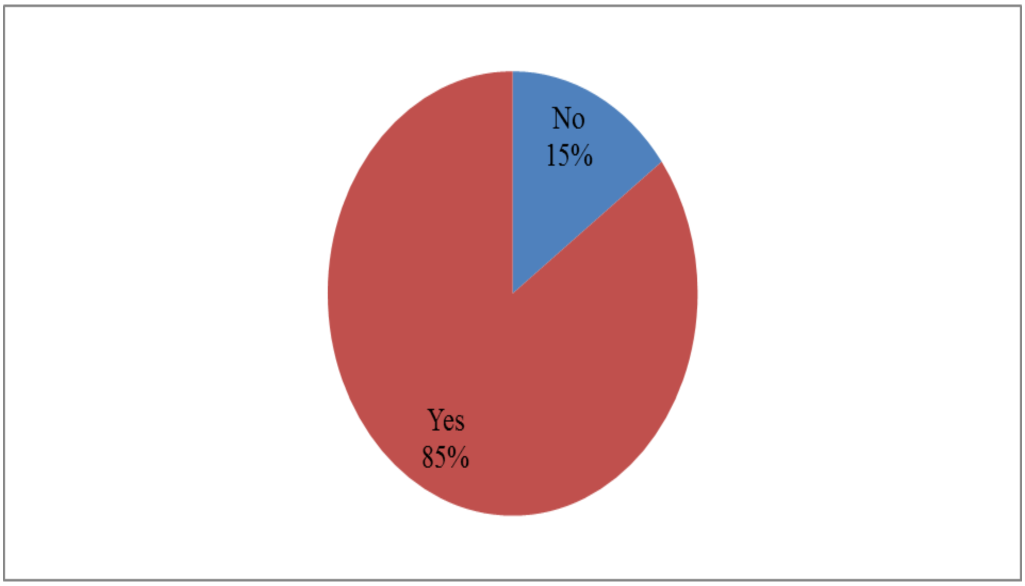

Figure 4.13 Performance Management and Employee Retention

b) Rate of Increase in Employee Retention Due to Performance Management

The study findings revealed that majority 56% reported that through performance management the rate of employee retention increased by 51 to 75% followed by 20.2% who recorded an increased rate of employee retention by 26 to 50% while 17.3% recorded an increased rate of 76 to 100% and 6.5% recorded an increase of 1 to 25 %. Therefore, employee retention is influenced by performance management strategy adopted by the state corporation.

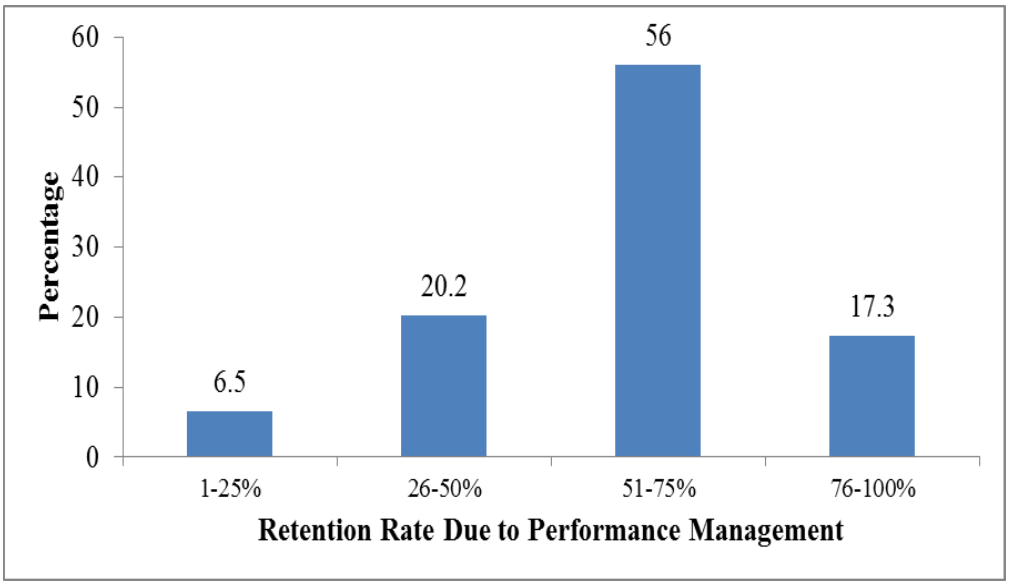

Figure 4.14 Rate of Employee Retention Due to Performance Management

4.5.5 Career Development and Employee Retention

The fifth objective of the study sought to establish the effects of career development on employee retention in state corporations. The respondents were requested the level of agreement on a five point Likert scale and their responses were summarised using mean, standard deviation, frequencies and percentage as tabulated in Table 4.11. According to the findings the organization plans on their employees growth as accounted by 44.8% who strongly agreed that “state corporations plans on employeee career growth”. There was continous mentoring of state corporation staff since majority 54.7% of the supervisors agreed that they mentor their staff to grow professionally. There is customised career developemnt since majority 42.1% strongly agreed that employee career development programs offered are clear to all and are linked to each employee's career needs. Although, there was a wide deviation on the level of agreement that little effort is made to use skills or create capacity before outsourcing as accounted by standard deviation of 1.4 majority of the respondents neither agreed nor disagreed on the same (mean =3.1). There is a clearly outlined progress and career development policy for all employees as accounted by 40.8% who agreed that they have a policy for career and development. Moreover, majority 45.5% of the respondents agreed that their organization has efficient in-house development programmes to develop its employees while 42.4% agreed that state corporations have an efficient employee development strategy understood by all employees and 36.4% strongly agreed that their organization have provisions of career mentors. On overall the study findings depicted that career development have an effect on employee retention as accounted for by mean of 3.9 and standard deviation of 1.1.

Table 4.14 Career Development and Employee Retention

Career Development		SD	D	N	A	SA	M	S. D
The organization plans on employee career growth	f	8	37	35	131	171	4.1	1.1
	%	2.1	9.7	9.2	34.3	44.8		
As a supervisor i frequently mentor staff to grow professionally	f	3	5	31	209	134	4.2	0.7
	%	0.8	1.3	8.1	54.7	35.1		
Employee career development programs offered are clear to all and are linked to each employee's career needs	f	10	25	49	137	161	4.1	1.0
	%	2.6	6.5	12.8	35.9	42.1		
Little effort is made to use skills or create capacity before outsourcing	f	59	95	44	122	62	3.1	1.4
	%	15.4	24.9	11.5	31.9	16.2		
Progress and career development policy is clearly outlined to all employees	f	10	44	36	156	136	4.0	1.1
	%	2.6	11.5	9.4	40.8	35.6		
The organization has efficient in-house development programmes to develop its employees	f	10	33	55	174	110	3.9	1.0
	%	2.6	8.6	14.4	45.5	28.8		
There is an efficient employee development strategy understood	f	4	46	45	162	125	3.9	1.0

by all employees								
	%	1	12	11.8	42.4	32.7		
The organization has provision of career mentors	f	13	55	50	125	139	3.8	1.2
	%	3.4	14.4	13.1	32.7	36.4		
Overall average							**3.9**	**1.1**

Key SD= Strongly disagree D= Disagree N=Neutral A=Agree SA=Strongly agree M=Mean S.D=Standard Deviation f=frequency % =Percentage

a) Relationship between Opportunity for Career Developemnt and Employee Retention

The study findings showed that there is a relationship between increase in employee retention if there are opportunities for career developemnt since majority 85% reporetd that an opportunity for career development increases the chances of employee retention.

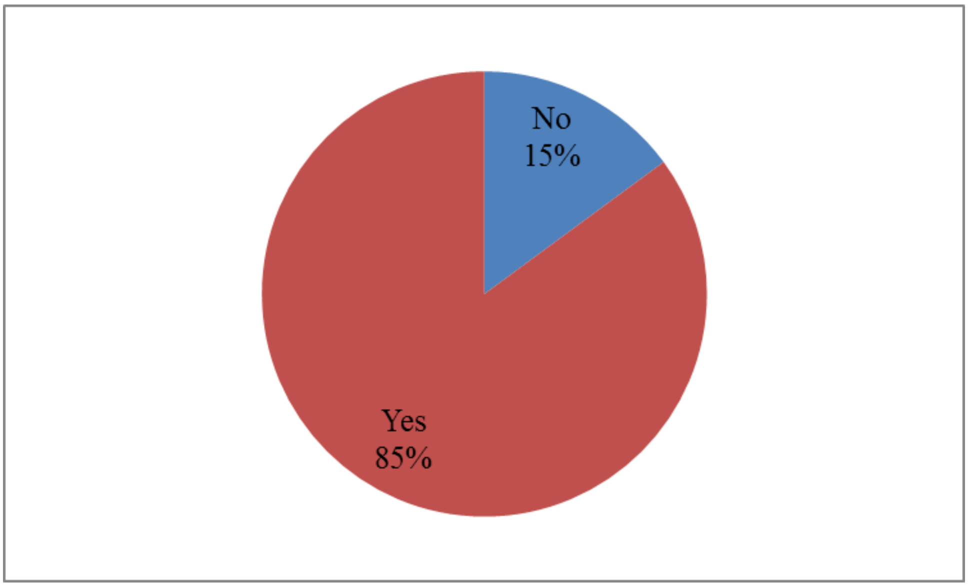

Figure 4.15 Opportunity for Career Development Increases Retention

b) Rate of staff retention occasioned by career development opportunities

The study findings revealed that majority 52.4% reported that through career development the rate of employee retention increased by 51 to 75% followed by 18.8% who recorded an increased rate of employee retention by 26 to 50%

while 17.5% recorded an increased rate of 76.5% and 11.3% recorded an increase of 1 to 25 %. Therefore, employee retention is influenced by career development strategy adopted by the state corporation.

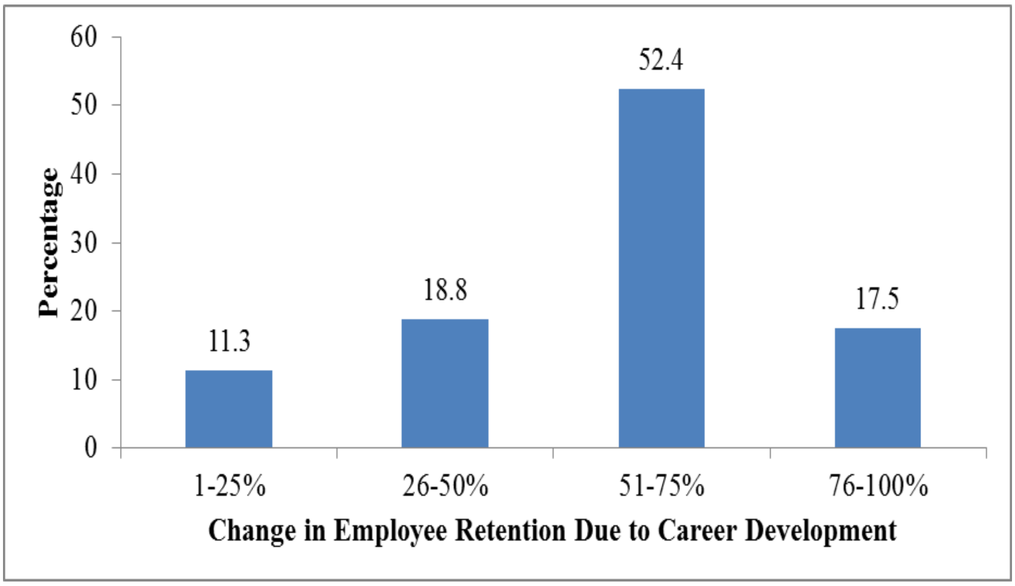

Figure 4.16 Rate of Staff Retention Occasioned by Career Development Opportunities

4.6 Inferential Statistics

Having described the study variables using descriptive statistics the study sought to establish the effect of mapping of skills, employee engagement, performance management and career development on employee retention. The researcher sought to establish the bivariate nature of both dependent and independent varaibles. According to Kothari (2007) in order to evaluate the bivariate nature of two variables the researcher can either apply correlation to establish the strength of the relationship between the dependent and indpendent variable or regresion analysis to establish the nature of the relationship between the dependent variable and indendent variable. In this both correlation and regression analysis will be used as inferential statistics. The 5 % level of significance was taken as the level of decision criteria whereby the null hypothesis was rejecetd if the p value was less than 0.05 and accepted if otherwise. Employee retention was calculated as an overall score for the total increase which was assocaited with each independnet variable, whereby an increase in employee retention associated with mapping had a score of one if it was between 1 to 25%, a score of 2 if it was between 26 to 50%, a score of 3 if it was between 51 to 75% and a score of 4 if it was between 76 to 100%. A sum total of all the scores associated with the rate of employee retention increase associated with either mapping of skills, employee engagement, performance management and career development gave an overall score with the highest being 12 and least 4.

4.6.1 Correlation Matrix

The study sought to find out the strength of the relationship between employee retention and skills mapping, employees engagement in decision making, performance management, career development and employee retention. To achieve this Pearson's correlation was carried out. It was appropriate because all the variables were in ratio scale. Correlation coefficient (rho) was used as the measure of the strength of the relationship. The study findings depicted that there is a significant positive relationship between employee retention and skills mapping (rho=0.336, p-value=0.00). Therefore, an increase in skills mapping will lead to an increase in employee retention. There is a significant positive relationship between employee retention and employee engagement (rho = 0.330, p value =0.000). Therefore, an increase in employees engagement in decision making in state corporation employees leads to an increase in employee retention. Results of the study showed that there is a significant positive relationship between employee retention and performance management (rho=0.251, p value =0.00). This implies that an increase in employee engagement improves the rate of employee retention in a state corporation. The study findings showed that there is a significant positive relationship between employee retention and career development in state corporations (rho =0.345, p value =0.000). The most influential factor in relation to employee retention was career development since it had the highest correlation coefficient.

Table 4.15 Correlation Analysis

		1	2	3	4	5
Employee Retention	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	382				
Mapping skills	Pearson Correlation	.336**	1			
	Sig. (2-tailed)	.000				
	N	382	382			
Employee engagement	Pearson Correlation	.330**	.634**	1		
	Sig. (2-tailed)	.000	.000			
	N	382	382	382		
Performance Management	Pearson Correlation	.251**	.655**	.540**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	382	382	382	382	
Career Development	Pearson Correlation	.345**	.673**	.583**	.750**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	382	382	382	382	382

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

***Key** 1-Employee Retention, 2- Mapping skills, 3- Employee engagement, 4- Performance management, 5- Career Development*

4.6.2 Regression Analysis

In order to fit the data into the conceptualized model in the conceptual framework, ordinary regression analysis was chosen since the dependent variable was in ratio scale (employee retention). In this section the coefficient of determination (R square) was used as a measure of the explanatory power, to show how the independent variables explians the dependent variable. Adjusted R square was used as a measure of explanatory power of the independent variable in exclusion of the dependent variable. The F statistics (ANOVA) was used as a measure of the model goodness of fit. The regression coefficient summary was used to explain the nature of the relationship between the dependent and independent variables.

Hypothesis 1

Ho: There is a significant positive influence of mapping skills on employee retention in state corporations in Kenya *Mapping Skills and Employee Retention ANOVA*

The regression model with competency mapping as a predictor was significant (F=48.421, p value =0.001) shows that there is a significant relationship between employee retention and mapping of skills and at least the slope (β coefficient) is not zero. Similarly, the F statistics for the moderated model was (F=21.023, p value =0.001) therefore it can be implied that there is a significant relationship between employee retention and mapping of skills, age and age * mapping skills thus rejecting the null hypothesis as predicted that there is no significant relationship between competency mapping and employee retention.

Table 4.16 Mapping Skills and Employee Retention ANOVA

					Change Statistics				
Model	R	R^2	Adj. R^2	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.336a	0.113	0.111	2.24	0.113	48.421	1	380	.000
2	.378b	0.143	0.136	2.31	0.03	6.61	2	378	0.002

a Predictors: (Constant), Mapping skills

b Predictors: (Constant), Mapping skills, Mapping * Age

Based on the regression model and table 4.13 below,the coefficient of determination (R squared) of 11.3% shows that 11.3% of the variation in employee retention can be explained by competenecy of mapping skills. The adjusted R square of 11.1% depicts that all the mapping skills in exclusion of the constant variable explained the variation in employee retention by 11.1% the remaining percentage can be explained by other factors excluded from the model that is to say that the adjusted R square is 0.111 showing a relationship between the observed and predicted values of the dependent variable. The R shows the correlation coefficient of the combined effects of mapping skills, an R =0.336 shows that there is a strong positive relationship between employee retention and competency mapping of skills. The standard error of estimate (2.24) shows the average deviation of the independent variables from the line of best fit. The second model shows the relationship between employee retention and mapping skills, age and the mapping skills moderated with age. The study findings revealed that 14.3% of the variation in employee retention can be explained by mapping skills, age and age * mapping skills. There was a significant change in the explanatory power (F change of 6.61 and p value of 0.002).

Table 4.17 Competences Mapping and Employee Retention Model Summary

Model		Sum of Squares	d.f	Mean Square	F	P value
1	Regression	243.726	1	243.726	48.421	.000b
	Residual	1912.704	380	5.033		
	Total	**2156.429**	**381**			
2	Regression	308.355	3	102.785	21.023	.000c
	Residual	1848.074	378	4.889		
	Total	**2156.429**	**381**			

a Dependent Variable: Employee Retention

b Predictors: (Constant), Mapping skills

c Predictors: (Constant), Mapping skills, Age, Mapping * Age

Mapping Skills and Employee Retention Regression Coefficients

The study hypothesised that there is no significant influence of mapping skills on employee retention in state corporations in Kenya. The study findings depicted that there was a positive significant relationship between mapping skills and employee retention (β=0.023 and p value<0.05). Therefore, a unit increase in mapping skills leads to an increase in employee retention by 0.023. Since the p value was less than 0.05 the null hypothesis was rejected and the alternative hypothesis accepted. Therefore, we can conclude that mapping skills has a significant influence on employee retention. To test for the moderating effectof age on mapping skills and employee retention, the study findings revealed that there is a signifcant positive relationship between employee's age and employee retention (β=0.261 and p value<0.05). Moreover, there was a significant relationship between the moderated mapping skills (Mapping skills * Age) and employee retention (β= 6.41E-05 and p value<0.05).

Table 4.18 Mapping Skills and Employee Retention Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	P Value	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.777	0.929		5.145	0.000		
	Mapping skills	0.158	0.023	0.336	6.959	0.000	1	1
2	(Constant)	3.204	1.03		3.111	0.002		
	Mapping skills	0.159	0.023	0.338	7.038	0.000	0.984	1.02
	Age	0.261	0.09	0.14	2.903	0.004	0.975	1.03
	Mapping * Age	6.41 E-05	0.00	0.123	2.543	0.011	0.975	1.03

a Dependent Variable: Employee Retention

The pictorial presentation depicted that age strengthens the positive relationship between mapping skills and employee retention.

Hypothesis 2

Ho: There is no significant influence of employee engagement on employee retention in state corporations in Kenya

Employee Engagement and Employee Retention ANOVA

The regression model with employee engagement as a predictor was significant. (F=46.4, p value =0.00) shows that there is a significant relationship between employee retention and employee engagement and at least the slope (β coefficient) is not zero. Similarly, the F statistics for the moderated model was (F=18.37, p value =0.001) therefore it can be implied that there is a significant relationship between employee retention and employee engagement, age and age * employee engagement and at least one of the beta (slope) is not zero.

Table 4.19 Employee Engagement and Employee Retention ANOVA

Model		Sum of Squares	df	Mean Square	F	P value
1	Regression	234.7	1	234.7	46.4	.000b
	Residual	1922	380	5.057		
	Total	**2156**	**381**			
2	Regression	274.4	3	91.46	18.37	.000c
	Residual	1882	378	4.979		
	Total	**2156**	**381**			

a Dependent Variable: Employee Retention

b Predictors: (Constant), Employee engagement

c Predictors: (Constant), Employee engagement, Age, Engagement * Age

Based on the regression model and table 4.16 below,the coefficient of determination (R squared) of 11% shows that 11% of employee retention can be explained by engagement of employees in decision making. The R shows the correlation coefficient of the combined effects of mapping skills, an R =0.330 shows that there is a strong positive relationship between employee retention and engagement of employees in decision making. The second model shows the relationship between employee retention and employee engagement, age and the age * employee engagement. The study findings revealed that 13% of the variation in employee retention can be explained by employee engagement, age and age * employee engagement. There was a significant change in the explanatory power (F change of 3.99 and p value of 0.002.)

Table 4.20 Employee Engagement and Employee Retention Model Summary

Model	**R**	**R^2**	**Adj. R^2**	**Std. Error of the Estimate**	**Change Statistics**					
					R Square Change	**F Change**	**df1**	**df2**	**Sig. Change**	**F**
1	.330a	0.11	0.11	2.25	0.11	46.4	1	380	0.00	
2	.357b	0.13	0.12	2.23	0.02	3.99	2	378	0.02	

a Predictors: (Constant), Employee engagement

b Predictors: (Constant), Employee engagement, Age, Engagement * Age

Employement Engagement and Employee Retention Regression Coefficients

The study hypothesised that there is no significant influence of employee engagement on employee retention in state corporations in Kenya. The study findings depicted that there was a positive significant relationship between employee engagement and employee retention (β=0.218 and p value<0.05). Therefore, a unit increase in employee engagement leads to an increase in employee retention by 0.218. Since the p value was less than 0.05 the null hypothesis was rejected and the alternative hypothesis accepted. Therefore, we can conclude that employee engagement in decision making have a significant influence on employee retention. To test for the moderating effect of age on employee engagement and employee retention, the study findings revealed that there is a signifcant positive relationship between employee's age and employee retention (β=0.245 and p value<0.05). Moreover, there was a significant relationship between the moderated employee engagement (Employee engagement * Age) and employee retention (β= 3.55E-05 and p value<0.05).

Table 4.21 Employement Engagement and Employee Retention Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	P value	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.976	1.065		3.733	0.000		
	Employee engagement	0.218	0.032	0.33	6.812	0.000	1	1
2	(Constant)	2.75	1.154		2.382	0.018		
	Employee engagement	0.219	0.033	0.331	6.71	0.000	0.95	1.05
	Age	0.245	0.091	0.131	2.702	0.007	0.98	1.02
	Engagement * Age	3.55E-05	0.00	0.057	1.142	0.254	0.94	1.06

a Dependent Variable: Employee Retention

Hypothesis 3

Ho: There is no significant influence of performance management on employee retention in state corporations in Kenya

Performance Management and Employee Retention ANOVA

The regression model with performance management as predictor was significant F statistics (F=25.631, p value =0.001).This shows that there is a significant relationship between performance management and employee retention and at least the slope (β coefficient) is not zero. Similarly, the F statistics for the moderated model was (F=13.169, p value = 0.000) therefore it can be implied that there is a significant relationship between employee retention and performance management, age and age * performance and at least one of the beta (slope) is not zero. This implies that there is a significant relationship between employee retention and performance management.

Table 4.22 Performance Management and Employee Retention ANOVA

Model		Sum of Squares	d.f	Mean Square	F	P value
1	Regression	136.26	1	136.26	25.631	.000b
	Residual	2020.2	380	5.316		
	Total	**2156.4**	**381**			
2	Regression	204.05	3	68.017	13.169	.000c
	Residual	1952.4	378	5.165		
	Total	**2156.4**	**381**			

a Dependent Variable: Employee Retention

b Predictors: (Constant), Performance Management

c Predictors: (Constant), Performance Management, Performance management * Age, Age

Based on the regression model and table 4.19 below,the coefficient of determination (R squared) of 6% shows that 6% of employee retention can be explained by performance management. The second model shows the relationship between employee retention and performance management, age and the age * performance management. The study findings revealed that only 10% of the variation in employee retention can be explained by performance management, age and age * performance management. This means that 90% of the variation in employee retention can be attributed to other factors other than performance management.

Table 4.23 Performance Management and Employee Retention Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.251a	0.06	0.06	2.31	0.06	25.63	1	380	0.00
2	.308b	0.10	0.09	2.27	0.03	6.56	2	378	0.00

a Predictors: (Constant), Performance Management

b Predictors: (Constant), Performance Management, Performance management * Age, Age

Performance Management and Employee Retention Regression Coefficients

The study hypothesised that there is no significant influence of performance management on employee retention in state corporations in Kenya. The study findings depicted that there was a positive significant relationship between performance management and employee retention (β=0.092 and p value<0.001). Therefore, a unit increase in performance management leads to an increase in employee retention by 0.092. Since the p value was less than 0.05 the null hypothesis was rejected and the alternative hypothesis accepted. Therefore, we can conclude that performance management have a significant influence on employee retention. To test for the moderating effectof age on performance management and employee retention, the study findings revealed that there is a no signifcant positive relationship between employee's age and employee retention (β=0.263 and p value<0.07). This means that age has no moderating effect between performance management and employee retention.

Table 4.24 Performance Management and Employee Retention Regression Coefficients

Model	Unstandardized	Standardized	t	P	Collinearity

		Coefficients		Coefficients		value	Statistics	
			Std.					
		B	**Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	6.729	0.889		7.572	0.00		
	Performance Management	0.092	0.018	0.251	5.063	0.00	1	1
2	(Constant)	4.922	1.023		4.812	0.00		
	Performance Management	0.097	0.018	0.264	5.356	0.00	0.987	1.013
	Age	0.263	0.093	0.141	2.834	0.005	0.966	1.036
	Performance management * Age	5.80E-05	0.00	0.131	2.652	0.008	0.977	1.023

a Dependent Variable: Employee Retention

Hypothesis 4

Ho:There is no significant influence of empoyee career development on employee retention in state corporations in Kenya

Career Development and Employee Retention ANOVA

The regression model with career development as a predictor value (F=51.207), p value =0.0001) shows that there was a significant relationship between career development and employee retention and at least the slope (β coefficient) is not zero. Similarly, the F statistics for the moderated model was (F=24.12, p value =0.0001) therefore it can be implied that there is a significant relationship between employee retention and career development, age and age * career development and at least one of the beta (slope) is not zero. This implies that there is a significant relationship between employee retention and career development.

Table 4.25 Career Development and Employee Retention ANOVA

Model		Sum of Squares	df	Mean Square	F	P value
1	Regression	256.08	1	256.08	51.207	.000b
	Residual	1900.3	380	5.001		
	Total	**2156.4**	**381**			
2	Regression	346.48	3	115.49	24.12	.000c
	Residual	1809.9	378	4.788		
	Total	**2156.4**	**381**			

a Dependent Variable: Employee Retention

b Predictors: (Constant), Career Development

c Predictors: (Constant), Career Development, Career Development * Age, Age

Career Development and Employee Retention Model Summary

Based on the the regression model on page 64 and 4.22 below**,** The coefficient of determination (R squared) of 0.12 shows that 12% of the variation of employee retention can be explained by career development programs in state corporations. The second model shows the relationship between employee retention and career development, age and the age * career development. The study findings revealed that 14% of the variation in employee retention can be explained by career development, age and age * career development. There was a significant change in the explanatory power (F change of 9.44 and p value of 0.001.)

Table 4.26 Career Development and Employee Retention Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the	Change Statistics

				Estimate					
					R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
1	.345a	0.12	0.12	2.24	0.12	51.21	1	380	0.00
2	.401b	0.16	0.15	2.19	0.04	9.44	2	378	0.00

a Predictors: (Constant), Career Development

b Predictors: (Constant), Career Development, Career Development * Age, Age

Career Development and Employee Retention Regression Coefficients

The study hypothesised that there is no significant influence of career development on employee retention in state corporations in Kenya. The study findings depicted that there was a positive significant relationship between career development and employee retention (β=0.16 and p value<0.001). Therefore, a unit increase in career development leads to an increase in employee retention by 0.16. Since the p value was less than 0.05 the null hypothesis was rejected and we can conclude that career development have a significant influence on employee retention. To test for the moderating effect of age on career development and employee retention, the study findings revealed that there is a signifcant positive relationship between employee's age and employee retention (β=0.27 and p value 0.003). Moreover, there was a significant relationship between the interaction term (career development*Age) and employee retention since the t ratio was 3.542 greater than 1.96.

Table 4.27 Career Development and Employee Retention Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	P value	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.35	0.69		9.26	0.00		
	Career Development	0.16	0.02	0.35	7.16	0.00	1	1
2	(Constant)	4.58	0.81		5.64	0.00		
	Career Development	0.16	0.02	0.35	7.30	0.00	0.99	1.01
	Age	0.27	0.09	0.14	3.01	0.003	0.97	1.03
	Career Development * Age	0.00	0.00	0.17	3.54	0.00	0.98	1.03

a Dependent Variable: Employee Retention

Hypothesis 5 Age Moderating Effect on Career Development and Employee Retention

Ho: There is no significant moderating effect of age on employee retention in state corporations in Kenya.

Overall Model Summary

The coefficient of determination (R squared) of 0.16 shows that 16% of employee retention can be explained by mapping skills, employee management, performance management and career development programs in state corporations. The second model shows age moderated effects on mapping skills, employee management, performance management and career development on employee retention. There was a significant change by 4% in the explanatory power as indicated by an F change of 4.44 and p value of 0.001.

Table 4.28 Overall model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.394a	0.16	0.15	2.20	0.16	17.33	4	377	0.00
2	.450b	0.20	0.18	2.15	0.05	4.44	5	372	0.00

a Predictors: (Constant), Career Development, Employee engagement, Mapping skills, Performance Management

b Predictors: (Constant), Career Development, Employee engagement, Mapping skills, Performance Management, Age, Career Development * Age, Engagement * Age, Performance management * Age, Mapping * Age

Overall Model ANOVA

The F statistics is used as a test for the model goodness of fit, in Table 4.24 (F=17.33, p value =0.001) shows that there is a significant relationship between mapping skills, employee engagement, performance management and career development and employee retention and at least one slope (β coefficient) is not zero. Similarly, the F statistics for the moderated model was (F=10.51, p value =0.001) therefore it can be implied that age has a significant moderating effect on employee retention and least one of the beta (slope) is not zero.

Table 4.29 Overall Model ANOVA

Model		Sum of Squares	df	Mean Square	F	P value
1	Regression	334.9	4	83.73	17.33	.000 b
	Residual	1822	377	4.832		
	Total	**2156**	**381**			
2	Regression	437.5	9	48.61	10.521	.000 c
	Residual	1719	372	4.621		
	Total	**2156**	**381**			

a Dependent Variable: Employee Retention
b Predictors: (Constant), Career Development, Employee engagement, Mapping skills, Performance Management
c Predictors: (Constant), Career Development, Employee engagement, Mapping skills, Performance Management, Age, Career Development * Age, Engagement * Age, Performance management * Age, Mapping * Age

Regression Coefficients for the Overall Model

On overall career development had the most significant positive relationship with employee retention (β=0.10 t=2.95 p value = 0.00). The second most significant influence on employee retention was employee engagement (β=0.10 t=2.45 p value = 0.02). Moreover, mapping skills has a significant positive relationship with employee retention (β=0.07 t=2.08 p value = 0.04). On overall, there was an insignificant negative relationship between performance management and employee retention (β=-0.04 t=-1.38 p value = 0.17). Although, employee engagement had a positive relationship with employee retention after moderating the relationship changed to be negative and significant. Both mapping of skills and career development upon moderating had positive but insignificant influence on employee retention while performance management had negative insignificant influence on employee retention.

Table 4.30: Regression Coefficients for the Overall Model

Model		Unstandardized Coefficients	Standardized	t	P valu

			Coefficients		e
		B	Std. Error	Beta		
1	(Constant)	3.52	1.13		3.11	0.00
	Mapping skills	0.07	0.03	0.15	2.08	0.04
	Employee engagement	0.10	0.04	0.16	2.45	0.02
	Performance Management	-0.04	0.03	-0.10	-1.38	0.17
	Career Development	0.10	0.04	0.23	2.95	0.00
2	(Constant)	2.22	1.21		1.83	0.07
	Mapping skills	-0.03	0.07	-0.07	-0.48	0.63
	Employee engagement	0.22	0.08	0.33	2.90	0.00
	Performance Management	0.00	0.05	-0.01	-0.09	0.93
	Career Development	0.06	0.08	0.13	0.74	0.46
	Age	0.26	0.09	0.14	3.00	0.00
	Mapping * Age	0.00	0.00	1.06	1.91	0.06
	Engagement * Age	0.00	0.00	-1.17	-2.16	0.03
	Performance management * Age	-9.36E-05	0.00	-0.21	-0.39	0.70
	Career Development * Age	0.00	0.00	0.43	0.92	0.36

a Dependent Variable: Employee Retention

4.8 Discussion of Key Findings

This section discusses the research findings in the previous section based on the objectives and hypothesis of the study. The quality of an organization is representative of the quality of its staff . The main objective of this study was to establish the role of talent management in employee retention in state corporations in Kenya.The results obtained indicate that there is indeed a significant and positive relationship between talent management and employee retention in Kenyan state corporations as hypothesized by the study. These results strengthen previous findings that talent management affects employee retention (Nyanjom, 2013; Kamau & Gakure ,2013;Makwaro& Abok ,2014).

1. Effect of talent management in employee retention

The study sought to find out main objective of the effect of talent amanagement on employee retention.The study found out that talent management has a significant positive effect on employee retention in state corporations in Kenya.The variables studied were : competency mapping ,employee engagement,Performance management and career development,all of which were found to have a significant positive relationship with employee retention in state corporations in Kenya.

The study found out that there was a strong positive significant relationship between talent management and employee retention and that the state corporations in Kenya have not yet fully embraced talent management as a strategy to retain employee though retention reamins an issue in the corporations. The findings concur with the findings of a study conducted by Njoroge (2012) on talent management in commercial state corporations in Kenya which indicated that most of the commercial state corporations in Kenya lacked a well formalized and clearly communicated talent strategy.Workforce planning and talent management practices were seen to be embraced but only to a moderate extent . The findings also concur with findings in a study by Karemu, *et,al* (2014), who studied Talent management strategies on medical staff retention in Kenyatta National hospital in Kenya and found out that there is a strong positive between talent management and employee retention.They concluded that management must give more attention to talented staff in order to retain their services in the long term. According to a report by the govenment of Kenya (GOK 2010) on strategic planning and economic survey,the public sector was experiencing difficulties in recruitment and retention of employees particulary where they compete with the private firms.

The importance of talent management in employee retention is also backed by Patti (2011) who, studied why employees leave an organization and the strategies for attracting and retaining talent and found out that 63% of the respondends to the survey opined that talent management will be the most pressing strategic issue they will face in years to come.

Lathitha (2012) in his reasearch of staff retention and records that staff retention is the biggest challenge faced by HR in the new economy. The researcher indicated that some effective retention strategies and procedures included talent management, employer branding ,changing hiring strategies among others.in the current study , staff retention has been identified as an issue in state corporations in Kenya(Murungi, 2012, Nyanjom,2013, Muni 2013). Other studies done show that companies with established talent management capabilities achieve improved quality, speed and skills (Gabdossy Kao, 2004; Tansley *et al*, 2007), higher innovation ability (Kontoghiorghes & Frangou, 2009; Sullivan & John, 2009), a higher job satisfaction and above all, a higher retention rate of employees overall and talent in particular (DiRomualdo *et al*., 2009; Mahapatro, 2010), saw retaining talent as the critical succcess factor in retaining employees is the alignment between organizational and individual goals. This implies that state corporations in Kenya must invest in talent management not only as an employee retention strategy but also to be on the competitive edge.

From past studies ,it was hypothesized that four variables were considered as having an effect on employee retention namely :competency mapping, performance management ,employee engagement and career development.

1. Effect of Competency mapping on employee retention in state corporations in Kenya.

The stated null hypothesis 1 in this study was**: H_0 1 : There is no significant effect of competency mapping on employee retention in state corporations in Kenya.**

As global business competition shifts from efficiency to innovation and from enlargement of scale to creation of value ,management needs to be oriented towards the strategic use of human resources .Under these circumstances ,ability of companies to effectively carry out competency based HRM is becoming more and more crucial for their survival.Talent management focuses on enhancing the potential of the people by developing capabilities as capacities are the basic DNA of an organization and also of an individual’s potential. The dimensions of competency mapping that were considered by the research were: the extent to which the organizations encouraged their employees to develop skills ,the organization stresses the importance of competencies,whether performance management is done based on individual competencies,tasks are distributed on specific competencies among others.The study findings depicted that on overall the cronbach's Alpha was 0.692(0.7)

Among the wide range of organizational processes related to retaining high performing employees, corporate competencies have become a focal point , helping successful organizations understand where to focus resources such as incentives ,coaching and training programs. Majority(61.8%) of the respondends strongly agreed that encouragement of employees to develop their skills increased the chances of employee retention. Half of the respondents (50%) agreed that their organizations emphasize the importance of different competencies. It is imperative that organizations empower their employees with different competencies to navigate the ever changing corporate environment.

These findings are in line with the conclusion made by (Jain, 2013), who did a study on competency mapping in indian industries and recommended that HRD should constantly assess competency requirements of different individuals to perform the jobs assigned to them effectively and provide opportunities for developing these competencies to prepare themselves for future roles in the organization. The first objective was to find out if competency mapping incresed employee retention.The study findings depicted that there is a significant positive relationship between employee retention and skills mapping (rho=0.336, p-value=0.00). Competency mapping is required to reinforce corporate strategy, culture, and vision. It establishes expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction, and better employee retention. It increases the effectiveness of training and professional development programs by linking them to the success criteria. In view of this the study sought to find out whether performance assessment in organizations is guided by individual competencies. Majority of the respondents agreed that performance assessment is not done based on individual competencies. This implies a lack of competency profiling which makes performance assessment in the state corporations in Kenya merely a routine exercise and therefore unproductive. For performance assessment to be effective it must be carried in tandem with competency profiling. These findings concur with the findings of a study done by Kumar (2013), who concluded that competency mapping establishes expectations for performance excellence, resulting in a systematic approach to professional development, improved job satisfaction and better retention.

Competency maping identifies an individual's strengths and weaknesses in order to help them better understand themselves and show where career development need to be directed.The study findings showed that there is a relationship between increase in employee retention if there are opportunities for career developemnt since majority 85% reported that an opportunity for career development increases the chances of employee retention. This study concurs with a study by Chitalu, (2011) who concluded that one of the key factors of the retention of skilled employees is the provision of training and development opportunities(Chitalu, 2011). Today's employees are more career conscious than ever. They are demanding more in terms of personal growth and development. There has been a shift from job security and lifelong employability to lifelong learning and talent management. (Brown et al., 2003; Sennet, 2006). It is therefore important to give employees oportunities to develop and learn(Arnold 2005,Bernsen et el ,2009; Herman ,2005) such that employees maintain their capabilities as effective employees,resist redundancy are retained by their organization

2. **Effect employee engagement on employee retention in state corporations in Kenya.**

The stated null hypothesis 1 in this study was**: H_0 1 : There is no significant effect of competency mapping on employee retention in state corporations in Kenya**.

The dimensions of employee engagement that were considered by the research were:tasks are shared according to employees abilities,staff know and do what is expected of them,decisions are always made by their supervisors,staff are build through encouragement and affirmation, employees have a good relationship with their supervisors and employee engagement influence employee retention. The majority (55.2%) of the respondents strongly agreed that the tasks in state corporations in Kenya are shared according to employee's abilities. Majority (59.7%) also agreed that their staff know and do what is expected of them while an overwhelming number (45%) agreed that staff is given opportunities to handle tasks and responsibilities outside their domain. However, 43.5 % strongly agreed that important decisions were made by the supervisors. On average, the respondents agreed that employee engagement influenced employee retention as accounted by a mean of 4.1 and a standard deviation of 1.0. In the current study, there is a significant positive relationship between employee retention and employee engagement (rho = 0.330, p value =0.000.).

Employee engagement has also been cited by a number of researchers as a having an effect in the relationship between it's antecedents ,job satisfaction, and intention to leave or stay in an organization. Becker, (2011), attests that lower retention ,high absenteesm and poor productivity are attributed by weak employee engagement.According to Hellevig 2012, employee engagement is about the means to achieve the organizations strategic goals by building the conditions for employees to thrive and each staff member to 'fully switched on in their best efforts in the best interest of the business'(Helevig,2012; Lindholm, 2013). Employees need to have a sense of belonging and share in the organizations vision and find their role in the organization (Kennedy and Daim, 2010).

Ologbo and Sofian (2012) state in their findings conducted on 104 HR officers to find out the individual factors of employee engagement that employee engagement could be a strong factor in organizational performance and success and that it has a significant potential to affect employee retention,their loyalty and productivity. Saks (2006), argues that the extent to which an increase in the motivating potential of a job is likely to correlate with a decrease in intents to quit would be determined by the extent which engagement is experienced by the employees. The study findings concur with the findings of Bano *et al*., (2011) who studied talent management in the corporate sector of Islamabad, Pakistan and found that talent management has a positive significant influence on employee attitudinal outcomes and organizational effectiveness like employee engagement, turnover avoidance and value addition. They concluded that organizations which are enthusiatic for gaining competitive advantage over their businness rivals need to manage their talent in a vigilant and effective ways. The current research therefore concludes that employee engagement contributes to employee retention and therefore state corporations in Kenya should reverage on engaging the employees not only for retention but also for competitive advantage. Organizations which are enthusiastic for gaining competitive advantage over their business rivals need to manage their talent in vigilant and effective ways.

3.Effect performance management on employee retention in state corporations in Kenya.

The stated null hypothesis 1 in this study was**: H_0 1 : There is no significant effect of performance management on employee retention in state corporations in Kenya**

In order to enhance organization's ability to survive through turbulent environment ,most organizations take care in managing the performance measures of their employees(Nyanjom, 2013) .The results of the study also showed that there is a significant positive relationship between employee retention and performance management (rho=0.251, p value =0.00).The regression coefficient of performance management (β= 0.092) is significant because its p-value (p=0.001) is less than the conventional 0.05. These findings concur with the findings of Chikumbi,(2012) who studied talent management and staff retention at the Bank of Zambia where performance management was scored well as a measure for staff development and retention.The study indicated that performance management involves a process of identifying ,measuring ,communication and developing reward system,dimensions that are also studied in the current study .

Managing talent is key at all levels of performance management because without focus on performance it is hard to see how an organization can find competitive advantage through talent. (Njoroge,2012). A study done by Hausknecht et al,.(2009), also states that a propery functioning performance management system can address the chalenge of retaining talent.According to Mahapatro (2010) , increasingly emphasis on talent management also means that organizations are re-defining performance management to align it to the need ,to identify ,nurture and retain talent

4. **Effect career development on employee retention in state corporations in Kenya.**

The stated null hypothesis 1 in this study was**: H_0 1 : There is no significant effect of career development on employee retention in state corporations in Kenya**

Talent management is in a sence ,career management from the employers point of view .The employee wants to align his /her skills,training ,performance feedback and development in such a way as to have a successful career. The employer on the other hand wants to integrate the same functions to ensure that it is using its corporate talent in the way possible.

The current study concludes that the most influential factor in relation to employee retention was career development since it had the highest correlation coefficient. Both regression and correlation analysis showed that there was to warrant rejection of the null hypothesis H_{01} which is no significant influence of career development on employee retention in state corporations in Kenya. This study concurs with a study by Chitalu (2011), who said that One of the key factors of the retention of skilled employees is the provision of training and development opportunities . Another studty by Waleed (2011) concluded that appropriate training and career development contributes positively to employee retention as it makes employees feel recognized for their strengths and creates possibilities to develop their qualities.

5. **Moderating effect of age on the relationship between talent management and employee retention in state corporations in Kenya.**

The stated null hypothesis 1 in this study was**: H_0 5 : There is no significant moderating effect effect of age on the relationship between talent management and on employee retention in state corporations in Kenya.**

The study Hypothesized that age has no moderating effect on competency mapping ,employee engagement ,performance management and career development.To test the age moderating effect,stepwise regression analysis was carried out where the modeltested the effect of each independent variable ,moderator and moderated variable.

Results indicated that there was a positive significant relationship between competency mapping and employee retention.After moderating,the positive relationship changed from (0.158 to 6.41 E-05) which shows that age weakened the positive relationship between competency mapping and employee retention.

Results from the study indicated that there was a positive significant relationship between employee engagement and retention.After moderation ,the relationship changed (from 0.219 to 3.55E-05). This shows that age weakened the positive relationship between employee engagement and employee retention.

Results form the study also indicated that there was a positive significant relationship between performance management and employee retention.After moderation,the relationship changed from (0.092 to 5.80 E-05). Results from from the moderating effect on career development and employee retention indicated that there was a significant positive relationship between the interaction term sice the t ration was 3.542 which is greater than 1.96.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The current chapter presents the summary of the study based on specific objectives, research questions and hypothesis, conclusions reached based on the findings and recommendations for enhancing employees' retentions in state corporations as well as suggestions for further research.

5.1 Summary

Employee retention and talent management issues are becoming the most critical workforce management challenges of the immediate future. The demand for competent employees is high and organizations are therefore exposed to fight for the best and talented employees. Talent management has become an integral strategy not only to retain employees but also as a source of competitive advantage (Hurghes & Rog, 2008). For organizations today, the ability to hold on to highly talented core employees is crucial for their future survival.

The purpose of this study was to investigate the effects of talents management on employee retention in state corporations in Kenya. Specifically, the objectives were to establish whether competency mapping, employee engagement, career development and performance management influenced employee retention in state corporations in Kenya. To achieve this primary data was collected through the use questionnaires. Simple random sampling technique was used to select a sample of 385 respondents out of which 382 questionnaires were returned. Internal consistency was tested using Cronbach's alpha and all the variables indicated reliable values. Data collected was then analyzed using both descriptive (mean, standard deviation, frequency and percentage) and inferential statistics (correlation and multiple linear regression) Correlation design was adopted to explain the causal relationship between talent management and employee retention

5.1.1 Effect of competencies mapping on employee retention in state corporations in Kenya.

Past studies have depicted that mapping of skills influences employee retention in various organizations. Among the wide range of organizational processed ,corporate competencies have become a vocal point ,helping succesful organizations understand where to focus resources.Therefore, the current study sought to establish the effects of competencies mapping on employee retention in State corporations in Kenya.

The study findings revealed that state corporations encourages their employees to develop their skills so as to increases the chances of their retention. They also sensitize on the importance of different competencies. Moreover, the findings revealed that employee retention can be enhanced through job description in relation to employee competencies.These findings concur with Kumar,(2013), in his study 'competency mapping, A gap analysis' who stated that the ability to effectively carry out competency based Human Resource

Management is becoming more and more crucial for the survival of the organization to address the changing nature of the organizations. Though the findings of the current study stated that competency mapping contributed only 11.3% of employee retention can be explained by competency mapping ,other studies have shown that competency mapping in an important strategy for talent retention. Kumar (2013), concludes that competency mapping establishes expectations for performance excellence,resulting to a systematic approach to professional development,improved jod satisfaction and better employee retention.

There was homogeneous distribution of task in relation to employee job competencies as well as continous gap analysis by the respective state corporations human resources department. The employees serving in state corporations are allowed to utilize their skills and talents in their day to day assignments. Nair (2011), states that talent management implies recognizing a person's inherent skills, traits ,personality and offering him a matching job , a finding that the current study concurs with.

The Talent DNA model (Shravanthi & Sumanth,2008), seeks to create a roadmap to realize organizational objectives based on identification of roles, identification of competencies required for key roles and creation of a data base of competencies and consequently placing the right competencies in the right roles.Talent management focuses on enhancing the potential of people by developing their capabilities where capabilities are the basic DNA of an organization and also an individuals potential;thus the relevance of the talent DNA models used in this study.

This study concurs with the conclusion made by Nair, (2011) who did a similar study with special reference to the education sector and concluded that competency mapping can help in identifying the right talent based on their skill gaps and retaining the right talent for organizational growth and success. Rama (2013) also carried out a study on competency mapping as a strategic approach to talent management and concluded that the present globalization of economy necessitates innovative approaches in managing the talent in an organization through competency based HR practices.He concluded that competency based management is an important strategic approach of any organization as it has an impact on employees ability to attract ,retain employees and ensure optimal level of performance from talented employees in meeting the organaizational goasl;a view that the findings of the current study concur with.

From the findings, it can be concluded that state corporations in Kenya should develop measures to encourage the employees to develop their skills. Talent management implies recognizing person's inherent skills, traits, personality and offering him a matching job .Every person has a unique talent that suits a particular job profile and any other position will cause discomfort.

5.1.2 Effect of employee engagement on employee retention in state corporations in Kenya

Employee engagement is a key driver of organizational effectiveness and performance. Employees need to have a sence of belonging and share in the vision and then enable the employee to find their role in the organization (Kennedy & Daim,2010).On average ,the respondents in the current study agreed that employee engagement has a positive significant influence on influence employee retention.

Descriptive analysis depicted that job tasks are shared in a state corporations according to employees abilities and the respondents agreed that they do what they are expected to do. Most of the decisions are made jointly with the supervisors while staff building is achieved through words of affirmation and encouragement. There is continous feedback on staff performance in regard to the tasks which are shared amongst the employees. Finally, a good working relationship was reported between the supervisors and the employees working in different department.

From the results of regression analysis, there is enough evidence to warrant rejection of the null hypothesis H_{01} which stated that there is no significance influence of employees engagement in decision making on employee retention in state corporations in Kenya. The employee's age has significant moderating effect on employee engagement in decision making (β=0.219, p value<0.05). In addition, the pictorial presentation depicted that age moderation strengthens the positive relationship between employee engagement in decision making and employee retention. These findings concur with findings from a similar study done by Balakrishnan (2013) on employee retention through employee engagement in India. The study concluded that employee engagement leads to commitment and psychological attachment and reflects in the form of high retention (low attrition) of employees. In the study, the hypothesis that there is no significant relationship improvement of employee retention due to increase in the level of engagement was rejected. Therefore, these findings show that the research which sought to establish the influence of employee's engagement in decision making on employee retention in state corporations was achieved and it established that there is a significant positive influence of employee engagement in decision making and employee's retention.

5.1.3 Effect of performance management on employee retention in state corporations in Kenya.

From the results of regression and correlation analysis, there is enough evidence to warrant acceptance of the null hypothesis H_{01} which stated that there is no significance influence of performance management on employee retention in state corporations in Kenya. Based on the regression model, the coefficient of determination (R squared) shows that only 6% of employee retention can be explained by performance management. The employee's age does not have any positive significant moderating effect on performance. In addition, the pictorial presentation depicted that age moderation strengthens the positive relationship between performance management and employee retention. Therefore, these findings show that the research objective which sought to establish the influence of performance management on employee retention in state corporations was achieved and it established that there is a significant positive influence of performance management and employee's retention.

5.1.4 Effect the of employee career development on employee retention state corporations in Kenya.

Both regression and correlation analysis showed that there is enough evidence to warrant rejection of the null hypothesis H_{01} which stated that there is no significance influence of career development on employee retention in state corporations in Kenya. The employee's age has significant moderating effect on career development. In addition, the pictorial presentation depicted that age moderation strengthens the positive relationship between career development and employee retention. Correlation analysis depicted that there is a significant positive relationship between employee engagement in decision making and employee retention.

The study therefore concludes that there is a significant positive influence of career development and employee's retention. In a similar study by Nyanjom (2013) ranked career development as the most important factor influencing employee retention in the state corporations in Kenya as shown in the average total mean of 3.65.

5.1.5 Moderating effect of age on employee retention state Corporations in Kenya. The model was significant since the f statistics was 10.521 and p value was 0.000, thus rejecting the null hypothesis that employee's age has no significant moderating effect on employee retention in state corporations in Kenya therefore we conclude that age has a significant moderating effect on employee retention in state corporation. In addition, the findings revealed that age has a positive significant influence on employee's retention in State Corporation.

5.3 Conclusion

Globalization has not only increased competition among organizations but has also created new window of opportunities for the workforce. Failing to retain key talent in state corporations is costly for any government due to costs associated with employee turnover. Talent management strategies can facilitate development of employees, enhance service delivery and also give the state corporations in Kenya an enhanced corporate image.

The study concluded that there was a positive significant relationship between all the independent variables in the current study and employee retention. Age has a significant positive moderating effect on the relationship between the variables studied and employee retention.On the overall, career development had the most significant positive relationship with employee retention, followed by employee engagement and competency mapping. Overall there was an insignificant negative relationship between performance management and employee retention.

Based on the study findings there is a significant positive influence between mapping of employee’s skills and competencies and employee retention in state corporations. Therefore, an increase in mapping of skills increases the chances of employee retention. The state corporations should continuously map their employees’ skills as such to minimize the chances of employees departing an organization.

Decisions about talent management shape the competencies that organizations have and result in their ultimate success.This study emphasizes the use of competency mapping for recruiting and retaining talented people and sustaining the knowledge and competencies across the entire workforce.Competency mapping has to be intergrated with the business plans through various HR functions so as to ensure that the crucial competency remains the main driving force at each stage of talent management.

The study found out that the engagement of employee on decision making in state corporations influenced their retention positively. This implies that an increase in employee engagement in decision making increases the chances of employee retention in a state corporation. Therefore, the supervisors should continuously strive to engage the junior staff in their respective departments as decision makers as such to minimize their levels of attrition in an organization.

On the influence of performance management on employee retention the study findings revealed that it had a negative significant influence. This implies that an increase in performance management does not affect the chances of employee retention. The study concludes that all state corporations should develop performance management parameters for their respective employees as such to be able to have measurable outputs in regards to their respective responsibilities in different state corporations.

The study found that there was a significant positive influence between career development and employee retention. This implies that an increase in chances of career development increases the chances of employee retention in state corporations. Thus, the state corporations should develop programs aimed at fostering career development in state corporations through which the employee’s talent retention will be enhanced.

Based on the study findings, the researcher concluded that age has a significant moderating influence on the relationship between dependent and independent variables and more so career development. This implies that the intention to remain in an organization is influenced by age of the population under study. Further, the findings revealed a positive significant relationship between age and employee retention, therefore the older the employee the higher the chances that an employee will be retained in a state corporation. Since the age strengthened the positive relationship between the independent variables and employee retention then State Corporation should have mentorship programs for the young employee as such to increase their chances of being retained in an organization.

The success of any talent management strategy depends on a well defined roadmap that supports a long term vision. The long term vision of the organization will facilitate in assessing its current talent inventory.It will also provide the essential foundation for building and deploying people resulting in effective talent management throught the organizations.The study concludes that career development and employee engagement are very crucial to talent management and retention.State corporations in Kenya should develop innovative ways to nurture and encourage the employees career development and engagement in order to retain talent.

5.4 Recommendations

Any employer’s foremost responsibility is retention of the best employees and this can only be achieved by managing talent well. The study recommended that the Kenyan government should enact policies that promote talent management which will in turn promote employee retention. The policy makers should enact polices that promote talent management aspects in state corporations in Kenya in order to ensure sustainable employee retention and competitive advantage.

From the literature reviewed , the consensus is that there is a shortage of the workforce and organizations will have to actively wage war for talent in order to get the right people with the right skills into the organizations. Some of the state corporations like in the medical field are already suffering a shortage of staff as many move to the private sector or to other countries. As a result,the management of state corporations should focus on allocating resources for attracting, developing ,engaging and retaining talent in order to remain competitive. There is also emphasis that in the present business scenario,state corporations need to be proactive as business organizations in managing their workforce optimally through talent management .

The study findings emphasise the importance of talent managementin employee retention.The study therefore recommends that talent management strategy must be engraved in the business strategy characterized by the state corporations regulary analysing talent and communicating the same talent management strategy to employees. The state corporations should conduct a skills audit to find out what skills were available ,whether they were in congruence with the business strategy in the short and long run and so direct human and other resources strategically.

As state corporations in Kenya continue to pursue high performance and improve results through human capital management practices ,they need an innovative way of handling the talent management challenge., they should take a holistic approach to talent management –from attracting and selecting to retaining and developing employees, to placing employees in positions of greatest impact.

The study also recommends that state corporations in Kenya should embrace talent management as an employee retention strategy. The organizations should have inhouse career development programs to develop their employees, encourage personal growth and development and engage their employees. It the state corporations wish to benefit in terms of building a positive organization and consequently retain talent, interventions employed in the organizations should take into account employee engagement as it contributes to the enhancement of work-life and the well being of employees.

5.4. Areas for Further Research

It would be beneficial for future research to consider the following suggestions: this study was concerned with the state corporations in Kenya; a similar study should be carried out in the private sector so as to confirm the applicability of the results in the private firms. The current study was hinged on the moderating effect of age as the personal characteristics future studies should consider the moderating effect of other personal characteristics such as level of education, gender, tenure of service and professional qualification among others. There are different levels of state corporations future studies should compare the different state sectors such as County and Central government.

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APPENDICES

APPENDIX I Questionnaire For Heads Of Departments

My name is Alice Kibui a PHD student at Jomo Kenyatta University of Agriculture and Technology. This questionnaire has been developed to facilitate a study aimed at establishing the role talent management on employee retention in Kenyan state corporations. You have been identified as a critical player in this field. Your input in this study would be most valuable.

I'm therefore requesting your assistance to fill the attached questionnaires by ticking where appropriate or filling in the required information on the spaces provided as honestly and precisely as possible. The information given will be handled confidentially, and will only be used only for academic intention.

SECTION ONE: Personal and contextual Data

1. Age in years : a. [ ] 20-25 b. [ ] 26- 30 c. [ ] 31-35 d. [ ] 36-40 e. [ ] 41-45 f. [ ] over 50

2. Gender: a. [ ] Male b. [ ] Female

Job title…………………………………

3. Department …………………………….

5. Highest academic qualification.

[ ] Diploma [ ] Bachelors [ ] Masters [ ] PhD [ ] Others (Specify)...............................

6. Category of corporation: [ ] financial [ ] service [ ] regulatory [ ] learning institution [ ] others

7. How many years have you worked in this corporation?......................................

8. How many years has the longest serving employee in your department worked……………?

9. In what ways does your organization support talent retention?

10. What is the objective of your organizations talent management policy? (Tick all that apply)

[ ] To develop and retain talent
[ ] For employee engagement
[ ] For employees career development
[ ] As a guide to employees performance management
[ ] To guide in competency mapping/skills assessment

SECTION II: Factors Influencing Retention

1.Please indicate the extent to which each of the statements in the matrix represented below influences employee retention in your organization. Please record your answer by ticking at the space provided, by the scale indicator.

Key:SA = Strongly Agree; A = Agree; N = Neither Agree nor Disagree; D = Disagree; SD = Strongly Disagree;

Competencies /skills mapping	**SA**		**N**	**D**	**SD**
a)My organization encourages employees to keep developing their skills					
b) My organization always stresses the importance of different competencies for different tasks.					
c) performance assessment is not always done on the					

bases of individual competencies in this organization					
d) Alignment of employee competencies and job description can help in better retention of employees					
e) tasks in my department are distributed based on specific competencies.					
f) The HR department frequently undertakes gap analysis to guide employees on development path					
g) The organization regulary undertakes competency mapping to improve recruitment and selection in my department					
h.Competency gap analysis is always done to help identify training needs					
I always encourage employees in my department to undertake self development initiatives					
k.) All employees in my department are granted the opportunity to utilize talents, skills and resources					

2. To what extent do you feel the employees' job description is competency based?

[ ] Less than 10% [ ] 11 – 25 % [ ] 26 – 50% [ ] 51 – 70% [ ] Over 70%

3. In your own opinion, does competencies mapping increase retention?

[ ] Yes [ ] No

5. Kindly tick the from the scale provided the rate of increase of staff retention in your organization occasioned by competencies mapping.

[ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

6. In your opinion do you think competency assessment of staff in your organization increases employee retention? [ ] Yes [ ] No

7. What areas in regard to employee skills/competencies should your organization improve to encourage staff retention…………………………………………………………………………

SECTION III: Factors Influencing Retention

1. Rate the extent to which each of the statements in the matrix represented below

influences employee retention in your organization by placing an X in the appropriate box.

Key:SA = Strongly Agree; A = Agree; N = Neither Agree nor Disagree; D = Disagree; SD = Strongly Disagree;

Employee Engagement					
a) Tasks in my department are shared out according to employee abilities.					
b) staff in my department know what is expected of them					
c) Important decisions in the department are always made by the supervisor					
d) I always recognize staff good performance in my department					
e) I never consult staff in my department on important matters before implementing them					
g) staff always get updates about organizational issues through internal communications					
h) I always build staff in my department through encouragement and affirmation					
Staff in this organaization are given the opportunity to handle tasks and responsibilities that are outside their domain.					
j) I rarely get opportunities to share information and new ideas					
k) I always give on-going ,constructive feedback on staff performance					
All supervisors in this organization have a good relationship with staff					

2.In your opinion, do you think staff involvement in decision making in your organization increases retention? [ ] Yes [ ] No

3. Kindly tick from the scale provided the rate of increase of staff retention occasioned by staff engagement.

[ ] 1 – 25 % [ ] 26 – 50% [ ] 51 – 70% [ ] 70 -100%

4. What areas in regard to employee engagement should your organization improve to encourage staff retention?...

SECTION IV: Factors Influencing Retention

1 Rate the extent to which each of the statements in the matrix represented below

influences employee retention in your organization by placing an X in the appropriate box.

Key:SA = Strongly Agree; A = Agree; N = Neither Agree nor Disagree; D = Disagree; SD = Strongly Disagree;

Performance Management	**SA**	**A**	**N**	**D**	**SD**
a) Promotion in my organization is not based on seniority but on performance					
b) targets and their due date are clearly communicated to staff in my department					
c) The organization has mechanisms in place to ensure performance and feedback					

d) good performance is rarely rewarded in my organization					
f) staff in my department are provided with opportunities for growth and development					
g) My organization conducts performance reviews regulary					
h) Performance reviews in my organization provides me with accurate information about my strengths ,weaknesses and development areas.					
i) The weaknesses detected in the appraisal always lead to training and development of staff					
K) I rarely involve staff in my department in decisions that impact their work performance					
l) I provide staff in my department with regular feedback on their performance					
m) The HR department is responsive to employees training and development needs					

n) Internal appointments in this organization are done in a fair manner					
o) Before a vacancy is advertized ,effort is made to tap from the internal talent pool					

1) In your opinion,do you think performance management practices in your organization increase employee retention ?

[ ] Yes [ ] No

2.)Kindly tick from the scale provided the rate of increase of staff retention in your organization occasioned by performance management practices.

[ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

3) What areas in regard to performance management practices should your organization improve to encourage staff retention ?..

SECTION V: Factors Influencing Retention

1. Please think about each of these statements carefully and then respond to each as you believe it applies to career planning in your organization.

Key:SA = Strongly Agree; A = Agree; N = Neither Agree nor Disagree; D = Disagree; SD = Strongly Disagree

Employee Career development	**SA**	**A**	**N**	**D**	**SD**
a) The organization always plans on employee career growth					
b) As a supervisor i frequently mentor staff to grow proffessionally					
c) Employee career development benefits are					

in place in this organization					
d)Employee career development programs offered are linked to each employee's career needs					
e) Every effort is made to use skills or create capacity before outsourcing					
f) In our organization,progress and career development policy is clearly outlined and known to all employees					
g) My organization has in-house development programmes to develop it's employees					
h) The organization has an employee development strategy which is clearly understood by all the employees.					
The organization has provision of career mentors					

1) In your opinion ,do you think the opportunities for career growth offered to the employees in your organization increases their retention?

[ ] Yes [ ] No

2) Kindly tick from the scale provided the rate of increase of staff retention occasioned by career development opportunities offered by your organization.

[ ] 1 – 25 %   [ ] 26 – 50%   [ ] 51 – 75%   [ ] 76 -100%

3) In your opinion, is lack of adequate career development opportunities by your organization one of the main reasons why employees leave for employment elsewhere?

[ ] Yes   [ ] No

4) What issues of employee career growth should your organization address to improve staff retention...

To be filled by the HR Manager

EMPLOYEE RETENTION

1. Approximately how many employees in total have left the organization between 2010 and 2013…………………………………………?
2. What category of staff are the majority among those who have left the organization between 2010 and 2013?
3. In your exit interview with the staff what was the main reasons cited for leaving…………………………………………………………………..
   ………………………………………………………………………….
4. In your opinion, would you say that age is a factor in employee intention?
   ii) If your answer is yes kindly elaborate…………………………
   ………………………………………………………………………..
5. Which age group is most affected in issues of turn over?

a) Below 30 years
b) 30- 35 years
c) 36- 40 years
d) Above 40 years

6 In your opinion, would you say that talent management has contributed to employee retention in your organization..?

7. What percentage would you assign the following aspects of talent management being the reason why staffs leave the organization?

a) Employee engagement [ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

b) Career development [ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

c) Performance management [ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

d) Competencies mapping/skills assessment [ ] 1-25% [ ] 26-50% [ ] 51-75% [ ] 76-100%

8. Which one among the following factors if improved would have the greatest positive impact on staff retention in the organization?

a) Employee engagement

b) Career development

c) Performance management

d) Competencies mapping/skills assessment

Thank you

Appendix ii List of State Corporations in Kenya

1 Agricultural Development Corporation

2 Agricultural Finance Corporation

3 Agro Chemical and Food Company

4 Appeals Tribunal Board

5 Athi Water Services Board

6 Bomas of Kenya

7 Bondo University College

8 Brand Kenya Board

9 Bukura Agricultural College

10 Capital Markets Authority

11 Catering Tourism and Training Development Levy Trustees

12 Chemelil Sugar Co. Ltd

13 Chuka University College

14 Coast Development Authority (CDA)

15 Coastal Water Services Board

16 Coffee Board of Kenya

17 Coffee Development Fund

18 Coffee Research Foundation

19 Commission For Higher Education

20 Communications Commission of Kenya

21 Consolidated Bank

22 Cooperative College of Kenya

23 Cotton Development Authority

24 Egerton University

25 Energy Regulatory Commission (ERC)

26 Ewaso Nyiro North Development (ENNDA)

27 Ewaso Nyiro South Development (ENSDA)

28 Export Processing Zones Authority

29 Export Promotion Council

30 Geothermal Development Company (GDC)

31 Higher Education Loans Board (HELB)

32 Horticultural Crops Development Authority (HCDA)

33 IDB Capital

34 Industrial and Commercial Development Corporation

35 Insurance Regulatory Authority

36 Jomo Kenyatta Foundation

37 Jomo Kenyatta University of Agriculture and Technology

38 Kabianga University College

39 Kenya Accountants & Secretaries National Examinations Board

40 Kenya Agricultural Research Institute

41 Kenya Airports Authority

42 Kenya Broadcasting Corporation

43 Kenya Bureau of Standards

44 Kenya Civil Aviation Authority

45 Kenya Coconut Development Authority

46 Kenya Copyright Board

47 Kenya Dairy Board

48 Kenya Electricity Generating Company

49 Kenya Electricity Transmission Company (KETRACO)

50 Kenya Film Commission

51 Kenya Forest Service

52 Kenya Forestry Research Institute (KEFRI)

53 Kenya Industrial Estates

54 Kenya Industrial Property Institute (KIPI)

55 Kenya Industrial Research Development Institute (KIRDI)

56 Kenya Institute of Administration

57 Kenya Institute of Public Policy Research and Analysis

58 Kenya Institute of Special Education (KISE)

59 Kenya Investment Authority

60 Kenya Literature Bureau

61 Kenya Maritime Authority

62 Kenya Meat Commission

63 Kenya Medical Supplies Agency

64 Kenya Medical Training Centre

65 Kenya National Assurance 2001 Ltd

66 Kenya National Bureau of Statistics

67 Kenya National Examination Council

68 Kenya National Highways Authority

69 Kenya National Library Service (KNLS)

70 Kenya National Trading Corporation (KNTC)

71 Kenya Pipeline Company Ltd

72 Kenya Plant Health Inspectorate Services (KEPHIS)

73 Kenya Ports Authority

74 Kenya Post Office Savings Bank

75 Kenya Power and Lighting Company

76 Kenya Railways Corporation

77 Kenya Reinsurance Corporation Ltd

78 Kenya Revenue Authority

79 Kenya Roads Board

80 Kenya Rural Roads Authority (KERRA)

81 Kenya School of Law

82 Kenya Seed Company

83 Kenya Sisal Board

84 Kenya Sugar Board

85 Kenya Sugar Development Fund

86 Kenya Sugar Research Foundation

87 Kenya Tourist Development Corporation

88 Kenya Urban Roads Authority (KURA)

89 Kenya Utalii College

90 Kenya Water Institute

91 Kenya Wildlife Services

92 Kenya Wine Agencies Limited

93 Kenyatta International Conference Centre

94 Kenyatta National Hospital

95 Kenyatta University

96 Kerio Valley Development Authority

97 Kimathi University College

98 Kisii University College

99 Laikipia University College

100 Lake Basin Development Authorities (LBDA)

101 Lake Victoria North Water Services Board

102 Local Authority Provident Fund

103 Marine Fisheries Research Institute

104 Maseno University

105 Masinde Muliro University

106 Meru University College

107 Moi Referral & Teaching Hospital

108 Moi University

109 Muhoroni Sugar Company

110 Multimedia University College of Kenya

111 Narok University College

112 National Agency for Campaign against Drug Abuse

113 National Aids Council

114 National Cereals and Produce Board

115 National Coordinating Agency for Population and Development

116 National Council for Persons with Disabilities

117 National Crime Research Centre

118 National Hospital Insurance Fund

119 National Housing Corporation

120 National Irrigation Board

121 National Museums of Kenya

122 National Oil Corporation of Kenya Ltd

123 National Social Security Fund (NSSF)

124 National Water Conservation and Pipeline Corporation

125 New Kenya Co-Operative Creameries Ltd

126 Ngo's Co-Ordination Bureau

127 Northern Water Services Board

128 Numerical Machines Complex

129 Nyayo Tea Zones Development Corporation

130 Nzoia Sugar Company

131 Pesticide Control Products Board (PCPB)

132 Pharmacy & Poisons Board

133 Policyholders Compensation Fund

134 Postal Corporation of Kenya

135 Privatization Commission

136 Public Procurement and Oversight Authority (PPOA).

137 Pwani University College

138 Pyrethrum Board of Kenya

139 Retirement Benefits Authority

140 Rift Valley Water Services Board

141 Sacco Societies Regulatory Authority (SASRA)

142 School Equipment Production Unit

143 South Nyanza Sugar Co. Ltd

144 Sports Stadia Management Board

145 Tana and Athi Rivers Development Authorities (TARDA)

146 Tana Water Services Board

147 Tanathi Water Services Board

148 Tea Board of Kenya

149 Tea Research Foundation of Kenya

150 Teachers Service Commission

151 The Mombasa Polytechnic University College

152 University Of Nairobi

153 Water Services Regulatory Board

154 Water Services Trust Fund

155 Youth Enterprise Development Fund (YEDF)