EFFECT OF ADOPTION OF HUMAN CAPITAL STRATEGIES ON THE MANAGEMENT OF PARASTATALS IN KENYA

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Effect of Adoption of Human Capital Strategies on the Management of Parastatals in Kenya

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DECLARATION

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

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DEDICATION

First and foremost, I dedicate this thesis to God Who made it all possible, to my family: Magdaline Jerotich, my doting daughters; Precious Jerono and Maryanne Jelagat who have been understanding and supportive during the voyage of my academic pursuits, to my ever-loving mother, sisters and brother who encouraged me all along the way and to my late loving grandma, a lady who challenged me to achieve the highest levels of academic qualifications on land by all means.

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ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
AON	Advanced Online Network
CACG	Commonwealth Association for Corporate Governance
CEO	Chief Executive Officer
CIPD	Chartered Institute of Personnel and Development
DW	Durbin-Watson
EBSC	Employee Balanced Score Card
GDP	Gross Domestic Product
GoK	Government of Kenya
HCS	Human Capital Strategy
ICT	Information Communication Technology
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KMO	Kaiser-Mayor- Oklin
LDS	Leadership Development Strategy
MBA	Master of Business Administration
MDGs	Millennium Development Goals
MNC	Multi-National Corporations
MNE	Multi-National Enterprises

NACOSTI	National Commission for Science, Technology and Innovation.
NPO	Non-Profit Organizations
OECD	Organization for Economic Co-operation and Development
OLS	Ordinary Least Squares
Ph.D.	Doctor of Philosophy
PMS	Performance Monitoring Strategy
PPM	Pearson's Product Moment
RBV	Resource-Based View
SCP	Structured Conduct Performance
SDGs	Sustainable Development Goals
SMTP	Second Medium Term Plan
SPS	Succession Planning Strategy
SPSS	Statistical Package for the Social Sciences
TBNS	Talent Brand Nurturing Strategy
UAE	United Arab Emirates
VIF	Variance Inflation Factor

DEFINITION OF TERMS

Axiology: It is the collective term of ethics and aesthetics – philosophical fields that depend crucially on notions of worth, or rather the foundations of these fields. It studies ethics by investigating the concepts of right and good in individual social conduct. It also studies aesthetics which is concerned with the concepts of beauty and harmony (Arneson, 2009).

Competitive Advantage: Is where an organization creates more economic value than rival organization (Barney & Hesterly, 2012).

Conceptual Framework: Is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize ideas which can be presented through visual or graphical representations (Shields & Rangarajan, 2013).

Core Competence: The collective learning in an organization especially how to coordinate diverse production skills and integrate multiple streams of technologies (Paul, 2015).

Epistemology: It is concerned with the theory of knowledge and the study of knowledge, the rationality of belief and justification of a phenomenon. It relates to such concepts as philosophical analysis of truth, belief and justification, source and criteria for knowledge and justification (Balbi, 2008).

Globalization: Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture. Advances in transportation, telecommunications infrastructure, and the internet are major factors in globalization generating further interdependence of economic and cultural activities (Moore & Lewis, 2009).

Human Capital: Is the collective skills, knowledge, or other intangible assets of individuals that can be used to create economic value and sustainable competitive advantage for the individuals, their employers, or their community (Boldizzoni, 2008).

Kenya Vision 2030: Is the country's development programme from 2008 to 2030. Its objective is to transform Kenya into a newly industrializing, middle income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. The vision is based on three pillars namely Economic, Social, and political (Kenya Vision 2030 Medium Term Plan).

Leadership Development Strategy: It includes specific recommendations regarding to approaches for the design and delivery methods to be used in developing current and future leaders as well as global application, ownership and sustainment. It also incorporates the technology that will enable the delivery of development programs, tools and programs that create sustainable competitive advantage (Bodo, *et al.,* 2017).

Management: Management is the organizational process that includes strategic planning, setting strategic objectives and vision, managing resources, deploying the human and financial assets needed to achieve strategic goals, and measuring results. Management also includes recording and storing facts and information for later use or for others within the organization (Barney & Hesterly, 2012; Deslandes, 2014).

Ontology: Is the philosophical study of the nature of being, becoming, existence, or reality and the basic categories of being and their relations. It deals with questions concerning what entities exist or may be said to exist and how such entities may be grouped, related within a hierarchy and subdivided according to similarities and differences (Eli, 2011).

Organization: An organization is an entity comprising multiple people such as an institution or an association, that has a collective goal and is linked to an external environment. Organizations that are established as a means of achieving defined objectives is referred to as formal organizations while those organizations that are established to express personal objectives or goals of individual membership are to as informal organizations (Douma & Schreuder, 2013).

Parastatal: A company or agency owned or controlled wholly or partly by the government (Presidential Taskforce on Parastatal Reforms, 2013).

Performance Monitoring Strategy: The strategy defines which human capital events should be monitored, which tools to use, and what actions to take should an event occur. Using Mean Time to Action, effective PMS enables management to make informed strategic decisions as quickly as possible (SevOne, 2014).

Philosophy: Is the study of general and fundamental problems concerning matters such as existence, knowledge, values, reason, mind and language. It is concerned with the methods which include questioning, critical discussion, rational argument and systematic representation (Kenny, 2012).

Pragmatism: Is a philosophical tradition that consider thought an instrument or tool for prediction, problem solving and actions. It is a philosophy that emphasizes the practical application of ideas by acting on them to actually test them in human experiences. It also focuses on changing the universe (Gillespie & Cornish, 2009).

Stakeholder: All groups and individuals who have an interest in how the organization performs. It is also a group, organization, member, or system that affects or can be affected by and organization's actions (Barney & Hesterly, 2012; Freeman & Moutchnik, 2013).

Strategic Management: Is the continuous planning, monitoring, analysis and assessment of all that is necessary for an organization to meet its goals and objectives (Franken, *et al.,* 2009).

Strategy: It is perspective, position, plan, and pattern. Strategy is the bridge between policy or high-order goals on the one hand and tactics or concrete actions on the other. Strategy and tactics together straddle the gap between ends and means. It is a theory about how to gain competitive advantage (Nickols, 2012; Barney & Hesterly, 2012).

Sustainable Competitive Advantage: A competitive advantage that lasts for a long period of time. An advantage that is not competed away through strategic orientation (Barney & Hesterly, 2012).

Succession Planning Strategy: A process of having a strategy in place for when the senior employees in the top cadre retire or leave the organization. It is a roadmap to envision, plan and action for both expected and unexpected departures and the aim is two pronged; to ensure that no significant expertise or leadership is lost and ensure sustainable competitive advantage (Johnson, *et al.,* 2008).

Talent Brand Nurturing Strategy: Comprises the interlocking strategic decisions related to key talents that enable the organization to most effectively execute its business strategy. These decisions provide strategic framework for determining in which talent strategies the organization will and will not engage (Blatsein, 2012).

Talent: Is the skill that someone naturally has to do something that is hard or extra ordinary. It is an ability that someone is born with. Talent represents an enormous source of sustainable competitive advantage if they are pointed in the right strategic direction (Edwards, 2010).

ABSTRACT

Strategic decision making on strategic choices and options represent the most important product of managerial activities in the organizations. Acceleration of economic growth and industrialization shifts the paradigm and puts human capital as the nuclear of strategic choice and development. Development and implementation of human capital strategies is one of Kenya Vision 2030's key pillars. A review of global good practice in countries with similar development challenges as Kenya identifies key roles for parastatals in the national development effort. Parastatals are important in promoting or accelerating economic growth and development and are critical to building the capability and technical capacity of the state in facilitating and/or promoting national development as espoused in the Kenya Vision 2030 strategy. The general objective of this study was to determine the effect of adoption of human capital strategies on the management of parastatals in Kenya. The specific objectives aimed at establishing the effect of adoption of talent brand nurturing strategy, assess the effect of adoption of performance monitoring strategy, establish the effect of adoption of leadership development strategy, and examine the effect of adoption of succession planning strategy on strategic management of parastatals in Kenya. Pragmatism paradigm philosophy, mixed method research approach and descriptive survey design were adopted in the current study. The population for this study was drawn from the parastatals in Kenya. The target population for the study consisted 404 employees from 53 purely commercial and parastatals with strategic functions in Kenya from which the sample was drawn. Using a stratified sampling technique of calculating a sample size, a total of 129 respondents from 26 purely commercial and parastatals with strategic functions formed a sample size for the study. Self-administered questionnaire was used to collect both the primary and secondary data. Multi-linear regression model was used as a tool for analysis and the results generated were presented qualitatively and quantitatively. The current study tested the null hypotheses. Based on the results, the null hypothesis in each case was rejected. The model summary indicated the overall coefficients of determination of the four independent variables under study. The study consistently found that there was existence of a strong interrelationship between strategic management of parastatals and the four predictor variables. The study recommends that parastatals in Kenya should adopt all the four human capital strategies to strategically boost and enhance strategic management prowess in order to retain the best talents, improve productivity and performance, exceed the stakeholders' expectations and create sustainable competitive advantage in their respective parastatals. The study aimed at helping the academicians, policy makers, leaders, and managers in the parastatals and private organizations to make use of the competitive contemporary human capital strategies to achieve desired strategic objectives and create sustainable competitive advantage.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The growth and development of any nation is always the major concern of every government. Many policies and programmes with matching strategies are required to be considered especially in state owned establishments. All these are with a view of influencing the economic wellbeing of both the nation and the general populace. According to Johnson, *et al.* (2008), a changing workforce, global competition, advances in information technologies, new knowledge and demands for sustainable competitive advantage have forced corporate leaders to examine and re-evaluate strategic management of the organization's most critical resources in order to drive organization's competitive edge to greater heights. In response to this phenomena, Kevan (2009) affirms that corporate leaders are utilizing new technologies, modifying organizational structure redesigning work, relocating workforces and aligning work processes.

These changes have significant implications to how their human capital strategies should be crafted and executed. According to Monaj (2013), human capital is a well employed human resource that is actively engaged in meaningful, worthwhile work and delivering some level of desired productivity. Human capital is a question of factoring knowledge and application to physicality. A human capital strategy on the other hand is said to be the organization's *modus operandi* that can be aligned to fit in with the mission, vision and strategic goals of the organization. HCS defines the talent, leadership, culture, and organization to execute the business strategy. According to Galit and Toibin (2011), the aim of the people-based strategy is to transform the element of human capital into a more tangible asset, to plan and to match up the personnel in the organization to the strategic goals of the organization. The process aims to answer the question of how to prioritize investment in human capital and to build a differential strategy based on the various employee groups within the organization. Hill and Jones (2013) asserts that an employee group can be define along several axes and according to the prevailing characteristics in the organization. Some of which are generic, including occupation, profession, education and experience, and some of which are unique, such as management level, demographic and sector characteristics. In line with the proponents of strategic management theory and practice, Parnell (2014) opines that human capital strategy is initially defined by taking a top-down view of the organization, examining its vision, business strategy, directions for development and growth, as well as assets and organizational culture.

According to Presidential Taskforce Report on Parastatal Reforms (2013), the Kenya Vision 2030 aims to make Kenya a middle-income country by 2030. The delivery of that target is driven by a series of 5-year Medium Term Plans (MTPs). Kenya Vision 2030 is a long-term development blueprint for the country. It is motivated by a collective aspiration for a better society by the year 2030. The report also underscores the aim of Kenya Vision 2030 to create a globally competitive and prosperous country with a high quality of life by 2030. Accordingly, the vision is anchored on three key pillars: economic; social; and political governance. The economic pillar aims to achieve an average economic growth rate of 10 per cent per annum and sustaining the same till 2030 in order to generate more resources to meet the MDGs, subsequent SDGs and vision goals. The Vision has identified a number of flagship projects in every sector to be implemented over the Vision period and to facilitate the desired growth rate. According to Sessional Paper Number 10 (2012), the economic, social and political pillars of Kenya Vision 2030 is anchored on the macroeconomic stability, continuity in governance reforms, enhanced equity and wealth creation opportunities for the poor, infrastructure, energy, Science, Technology and Innovation (STI), land reform, human capital development, security, and public sector reforms.

In respect to Human Capital Development Strategy (HCDS), the Sessional Paper argues that Kenya intends to create a globally competitive and adaptive human capital base to meet the requirements of a rapidly industrializing economy as espoused in the Kenya Vision 2030 blueprint. Human capital development is therefore one of Kenya's Vision 2030's nuclear platform to spur the economy. With the right political environment, a well-crafted human capital development strategy is factor in turnaround issue of economy. As a priority, human capital strategic initiatives should be established to facilitate better planning of human capital requirements in the country. Furthermore, the blueprint requires organizations to take necessary actions to raise labour productivity to international levels. Kenya's main potential lies in its people, their creativity, work ethic, and other strategic skills. To ensure significant and consistent results, organizations should formulate, implement and steer human capital strategies that are geared towards development of global competitiveness. To be successful in developing competitiveness, David (2009) posits that the capacity to utilize knowledge and information in design, production and marketing of traditional exports are required to be enhanced. This will result in quality human capital in terms of work performance and loyalty. Kenya's global competitiveness depends on the ability to create human capital strategies that play a major role in contributing not only to efficiency gains in existing economic activities, but also in diversifying economic sectors and activities in order to realize productivity gains. Strategic development of human capital is considered enabler and macros of hastening the realization of Kenya Vision 2030 and aims to develop strategies that are able to balance supply and demand of human capital in state-owned organizations. The quest of acceleration of economic growth and industrialization puts a paradigm shift on human capital as the nuclear of strategy development.

One of the main characteristics of some of the countries that have achieved major transformations in the last decades, such as Taiwan and Chile, was the high quality of their pool of technical, industrial and entrepreneurial human capital. According to Cox, *et al*. (2012), the key to success lies in the proactive strategies to enable organizations to respond to the changes that are triggered by global economic transformation. Kenya's ability to fully benefit from its existing human critical assets has been hampered by inadequate management and planning. The current institutional setup and the work ethic is required to change in order for Kenya to achieve quality results under the Vision 2030 strategy. The mismatch between demand and supply must be corrected. The existing discrepancy between skills and job opportunities implies that the existing capacity of human capital is under-utilized. Strategic management and making strategic choices of human capital strategies is key in order to utilize existing capacity much better.

Based on the dynamic perspective of RBV, Adros, *et al.* (2011) incorporated human capital strategy and organizational change literature to examine the processes of developing an organization's dynamic strategic capabilities through leveraging of strategic human capital with human-capital-oriented restructuring to cope with rapidly changing environments. From the findings in 154 organizations, the study revealed that a total mediation model identifies that strategic human capital leveraging not only catches the benefits of complementary human capital process (deployment and inimitability) fitted to an organization strategic needs but also requires the co-specialized human-capital-oriented strategies and restructuring to facilitate organizational flexible and stable capabilities. Adros, *et al.* (2011) affirms that for an organization to maintain dynamic strategic capabilities, it is required to leverage the human capital asset with the aim of not only achieving maximum productivity but also to be able to contribute to core competences so that they become distinctive and constantly be reconfigured and adapted in the process of organizational restructuring in correspondence with the dynamic environment and to gain a competitive advantage.

To support the new focus on productivity and cross-functional alignment as well as the new strategic imperatives Chatman, *et al.* (2010) for instance argued that leaders should feel the need to change strategy from a "buy" talent strategy to a "build" talent strategy. This is further illustrated by a study done by Wood, *et al.* (2009) which opines that strategic synergy, fit and integration are the key concepts running through the human capital management theory in which one or more strategic fits are emphasized if the business strategies are to be effective. First, different human capital strategies should be coherent and complement each other. Secondly, there should be a fit between the coherent sets of human capital strategies and other systems within the organization. Thirdly, the human capital strategies should be in line with the larger business or competitive strategy of the organization. And fourthly, the human capital strategies adopted by any organization should be compatible with its operating environment. In sum, the aim of human capital strategy process is typically concerned with devising ways of investing on human capital element with a view of achieving the strategic goals of the organization and in the process realizing a strategic fit between the vision and the organizational capital.

The contemporary dilemma for organizations in the flat and borderless world is how to maximize the flexibility of their workforce, minimize risk, and develop and retain valuable skills. The human capital element now come in all shapes and sizes and dealing with this workforce complexity requires a more differentiated and sophisticated strategic approach. The people factor is arguably the most important platform in contributing to attainment of the organizational strategic goals, but it is one of the least effectively utilized organizational functional capital. Chatain and Mindruta (2017) argues that leaders tend to shy away from formulating strategies out of the people element side, preferring to focus on more intangible initiatives such as cost saving and market strategies. Yet, conceiving and implementing a human capital strategy, a plan that integrates multiple dimensions such as talent, leadership development, performance monitoring, and succession planning strategies respectively can influence strategic fit and competitive edge desired by the organization. Globalized organizations today navigate a new world of work that requires a dramatic adoption and change in human capital strategies. More than 3,300 organizations from 106 countries contributed to Deloitte's Global Human Capital Trends survey. The firm assessed the importance of specific talent challenges and their readiness to meet them. The report explored 10 major trends that emerged from their research, which reflected major themes which include reinventing and reimagining human capital strategies (Deloitte, 2015).

Through strategic management lens, Pearce and Robinson (2011) define management as a discipline that enables organisational leaders to align the internal organisational environment with the changes in the increasingly volatile business environment in which these organisations operate in. Strategic management is viewed as the set of clear roadmap involving decisions and actions that result in the formulation of action plans, to achieve an organisation's survival in their business environment. Strategic management of parastatals involves characteristics of both art and science. It also involves making informed strategic choices from a raft of options on most critical assets possessed by the organization. While certain aspects of management make it a science, certainly others which involve application of skills make it an art. According to Peaucelle and Guthrie (2015), every discipline of art is always backed by science which is basic knowledge of that art. Similarly, Murugan (2016) underscores the preposition that every discipline of science is complete only when it is used in practice for solving various kinds of problems. To reinforce this view, Klettner (2014) reiterates that management is a process of working with and through others to achieve organizational strategic objectives in a changing environment, central to this purpose is the effective and efficient use of limited but stable organizational assets such as human capital to achieve a sustainable competitive advantage which is the heart of strategy. Kevin (2007) revealed that with the existence of proper talent strategies, leadership-based development initiatives and other contemporary strategies are key determinants of effective management and success of strategic goals in an organization.

Parastatals in Kenya are organizations wholly owned or owned in part by the government of Kenya with both short and long term objectives in terms of public policy implementation and profit making. These entities are broadly categorized into service, regulatory and commercial state parastatals respectively. These parastatals perform diverse functions spanning from manufacturing and commerce, financial intermediation and infrastructure development through service provision, regional development, environmental conservation to education and training as well as regulation of the economy. Thus, it is the citizens who are represented by the government that are shareholders in these entities. Accordingly, the Kenyan government has a responsibility to enhance the value of its assets through the efficient delivery of public services where the public socio-economic needs of its citizenry are required to flourish and through proper optimization of profits where profit motives are expected. The government of Kenya aims to be a globally competitive and prosperous middle income country (GOK, 2007), with a projected annual GDP growth rate of approximately 1%. Government Parastatals are envisioned to play a crucial role in promoting and accelerating economic growth and development that will drive the social and economic transformation of Kenya towards the realization of Kenya Vision 2030, in terms of implementation of flagship projects to help bring about socio-economic, and political transformation in Kenya. Information contained in Presidential Taskforce Report on Parastatals Reforms (2013) shows that the output of parastatals to GDP in nominal terms has been slightly increasing for instance from 10% in 2008/09 to an average of 11.84% in 2014/2015 based on the internally generated income. Employment and wage earnings in parastatals have been declining in both absolute numbers and annual turnover. The strategic management and performance of parastatals in Kenya have been a matter of on-going concern in an environment of resource scarcity and mounting strategic needs as they are saddled with a wide range of objectives.

In the light of complex business environment occasioned by globalization and rapid change in technology, concerns have been raised whether existing strategic management skills and structures are adequate to develop long-term strategies for meeting multiple obligations. A number of strategic, policy issues and challenges afflict state-owned parastatals, including inadequate strategy formulation and implementation leading to poor definition of mandates, conflicts in mandates, as well as fragmentation of mandates that facilitate the proliferation of poorly resourced parastatals. It also affects the facilitative role of the state in ensuring effective human capital development that supports the national development effort. Most critically, there are issues of poor management leading to the loss of most coveted stable capital and burdening the public purse, including a multitude of human capital and institutional frameworks that generate multiple reporting and accountability lines, compounding the challenge of effectiveness of Boards and Chief Executive Officers. A number of CEOs have been weak and/or ineffective, leading to failure to provide strategic direction, facilitating their emasculation (Collings & Mellahi, 2009). Effective human capital strategies are projected to have an effect on strategic management of parastatals in Kenya. The relevance of effective human capital strategies cannot be over-emphasized since they influence organizational climate for internalizing success and achieving a strategic fit between corporate strategies and strategic assets of an organization. As a stable platform, human capital is capable of bringing new outlook and provide a strategic leeway for an organization to utilize its resources that are considered critical (Ciccone & Papaioannou, 2006).

1.2 Statement of the Problem

Inadequate adoption of effective human capital strategies has been cited as one of the reasons leading to the decline in the growth of the economy (Pearce & Robinson 2011; World Economic Forum, 2013). A study conducted by Benevene and Cortini (2010) on interaction between structural capital and human capital in Italian NPOs opines that the organizations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them. This is called crisis management, the opposite of strategic management. From the preceding, and looking at today's trend, it is evident that the pace of change in the business environment presents fresh challenges daily hence, the dire need for adoption of human capital strategies designed and tailored to influence strategic management objectives of the organization. These strategies have to be fashioned out such that it will not only affect retention of the market share controlled but also the overall organizational management. Hill and Jones (2013) observed that strategic management has taken a new holistic approach where talent brands can be aligned with the strategic needs of the organization to counter the effects of the new world business complexities where competitive advantage is about being smart, unique, flexible and innovative.

Felicio, *et al.* (2014) did a study on human capital, social capital and organizational performance and concluded that human capital affects social capital, and that experience and cognitive ability influence human capital and strategic management of an organization. Moreover, the study argued that effective management geared towards better organizational performance is strongly influenced by human capital through the cognitive and strategic initiatives such as leadership development, succession strategic planning and talent-based strategies. On the study of how human capital development strategies influence performance in contingency perspective, Paolo (2014) argued that the higher the dynamism in the environment, the more the need for human capital strategies to put in place.

Existing studies in Kenya for example Kathama (2012); Kakunu (2012) only addressed strategic planning practices and performance of state corporations and strategic management practices among commercial banks in Kenya respectively. Kakunu (2012) further recommended that the organizations should consider adopting strategic management initiatives out of human capital element to investigate its influence on management and strategic objectives of the organization. Gaya, *et al.* (2013) found that lack of recognition of human element as a platform of competitive advantage and more so unsound leadership development strategies were cited as likely triggers of intentions to leave depicting an irrelevance of skill augmentation as the players got no opportunity to utilize their talent brands and experience that are key ingredients for creating a competitive advantage. Apparently, there are no other or related studies that have attempted to assess the effect of adoption of talent brand nurturing strategies on the management of parastatals in Kenya's economy. On the other hand, Presidential Taskforce on Parastatals Reforms (2013) cited the existence of weak human capital initiatives and institutional capacity to attract and retain the key skill sets and talents needed for effective management to drive performance to greater heights and create sustainable competitive advantage. A recent study by Delloitte (2015) revealed that 76% of the executives believe that their organizations are not ready to meet today's strategic management needs and so it requires huge amounts of money to craft relevant strategies from the most stable platform, the human capital. Strategic management and performance of parastatals have been a matter of on-going concern in an environment of resource scarcity and mounting needs from the human capital element to fit into the complex business environment as envisioned by Kenya Vision 2030 strategy blueprint. In most parastatals in Kenya, limited recognition of human capital strategies appears to be more pronounced and their effects have always had untold hardships on the effectiveness and efficiency of strategic management in such organizations hence affecting sustainability of competitive advantage. Moreover, a number of policy issues and challenges such as succession planning and strategic development initiatives afflict these parastatals in Kenya. The experience has in some cases been successful and in others not so. Putting the Presidential Taskforce Report on Parastatals Reforms (2013) and the aforementioned studies into perspective, there is a dire need to ascertain the effect of adoption of human capital strategies on strategic management. It is therefore in light of foregone teething issues that aroused the interest of the researcher to embark on the research study. The current study therefore sought to establish the effect of adoption of human capital strategies on the management of parastatals in Kenya.

1.3 Objectives of the Study

The current study was guided by the following objectives.

1.3.1 General Objective

The study sought to determine the effect of adoption of human capital strategies on the management of parastatals in Kenya.

1.3.2 Specific Objectives

1. To establish the effect of adoption of talent brand nurturing strategy on the management of parastatals in Kenya.
2. To assess the effect of adoption of performance monitoring strategy on the management of parastatals in Kenya.
3. To establish the effect of adoption of leadership development strategy on the management of parastatals in Kenya.
4. To examine the effect of adoption of succession planning strategy on the management of parastatals in Kenya.

1.4 Hypotheses of the Study

To examine how each of the predictor variables influences the response variable, the following hypotheses sought to guide the current study.

1. $\mathbf{H_{01}}$**:** Adoption of Talent Brand Nurturing Strategy has no significant effect on the management of parastatals in Kenya
2. $\mathbf{H_{01}}$**:** Adoption of Performance Monitoring Strategy has no significant effect on the management of parastatals in Kenya

3. **H_{01}:** Adoption of Leadership Development Strategy has no significant effect on the management of parastatals in Kenya

4. **H_{01}:** Adoption of Succession Planning Strategy has no significant effect on the management of parastatals in Kenya

1.5 Significance of the Study

There has been a poor linkage of parastatals human activities with the national development strategic goals. More worrying is the existence of weak human capital and institutional capacity to attract and retain the key skill sets and talents needed for effective strategic management to drive performance (Presidential Taskforce on Parastatals Reforms, 2013). The sole purpose for this particular research therefore sought to bridge the gap by investigating the effect of adoption of human capital strategies on management of parastatals in Kenya. Due to critical importance of parastatals, there was need to consider adoption of human capital strategies as they are expected to influence the organization's strategic management. Strategic choices of development of human capital are considered enablers and catalysts of socio-economic transformation towards achievement of the national strategic goals as stipulated in the Second Medium Term Plan (SMTP) of 2012 – 2017 blueprint of the Kenya Vision 2030 strategy. It also aimed at showing whether or not there is any need for a shift from just the creation of general human capital policies or to focus more on effective human capital strategies.

The study was geared to help the policy makers in the parastatals and private firms to fully make use of the human capital strategies in their organizations and make appropriate strategic choices to ensure that strategic fit is achieved at all times. Also, through this study, leaders and managers in parastatals may learn and make responsible strategic plans and policy decisions out of human capital element that are meant to facilitate and sustain better management and high organizational performance, and manage organizational and national resources so that the parastatals and societies can benefit from them in the future and assist in achievement of Kenya's Vision 2030 strategic goals. The strategic management pillars are Strategic positioning, options and choices, and execution and control. The current study was anchored upon options and choices pillar of strategic management. The study geared towards making contributions to the existing literature on strategic choices and options of human capital development initiatives and also sought to highlight other important areas of strategy that require further research.

1.6 Scope of the Study

There are a total of two hundred and sixty-seven (267) parastatals in the Republic of Kenya classified under; purely commercial and parastatals with strategic functions, executive agencies, independent regulatory agencies, research institutions, public universities, tertiary educations, and training institutions respectively. This research was limited to purely commercial and parastatals with strategic functions in Kenya. The choice of purely commercial and parastatals with strategic functions was informed by their importance in promoting and accelerating economic growth and development as stipulated in the Kenya Vision 2030 blueprint. In enabling the of Kenya to achieve its Kenya Vision 2030 strategic objectives, purely commercial and parastatals with strategic functions play a major role in enabling social, economic, and political transformation of the economies in which they operate. Secondly, purely commercial and parastatals with strategic functions were seen to be critical in building the capability and technical capacity of the state in facilitating and promoting national development. Purely commercial and parastatals with strategic functions are useful for targeted and judicious building of international partnerships. On the other hand, formulation and implementation of effective human capital strategy is a complex activity. Due to its broad nature and complexity, the study was not able to capture all contemporary and competitive human capital strategies. The current research considered only four human capital strategies that included talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy.

1.7 Limitations of the Study

The main challenge that the study experienced was the false promises advanced by the respondents. Some respondents took longer than expected to fill the questionnaires. Some of the respondents went out of their offices either for annual leave, off duty, or for field work before completing the questionnaire. For those who left their offices for various reasons before completing the questionnaire, the researcher made frequent follow ups and appealed to them to consider completing the questionnaires outside their offices which in the long run bored fruits. Since parastatals are bureaucratic in nature, confidentiality policies restricted some few respondents especially the company secretaries from sharing the insights of their respective parastatals. To solve this problem, the researcher presented an introductory letter from the university and another from NACOSTI to convince the respondents that the research was purely for academic purposes and that their responses were to be kept with utmost confidentiality.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter sought to provide the theoretical review of the study. Among the considered theories included Resource-Based View (RBV) theory, contingency theory, configurational theory, and the human capital theory. It also provided conceptual framework of the study variables, empirical review of the study, critique of the existing literature, the knowledge gap, and finally the summary of the chapter.

2.2 Theoretical Review

In view of explaining the effect of human capital strategy on strategic management of parastatals in Kenya, the study focused on four competing theories as argued by various scholars. The theories included; Resource-Based View (RBV), Contingency, Configurational, and Human Capital theories respectively.

2.2.1 The Resource-Based View (RBV) Theory

The Resource-Based View (RBV) of the organization draws attention to the organization's internal environment as a driver for competitive advantage and put more emphasis on the most stable capital that organizations possess to compete in the complex business environment. During the early strategy development phase of Hoskisson's account of the development of strategic thinking, the focus was on the internal factors such as technology, equipment and more importantly the human capital as critical and stable asset of the organization (Hoskisson, *et al.,* 2009). Studies done by Ansoff (2005) and Chandler (2008) made important contributions towards developing the Resource-Based View of strategy which the current study underscores.

From the 1980s onwards, the focus of inquiry changed from the structure of the industry, for example Structure-Conduct-Performance (SCP) paradigm and the five forces model to the organization's internal structure with potential and capabilities of enhancing performance management. (Furrer, *et al.*, 2008). The study reiterated that the resource-based view of strategy (RBV) has emerged as a popular theory of competitive advantage (Furrer, *et al.,* 2008; Hoskisson, *et al.,* 2009). The origins of the RBV go back to Penrose (2009) who observed that the resources possessed such as human capital are deployed and used by the organization because they are more important than industry structure. The term resource-based view was coined much later by Akio (2005) who viewed the organization as a bundle of stable assets which are tied semi-permanently to the organization and out of which, the strategies can be crafted. Gregory and Pemberton (2011) established the notion of core competencies possessed by human capital and which focus attention on a critical category of strategic capabilities such as talent, leadership and performance.

Barney (2010) and Barney and Hesterly (2012) also argued that the resources of an organization are its primary foundations of competitive advantage. The current study takes this cognitive view and considers human capital as the primary source of an organization's competitive advantage. According to Kozlenkova and Palmatier (2014), the most prominent contribution to the discipline of strategic management was the Resource-Based View of strategy. In addition, the research by Akio (2004) and Barney (2010) adds to the two most influential studies in strategic management research that focus on human capital element. The theory further underscored the contributions of early studies that classified organizations' resources into three categories: physical, monetary, and human (Ansoff, 2005). These evolved into more detailed descriptions of organizational resources (talents, skills and knowledge) and technology (technical know-how) (Hofer & Schendel, 2008). Shoemaker (2013) proposed an alternative taxonomy involving physical, human strategic capabilities and other technological resources.

Lee, *et al.* (2009) argued that there exists a distinction between individual-level and organization-level resources. Miller and Shamsie (2006) classified resources into two categories: property-based and knowledge-based. Knowledge bases poised to create talent pools can be ostensibly derived from human capital. Barney (2010) suggested that other than the general resources of an organization, there are additional resources, such as physical capital resources, human capital resource and organizational capital resources. Later, Barney and Wright (2008) added human capital management-related resources to this list of additional resources of an organization. These resources can be tangible or intangible (Hall, 2008). Barney (2010) drew attention to all strategic assets, capabilities, organizational processes, organization attributes, information, and knowledge among others that are controlled by an organization and which enables it to conceive of and implement human capital strategies that can influence management's efficiency and effectiveness. Ultimately, the study concludes that organizations that are able to leverage strategic resources to implement a value creating strategy that are not simultaneously being implemented by any current or potential competitor can achieve competitive advantage.

Studies subscribing to the RBV theory argue that only strategically important and useful resources and competencies built through human capital strategies should be viewed as sources of competitive advantage (Barney, 2010). Strategic assets are therefore said to be difficult to trade and imitate, scarce, appropriable and specialized. Resources such as leadership and other strategic capabilities can bestow the organization's competitive advantage (Shoemaker, 2013). In concurrence to the RBV theory, the study observed that if resources are strategic for the firm, it implies that they are scarce, valuable, specific or difficult to transfer. The current study takes this cognitive view to suggest that it is possible if organizations consider implementing contemporary human capital strategies. SevOne (2014) suggested that performance monitoring and leadership development strategies can be viewed as critical strategic tools for manipulating human capital element to create competitive advantage. Core competencies are distinctive, rare, valuable organization-level resources that competitors are unable to imitate, substitute or reproduce (Gregory & Pemberton, 2011). Distinctive competencies refer to all the things that make the human capital a strategic asset (Papp & Luftman, 2005). This theory therefore recognizes the fact that human capital element influences competitive advantage in one way or the other within an organization.

Adros, *et al.* (2011) outlined a theory-based approach to organization-level analysis that required stock-taking of an organization's strategic internal assets and capabilities.

The assets in question could be physical assets and knowledge assets (intellectual capital) possessed by human asset, which in turn influences the success of an organization. Maier and Remus (2002) used the term performance monitoring strategy and define three steps in an organization's resourcing strategy; competence creation, competence realization and competence transaction and management. Competence creation defines and analyses human capital capabilities. Competence realization involves the execution. Competence transaction involves performance, order fulfilment and maintenance (Maier & Remus 2002). Other studies such as Del Canto and Gonzalez (2009); Hall (2008) distinguished between tangible and intangible strategic resources and concluded that intangible resources are often the most important ones from a strategic point of view. They argue that intangible resources that are possessed by human capital are more likely to be a source of sustained competitive advantage rather than tangible ones such as the equipment. Studies done by Barney and Wright (2008); Gregory and Pemberton (2011) treated human capital as the most valuable type of resource. In an effort to validate the premise of this theory, Gregory and Pemberton (2011) argued that the core competences should not be locked inside a business unit but should be strategically available for reuse by other parts of organization wherever a potential use yielding higher returns can be identified. Hall (2008) underscored the difficulties organizations go through to change its resources. The study suggests that redesigning specific human capital strategies can enable efficient and effective usage of core resources and capabilities which in turn help the organization achieve sustainable competitive advantage through effective management. It has been argued that the RBV theory ignores the nature of market demand and only focuses on internal resources (Hooley, *et al.,* 2006). Maier and Remus (2002) defined the concept of fit as a balancing act between the human capital-oriented and the organization-oriented fits. Shoemaker (2013) pointed out the important link between the organization's internal resources and its external market conditions. Internal strategic resource normally dictates external market conditions and makes the organization attractive.

In the search for competitive advantage, the theory argues that studies on strategy increasingly acknowledge human capital (Hitt, *et al.,* 2011), and intellectual capital

(Kumar, 2013) as critical components of performance management and competitive advantage. In so doing, the RBV theory has provided an excellent platform for highlighting the importance of people aspect to management, and thus, the inescapable fact that RBV strategy research must bump up against human capital issues. In examining the direct and moderating effects of human capital on professional service firm performance, Hitt, *et al.* (2011) indicated that the leveraging of human capital exhibits a positive effect on performance. The results of the study showed that human capital moderates the relationship between strategy and firm performance, thereby supporting a resource-strategy contingency fit. The results contribute to the knowledge on the resource-based view theory of the organization and the strategic importance of human capital.

However, there are limitations associated with RBV. Hanningtone and Miemie (2016) identified some of the limitations of RBV. The duo assert that RBV is based on the incapacity to do an empirical study on measuring the performance. Secondly, the RBV is focused on the internal organization of a firm and it does not consider the external factors like demand side of the market. So even if a firm has the resources and the capabilities to gain a competitive advantage, it might be that there is no demand because the model does not consider the immediate beneficiary. Kraaijenbrink, *et al.* (2010) states that the usefulness of RBV appears to be greater in terms of generating understanding and providing a structure for strategizing.

2.2.2 Contingency Theory

The contingency theory, which is optimally the best fit between human capital and business strategy, has universal prescription to organizational strategic goals. It is all contingent on the organization's context, culture and its business strategy (Wright, *et al.,* 2005). Contingency scholars have argued that any strategic idea would be more effective only when appropriately integrated with a specific organizational and environmental internal fits. The best fit theory emphasizes the importance of ensuring that any strategic initiative is appropriate to the circumstances of the organization, including the structure, operational processes, culture, and external environment.

Therefore, strategy formulation including but not limited to human capital strategies have to take into account specific and particular needs of both the organizational strategic goals and its people. The theory attempts to explore the close link between organizational strategic management and the choice of human capital ingenuities by assessing the extent at which a vertical integration between an organization's business strategy and HCS can be achieved (Mahoney, 2005).

According to the contingency theory approach, strategic management of organization including people element is not the only ultimate factor that contributes to effective management and improved performance of the organization. It has to be integrated with other factors and the impact of human capital-based strategy in organizational management and performance is conditioned by an organization's strategic posture. An organization's approach and responds to competition depends on the use of the talents and other capabilities of the workforce. Human capital-based strategy would be more likely to have an impact on management and performance of an organization, otherwise a disconnect between human capital and management efficiency might be trifling. In support of the theory Wright, *et al.* (2005) states that vertical integration of corporate strategies, human capital strategic initiatives, team and organizational performance is at the fore of core models of management and competitive advantage. Inherent in most treatments of fit is the premise that organizations are more efficiently and/or effectively managed when they achieve strategic fit relative to the non-existence of strategic fit (Parnell, 2014). This vertical integration or fit where leverage is gained through strategic initiatives can be curved from people side of organizational most valuable assets (Barney & Arikan, 2001). The best fit therefore ensures an explicit link or relationship between internal strategic ingenuities and the external market in business strategy, and thereby ensuring that competences which have a potential to be key source of competitive advantage are created (Wright, *et al.,* 2005).

According to Jean-Noel (2008), the contingency theory is limited by the impracticality of modeling all the contingent variables, the difficulty of demonstrating the existence of interconnection, and the way in which changes in one variable have an impact on others. Thompson, *et al.* (2010) further emphasize the complexity of matching resource-based strategy with corporate strategy by stating the necessity to keep abreast with globalization, technological advances and other business environmental changes. They bring to attention a research by Barney and Wright (2008) which asserts that human capital-based strategies should have a potential to simultaneously promote both horizontal and vertical fits and have the flexibility to cope with the business dynamics. However, responding to those external demands may undermine the possibility of achieving internal fit (Parnell, 2014). Models of external fit fail to recognize the needs of workforce but the vice is true. More evident in highly competitive markets, businesses cannot survive without balancing the pressures from social norms, labour laws and critical employee interests. Conclusively, strategic alignment of business and the workforce strategies is essential. The theory underscores the premise of the best fit school which put a lot of emphasis on the internal context of individual businesses within the same sector and the unique characteristics and strategies that may provide the main source of sustainable competitive advantage and successful management as hypothesized by the current study.

On the flipside, contingency theory has failed to explain why people element with certain strategic leadership skills are more effective in some situations more than others. Secondly, the least preferred workers seem not to be valid on the surface. The theory also fails to explain adequately what organization should do when there is mismatch between the leader and the situation in the workplace. However, Jeong and Nor (2012) conclude that there is no one best way or strategic approach in strategic management of the most vital resources in the organization. Strategic management and organization is an open system which embrace anomalies or challenges that require adaptable and situational strategic solutions to solve the problem.

2.2.3 Configurational Theory

A strategy's success turns on combining external fit and internal fit. In essence, an organization with competitive strategies should have efficient management and a high level of performance, provided it is also able to achieve high levels of fit with its contemporary strategic initiatives (Thompson & Lockett, 2011). According to this theory, emphasis is given to the importance of bundling strategic initiatives together with business strategies so that they are interrelated and therefore complement and reinforce each other. Implicit is the idea that strategies within bundles are interrelated and internally consistent and more particularly have a significant impact on the overall management of the organization. Effective strategic management is as a result of ability and motivation of the human capital element. Thus; there are several ways in which workforce can acquire needed skills (such as careful selection, talent nurturing and mentorship, leadership development) and multiple incentives such as leadership and succession planning initiatives to enhance motivation and enhancement of performance management.

A key theme that emerges in relation to human capital is that individual strategies cannot be implemented effectively in isolation (Schuler & Storey, 2007)) but rather combining them into integrated and complementary bundles is crucial. Snow, *et al.* (2005) argues that a bundle creates the multiple, reinforcing conditions that support employee motivation, given the preposition that the workforce has necessary reservoir of knowledge and skills to perform its work effectively to create a competitive advantage (Parnell, 2014). In the configuration school, cohesion is thought likely to create synergetic benefits which in turn enable the organization's strategic goals to be achieved.

The aim of bundling is to achieve coherence which exists when a mutually reinforcing set of human capital strategies have been formulated and coupled with the overall organization's management strategies to attain a strategic fit. The approach of bundling is holistic as it is concerned with the organization as a total entity and addresses what needs to be done as a whole in order to enable it to achieve its organizational strategic objectives.

According to Snow, *et al.* (2005), the notion of a link between business strategy and the strategic management performance of each individual in the organization is central to fit or vertical integration. Internal fit advocates bundle of strategies to ensure that organizations gain benefits from implementing a number of complementary strategies rather than only a single strategy. Most models of best fit focus on ways to achieve external fit. The most influential model of external fit is that of Schuler, *et al.* (2007) which argues that business management and performance will improve if their human capital strategies support the choice of its business strategic goals. Under this model, organizations need to work out the required employee initiatives to implement a chosen human capital strategy and devise supporting policies to enable those unique behaviours to be strategically formulated, implemented and enhanced within the workforce fraternity. Vertical integration can be explicitly demonstrated through the linking of a business strategic goal to individual objective setting, to the measurement and rewarding of attainment of that specific strategic business goals.

In support to configuration theory, Schuler, *et al.* (2007) described the appropriateness of 'people-side' strategy as a fit of strategies that help the organization realize quality outputs and innovation enhancement. The significant difference between the contingency and configurational approach is that these configurations represent non-linear synergistic effects and high-order interactions of people-side strategies that can result in effective management that leads to better performance of the organization (Peer, *et al.* 2013).

Robinson, *et al.* (2008) noted that the key point about configurational perspective is that it seeks to derive an internally consistent set of human capital strategies that maximize bot vertical and horizontal integration and then link these to organizational strategic configurations in order to maximize vertical integration and thus resulting to better organizational management and performance. Thus, put simply, configuration theorists require an organization to formulate and implement people-based strategies that can help the organization realize a positive effect through horizontal and vertical integration. The configuration approach contributes to the debate on human capital as a critical asset in recognizing the need for organizations to achieve both vertical and horizontal fit through adoption of human capital strategies so as to contribute to an organization's competitive advantage and therefore be deemed strategic. The use of relevant strategies and competency frameworks are recommended for adoption to provide coherence management activities within an organization.

Though proving to be the best theory in the strategic management discipline, configurational theory does not focus exclusively on the firm's environment, or exclusively on its internal resources. But it strikes a balance through a mutual influence of a set of strategies. It tries to model interrelationships (Ruth, *et al*., 2011).

2.2.4 Human Capital Theory

This study was also anchored on human capital theory. This theory views human capital as a form of resource that organizations can invest in and is of value to the organization to the extent that it makes the organization to be competitively productive (Kessler & Lülfesmann, 2006). This theory assists future scholars in examining how organizations and individuals make decisions regarding investments on human capital (Tarique & Schuler 2010). In addition, investments related to attracting, developing, and mobilizing talent can be viewed as investments on human capital of the organization. Human capital theory can also be used to understand the decisions organizations make about how to staff their 'A' positions (Tarique & Schuler 2010). Talent and talent nurturing is managing the supply, demand, enhancement and flow of talent through the human capital engine to keep various retention factors in balance (Pascal, 2008). According to this theory, there are key narratives to investment on talents and talent pooling that includes development and integration of proactive talent brands, balance grassroots involvement in talent attraction and retention with management accountability. Human capital theory distinguishes between training in general-usage and organization-specific skills. In his seminal work, Belvins (2006) argued that employers will not be willing to invest in general training when labor markets are competitive. However, they are willing to invest in specific human capital strategies because they cannot be imitated by a competitor or other organizations within the business environment.

While the returns to specific training can be realized only in an ongoing relationship with the training firm, specific leadership development initiatives increase the productivity of a worker in many organizations besides those providing it. Human capital theory separately addresses these phenomena and draws two main conclusions. First, employers will share the returns and the cost of investments in organization-specific strategies with their specific human-based strategies. Secondly and in a competitive labor market, organizations will not invest into general skills of their employees due to their inability to collect the returns from such investments. Therefore, workers will pay the full cost of general training. In today's rapidly moving, dynamic, uncertain and highly competitive global markets, the theory believes that firms worldwide are facing major decisions and challenges in global talent nurturing and retention strategies (Schuler, *et al.,* 2011; Tarique & Schuler, 2010). For organizations across the globe, talent branding, performance and succession planning are of increasing strategic importance (Tymon, *et al.,* 2010). Human capital theory further explains that effective people-side strategy enables the organizations to successfully acquire and retain essential talent. The second has to do with the extent to which these employees are engaged. In agreement to human capital theory, Morton (2005) drew multiple conclusions and described talent strategy as integral to engaging and developing 'people' asset in the organization. The ability to effectively address both of these strategies has become a primary determinant of organizational management success and in some cases even survival. The theory believes that for an organization to increase strategic alignment, it must have development strategic plans incorporate goals that align to the strategic management goals. When human capital identify goals, the leaders should support them to describe on their plan how the goal ties back to the business management strategy. The theory posits that this activity gets people thinking about how strategic goals relate to business management and why they should tackle a particular strategic goal (Belvins, 2006).

In support of human capital theory, Parnell (2014) explains that human capital signifies the combined intelligence and experience of staff as a source of competitiveness that cannot be initiated by rivals. The study specifically indicated that effective 'people-based' strategies are an organization's source of competitive advantage. The theory therefore highlights some cross-cutting significance of human capital strategies that have potential of influencing organization's competitive advantage in a more competitive and complex business environment. The theory further underscores the criticality and strategic choice of human capital component in business strategic management. Crafting of strategies based on human capital is basically directed towards fulfilment of the organization's mission, vision and values. The theory views people element as a critical asset whose value to the organization remain unmatched. Notwithstanding burgeoning strategic developmental programmes in the field of people asset, the theory believes that the strategists in the organization still make informed strategic choices on human capital as a spring board of achieving strategic goals. With the right mixture, the word view of this theory holds a unique developmental school of thought which posits that strategies based on human capital asset are determined to support short and long term goals and projected needs of the organization (Anand, *et al.,* 2012).

One of the limitations of human capital theory is that it assumes that education increases productivity in the organization and provides little insight into the strategic initiatives through which education and training can be translated and be viewed through strategic perspective. Eide and Showalter (2010) observes that human capital formation varies for individuals and groups. It is thus incumbent upon policy makers to consider the context dependency of human capital strategies to ensure efficient and effective strategic interventions at the corporate levels.

2.3 Conceptual Framework

According to Odhiambo and Waiganjo (2014), a conceptual framework is said to be a graphical representation of the hypothesized interrelationships of the study variables. Ravitch and Riggan (2011) on their part reiterates that the conceptualization of variables in any research is important as it forms the basis for testing hypothesis and making inference and generalizations on the key findings of the study. Therefore, the conceptual framework in Figure 2.1 aimed at showing the effect of the predictor variables on the response variable. It was based on the Resource-Based View (RBV), contingency, configurational, and human capital theories respectively. The predictor variables for the study comprised of adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy respectively while the response variable was strategic management of parastatals in Kenya. These variables were also developed based on the literature review and for the purposes of this study. Furthermore, the conceptual framework aimed at explaining the constructs statistical tests in each case. The conceptual framework is as shown in Figure 2.1.

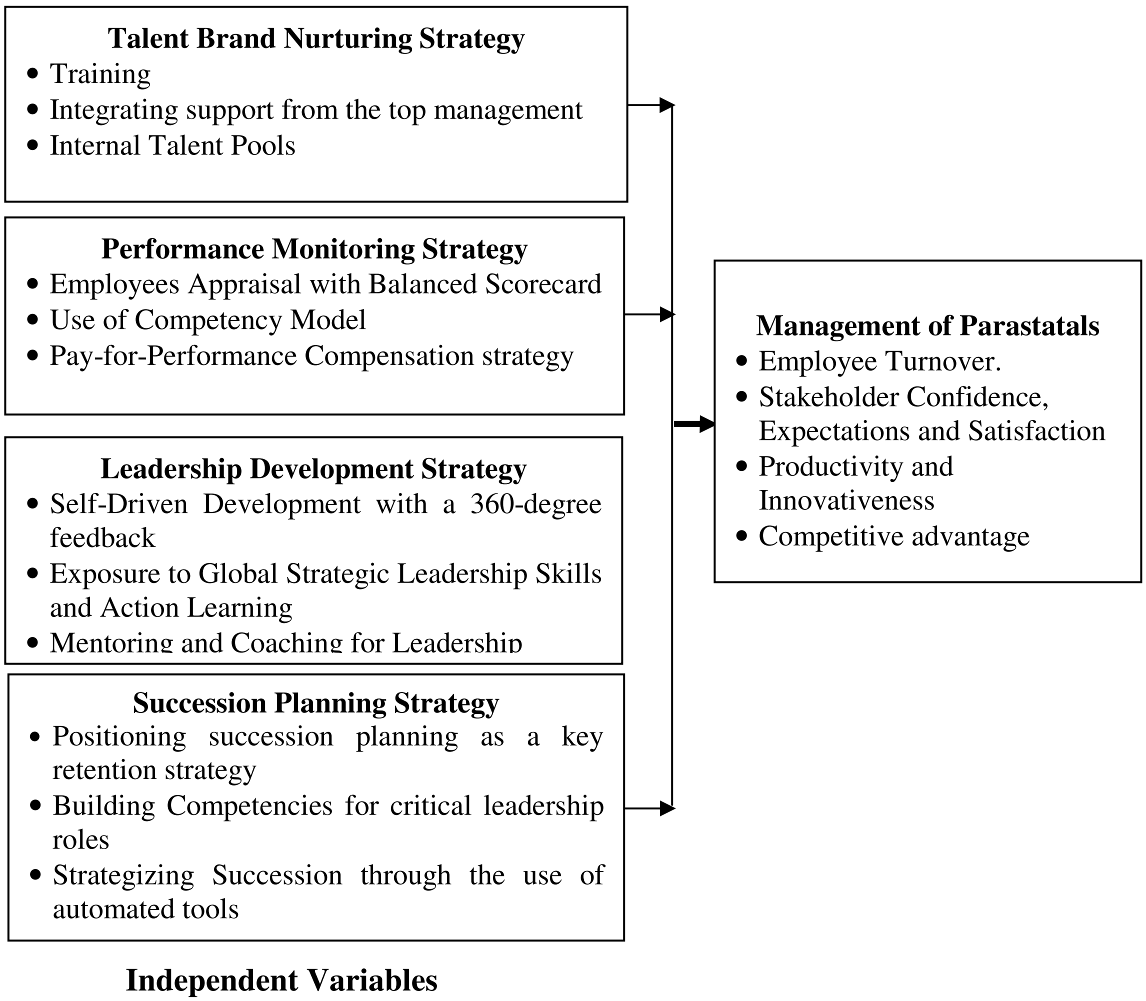

Figure 2.1 Conceptual Framework

2.3.1 Human Capital Strategy Model

Management of an organization is obliged to prepare a strategic plan regarding to the future of the organization (Muhammad, *et al.,* 2009). In support to this premise, Paul (2015) opine that human capital have become critical for competitiveness and as a result, the role of strategic leaders have also transformed. Hitt, *et al.* (2011) on the other hand argue that an organization which seeks to achieve sustainable competitive advantage must align its business strategies with human capital strategies. The human factor in crafting strategies of an organization has long been ignored but it has gained importance in recent times and the leadership of the organization has begun to realize that the human factor is critical in creating and sustaining the competitive advantage. Many studies suggest that the human capital should be considered in the initial stages of strategy formulation in the organization. O'Sullivan (2010) highlights the need to convert the human capital of an organization into a competitive advantage implying that human factor should be equal partner in both formulation and execution of an organizations competitive strategy.

Muhammad, *et al*. (2009) found that it is necessary for strategic management team to obtain knowledge about the situation of the human capital in or out of the organization to help in making successful and competitive strategic decisions regarding the human capital. The study reiterates that the management should conduct SWOT analysis for determination and assessment of the human capital to enable regular scrutiny and possible modification of human capital strategies to match the competitive environment. The human capital strategy model in Figure 2.2 and Figure 2.3 shows how strategic options regarding the human capital can be planned, executed, and analyzed respectively.

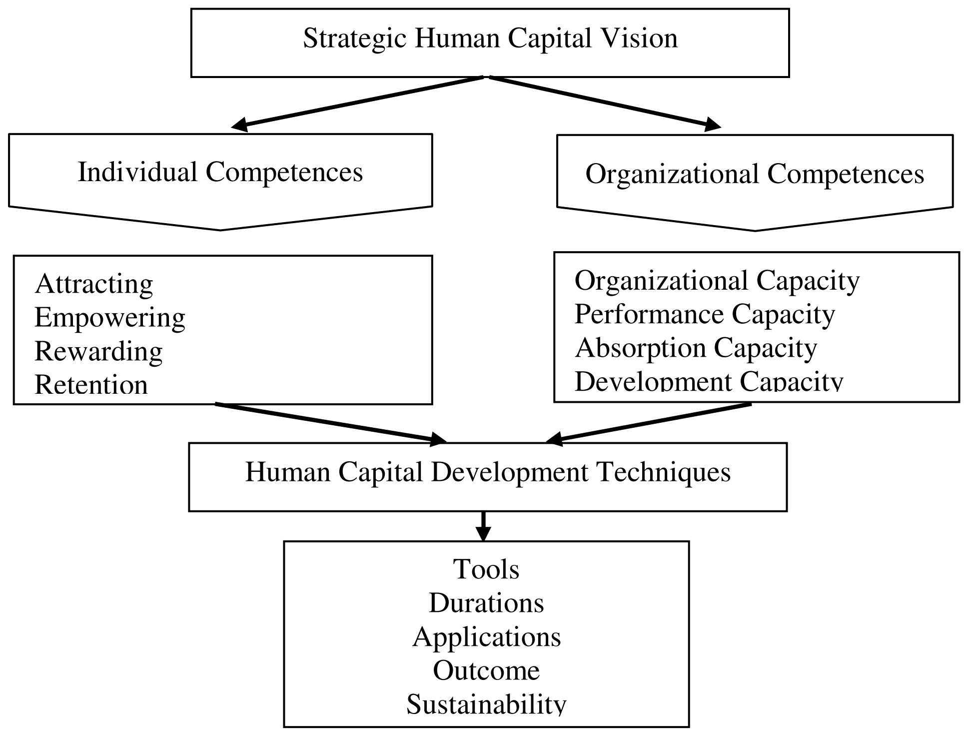

Figure 2.2: Human Capital Strategy Model

Source; Muhammad, *et al*. (2009).

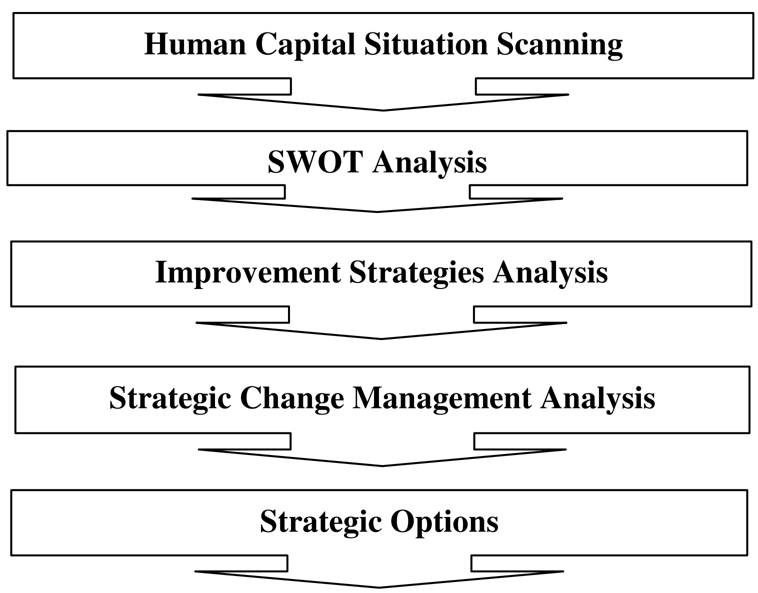

Figure 2.3: Human Capital Strategic Fit Analysis Model

Source; Muhammad, *et al.* (2009).

2.3.2 Talent Brand Nurturing Strategy

An organization requires talent-based strategy to execute organizational strategy. The concept of talent management first emerged in 1998 in response to a published paper by McKinsey consulting in the USA entitled 'The War on Talent' (McKinsey, 2010). Talent is defined as natural or innate aptitudes or characteristics which are separate from learned knowledge or skills for example, an innate talent for art or sport which can be further developed and enhanced with practice and learning. Nurturing of talents is the implementation of initiatives and strategies to harness the unique talents of individual employees and convert their talent potential into optimum organization effective management and performance (CIPD, 2012). In support of this premise, Lockwood (2006) reiterated that strategic talent management is the execution of integrated strategic initiatives or systems designed to increase workplace productivity by developing, retaining and utilizing potentially skilled and people with aptitude to meet current and future business needs.

The CIPD (2012) argued that organizations need to develop a strategic approach to talent brands that complements the organization's values and aligns with key business strategic objectives so that the workforce can achieve its full potential and for the benefit of influencing strategic management and performance. In reviewing the talent-based strategy literature, Iles, *et al.* (2010) suggested that talent strategy varies across two dimensions. One dimension focuses on whether an organization is inclusive or exclusive. Exclusive organizations put more emphasis on talent-based initiatives. Inclusive organizations focus on a larger number of positions or talent. The second dimension considers whether an organization focuses on positions or people. "Position-based" organization focus resources on building capability for specific positions, while "people-based" organizations focus on nurturing individual talent (Iles, *et al.,* 2010). Together, these two synergetic dimensions create a talent strategy framework with four quadrants as shown in Figure 2.4.

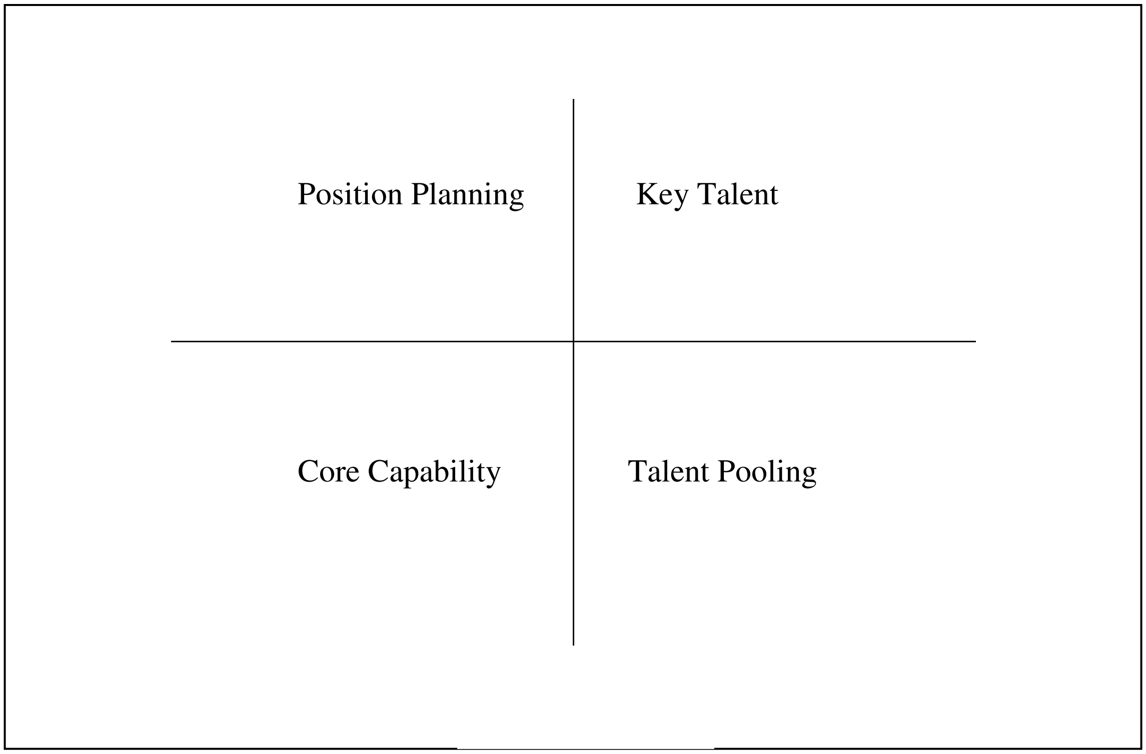

Figure 2.4: Talent Strategy Framework
Source; Eyring (2013).

An organization’s strategic choice among these quadrants leads to very different talent brand strategic informed decisions. Gathering data from more than thirty multinationals operating in India, China, and Indonesia, Eyring and Eyring (2013) found that organizations pursuing these strategies realized different results in areas such as leadership bench strength and improved turnover rates. The study further found that more organizations followed a key talent-based strategy than any other strategy in the four quadrants. According to them, these organizations designed their strategies for “A” players. For example, they devoted more effort to hiring and training MBAs, invested more in their key talent nurturing programs, and were more flexible in their compensation policies to retain top talent. As expected, these organizations had the highest percentage of managers promoted from within the organization.

On the other hand, organizations with a talent pooling strategy focus on developing a larger pool of talents to fuel their leadership pipeline. This approach was promoted by O'Reilley and Pfeffer (2010) who argued that talent is neither fixed or time bound. Instead, the study indicated that it takes time to develop expertise; a 'B' player today may be an 'A' player tomorrow and therefore there is a dire need for talent-based strategy to take its course in preparation for future organizational needs. Today more than ever, it's critical for organizations to shift from a one-size-fits-all to a one-size-fits-one approach to their talent nurturing strategies. Employers must not only tap into diversified talent pools, but must also rethink the needs of its entire workforce. Effective diversity management can be a competitive advantage where individuals are able to initiate behaviors to foster diversity, every day, and are supported and rewarded by the organization through its systems and processes.

According to Tansley (2011), the findings showed that since the New English Bible translates the Greek word talent into the word capital, this parable can be seen as one of the causes for scholars using the term human capital as synonymous to talent. Approach to talent focuses on commitment, operationalized both as commitment to one's work, and to one's employing organization. In the former meaning, talent is conceptualized as something intrinsic to a person that directs focus, attention, and dedication (Pruis, 2011).

A final objective approach to talent refers to the fit between an individual's talent and the context within which he or she works, that is; the right place, the right position, and/or the right time. The fit approach is essential to the desired overall organization's strategic goals as it emphasizes the importance of context, implying that the importance of talent-based strategy is relative rather than absolute, and objective rather than subjective (Garrow & Hirsh, 2008). It is said that in a given organizational setting, talent-based strategy should be defined and operationalized in light of the organization's culture, environment that is industry, sector, labor market, structure and type of work (O'Reilley & Pfeffer, 2010). The organizational context is critical since people can be expected to perform above or below their normal level depending on their immediate environment, the leadership they receive, and the team they work with, and strategies laid upon them (Iles, 2008). Coulson-Thomas (2012) observes that individuals who shine in one context may struggle in another. In reference to a research on the transferability of star performance, (Groysberg, *et al.,* 2006) has demonstrated that talent brand, indeed, is not always transferable from one organizational context to another in some cases, performance might even plummet when a so-called star performer changes organizations.

In developing talent pools, Collings and Mellahi (2009) utilized the term talent pool to refer to the pool of high potential and high performing incumbents that the organization can draw upon and nurture to fill pivotal talent positions. While differing with Boudreau and Ramstad (2007), use of the term pivotal talent pools to refer to the key roles within organizations which differentiate performance, their definition is consistent with authors such as Scullion, *et al.* (2010) and Stahl, *et al.* (2007). The framework of the study proposes that having identified the pivotal talent positions within an organization, strategies should be put in place to develop a talent pool to fill these pivotal positions in order to create a strategic fit within the organization (Collings & Mellahi, 2009).

2.3.3 Performance Monitoring Strategy

According to Debora and Alecia (2015), close performance monitoring has significant effect on job attitudes such as job satisfaction and affective commitment. Similar effects were observed for employee self-efficacy and perceived control. Attitudes were furthermore positively impacted when the performance monitoring was focused on individuals and unpredictable, which also increased organizational citizenship behaviour and increased self-efficacy. These findings suggest that the benefits of close performance monitoring may be influenced by employee reactions. To enhance employee performance, many organizations are encouraged to employ competitive performance monitoring strategies such as competency models and Employee Balanced Scorecards (EBSC).

A strategy-based balanced scorecard system involves the collaborative development of an organization's "Story of the Strategy" and identifies the connection between human capital capacity, processes, customer value, financial outcomes and competitive advantage which is that heart of strategic management (Northcott & Taulapapa, 2012). Kong (2010) asked whether monitoring strategy affects performance during a survey of development practitioners from Latin America and the Caribbean. The results illustrate how strategic monitoring of employee performance through the use of EBSC alone can be a cost-effective tool for improving organizational strategic management. The situation and other aspects, which were explained through traditional models, have emerged as the most influential strategic management performance factors (Kumar, 2013).

Environmental collaboration and monitoring strategies among supply chain partners were found to lead to improved employee performance and organizational performance (Green, *et al.,* 2012). Organizations that choose a strategy of diversification are likely to use, exclusively, managerial practices of open innovation, while organizations that focus on a strategy of efficiency are inclined toward open performance monitoring initiatives and, to a lesser extent, to the improvement of core competencies (sevOne, 2014). The study done by Hilman and Kaliappen (2014) found out that hotels in Malaysia used competency models as their functional-level strategy. Specifically, both EBSC and competency model strategies are positively associated with performance. But, the paired sample F-test result indicated that process strategies have slightly greater effect on performance than traditional methods.

According to Kamardin, *et al.* (2014), non-independent, non-executive directors and managerial ownership were found to be positively related to dimensions of monitoring roles, while the multiple directorships of non-executive directors were negatively related to strategic management oversight roles. Teeratansirikool, *et al.* (2013) found out that, generally, all competitive strategies positively and significantly enhance organizational performance through performance measurement. Specifically, employee performance monitoring strategy not only has a direct and significant effect on organizational strategic goals but also it has indirect and significant impact on organizational strategic management.

2.3.4 Leadership Development Strategy

Past literature have shown that strategic leadership development is becoming an increasingly critical and strategic imperative for organizations in the current business environment. Recent historical events and emerging trends emphasize the need to invest in the active strategic development of leaders. According to Klettner, *et al.* (2014), there is evidence of leadership development structures being put in place to ensure that board and senior management are involved in sustainability strategy development and are then incentivized to monitor and ensure implementation of that strategy through mentorship programs. There is evidence of a willingness to engage and communicate clearly the results of these strategies to interested stakeholders. In general terms, there appears to be a developing acceptance amongst large corporations that efforts towards leadership development strategies are not only expected but are of value and guarantee continuity of the business competitiveness. Klettner, *et al.* (2014) further observed that there was a clear evidence of a managerial dynamic shift from an orthodox shareholder primacy understanding of the corporation towards a more enlightened shareholder value approach, often encompassing a stakeholder-orientated view of leadership development strategy. However, strong underlying tensions remain due to technological advances, globalization issues and the insistent market emphasis on sustainable strategic initiatives.

King and Nesbit, (2015) support the use of qualitative evaluation techniques and in particular a focus on post-learning reflection to increase understanding of the impact of leadership development strategies. The increased understanding as provided by this type of evaluation can play a significant role in both the design of leader development strategies and the creation of strategic fit between business strategy, the purpose of leadership development interventions, learning objectives, program design and program evaluation and creation of competitive advantage. To support organizational efforts in leadership development, Johnstal (2013) reiterates that performance improvement among the professionals in the organization must be prepared to use a variety of leadership development initiatives along with the right mix of strategies that enhance organizational performance. In support to this study Jordi (2014) carried out a study on global leadership strategic development and found that leadership competences are based on the functions that global leaders need to perform and their specific contexts. There is need for alignment of global leadership development with the organization's purpose and strategy. The study reiterates that the top management commitment is a key factor in making global-centric leadership development strategies successful (Jordi, 2014).

Strategic thinking depends on a collective view of organizational membership and takes for granted that leadership is a collective function not an individual (Gray, 2005). Leader identity development is not a uni-dimensional event. Rather, it is a multi-faceted strategic process that encompassed three key facets of identity development that is, expanding boundaries, recognizing interdependences, and discerning purpose. Further, it is the co-evolvement of these three facets and people's broadening understanding of leadership that leads to a more salient leader identity (Zheng & Muir, 2015). Leaders have to work to develop their own models of leadership and their own agendas for development. If a person can't do this they can't be expected to play a leadership role in an organization (Boyce & Wisecarver, 2010). Senior leaders do not get too close or too personal with their co-workers and this isolation can inhibit their ability to identify first hand individuals who might be in the up-and-coming next generation of leaders. Likewise, there is a perception that executives are more concerned with advancing their own careers rather than helping others move up the ladder. In environments with informal talent strategic development and management processes, executives can be drawn towards finding and grooming mirror images of themselves or worse may succumb to organizational politics and favouritism when it comes to promotions and advancements (Gray, *et al.,* 2010).

Leadership is a developmental process, which is based on the strategic choice a leader or mentor makes. While choice implies that two good options are always available from which to select, one should make choices in accordance with the leader's worldview. The aspect of looking for affiliation can be regarded as Theta worldview while on the other hand looking for achievement is considered as the Lambda worldview. Consequently, leaders need to recognize that the choices they make for organizational activities have to fit their own worldview. Pursuing the fit between one's worldview and planned organizational activities ensures that potential leaders continuously improve their leadership development (Mostovicz, *et al.,* 2009). Invisible forces act on the leadership process: the expectations of the followers, the culture of the organization and the circumstances. The task at hand and the context seem to dictate when and how leadership appears. The leadership-based strategy dynamics thus depends on the situation (Allio, 2015). While the metaphysical ideal serves as an anchor for guaranteeing a leadership dynamic development, a strategy enables a management to get closer to such ideal management success either by following the Theta and the Lambda worldview patterns. Nevertheless, worldview must be expressed in tactical actions and strategy that fit particular worldview. Figure 2.5 shows that not only do organizations use such prepositions as a means of expressing strategic leadership development, but as a mirror that reflects the measurement of management failure or success.

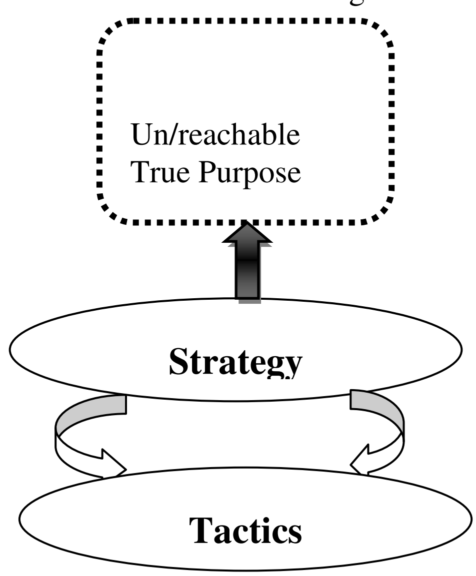

Figure 2.5: The Dynamic Theory of Leadership Development

Source: Mostovicz, *et al.,* 2009.

According to Miodonski and Hines (2013), mentoring strategy involved formal and informal career growth opportunities; identification of potential leaders and mentors; articulation of the desired leadership traits; development of a plan including available resources and strategies with an experienced leader to champion the effort. A mentoring experience allowed the mentor and mentee to focus on the how to do things rather than solely why certain activities were necessary (Prestia, *et al.,* 2014). Therefore, leadership development initiative cannot be successful unless it clearly targets a specific business strategic goal. In a nutshell, if the initiative does not positively impact the business, there is really no reason to do it. For this reason, leaders need to be very clear about what they are trying to accomplish before implementing any single leadership development strategy. The starting point should be a business analysis as all leadership development efforts should be grounded in business strategic goals (Moore, 2004).

2.3.5 Succession Planning Strategy

Rather than viewing succession planning in a vacuum, apart from the rest of the organization's talent development initiatives, organizations can address the primary challenges to succession by facilitating strategies that are designed to enable human capital developmental growth and improvement on key talent retention. Rothwell (2010) describes succession planning as a conscious strategic decision making process by any organization that promote continual development of human capital to ensure that key positions maintain some measure of stability, thus enabling an organization to achieve business strategic objectives. The study also found that succession planning strategy has sometimes taken a replacement approach, often focusing on executive-level positions in traditional context. One or two successors might be carefully identified and selected, probably based on the exclusive input of their immediate supervisor, and then placed on the fast-track into a senior position. In contrary to this premise, succession planning has evolved into a strategy that can be used to replenish an organization’s human capital at a broader or specific level.

In agreement to the studies done by AON (2006), succession planning is a deliberate systematic strategy to guarantee leadership continuity, a process for ensuring a suitable supply of candidates for current and future key positions so that the careers of individuals can be managed to optimize both the organization's strategic goals and the individual's aspirations. When done well, a succession planning strategy can maintain a balance between implementing business strategy and the achievement of organizational strategic fits while keeping the disruptions that often accompany personnel variations to a bare minimum. In contrast to an automatic promotion system within the chain of command, succession planning-based action plans prepares people for present and future work responsibilities so that high-potential individuals are preparing for promotion at all levels. Key concepts of knowledge transfer are Nonaka and von Krogh's (2009) knowledge creation theory (tacit and explicit), knowledge management within organizations (Cardoso, *et al.*, 2012), and knowledge sharing between individuals and within organizations and among organizations (Bryson, *et al.*, 2012; Rohana, *et al.*, 2017). When systematic knowledge transfer activities are not taking place, knowledge attrition is a concern (Durst & Wilhelm, 2012). As applied to the study, knowledge transfer in the succession strategic planning process is critical. Often understanding leadership roles happened through incidental observation, not through purposeful communication of the leadership role (Renihan, 2012). Knowledge transfer via succession planning is also a strategic planning activity (Hutzschenreuter, *et al.*, 2012).

As a powerful way to maximize human capital both now and in the future, it creates an ongoing and continuous plan to focus attention on talent. Strategic planning and implementation of succession matters is a problem in all organizations. However, succession in family business has been found to be different from nonfamily business in important ways. In particular, research on executive succession in non-family organizations has shown that the process often involves a period of adjustment in which the successor seeks to undermine the predecessor in order to augment her or his own legitimacy and to establish a clean break from the past (Ashcraft, 2009).

In contrast to family organizations, studies have shown that successors in public and private organizations need to construct a vision of the future that is consistent with, and generally complementary to, the legacy of previous generations of leaders (Rindova, *et al.,* 2011). As a result, and just like family business therefore, succession in public and other related organizations is a complex and often lengthy process that involves consideration of strategic actions, events and developments that affect the transfer of managerial control thus the need for sound strategies (De Massis, *et al.,* 2008). A more elaborate insight on this strategy is reiterated by a study done by Stuart (2007) which underscores the preposition that a well-designed and coordinated succession plan that is integrated with leadership development helps the organization to avoid reliance on a replacement process that is narrowly focused on finding a new version of the departed colleague from outside the organization.

The study on the effective management of universities by Boggs (2008) highlighted the critical role of succession planning strategy in meeting the social needs of the twenty first century and beyond. The study argued that as higher education enters twenty first century, many universities face management crises. These crises are rooted by factors such as high rate of retirement, shortage of potential alternatives, reduction of applicants outside the organization. Based on these studies, there is a clear indication of a dire need for internal leadership development strategy. Angela (2009) found that there exist five key strategies that are associated with succession planning. These include aligning succession planning with business strategy, assessing leadership potential using the 3Cs model (Challenge, Confidence, and Coaching), involving the talent in the strategic planning, mixing development: experience, coaching, training, and casting a wider net within the organization for succession. This is in line with the study done by David (2005) which suggested that organizations should consider making sponsorship a more open and managed process; stop putting people into boxes; adopt a more systemic view of performance; and continually re-examine the qualities and experience required for significant roles. The study continued to reiterate that the top management must respond to the challenge of identifying and developing future leaders of scientific potential.

Gray, *et al.* (2010) suggested that the organizations should consider finding succession strategies to increase the number of candidates or seek competent ones from outside the organization because the number of succeeding inter-organizational candidates is reducing drastically.

A study done by AON Consulting (2006) established that organizations have failed to make succession planning strategy a top priority. In order to achieve results, they suggested that organizations need to start with the basics, create a strong process and then invest in the tools and technology to create a talent development mindset in their organizations and in line with formalized succession planning strategy. By strengthening the process, organizations are gaining support from senior executives, ensuring a performance culture While seventy-four percent of the organizations are investing in a formalized succession planning strategies, the rest of the organizations still struggle to fill talent pipelines. In an ideal world, organizations are looking to grow leaders within their own boundaries, ensuring that there is continuity for the future of their leadership and reducing employee turnover.

Furthermore, the findings revealed that the most critical drivers for implementing succession planning strategy include improving the organization's bench strength in key positions, identify high potential figures early and devising appropriate strategies to retain talent (AON, 2006). Best in class organizations are responding to these pressures by first strengthening their strategies and then investing in the succession planning technology that include career profiling tools, performance management, automated development tools, and assessment tools.

2.3.6 Management of Parastatals

A business develops in course of time with complexities. With increasing complexities, managing public entities has become a difficult task. The need of existence of effective management has increased tremendously. Strategic decision making on strategic choices and options of any organization represent the most important products of managerial activities. More particularly, making strategic choice (s) on organization's most critical assets is the most monumental variable in strategic management. It is a key step within the strategic planning process. Strategic choice making typically follows analysis and is based on generation of a bundle of strategic options and evaluation of those options to assess their relative merits and visibility and selection of strategy (s) that the organization can pursue. State-owned organizational management face a multitude of strategic choices with varying levels of risks, growth and impact on the stakeholders (Mudambi, 2006). Generation of potential strategic options is considered the process of establishing a choice for future strategies. Johnson, *et al.* (2008) argue that for a strategy to be successful, it must satisfy feasibility criteria which include strategic intent, strategic analysis of the surfaced issues, and consideration of strategic options available. Strategic choice in management of any state-owned entity lies in the middle of the bisection of these three pillars.

Addressing the interaction between effective strategic management and managerial authority is pertinent in view of the empirical developments of management reforms. The previous study done by Moynihan, *et al.* (2006) has demonstrated that the adoption of public sector modern management systems has often focused primarily on creating increasingly advanced performance management strategies that are critical to achievement of organizational strategic goals. Understanding how this partial adoption affects public service performance is therefore also of great practical importance. The global performance management system is based on corporate values and goals, tailored to suit different countries in different contexts depending on cultural sensitivity and knowledge of the process of the direct feedback (Kamel, *et al.,* 2016).

If the introduction of effective strategic management in public organizations is followed by more general ideas of incentives, autonomy, and goal clarity, then structural changes might mitigate the moderating impact of the sector. Moreover, in some cases, effective management through successful implementation of a raft of strategies might actually work better in public organizations. First, assuming that the output from public organizations is more stable across time, improvements in management strategies should be enhanced based on the current and future business environment (Meier & O'Toole, 2011). The literature on management measurement in public sector emphasized that management is the integrating force in all organized activity. The study reiterates that it is management that regulates man's productive activities through coordinated use of material resources. Without the leadership provided by management, the study indicates that the resources of production remain resources and never become production. When two or more people work together in view of attaining a common objective, they are normally obliged to coordinate their activities.

Importance of strategic management of public institutions for the development of underdeveloped economies has been recognized during the last one and a half decade. There is a significant gap between the management effectiveness in developed and underdeveloped countries. It is rightly held that development is the function not only of capital, physical and material resources, but also of their optimum utilization. Umemuro (2011) describes affective management as management of an organization that takes into consideration the potential influences of its decision-making on its stakeholders affects or affective experiences. Affective management should recognize what might potentially influence people's affects and evaluate the possible impacts. This concept promotes the idea that top management should make decisions considering not only conventional quantitative indices but also the effects of decisions upon the affective experiences of stakeholders (Authayarat, *et al.,* 2011; Umemuro, 2011). Zelenski, *et al.* (2008).

Human capital is the most important mechanism that drive, maintain and stabilizes an organization. The consequences of employees' positive affective experiences have received much attention and have been widely acknowledged. A somewhat more elaborate definition of management is given by Terry (2008). The study defines management as a process consisting of planning, organizing, actuating and controlling, performed to determine and accomplish the objectives by the use of people and other resources. The four management activities included in this process include planning, organizing, actuating and controlling.

In summary, strategic management in government owned entities is a purposeful activity. It coordinates the efforts of workers to achieve the goals of the organization. The success of strategic management is measured by strategic choices, options and the extent to which the organizational strategic goals are achieved. It is imperative that human capital strategies are aligned to the overall organizational strategic goals and must be well defined and properly understood by the management at various levels.

2.4 Empirical Review

Organisations with a deliberate talent-based strategy demonstrate significantly higher financial performance compared to their industry peers, for example, regarding operating profit, sales revenue and productivity, and net profit margin, return on assets and return on equity or return on shareholder's value and market value (Ringo, *et al.,* 2008). On the corporate level, a sustainable and strong corporate culture and better market access are the reported empirical results of strong talent-based competences. Talent-based strategies with strong focus on business management strategic goals have been found to have a statistically higher significant impact on organizational management outcomes such as organizational attractiveness, achievement of business strategic goals, and above all corporate financial performance (Bethke-Langenegger, *et al.,* 2011). Moreover, a study of Tarique and Schuler (2010) found that implementation of talent-based strategies help in improving an organization's image and attractiveness, but only if and only that strategy is transparent and clearly communicated both within and outside the organization. Studies point out the positive impact on employee engagement. Additionally, organizations with established strategic talent capabilities achieve improved quality and skills, higher innovative ability, higher job satisfaction amongst the workforce if they are given career and development opportunities and, above all, a higher retention rate overall and of talent in particular (Yapp, 2009). In developing a talent pool, Collings and Mellahi (2009) utilized the term talent pool to refer to the pool of high potential and high performing incumbents that the organization can draw upon nurture to fill pivotal talent positions. Having identified the pivotal talent positions within an organization, the study argued that strategies should be put in place to develop a talent pool to fill these pivotal positions in order to create value and strategic fit. Talent benches were empirically found to be part and parcel of an organization's talent strategic management that is geared towards strengthening organizational capacity, identifying and developing organizational talent brand to enable succession planning for business-critical roles. Abhilasha and Jyoti (2015) carried out a research study to find out talent-based strategies adopted by the organizations to reduce the employee turnover as well as to how to effectively manage human capital for competitive edge over the rivals in the UAE business environment. The findings showed that talent-based strategies adopted by organizations in the UAE were two-pronged: short-term and long-term strategies. In the short term, the organization provides monetary benefits to their employees for their performance. In the long term, the study found that human capital is more interested in the growth of their organization, because it gives them a sense of job security, as when an organization is growing, there are less chances of it cutting down on the workforce. A study by Bernard and Richard (2011) demonstrated a trend towards organizations taking a more integrated to talent brand development and management with practical case study how a major European soft drinks company, Coca-Cola Hellenic created an employee value proposition that could provide a central reference point for both its human capital engagement strategy.

According to Kamardin, *et al.* (2014), non-independent, non-executive directors and managerial ownership were found to be positively related to dimensions of monitoring roles, while the multiple directorships of non-executive directors were negatively related to management oversight roles. Teeratansirikool, *et al.* (2013) found out that generally, all competitive strategies positively and significantly enhance organization performance through performance measurement. Specifically, organizations' performance monitoring strategy not only has a direct and significant impact on organizational strategic goals but also it has indirect and significant impact on organization management. Based on empirical evidence, SevOne (2014) reiterated that when an organization is looking to improve service delivery, consolidate existing performance monitoring tools and responsibilities or justify the impact of technology deployment, organization must consider key components that serve as fundamental blocks for an effective performance monitoring strategy. This include data collection, employment of alerts that are based on static thresholds and those based on deviation from baseline performance, reporting, analysis to detect and or avoid downfall, fine tune and make more informed decisions, and finally share the information with stakeholders.

Fahri and Sarigollu (2013) present four anchors which support benevolent leadership development programmes. These include ethical sensitivity, spiritual depth, positive engagement, and responsiveness. Ghosh (2013) suggest different kinds of holding behaviours for example continuity that is necessary for enabling growth and effectiveness for leaders located in different developmental orders. Fulmer (2009), found out that employee with high leadership potential need to be systematically identified and tracked by line managers as part of an overall strategic succession planning process. Success in developing the next generation of leaders requires creating a talent management system in which selection, development, performance management, succession and career management are aligned, reviewed and supported by senior management. Dalakoura (2010) reiterated that leadership development involves multiple and coordinated actions. McDermott, *et al.* (2011) did an analysis which led to the identification of development-oriented themes in the leadership literature, and the provision of insights regarding the developmental influences, core activities and the contextual influences which affect organizational management functions. Gothard and Austin (2013) and Renihan (2012) found that leadership development through mentoring prepares potential leaders.

A Study by Rindova, *et al.* 2011) showed that the management in public and partnership organizations needs to construct a vision of the future that is consistent with, and generally complementary to the legacy of previous generations of leaders and business dynamics. Boggs (2008) did a study on the effective management of institutions of higher learning and highlighted the critical role of succession planning strategy in meeting the social needs of the twenty first century and beyond. The study argued that as higher education enters twenty first century, many institutions of higher learning face management crises. These crises are rooted by factors such as high rate of chancellor's retirement, shortage of potential alternatives in the institutions of higher learning (Shultz, 2001), and reduction of applicants outside institutions (Evelyn, 2001). As a result of this therefore, the empirical literature has clearly shown that there is need for internal leadership development strategy.

Ivancevich (2007) found that succession planning strategy can offer myriad of benefits to an organization and that adoption of the strategy can lead to purposeful and more focused plans and actions on human capital. This is corroborated by a study done by Barney (2007) who found that the process in succession planning include analysis of business environment, strategic management planning and putting in place succession planning systems. The literature laid a firm foundation on the effects of succession planning strategies in several fronts. Fulmer (2009) found that implementing succession planning strategies in organizations can lower workforce turnover, improve staff morale and provide a pool of highly qualified. In addition, the outcomes of effective management differ from those organizations that adopt succession planning strategies from those which do not. The findings also show that succession planning strategic initiatives can only achieve efficiency if they are aligned to the vision and strategic objectives of the organization for the purposes of achieving competitive advantage. Thompson, *et al.* (2010) reinforces the past literature with the findings which showed that organizations that embraced succession planning strategy with varying degree of sophistication were able realize performance management efficiency in their respective organizational operations. Valuable knowledge of an experienced leader included subject matter expertise, business and social networks, knowledge of the organization and institutional memory, systems process and value chain knowledge, and governance knowledge. Specifically, knowledge loss affected credibility and performance, lengthened replacement training, and decreased revenue. The literature revealed that complete knowledge was not easily transferable, especially relational knowledge (Joe, *et al.,* 2013). It has also been found out that a strategic organizational succession process contributed to organizational sustainability by identifying and retaining talented and ethical leaders through leadership development (Nieh & McLean, 2011). A Succession planning resulted from coaching and mentoring by existing leaders (Prestia, *et al.,* 2014). Researchers suggested individuals interested in leadership growth should proactively identify and create opportunities, owning the process of succession into leadership positions (Miodonski & Hines, 2013). In succession strategy, the focus was on whether a new leader drives strategic change or if the circumstances of the succession influence the leader to make changes (Hutzschenreuter, *et al.,* 2012).

The literature on management measurement in public entities emphasized that management is the integrating force in all organized activities (Meier & O'Toole, 2011). The literature reiterates that it is management that regulates man's productive activities through coordinated use of material resources. Without the leadership provided by management, the study indicates that the resources of production remain resources and never become production. Addressing the interaction between effective management and managerial authority is pertinent in view of the empirical developments of management reforms. Previous studies done by Moynihan, *et al.* (2006) have demonstrated that the adoption of public sector modern management systems has often primarily focused on creating increasingly advanced performance monitoring strategies that are critical to achievement of organizational strategic goals. The global performance management system is based on corporate values and goals, tailored to the different countries, depending on cultural sensitivity and knowledge of the process of the direct feedback (Kamel, *et al.* 2011).

From the research done in Singapore by Gerald, *et al.* (2002), it was found that the economic success was largely fueled by foreign direct investment from Multinational Corporations (MNCs). These companies brought with them not only their capital and technology, but also their managerial prowess. The latter has been a key ingredient in propelling Singapore to its current economic success. New competition and rising costs are forcing local businesses to look for contemporary human capital strategies to succeed. Their findings demonstrated that the only way is to benchmark the human capital strategies of MNCs. The study employed a survey of the human capital initiatives of both MNCs and promising Singaporean enterprises. The results showed the stark contrasts in the philosophical and practical applications of human resource strategies.

Jack and Patti (2014) did a research on the need of developing a human capital strategy in today's changing environment and managed to identity the forces that have the most impact and which should be addressed by the top management of the organization. Their findings detail eight forces that have a tremendous influence on the effectiveness and efficiency of organizations and the need of strategic fit between human capital and the corporate management. They include accountability and expectations, energy and environment, globalization and the global economy, societal changes, shifting demographics, empowerment and engagement, technology and social media, and the balance between work and life. While doing a research on market valuation of intangible resources, Hulten and Hao (2008) underscored the economic theory which posits that production factors that are both difficult to imitate and capable of creating organizational efficiencies can generate economic rents and sustain long-term competitive advantage. Using survey data for 106 organizations, they measured four dimensions of strategic human capital and found that the market values human capital strategies that have the capability to create efficiencies and synergies in the organization and are also difficult for competitors to imitate.

Contingency theory holds that human capital strategies are selected in accordance with the type of competitive strategy adopted by an organization. It moreover assumes that organizations that closely coordinate their business management strategy and human capital strategic activities achieve better performance than organizations that do not. In his study, Tung-Chun (2011) examined the interactive effects of various combinations of business and human capital-based strategies from the standpoint of contingency theory. The conclusions were based on an analysis of three hundred and fifteen respondents from local organizations in Taiwan. The results showed that different business management and human capital strategy combinations have different effects on organizational performance (Tung-Chun, 2011). However, these differences were not always consistent with the predictions of contingency theory. The study on role of human capital management strategies on employee mobility in Kenya's public universities by Gaya, *et al*. (2013) revealed that inadequate talent-based strategy topped the list at 74.3% as the greatest determinant of employee mobility. This was followed by lack of recognition strategy (72.9%), lack of leadership development strategy (61.4%) and lack of professional challenges (42.9%), which further highlight the wanting state of organizational alignment with relevant strategies.

In yet another reference to Gaya, *et al.* (2013), lack of recognition and leadership development strategies were cited as likely triggers of intentions to leave depicting an irrelevance of skill augmentation as the players got no opportunity to utilize their new skills and experience that are key ingredients for creating a competitive advantage. All these combined portray organizational misalignment as a probable cause of employee mobility in the organization and a consequent violation of the Harvard Model's principle of strategic integration. Based on the results of the research, it can be concluded that compensation strategy featured as the most prominent predictor of workforce mobility in the institution, and is an indication of organizational disequilibrium thus agrees with organizational equilibrium theory, which posits that turnover is likely where one's contribution is deemed greater than the inducements received in return.

Alignment of organizational management with the relevant human capital strategy is underscored as the necessary measures to ensure that recruitment, selection, deployment, as well as training are strategically linked to critical the success of business strategic objectives. Furthermore, Gaya, *et al.* (2013) suggested that the possibility of a succession planning strategy and other contemporary human capital strategies that promotes equity and alignment with responsibilities and qualifications should be looked into to guarantee sustainable competitive advantage. The current study offered to study the effect of adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy on management of parastatals in Kenya.

2.5 Critique of the Existing Literature Relevant to the Study

A study done by Gerald, *et al.* (2002) on benchmarking the human capital strategies of MNCs in Singapore employed a survey of the human capital-based strategies of both MNCs and promising Singaporean enterprises. The study did not elaborate the number of the respondents surveyed and moreso the dilemma is real as the findings cannot be applied in other territories especially in the Kenyan scenario.

Tung-Chun (2011) did and examination of interactive effects of various combinations of business and HCS from a standpoint of contingency theory. It adopted and analyzed 315 respondents from the local organizations in Taiwan. Even though the results showed a positive effect of HCS on organizational performance, the differences which were said to be inconsistent with the predictions of contingency theory did not come out clearly. In yet another study, Felicio, *et al.* (2014) evaluated the human capital and social capital of managers and the influence of these attributes on the performance of small and medium-sized Portuguese companies. The methodology used was the structural modeling approach which was applied to a sample of 199 small and medium-sized companies aged between 3 and 15 years, from five different sectors of activity. The findings show that factors of human capital affect social capital, and that experience and cognitive ability influence personal relations and complicity. Organizational performance is strongly influenced by human capital through implementation of strategic initiatives by top management. Although general factors of human capital were tested, the effects of strategic leadership skills were not tested to ascertain the effect on the organizational performance. Accordingly, the methodology used is not enough to make generalization of the study. The current study used descriptive survey and mixed method research methodology to help in making informed interpretations of the results.

Human capital strategy is initially defined by taking top-down view of the organization, examining its vision, business strategy, directions for development and growth as well as critical assets and corporate culture. While relying on the premise of the aforementioned argument, the current study noted that the past literatures have not clearly addressed and derive meaningful information for the human capital strategy form the vision, corporate strategy and values of the organization. To remedy this glaring gap, the current study attempts to explore the effect of taking bottom-up look at the organization and observe specific employee groups and focus on such factors as talent exclusivity and strategic leadership developments in order to create a sustainable competitive advantage. Although a number of studies in Kenyan context have underscored the usefulness of aligning the organizational management with the relevant human capital strategy to ensure that recruitment, selection, deployment, as well as training are strategically linked to critical business strategies, the current study found the literature to have only concentrated on the usefulness of the generic practices and policies which may not stand the test of time because of the nature of globalization, stiff competition, and the rapid changes in technology.

From the analysis of the past literature, there seems to be no agreement on suitable theories that are most appropriate for strategic management and which can guarantee sustainable competitive advantage. For instance, Hanningtone and Miemie (2016) generated new theory, Activity Resource-Based View (ARBV) theory and claim that the latter addresses the weaknesses and criticism of the original Resource-Based View theory in the realm of strategic management. RBV was initially considered to be one of the most widely accepted theories in strategic management discipline. According to Hill and Jones (2013), RBV suffers limitations and has attracted a lot of criticisms. Despite attempts by past studies to advance the tenets of RBV theory in terms of epistemology and empirical contexts. Advocates such as Barney (2001) and critics such as Priem and Butler (2001) point out some glaring issues that require further empirical and theoretical considerations. The scholars assert that RBV for instance is understood to be grounded more on the basis of tautology and logic and appears to only focus on internal org of the organization of the firm and does not consider external factors (Gaya, *et al.,* 2013).

Human capital theory has transitioned in recent decades towards human capital and human assets frameworks that emphasize strategic choice and investment, which are concepts borrowed from strategic management theories. In view of this, Jack and Patti (2014) literature did not only fail to elaborate how the management can transform the ordinary line of thinking towards people element to a more strategic view but also how an organization can achieve a strategic fit through integration of HCS with business management. This study sought to solve these problems by demonstrating how adoption of HCS on the management of an organization will result to achievement of vertical and horizontal strategic fits, retention of the workforce, profit margins, and stakeholder confidence and satisfaction, and more importantly achievement of sustainable competitive advantage. It also attempted to show how the findings can be useful in different contexts and the extent to which the predictions of study are consistent with the theories employed by the study.

2.6 Research Gaps

The study findings done by Uliana, *et al*. (2005) show the evidence of lack of management's commitment on human capital, a valuable asset of competitive advantage. This alone demonstrates the need to adopt HCS in the management of the parastatals. In a related study on human capital strategies on employee mobility, only general strategic practices such as resourcing, training and development, teams and decentralization, sharing information and rewarding were identified and effects on the organizational performance demonstrated. In an effort to draw a line between traditional human resource practices and contemporary human capital approaches, the study recommended that further research should be done on the adoption of other people related strategies and therefore the current responded to the call and sought to fill the gap.

Jack and Patti (2014) concentrated on identifying the eight forces that that have tremendous influence on the effectiveness of organizations and the need for strategic fit between human capital strategies and the corporate strategies. Formulation and implementation of HCS however was not clearly addressed. According to the study done by Gerald, *et al.* (2002), the results showed a sharp contrast between the philosophical and practical applications of human capital strategies and as a result they recommended that the organizations should consider alignment of competitive human capital strategies to the larger business management strategy. Studies done by Kathama (2012); and Kakunu (2012) for example aimed at strategic planning practices and performance of state corporations in Kenya and strategic management practices among commercial banks in Kenya respectively but failed to address the effects of adoption of HCS and so the current study is informed of the dire need for the solution.

The analysis that was based on 5604 subsidiary observations of 423 MNEs unearthed the positive synergic effect of aligning organizational strategy and human capital and shows the moderating effects of organizational culture and MNE international experience. By suggesting a carefully deployment of appropriate type of initiatives to fulfill the requisite organizational strategy, the study revealed that there is a knowledge gap which should be filled through employment of competitive human capital strategies (Chung, *et al.,* 2015). Findings from the previous studies show that while almost all of the surveyed organizations indicated the need to craft and implement human capital strategies, more than 44% do not know how to approach the matter (Kevin, 2007). As a result, these organizations may not be adequately prepared to compete in the dynamic and ever-changing business environment.

Felicio, *et al.* (2014) evaluated the human capital and social capital of managers and the influence of these attributes on the performance of small and medium-sized Portuguese companies. Although factors of human capital were tested, the effects of leadership development strategies were not tested to ascertain the effect on the organizational performance and thus revealing a knowledge gap. As a result, the study sought to alternatively test the influence of leadership development strategy on management under the auspices of self-driven development, exposure to development skills and action learning, mentoring and coaching. From the relevant and related literature, it is enough to conclude that indeed there exist a knowledge gap on the adoption of HCS on the management of organizations especially in the Kenyan context and therefore the current study sought to fill this research gap.

2.7 Summary of the Literature Reviewed

The chapter on literature review in the current study comprised of the theoretical review, conceptual framework and empirical review. In theoretical review, four theories were examined. This was done because the focus of this study was on adoption of human capital strategies on management of parastatals and the theories used were the extracts from the larger strategic management relevant theories. The four theories that were covered in the chapter include Resource-Based View (RBV Theory; contingency theory; configurational theory, and human capital theory. The resource-based view of the organization (RBV) draws attention to the organization's internal environment as a driver for competitive advantage and emphasizes the resources that organizations have to develop to compete in the environment. The focus is on the internal factors for instance the human capital of the organization. The focus of contingency theory, which is optimally the best fit between HCS and business management strategy emphasizes the importance of ensuring that HCS are appropriate to the circumstances of the organization, including the operational processes, culture, and external environment. The theory opines that vertical integration or fit where leverage is gained through procedures, strategic initiatives and processes is widely acknowledged to be a crucial part of any strategic approach to the management of people (Barney & Arikan, 2001). Configurational theory on the other hand addressed a strategy's success turns on combining external fit and internal fit. The theory the notion that an organization with sound human capital strategies should have a high level of performance, provided it also achieves high levels of fit with its competitive management strategy (Ambrosini & Bowman, 2009). The notion of a link between business management strategy and the strategic performance of each individual in the organization is central to fit or vertical integration. The current study was also anchored on human capital theory. This theory views human capital as a form of resource that organizations can invest in and is of value to the organization to the extent that it makes the organization to be competitively productive. The theory further highlights some cross-cutting significance of human capital strategies that have potential of influencing organization's competitive advantage in a more competitive and complex business environment.

The chapter also examined the conceptual framework. It reviewed the literature on the hypothesized study variables which included talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, succession planning strategy, and management of parastatals as a response variable. Empirical review in the study was carried out with intent of identifying the knowledge gaps from previous studies relevant to the current study. The review revealed that the scope of strategy formulation should be broadened from one perspective to include more sophisticated human capital strategies. Design of performance measurement system can be done under mixed methods design rather than quantitatively alone.

Multiple determinants or indicators of talent brand nurturing strategy that include training, staff mentoring, and talent pooling can have a significant effect on the management of an organization as it has been identified as gaps in research. Influence of performance monitoring strategy was also identified as a research gap and included employees Appraisal with Balanced Scorecard, use of competency model, and pay-for-performance compensation. Indicators of leadership development strategy that were identified for consideration were; self-driven development, exposure to global leadership skills and action learning, and mentoring and coaching for leadership. Broader aspects of succession planning strategy such as positioning succession planning as a key retention strategy, building competencies for critical leadership roles, and strategizing succession through automated tools were also identified as knowledge gaps and required further testing. In principle therefore, it was evidentially viable to conclude that indeed there existed a research gap on the adoption of HCS on the management of parastatals and therefore the current study sought to fill the research gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sought to describe the research philosophy, research design, target population, sampling frame, sampling techniques and sample size, instruments of data collection, data collection procedure, pilot study, and data analysis and presentation. Research methodology was used in the current study to guide the research on the identified research objectives. Against the backdrop of its importance, Industrial Research Institute (2010) indicated that research methodology helps the research to scientifically discover all the conceivable answers of given research queries to their logical conclusion.

3.2 Research Philosophy and Research Design

3.2.1 Research Philosophy

Research philosophy is the foundation of knowledge that contains important assumptions about the way in which studies view the world or objects (Saunders, *et al.,* 2007). Research methods are influenced by philosophical orientations. This philosophical approach is defined by assumptions concerning reality (ontology), epistemology (knowledge, human nature (predetermined or not) and methodology. The current study adopted pragmatic research paradigm as it advocates for the use of deductive and inductive research approach and mixed methods research strategy. Pragmatism argues that the most important determinant of the research philosophy adopted is the research question, one approach may be better than the other for answering particular questions (Collis & Hussey, 2014). Moreover, if the research question does not suggest unambiguously that either a positivist or interpretivist philosophy is adopted, this confirms the pragmatist's view that it is perfectly possible to work with both philosophies. This mirrored a theme which the current study adopted. This is that mixed methods, both qualitative and quantitative, are suitable, and possibly was highly appropriate for the current study. The choice of pragmatism stance in this study was informed by the ontological, epistemological, axiological and methodological foundations of pragmatism in retrospect of the other paradigms. The study done by Alan (2009) states that research is always guided by philosophical stance in terms of epistemology, ontology, axiology and methodological orientations. Creswell (2008) indicates that pragmatism stance is the best suited for mixed methods research approach. Based on ontological perspective, the current study believed that pragmatism had a potential to offer optimal playground for mixed methods approach thus creating a fit between static environments in constructionism supported by positivists' quantitative designs and subjectivism as advanced by transformative, emancipatory paradigm's qualitative designs. Pragmatist's perspective of this study tested the veracity of facts through dialogue, the usefulness and consequences of knowledge, and negotiations within people element, all of which required ongoing dialogue.

Epistemologically, pragmatism helps the researcher to selectively interact with the study as opposed to positivism and post-positivism where the researcher distances from the research (Alan & Emma, 2011). From an axiological perspective, Creswell (2008) argue that pragmatism is best suited for mixed methods research approach in that the paradigm balances between quantitative research which is always unbiased and qualitative research which is potentially value-loaded. The pragmatic paradigm places the research problem as central and applies all approaches to understanding the problem (Creswell, 2008). With the research question central to this current study, data collection and analysis methods was chosen as those most likely to provide insights into the question with no philosophical loyalty to any alternative paradigm.

The other foundation that informed the researcher's choice of this particular research paradigm was the research methodology. Other proponents of pragmatism such as Teddlie and Tashakkori (2010); Kinyanjui (2014) asserts that methodologically, the paradigm balances between deductive logic used in quantitative research and inductive logic used in qualitative research. Since both deductive and inductive logic were desired in this study, pragmatism emerged as the best philosophical stance to guide the research methodology. Since both positivism and post-positivism helps to guide deductive logic, the current study believed that these paradigms would limit its quest for relevant insights of the research. On the other hand, methodologically, constructivism guides inductive logic which would limit the deductive aspects desired by the current study.

Pragmatism paradigm provides a philosophical stance that is compatible with the essential methodological characteristics of both qualitative and quantitative research, and can facilitate communication and cooperation between the two (Diane & Malcolm, 2010). Maxwell and Mittapalli (2010) believes that pragmatism paradigm can make important contributions to mixed method research. These contributions involve not only an overall perspective within which qualitative and quantitative methods and assumptions can be better integrated, but also specific insights and strategies that can enable mixed method-based studies to better understand the phenomena under study.

A further important point why this current study considered pragmatism philosophy was because the study recognized the importance of the level of the individual and group of people in the organization. Through pragmatism perspective, the study believed that there would be a positive consequence of the existence of procedures, practices and capacity of human capital and these strategies would have to interact with one another to influence management and achieve a strategic fit in the organization. The current study's stance is that since the social world is constantly changing, human capital strategies that are formulated and implemented should be in line with the purpose of business management strategic goals and management research of the organization.

Pragmatism paradigm therefore not only helped to integrate the two approaches into a more coherent combination and promote closer and more equal cooperation between qualitative and quantitative approaches and to increase the usefulness of both approaches as informed by the aforementioned critical argument that the mixed method under research design was based on the philosophical foundations of pragmatism perspective.

3.2.2 Research Design

A research design can be described as the arrangement of all conditions that affect a research right from data collection to data analysis (Cooper & Schindler, 2011). The selection of a research design is normally dependent on the study's fortitude and approach (Saunders, *et al.,* 2009). The study employed descriptive survey design. In essence, Shields and Rangarajan, (2013) reiterated that descriptive survey design is useful in describing the features of a population that has been earmarked for study and to provide answers to research questions. The study adopted both the qualitative and quantitative approaches to establish the associations among the key study variables. According to Teddlie and Tashakkori (2010), combinations of two approaches help in yielding comparative data of the same kind. Moreover, the study employed qualitative approach because it targeted to achieve the insights of the situation about human capital strategies and the management aspect. The study also used both closed and open ended questions. Data was coded and analyzed simultaneously content analysis method to ensure the opinions from the respondents were well gathered for as described by Cooper and Schindler (2011). On the other hand, quantitative approach was used to quantify the hypothesized variables to determine the effect and relationship each predictor variable had on the response variable. This conforms to recommendations made by Nicholas (2011).

The main argument for combining qualitative and quantitative paradigmatic positions as well as methods is that mixed method research strategy has traditionally been their complementarity and that they have different strengths and limitations. Using them together allows the study to draw conclusions that would not be possible using either one of the methods alone (Maxwell & Mittapalli, 2010). However, this argument has usually assumed that the quantitative and qualitative traditions embody different paradigms which include ontological, epistemological, and value assumptions, as well as methodological differences, that are, even if compatible, distinctly different from one another, and that these differences are straightforward and easily categorized as informed by pragmatism stance of the current study.

3.3 Target Population

Mugenda (2005) describes the target population as a number of individuals about which a study is interested in making a statistical inference and generalizations from the hypothesized variables. The study done by Lavrakas (2007) defines the target population as those units which the findings of the survey are meant to generalize. This preposition is supported by Kothari (2009) who suggested that target population is a physical representation and comprises all the units that are potential members of a sample. The target population in the current study comprised of the management employees in the parastatals in Kenya who are basically employed on permanent terms. The study focused on total target population of 404 senior employees in 53 purely commercial and parastatals with strategic functions in Kenya (Presidential Taskforce on Parastatals Reforms, 2013). Because of the heterogeneous nature among these parastatals in terms of mandate, operations, structure, culture, and the nature of data that was obtained, the target population was only drawn from management employees in purely commercial and parastatals with strategic functions in Kenya. The choice of the unit of analysis was informed by the fact that the top management employees in these particular government-owned entities were in a position to provide the much-needed information because they have been involved in strategy formulation and implementation and not just management during their daily duties in the organization respectively. The summary is as shown in Table 3.1.

Table 3.1: Target Population

S/N	Parastatal	Sector	Population
1	Agro-Chemical and Food Company	Agriculture, Livestock & Fisheries	7
2	Chemilil Sugar Ltd	Agriculture, Livestock & Fisheries	11
3	Consolidated Bank of Kenya	National Treasury	8
4	Development Bank of Kenya Ltd.	Industrialization & Enterprise Development	7
5	Golf Hotel Kakamega	East African Commerce & Tourism	9
6	Jomo Kenyatta Foundation	Education Science & Technology	9
7	Jomo Kenyatta University Enterprises Ltd.	Education Science & Technology	8
8	Kabarnet Hotel Limited	East African Commerce & Tourism	10
9	Kenya Literature Bureau (KLB)	Education Science & Technology	9
10	Kenya Meat Commission	Agriculture, Livestock & Fisheries	8
11	Kenya National Assurance Co. (2001) Ltd	National Treasury	8
12	Kenya National Shipping Line	Transport & Infrastructure	7
13	Kenya National Trading Corporation (KNTC)	East African Affairs Commerce & Tourism	6
14	Kenya Reinsurance Corporation Ltd	National Treasury	10
15	Kenya Safari Lodges and Hotels Ltd.	East African Affairs Commerce & Tourism	9
16	Kenya Wine Agencies Ltd (KWAL)	Industrialization & Enterprise Development	8
17	KWA Holdings	Industrialization & Enterprise Development	9
18	Mt Elgon Lodge	East African Commerce & Tourism	9
19	Muhoroni Sugar Company Ltd	Agriculture, Livestock & Fisheries	8
20	National Housing Corporation	Lands, Housing & Urban Development	8
21	New Kenya Co-operative Creameries	Industrialization & Enterprise Development	7
22	Nyayo Tea Zones Development Corporation	Agriculture, Livestock & Fisheries	5
23	Nzoia Sugar Company Ltd	Agriculture, Livestock & Fisheries	8

S/n	Parastatal	Sector	Pop.
24	Research Development Unit Company Ltd	Lands, Housing & Urban Development	7
25	Rivatex (East Africa) Ltd.	Education, Science & Technology	7
26	School Equipment Production Unit	Education, Science & Technology	7
27	Simlaw Seeds Kenya	Agriculture, Livestock & Fisheries	7
28	Simlaw Seeds Tanzania	Agriculture, Livestock & Fisheries	6
29	Simlaw Seeds Uganda	Agriculture, Livestock & Fisheries	6
30	South Nyanza Company Limited	Agriculture, Livestock & Fisheries	7
31	Sunset Hotel Kisumu	East African Commerce & Tourism	7
32	University of Nairobi Enterprises Ltd.	Education, Science & Technology	7
33	University of Nairobi Press (UONP)	Education, Science & Technology	9
34	Yatta Vineyards Ltd	Industrialization & Enterprise Development	7
35	Geothermal Development Company (GDC)	Agriculture, Livestock & Fisheries	10
36	Kenya Airports Authority (KAA)	Education Science & Technology	7
37	Kenya Animal Genetics Resource Centre	Agriculture, Livestock & Fisheries	6
38	Kenya Broadcasting Corporation	East African Commerce & Tourism	7
39	Kenya Electricity Generating Company (KENGEN	Agriculture, Livestock & Fisheries	6
40	Kenya Electricity Transmission Company (KETRACO)	Agriculture, Livestock & Fisheries	6
41	Kenya Pipeline Company (KPC	Agriculture, Livestock & Fisheries	8
42	Kenya Ports Authority (KPA)	Transport & Infrastructure	8
43	Kenya Post Office Savings Bank	East African Commerce & Tourism	9
44	Kenya Power and Lighting Company (KPLC)	Agriculture, Livestock & Fisheries	7
45	Kenya Railways Corporation (KRC)	Transport & Infrastructure	7
46	Kenya Seed Company (KSC)	Agriculture, Livestock & Fisheries	6
47	Kenya Veterinary Vaccine Production Institute	Agriculture, Livestock & Fisheries	7

S/n	Parastatal	Sector	Pop.
48	Kenyatta International Convention Centre	Agriculture, Livestock & Fisheries	7
49	National Cereals & Produce Board (NCPB)	Agriculture, Livestock & Fisheries	9
50	National Oil Corporation of Kenya	East African Affairs Commerce & Tourism	6
51	National Water	East African Affairs Commerce & Tourism	9
52	Postal Corporation of Kenya	East African Commerce & Tourism	7
53	Numerical Machining Complex	East African Commerce & Tourism	7
Total			**404**

Source: Presidential Taskforce on Parastatals Reforms (2013).

3.4 Sampling Frame

One of the most crucial aspects of sample design in descriptive survey design is its sampling frame. Cooper and Schindler (2011) describes sampling frame as the list of all population units from which a sample can be selected. The sampling frame consists of a list of items from which the sample is to be drawn. In this study the sampling frame comprised a list of 194 management employees from 26 purely commercial and parastatals with strategic functions as per the Presidential Taskforce on Parastatals Reforms (2013). From this list, the sample size of respondents was drawn. The summary is as shown in Table 3.2.

Table 3.2: Sampling Frame

S/n	Numbers Selected	Parastatal	Sector	Pop.
1	2	Chemilil Sugar Ltd	Agriculture, Livestock & Fisheries	11
2	4	Development Bank of Kenya Ltd.	Industrialization & Enterprise Development	7
3	6	Jomo Kenyatta Foundation	Education Science & Technology	9
4	8	Kabarnet Hotel Limited	East African Commerce & Tourism	10
5	10	Kenya Meat Commission	Agriculture, Livestock & Fisheries	8
6	12	Kenya National Shipping Line	Transport & Infrastructure	7
7	14	Kenya Reinsurance Corporation Ltd	National Treasury	10
8	16	Kenya Wine Agencies Ltd (KWAL)	Industrialization & Enterprise Development	8
9	18	Mt Elgon Lodge	East African Commerce & Tourism	9
10	20	National Housing Corporation	Lands, Housing & Urban Development	8
11	22	Nyayo Tea Zones Development Corporation	Agriculture, Livestock & Fisheries	5
12	24	Research Development Unit Company Ltd	Lands, Housing & Urban Development	7
13	26	School Equipment Production Unit	Education, Science & Technology	7
14	28	Simlaw Seeds Tanzania	Agriculture, Livestock & Fisheries	6
15	30	South Nyanza Company Limited	Agriculture, Livestock & Fisheries	7
16	32	University of Nairobi Enterprises Ltd.	Education, Science & Technology	7
17	34	Yatta Vineyards Ltd	Industrialization & Enterprise Development	7
18	36	Kenya Airports Authority (KAA)	Education Science & Technology	7
19	38	Kenya Broadcasting Corporation	East African Commerce & Tourism	7
20	40	Kenya Electricity Transmission Company (KETRACO)	Agriculture, Livestock & Fisheries	6
21	42	Kenya Ports Authority (KPA)	Transport & Infrastructure	8
22	44	Kenya Power and Lighting Company (KPLC)	Agriculture, Livestock & Fisheries	7
23	46	Kenya Seed Company (KSC)	Agriculture, Livestock & Fisheries	6
24	48	Kenyatta International Convention Centre	Agriculture, Livestock & Fisheries	7
25	50	National Oil Corporation of Kenya	East African Affairs Commerce & Tourism	6
26	52	Postal Corporation of Kenya	East African Commerce & Tourism	7
Total				**194**

Source: Presidential Taskforce on Parastatals Reforms (2013).

3.5 Sampling Technique and Sample Size

Kothari (2009) defines a sample as the selected respondent representing the population. On the same note, Sekaran and Bougie (2010) described sampling as an element of data collection or a section of a population that is selected for research purposes. Babbie (2010) identifies a sampling technique as an approach through which the study can arrive to the most qualified respondents from the entire population. In equal measure, Rubin and Babbie (2009) describes sampling technique as a process through which respondents capable of giving unbiased and relevant evidence-based data being sought are selected to participate in the study. The sampling technique led the current study to a sample size that formed the base where the data was collected.

Stratified sampling technique was used to categorize the targeted purely commercial and parastatals with strategic functions into sectors. According to Coopers and Schindler (2011), systematic stratified sampling is whereby the population is first divided into strata; and then study samples are drawn from every stratum. By sampling from the strata, the study ensured that samples were drawn from each sector of the purely commercial and parastatals with strategic functions. Kinyanjui (2014) argues that multi-stage sampling technique is normally the most preferred sampling technique for studies where every sub-population is desired to be represented in the sample in large organizations. Multi-stage sampling technique was also considered in the current study because the research context comprised of parastatals that are large and complex in nature. Multi-stage sampling technique was expected to help the study to select respondents through three sampling stages giving respondents more reliable equal chances of being selected in a stepwise procedure starting with selection of parastatals at the first stage, followed by selection of sectors at the second stage and finally selection of respondents from the top management, middle level and head of departments.

In the current study, 50% of the purely commercial and parastatals with strategic functions were selected in the first stage of the sampling procedure. In selecting 50% of the purely commercial and parastatals with strategic functions, the 53 parastatals were further arranged alphabetically and every even number parastatal entity was selected for study frame. Every even number in Table 3.1 was chosen systematically. The 26 selected parastatals with a total of 194 respondents formed the research sampling frame as shown in Table 3.2.

At the second stage of the sampling procedure, sectors (research categories) were statistically selected for the study from the parastatals with strategic functions (sub-populations). Kothari (2009); Sekaran (2010); and Kinyanjui (2014) observed that for every 30 research categories (30%) of a sub-population, the research category that is statistically selected is always sufficient in forming a research sample.

At the third and last stage of the sampling procedure, individual respondents were statistically sampled from the 26 selected parastatals using the statistical formula as provided by Kothari (2009). By selecting respondents from each strata (research category) from the research population, the sample size formed was expected to be more representative of the total target population. In stratified sampling technique, Kothari (2009) and Sekaran (2010) indicated that a random sample can be drawn from all the strata. In supporting this preposition, Kothari (2009) argues that sampling respondents statistically from each homogeneous research category (stratified sampling) not only help the study to reduce sampling errors but also helps the study to yield a sample size that is more representative of the target population than simply applying simple random sampling technique uniformly across the entire study population.

Hollaway and Wheeler (2010) emphasized that sample size does not influence the importance or quality of a study and noted that there are limited guidelines of determining sample size in qualitative research. Francis, *et al.* (2010) states that sample size can either be fixed or it can be determined sequentially in the course of the study.

Because of the heterogeneity nature of the parastatals, the current research focused on the list compiled from a study of value-based management tools used in the parastatals and the categorization of parastatals list as demonstrated by Presidential Taskforce on Parastatal Reforms (2013). The unit of observation and analysis therefore was the top management, middle level managers, head of departments respectively in the parastatals with strategic functions. The population involved in this research was relatively large and therefore to get the sample size for the proportions, the study had to use a formula provided by Kothari (2009) since it was projected to yield a good representation of the population. In his considered view, Sekaran (2010) indicated that a minimum of 30% translating to 0.3 units of the target population is essential for statistical analysis and therefore this criterion is consistent with pragmatism research paradigm. Proponents of pragmatism paradigm such as Teddlie and Tashakkori (2010), Kinyanjui (2014) agree with Sekaran (2010) that sampling in mixed approach requires both qualitative and quantitative elements to be considered in the study.

Considering the minimum threshold as opined by Sekaran (2010) and Kinyanjui (2014), the research therefore believed that using 50% of the target population to draw the sample size was geared to yield optimal results as shown by the formula. The sample size was calculated using Kothari (2009) formulae.

$$n = \frac{z^2 pq}{e^2}$$

Where;

n = sample size,

N = Target population

z^2 = Normal curve distribution,

e = standard Error = 0.05

p = The estimated proportion of an attribute that is present in the population taken as 0.5 (50%)

$q = 1 - p$

Considering a 95% confidence level, the study employed the constant z value of 1.96 A sample size of 384 was therefore determined by the following computation;

$$\frac{1.96^2 * 0.5 * 0.5}{0.05^2}$$

$n = 384$

In order to get equal representation from each stratum of respondents, the study computed representative percentage of the sampling frame based on the size of each. To get the representative proportionate sample for each stratum, the study divided the number of employees from each stratum by the target population and then multiplied the result by *fn* which was found to be 194.

Since the sampling frame comprising 194 management employees was found to be less than 10,000, the final sample size estimate therefore was computed as recommended by Mugenda and Mugenda (2008).

$$fn = \frac{n}{1 + n/N}$$

Where:

fn= is the sample size when population is less than 10,000

n = the sample size when the population is above 10,000

N = the population of the target sub-population

$$fn = \frac{384}{\left[1 + \frac{384}{194}\right]} \quad = 128.8858 \quad \approx 129$$

$\underline{fn = 129}$

Therefore, the sample size was found to be one hundred and twenty-nine (129) respondents. The sample size arrived at is shown in Table 3.3.

Table 3.3: Sample Size

S/n	Parastatal	Sector	Pop.	Sample Size	%
1	Chemilil Sugar Ltd	Agriculture, Livestock & Fisheries	11	7	66
2	Development Bank of Kenya Ltd.	Industrialization & Enterprise Development	7	5	66
3	Jomo Kenyatta Foundation	Education Science & Technology	9	6	66
4	Kabarnet Hotel Limited	East African Commerce & Tourism	10	7	66
5	Kenya Meat Commission	Agriculture, Livestock & Fisheries	8	5	66
6	Kenya National Shipping Line	Transport & Infrastructure	7	5	66
7	Kenya Reinsurance Corporation Ltd	National Treasury	10	7	66
8	Kenya Wine Agencies Ltd (KWAL)	Industrialization & Enterprise Development	8	5	66
9	Mt Elgon Lodge	East African Commerce & Tourism	9	6	66
10	National Housing Corporation	Lands, Housing & Urban Development	8	5	66
11	Nyayo Tea Zones Development Corporation	Agriculture, Livestock & Fisheries	5	3	66
12	Research Development Unit Company Ltd	Lands, Housing & Urban Development	7	5	66
13	School Equipment Production Unit	Education, Science & Technology	7	5	66
14	Simlaw Seeds Tanzania	Agriculture, Livestock & Fisheries	6	4	66
15	South Nyanza Company Limited	Agriculture, Livestock & Fisheries	7	5	66
16	University of Nairobi Enterprises Ltd.	Education, Science & Technology	7	5	66
17	Yatta Vineyards Ltd	Industrialization & Enterprise Development	7	5	66
18	Kenya Airports Authority (KAA)	Education Science & Technology	7	5	66
19	Kenya Broadcasting Corporation	East African Commerce & Tourism	7	5	66
20	Kenya Electricity Transmission Company (KETRACO)	Agriculture, Livestock & Fisheries	6	4	66
21	Kenya Ports Authority (KPA)	Transport & Infrastructure	8	5	66
22	Kenya Power and Lighting Company (KPLC)	Agriculture, Livestock & Fisheries	7	5	66
23	Kenya Seed Company (KSC)	Agriculture, Livestock & Fisheries	6	4	66
24	Kenyatta International Convention Centre	Agriculture, Livestock & Fisheries	7	5	66
25	National Oil Corporation of Kenya	East African Affairs Commerce & Tourism	6	4	66
26	Postal Corporation of Kenya	East African Commerce & Tourism	7	5	66
Total			**194**	**129**	**66**

3.6 Data Collection Instruments

Harris and Gavin (2010) indicated that when confirmatory results are being sought, studies must create tightly aligned and structured instruments; present the construct in a simple, concrete, and highly contextualized manner; collect the two types of data with a minimal time gap; and estimate agreement between the approaches using consistency statistics. The choice of the instrument used was influenced by the nature of the problem in the parastatals and dictated by the availability of time and budget just as observed by Cooper and Schindler (2011). The choice of research instrument of the study therefore was the questionnaire which was used to objectively collect data from the respondents through predictor variables' constructs under the auspices of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, succession planning strategy and management of parastatals as a response variable. Questionnaires are common data collection tools that have been used in different domains and research. The structure of questionnaires consisted of a group of questions and answers that were created with the goal of collecting quality and reliable data. Kothari (2009) describes a questionnaire as a document that consists of a number of questions printed or typed in a definite order on a form or set of forms. Questionnaires can provide evidence of patterns amongst large populations as well as helping in gathering more in-depth insights on participant thoughts and actions (Kendall, 2008). In a view of supporting this argument, Bergman, *et al.* (2004); Ardekani and Acquaah (2008) observed that highly-structured questionnaire with excellent scoring systems seem to generally lead to higher consistency than semi-structured or close-ended interview categorizations, but not in all case. Based on these premises therefore the study sought to employ a structured questionnaire where participants were expected to respond to prompts by selecting from predetermined answers using Likert scales and relevant multiple choice responses. One hundred and twenty-nine (129) questionnaires were distributed to respondents who were earmarked to participate in the study. These data were analyzed both qualitatively and quantitatively.

The study adopted 5-point Likert scale which is evidently known to be used to scale responses in survey research. Vagias (2006) supported the preposition that Likert scale questions are widely used to measure someone's attitude and behaviour towards a given statement by answer choices that range from one extreme weight to another (normally scale of 1-5). The study believed that the five-response categories represented an interval level of measurement and was to be declared valid if and only if the intervals between the scale points corresponded to empirical observations in a metric sense. According to Reips and Funke (2008), Likert-type questions in a highly-structured questionnaire are used to reveal degrees of opinions from the selected respondents. Likert Scale questions were given scores and each answer choices assigned weight for each question. The choice of answers for questions in the Likert Scale that the study considered were assigned weights as follows; 5 - Strongly Agree; 4 - Agree; 3 – Neutral; 4 - Disagree; and 1 - Strongly Disagree. Carifio and Rocco (2007) indicates that the weighted scale can be scored and arranged as follows; Strongly Disagree (SD) $1 < SD < 1.8$; Disagree (D) $1.8 < D < 2.6$; Neutral (N) $2.6 < N < 3.4$; Agree (A) $3.4 < A < 4.2$; and Strongly Agree (SA) $4.2 < SA < 5.0$. These propositions formed the decision level for the current study. The purpose of Likert-type questions was to assist the study to collect respondents' scores and average ranking for each answer choice for interpretation purposes.

3.7 Data Collection Procedure

The data collection procedure that was chosen by the study was determined by the objectives of the current study. Teddlie and Tashakkori (2010) equally observed that the type of data collected through an appropriate instrument is informed by the purposes of the study. The study used both the primary and secondary data. Louis, *et al.* (2007)

described primary data as those objects that are original to the problem under study while secondary is defined as data collected using information from studies that other research have made of a subject. Dawson (2009) describes secondary data as data collected by others and found by the comparative studies in ethnographies, censuses, histories and other relevant sources. In the current study, secondary data was mainly sourced from parastatals strategic plans and quarterly reports.

In the process of collecting data, pre-developed interview guide was used to carry out interview on key respondents from each category of parastatals using random selection method. The questions addressed by questionnaires and interview guide sought to identify the effect of human capital strategies on the management of parastatals in Kenya. This was in agreement with Orodho (2008) who described that each member from the selected population always has an equal chance of being chosen. Before conducting the interviews on the selected respondents, letters requesting for permission were distributed appropriately.

Through the help of the research assistants, a total of 129 questionnaires were administered to the selected respondents in the 26 selected purely commercial and parastatals with strategic functions. The research assistants were equipped with the relevant skills and knowledge that enabled them to answer and handle any query from the respondents. This measure helped in boosting the rate of responses from the respondents in answering the questions and returning the questionnaires respectively. The indicators (constructs) were structured to capture information on the predictor variables (Adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy respectively) and response variable (management of parastatals in Kenya). A follow up time schedule was agreed upon between the researcher and the research assistants to guide supervision of the research progress.

3.8 Pilot Study

Pilot study is necessary for testing the reliability of instruments and the validity of the study (Mugenda & Mugenda, 2008). According to Cooper & Schilder (2011), the rule of the thumb is that 10% of the sample should constitute the pilot test. The study carried a pilot study that was within the recommendation of the previous studies. Twelve (12) respondents participated in the Pilot study. Pilot testing was conducted with the aim of identifying anomalies that could have occurred during the actual study thereby enhancing the reliability and validity of the research instruments, in this case the questionnaire.

3.8.1 Reliability of the Research Instruments

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials (Mugenda & Mugenda, 2008). Reliability analysis was used to assess the internal consistency among other items of the variables in the study. The reliability of the study measures were assessed by computing Cronbach's Alpha coefficients for all items in the questionnaire and the overall assessment was provided for inference and interpretation. Sekaran and Bougie (2010) highlighted that Cronbach's Alpha coefficient ranges between 0 and 1 with higher alpha coefficient values of 0.7 and above being more reliable. Based on these recommendations, Cronbach Alpha was used to test the reliability of the measures in the questionnaires. Mohsen and Dennick (2011) implied that alpha does not simply measure homogeneity or uni-dimensionality tests as test of reliability is a function of test length. Repeated tests on study values increases the reliability of a test regardless of whether the test is homogenous or not.

The internal consistency of data was determined from the scores obtained from the tests that were administered by the study. In this approach, the score that was obtained from one item was correlated with scores from other items in the instrument. Cronbach's Alpha was then employed to determine how items considered by the study correlated among each other. The study employed Kunder-Richardson (K-R) 20 formula. According to Mugenda and Mugenda (2008), the use of the K-R formula in assessing internal consistency of an instrument is based on the split-half reliabilities of data from all possible halves of the instrument. Based on their empirical view, it was apparent that the use of this particular formula helped in minimizing the time required to compute a reliability coefficient and also helped in achieving more conservative estimate of reliability.

The study therefore employed K-R 20 formula as suggested by Mugenda and Mugenda (2008);

$$KR_{20} = \frac{(K)\ (S^2 - \Sigma_s^2)}{(S^2)\ (K - 1)}$$

Where:

KR_{20} = Reliability coefficient of internal consistency of the instrument

K = Number of items

S^2 = Variance of all scores

S^2 = Variance of individual items

3.8.2 Validity of the Research Instruments

Donald and Delno (2006) describe validity of a research instrument as the appropriateness, consequence and worthiness of the research instrument that is used in a study. There are three types of validity measurements that are of interest to the study and include: construct, criterion related and content related. According to Huber (2009), construct validity is the nature of the psychological construct or characteristic being measured. The researcher further defines content related validity as the content and format of the research instrument. Criterion related validity on the other hand potent the connection between scores obtained using an instrument and scores obtained using one or more instruments or measures. The current study employed content-related methodology to test and ascertain the validity of the research instrument. This choice of validity methodology was subject to the objectives of the study and the pragmatism philosophical stance. The questionnaires were then pretested to 12 respondents from the sample size. In order to establish the questionnaires content and face validity, the respondents were requested to help evaluate the clarity of the questions. The feedback obtained from the respondents helped to restructure and improve the questionnaire.

3.9 Data Analysis and Presentation

3.9.1 Data Analysis

Pearson's Product Moment Correlation Coefficient (r) was used in the current study to analyze the linear relationship between the main predictor variables and the response variable. Developed by Karl Person, Pearson's Product Moment Correlation Coefficient (r) is widely used as a measure of the strength of linear dependence between two variables (Huber, 2009). The objectives addressed by the study were significantly influenced by the choice of the statistical tools used. Qualitative data drawn from open-ended questions in the questionnaires and interview guide were analyzed through summarizing a set of observations drawn from the respondents. Observations with similar characteristics were assigned numeric values for coding and analysis. With this fact in mind, the study used Statistical Package for Social Sciences (SPSS) software to process the data in a view of obtaining inferential results while Microsoft Excel was used to generate descriptive results.

Multi-linear regression model is a statistical tool which allows for the prediction of response variables based on a set of independent variables. As a reliable statistical tool, multi-linear regression model helps in estimating (or predicting) the unknown values of one variable from known values of another variable (Gupta, 2009). The definition is in agreement with that of Kothari (2009) who describes multi-linear regression as the determination of a statistical relationship between two or more variables where one variable (defined as independent variable) is the cause of behavior of another one (defined as dependent variable). One of the notable examples of studies that have previously used multi-linear regression model was a study done by Aduda (2011) which investigated the relationship between executive compensation and firm performance in the banking sector in Kenyan. Likewise, Ngugi (2001) used a multi-linear regression analysis model to empirically analyse the spread of interest rates in Kenya. On the other hand, Khawaja and Mulesh (2007) also used multi-linear regression analysis to identify the determinants of interest rates spread in Pakistan.

Moreover, the current study equally employed multi-linear regression model for the purposes of testing the hypotheses. This model has been previously and widely used in other empirical studies to establish relationships between variables (Kraus, *et al.,* 2006). Many previous studies argue that multi-linear regression analysis is a method for studying the relationship between a dependent variable and two or more independent variables. The main purpose of multi-linear regression analysis in any scientific study is to assist in making predictions, explanation of the results and theory building. The design requirement includes one dependent variable also known as criterion variable and two or more independent variables also known as predictor variables. In this study the response (criterion) variable (Y) was management of parastatals while the independent (predictor) variables were adoption of talent brand nurturing strategy - (X_1), adoption of performance monitoring strategy - (X_2), adoption of leadership development strategy - (X_3), and adoption of succession planning strategy - (X_4). The following was the model that was used in the current study;

The Multi-Linear Regression Model

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = The dependent variable (management of parastatals) while X is the set of four independent variables, that is;

X_1= Adoption of Talent Brand Nurturing Strategy

X_2= Adoption of Performance Monitoring Strategy

X_3= Adoption of Leadership Development Strategy and,

X_4= Adoption of Succession Planning Strategy

β_i (i=1,2,3, and 4) = Parameters associated with the corresponding independent variable that are to be estimated (partial regression coefficients). Also, known as coefficients

α_0 = The Y-intercept

ε = The error variability (error term). It is assumed to be normally distributed with mean zero and constant variance. This was expected to minimize the effect of unforeseen factors during the life of the current research study.

3.9.2 Data Presentation

Kombo and Tromp (2006) observed that data can be presented using statistical techniques, graphical techniques or a combination of both in order to draw conclusions. Both descriptive and inferential statistics were used for analysis. Descriptive statistics consisted of computation of sums, means, standard deviations, frequencies and percentages. Meaningfulness was expected to be determined by specific objectives of the research study. Qualitative approaches to data analysis tend to focus on the descriptive or theoretical aspects of the transcript data. Trochim (2006) on the other hand pointed out that qualitative data can be coded quantitatively without detracting from the qualitative information such as in ranking ordinal scale. In sum, the analyzed data from the questionnaires and interview guide (both quantitative and qualitative) were presented using statistical techniques such as tables, charts, graphs, and percentages.

Measurement of Variables

The dependent variable which is management of parastatals was tested using four predictor variables namely: talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy. Management was measured using employee turnover, stakeholder confidence and satisfaction, and productivity indicators.

The measurement of adoption of talent brand nurturing strategy took different parameters that included training, integrating support from the top management, and internal talent pools. adoption of performance monitoring strategy was measured from the basis of employees' appraisal with balanced scorecard, use of competency model, and pay-for-performance compensation. In measuring adoption of leadership development strategy, offering self-driven development with a 360-degree feedback, exposure to global leadership skills and action learning, mentoring and coaching for leadership were considered. For adoption of succession planning strategy, positioning succession planning as a key retention strategy, building competencies for critical leadership roles, strategizing succession through application of automated tools to track, identify and select high achievers to become suitable leadership successors were considered. The measurement of variables is as shown on Table 3.4.

Table 3.4: Measurement of Variables

Variable	Indicators	Operational Definition	Scale	Type of Analysis
Adoption of Talent brand Nurturing Strategy	• Training • Integrating support from the top management • Internal Talent Pools	Responses to be provided in Likert Scale of 1-5 to assess the effect of adoption of talent brand nurturing strategy on management of parastatals	Ordinal scale (non-dichotomous type)	Quantitative and qualitative
Adoption of Performance Monitoring Strategy	• Employees Appraisal with Balanced Scorecard • Use of Competency Model • Pay-for-Performance Compensation strategy	Responses to be provided in Likert Scale of 1-5 to assess the influence of adoption of performance monitoring strategy on management of parastatals	Ordinal scale (non-dichotomous type)	Quantitative and qualitative
Adoption of Leadership Development Strategy	• Self-Driven Development with a 360-degree feedback • Exposure to Global Leadership Skills and Action learning • Mentoring and Coaching for Leadership	Responses to be provided in Likert Scale of 1-5 to assess the effect of adoption of leadership development strategy on management of parastatals	Ordinal scale (non-dichotomous type)	Quantitative and qualitative
Adoption of Succession Planning Strategy	• Positioning succession planning as a key retention strategy • Building Competencies for critical strategic leadership roles • Strategizing Succession through automated tools	Responses to be provided in Likert Scale of 1-5 to assess the influence of adoption of succession planning strategy on management of parastatals	Ordinal scale (non-dichotomous type)	Quantitative and qualitative
Management of Parastatals	• Employee Turnover. • Stakeholder Confidence, Expectation and Satisfaction • Employee Productivity • Competitive advantage	Responses to be provided in Likert Scale of 1-5 to assess management of parastatals response upon adoption of human capital strategies.	Ordinal scale (non-dichotomous type)	Quantitative and qualitative

3.9.3 Hypothesis Testing

Xanxia, *et al.* (2014) describes hypothesis as a proposition that is testable on the basis of observing a process that is modeled via a set of random variables. A set of four null hypotheses were developed to guide the current study as indicated in the conceptual framework**.** Two-sided tests were considered as a default option because the study's intuition about how a study was to come out was of paramount importance. Hypotheses were tested at 95% confidence level ($\alpha = 0.05$) to allow predictions and generalizations of the current study objectives to be made as shown in Table 3.5.

Table 3.5: Hypothesis Testing

Hypothesis statement	Hypothesis Tests	Decision rule and Models
H_{01}: X_1 has no significant effect on the management of parastatals in Kenya	• Karl Pearson Coefficient of Correlation • F – Tests (ANOVA) H_{01}: $\beta_1 = 0$; $\beta_1 \neq 0$	• Reject H_{01} if P-value is < 0.05 • Fail to reject H_{01} if P-value is > 0.05 $Y = \alpha_0 + \beta_1 X_1 + \varepsilon$
H_{02}: X_2 has no significant effect on the management of parastatals in Kenya	• Karl Pearson Coefficient of Correlation • F – Tests (ANOVA) H_{02}: $\beta_2 = 0$; $\beta_2 \neq 0$	• Reject H_{02} if P-value is < 0.05 • Fail to reject H_{02} if P-value is > 0.05 $Y = \alpha_0 + \beta_2 X_2 + \varepsilon$
H_{03}: X_3 has no significant effect on the management of parastatals in Kenya	• Karl Pearson Coefficient of Correlation • F – Tests (ANOVA) H_{03}: $\beta_3 = 0$; $\beta_3 \neq 0$	• Reject H_{03} if P-value is < 0.05 • Fail to reject H_{03} if P-value is > 0.05 $Y = \alpha_0 + \beta_3 X_3 + \varepsilon$
H_{04}: X_4 has no significant effect on the management of parastatals in Kenya	• Karl Pearson Coefficient of Correlation • F – Tests (ANOVA) H_{04}: $\beta_4 = 0$; $\beta_4 \neq 0$	• Reject H_{04} if P-value is < 0.05 • Fail to reject H_{04} if P-value is > 0.05 $Y = \alpha_0 + \beta_4 X_4 + \varepsilon$

3.10 Requisite Tests of Assumptions

3.10.1 Test of Normality

Normality tests are essential in determining whether or not the data set was properly modeled by normal distribution (Moore & McCabe, 2014). This is achieved by constructing histograms in order to check the distribution. The two common numerical tests of normality tests are the Kolmogorov Smirnov and Shapiro-Wilk tests respectively. The latter is more appropriate for a relatively small sample sizes ranging between 50-2000 items. If the significant value of the Kolmogorov Smirnov Test or Shapiro-Wilk Test is greater than 0.05 (>0.05), then it means the data set is normal. But if the significant value is less than 0.05 (<0.05), then the data set is said to be significantly deviating from a normal distribution (Razali *et al.,* 2011). In the current study, Kolmogorov Smirnov and Shapiro-Wilk Tests were adopted. The analysis is presented in the next chapter.

3.10.2 Test of Autocorrelation

In order to detect the presence or absence of autocorrelation between the study variables, a Durbin-Watson test was conducted. Gujarati and Porter (2009) describes autocorrelation as the correlation between members of a series of observations duly arranged based on time and space. Accordingly, Durbin-Watson statistic varies from 0 to 4. A value closer to 4 indicates the existence of negative autocorrelation. In the current study therefore, results from the tests performed are presented in chapter four.

3.10.3 Test of Heteroscedasticity

Gujarati and Porter (2009) describes heteroscedasticity as a situation in which the variance of the dependent variable across the data set. According to Park (2008), heteroscedasticity can pose a threat to the constant error term as several methods in regression analysis are based on assumption of equal variance. To test heteroscedasticity, the study considered and adopted Breusch-Pagan and Cook-Weisberg tests.

3.10.4 Test of Multicollinearity

Wonsuk, *et al.* (2014) describes multicollinearity as a phenomenon where predictors strongly correlate with other predictors. Similarly, Martz (2013) defines multicollinearity as the undesirable situation where the correlations among the independent variables are strong. Confirmatory tests for multicollinearity was done using Variance Inflation Factor (VIF). As a rule of thumb, David (2012) opines that any intercorrelation among the independent variables above 8 signals a possible problem. In essence, all VIFs are always equal to 1 only if no two or more independent variables are correlated. Whenever VIF of the given variables is greater or equal to 5 (≥5), then there exists multicollinearity that is associated with the variable in question. In such a case, the affected variable (s) should be removed from the regression model (Martz, 2013).

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter describes the methods that were used in attainment of the research objectives and it seeks to provide the results of the study performed to test the conceptual model and research hypotheses. The broad objective of the current study was to determine the effect of adoption of human capital strategies on the management of parastatals in Kenya. First, it evaluates the response rate, reliability and validity of the survey constructs. Secondly, it collates the general background information of the respondents and descriptive analysis of the study variables. Finally, this chapter reviewed the research findings of statistical analysis, tests of the research hypotheses and present discussions of the research findings and implication arising from the research outcomes. Data analysis was in line with specific objectives where patterns were investigated in detail, interpreted and implications drawn on them.

4.2 Response Rate

Response rate is the percentage of respondents who responded to a survey. According to Orodho (2008), response rate is the extent to which the final data sets include all sampled members and is calculated as the number of respondents with whom interviews are completed and divided by the total number of respondents of the entire sample including non-respondents. The sample size for the consisted of 129 respondents from 26 purely commercial and parastatals with strategic functions. Out of 129 respondents that formed the sample size, 123 questionnaires were returned correctly filled representing a response rate of 95.3% as shown in Table 4.1. Mugenda and Mugenda, (2008) argued that 50% response rate is adequate, 60% good while above 70% is rated very good. Thus, a response rate of 95.3% was excellent and appropriate for the study. On the same premise, Kothari (2009) opines that a response rate of 50% is considered average, 60-70% is considered adequate while anything above 70% is considered to be excellent response rate. This response rate was, therefore, considered very good representative of the respondents to provide information for analysis and derivation of conclusions. The summary of the results is as shown in Table 4.1

Table 4.1 Response Rate

Questionnaires	Frequency	Percentage (%)
Returned	123	95.3
Non-returned	6	4.7
Total	**129**	**100**

4.3 Results of the Pilot Study

Pilot study is necessary for testing the reliability of instruments and the validity of the study (Mugenda & Mugenda, 2008). Moreover, Yin (2009) reiterated that 10% of the target population is appropriate for determining the reliability, validity and adequacy of the data collection instrument. The study conducted reliability, validity and adequacy tests of the research instrument and it was within the recommendation of the previous studies.

4.3.1 Reliability Results

The reliability of a research instrument refers to its ability to produce consistent and stable measurements. According to Mugenda and Mugenda (2008), reliability is termed as a measure of the degree to which a research instrument yields desired results whenever data is subjected to repeated trials. In social science research, reliability of any research instrument is influenced by a random error. The more the standard random error is, the more the reliability. In support of this school of thought, Zikmund (2012) describes a random error as deviation from a true measurement as a result of factors that have not been effectively addressed. These errors can arise from inaccurate coding, unclear instructions and questions in the research instrument and also can emanate from interviewer and interviewee biasness. The most common reliability coefficient measure is the Cronbach's Alpha which estimates internal consistency by determining how all constructs under focus relate to all other items and to the total test, that is, internal coherence of data. The reliability is expressed as a coefficient between 0 and 1. This means that the higher the coefficient, the more reliable is the test. In order to ensure the reliability of the research instrument, the Cronbach's Alpha was used in the current study. The findings indicate that talent brand nurturing strategy had a coefficient of 0.736, performance monitoring strategy had a coefficient of 0.770, while leadership development strategy had a coefficient of 0.752 and finally the succession planning strategy had a coefficient of 0.766. All the constructs depicted that the value of Cronbach's Alpha which was above the recommended value of 0.7. The results are in line with the findings of previous studies which opined that Alpha scales that are equal or greater than 0.7 indicates satisfactory reliability (Saunders, *et al.,* 2007; Christensen, *et al.,* 2011). This in effect therefore shows that the research instrument of the current study was reliable. The reliability results of the constructs in the research instrument is as shown in Table 4.2.

Table 4.2 Reliability Analysis of the Research Instrument

Human Capital Strategies	**Number of Constructs**	**Reliability Cronbach's Alpha**	**Comments**
Talent Brand Nurturing Strategy	7	0.736	Accepted
Performance Monitoring Strategy	7	0.770	Accepted
Leadership Development Strategy	8	0.752	Accepted
Succession Planning Strategy	6	0.766	Accepted

4.3.2 Validity Results

Before using the questionnaire for data collection, the researcher discussed its contents with the supervisors and experts and conducted a pilot survey to determine its viability. Validity refers to the degree to which the research instrument measures correctly what it ought to measure. Validity is concerned with whether the findings are truly about what they seem to be all about (Trochim, 2006). According to Hair, *et al.* (2010), Content validity should be established prior to any theoretical testing. In the current study, all of the measures are selected based on the existing scales for which validity had already established.

During the pilot study, both the researcher and the research assistants were jointly involved in administering the research instruments and in clarifying all unclear issues emerging from the research instrument for the purposes of pilot study. Before printing the final research instrument, all the issues raised during the pilot study were addressed through the supervisors' guidance with a view of retaining the original purpose of the research instrument. With the intent of critically examining whether the data collected was adequate and appropriate for statistical tests, two tests were conducted. This included Kaiser-Mayor-Oklin measures of sampling adequacy (KMO) and Bartlett's Test of Sphericity. These measurement tools were applied to test existence of correlation between the study variables as shown in Table 4.3. According to Field (2009), a data set can be said to be adequate and appropriate for statistical analysis if the value of KMO is equal or greater than 0.5. Kaiser- Mayor- Oklin (KMO) was used as a measure of sampling adequacy and had a value of 0.681 and p-value of 0.000 which the was less than 0.05 level of significance. The Bartlett's test of samples comes from populations with equal variances. According to Bartlett's tests the null hypothesis is usually that: H_0: All k population variances are equal against the alternative and that at least two are different. If the test value is large and the significance level is small, then the null hypothesis where the variables are independent can be rejected. In the current study, KMO value was 0.681 which exceeded the recommended value of 0.60. This therefore indicates that more than 68% of variance in the measured variables is common variance. The results are in tandem with the findings by Cooper and Schindler (2011) which revealed that KMO statistics vary between 0 and 1. The findings implies that a value of zero indicates that the sum of partial correlation is large relative to the sum of all correlations indicating diffusions in the patterns of correlation hence rendering factor analysis unnecessary. A value close to one indicates that the patterns of correlations are relatively compact and therefore factor analysis is expected to produce distinct and reliable factors. The Bartlett's Test of Sphericity showed a statistical significance (Chi square value of 1660.171 and an associated level of significance of p=0.000).

Therefore, the null hypothesis that the correlation matrix identified was rejected hence allowing the relationship between study variables to be investigated and inference drawn. This in essence means that there was significant relationship among the study variables to be investigated. In summary, the KMO and Bartlett’s Test of Sphericity values suggested that the data set in the current study was suitable for analysis. The summary of the results is shown in Table 4.3.

Table 4.3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.681
Bartlett's Test of Sphericity	Approx. Chi-Square	1660.171
	df	496
	Sig.	0.000

4.4 Demographic Information

The study examined key demographic factors mainly gender, age, level of education, work experience and other parameters among the individual respondents. Also investigated were the sizes of respective parastatals which formed the sample in terms of their number of employees and the length of service of individual respondents in the organizations. This data was useful in analyzing the necessary information about respondents in the study. The results of findings are presented in the subsequent sub-sections.

4.4.1 Gender of the Respondents

Out of one hundred and twenty-three (123) research instruments that were received back, 54% constituted male respondents while the remaining percentage, (46%), were found to be of female gender. Even though the analysis showed a narrow gap between the two genders, it can be concluded that there was a fair and justifiable representation of the sampled population from the purely commercial and parastatals with strategic functions thus enhancing the quality of the analysis of results given that the study was guided by pragmatism research paradigm. This is in agreement with the study findings by Anthony, *et al.* (2012) which indicates that the best suited paradigm for mixed methods research design is pragmatism philosophy as it incorporates multiple realities in research such as the gender factors. The results also show high levels of agreement with the study findings by West and Zimmerman (2007) which reiterated that there is need to balance gender when conducting a research because this particular factor has an effect on the quality and the outcome of the study. The summary of the results is as shown in Figure 4.1.

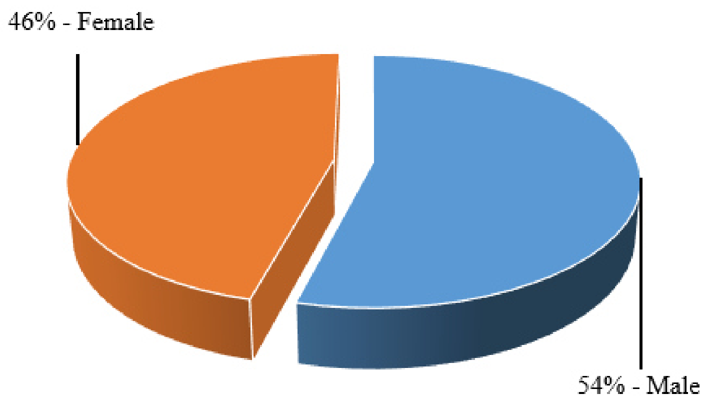

Figure 4.1. Gender Representation of the Respondents

4.4.2 Age Distribution of the Respondents

The age of respondents was also sought with the aim of ascertaining the distribution margins across all the units of analysis, in this case, the top management, middle level management, and head of departments. Majority of the respondents (48.0%) were found to be between 31-40 years of age, followed by those aged 41-50 years representing 30.1% of the respondents. Those who were found to be between 21-30 years of age were represented by 13.8% of the total number of respondents while those aged between 51-60 years took 8.1% and 0% were below 20 years respectively. In practice, the results have implications to management of teams and human capital strategy in organizations relating to sourcing, talent nurturing, leadership developments and team composition in general.

While attempting to explore the effects of age in work teams on short-term team consequences, Franz and Ben (2008) showed significant positive effects of average age on both short-term and long-term consequences on management of organization though there were no significant effects of age differences found. In agreement to this preposition, the study's positive findings regarding the effects of age factor among the work teams support the notion that certain age bracket has effect on research questions and that there is need to develop human capital strategies in organizations to facilitate better and improved management of organizations. This could result in contemporary strategies associated with the human capital and team re-composition in general.

According to Franz and René (2012), the next decade presents a major challenge to reverse the trends from exit and exclusion especially of older workers towards human capital strategies in view of improving the aspect of management of organizations. In summary, the age of the respondents can be said to be well distributed and by having majority in the active age brackets, then this gives sufficient energy and vigour on the management process of the parastatals in Kenya. It is also an indication to the fact that they have adequate expertise and knowledge on the dynamics in the parastatals. The summary of these results is shown in Table 4.4.

Table 4.4 Age Distribution of Respondents

Age	Frequency	Percent
Below 20 Years	0	0
21 - 30 Years	17	13.8
31 - 40 Years	59	48.0
41 - 50 Years	37	30.1
51 - 60 Years	10	8.1
Total	**123**	**100**

4.4.3 Highest Level of Education

Respondents were also requested to indicate their highest level of education. In summary, the findings show that 87.8% (108) had attained university level education while 12.2% (15) of the total respondents had attained tertiary education. Out of which, the findings indicate that most of the respondents possessed bachelor's degree representing 46.3% of the total respondents followed by 36.6% with master's qualification and 12.2% who had diploma qualification. Those with Ph.D. are represented by 4.9% of the respondents. Further, interviews that were conducted indicated that respondents with postgraduate qualifications had more advanced strategic management skills that are critical in the management and vision of their respective parastatals. This entails that most of the parastatal employees had attained formal education training as demonstrated in Table 4.5. This is in line with the findings by Andrews, *et al.* (2014) which state that over 80% of the employees in parastatals are qualified in terms of academics and practical skills and possess technical know-how on strategy and strategic management and as a result can provide the much-needed information on the issue under investigation.

The results from the analysis also concurred with the findings by Joppe (2007) which showed that staff with technical know-how and general knowledge on strategic management are in a position to provide answers to the research questions of the phenomenon under investigation. The significance of the level of education amongst the respondents implies that the top management employees from the selected parastatals with strategic functions had sufficient knowledge and skills to understand strategic management initiatives and practices that are critical in management of an organization with a view of achieving strategic objectives more efficiently and effectively. The summary is as shown in Table 4.5

Table 4.5 Highest Level of Education

Education Level	Frequency	Percent
Diploma	15	12.2
Bachelor's	57	46.3
Master's	45	36.6
PhD	6	4.9
Total	**123**	**100**

4.4.4 Work Experience

The study sought to establish the respondent's work experience in their respective parastatals. Anselmo (2015) did a study to investigate how a cohort of Brazilian mature workers perceives their contemporary experience in the workplaces by identifying their perceptions, longevity feelings and how they are treated. The findings showed that the longer the stay the more the experience and knowledge of the organization. Table 4.6 shows the respondents' work experience in the selected parastatals. As shown, most of the respondents 59 (representing 48%) had between 3-10 years of experience, followed by 33 respondents in the 11-20 years' bracket (representing 26.8%), then those over 21 years were found to be 24 respondents (representing 19.5%) and finally those who had less than 2 years' experience were found to be 7 (representing 5.7% of the total respondents). The results were in tandem with the study findings by Harrisson (2009) which indicates that employees in the management level in many parastatals in Kenya have working experience of over ten years which forms a recipe of institutional memory that is critical in crafting and implementation of business strategic goals.

The findings further show that respondents with many years of working experience are in a position to provide reliable data being sought by a researcher. In the current study, the findings imply that the respondents had worked long enough in their respective parastatals to understand organizational dynamics. This implies that the respondents had enough experience to provide reliable information on the issues that were of interest to the researcher. The summary of the results is as shown in Table 4.6.

Table 4.6 Work Experience

Duration	Frequency	Percent
Less than 2 years	7	5.7
3 – 10 years	59	48.0
11 – 20 years	33	26.8
Over 21 years	24	19.5
Total	**123**	**100**

4.4.5 Substantive Position in the Parastatal

The study sought to establish substantive position of each respondent in their respective parastatals. In this regard therefore, the respondents were requested to indicate their substantive positions. The results showed that 15% of the respondents were in the executive positions while 40% were in the senior management position. Out of the total respondents, 30% were found to be in the middle level management positions while 15% were found to be the heads of various departments within their respective parastatals. The findings imply that 85% of the respondents were in the middle, senior and executive positions cumulatively and therefore meant that the respondents possessed substantial knowledge of technical and practical issues thus enabling the researcher to address the same amicably. The results are as shown in Figure 4.2.

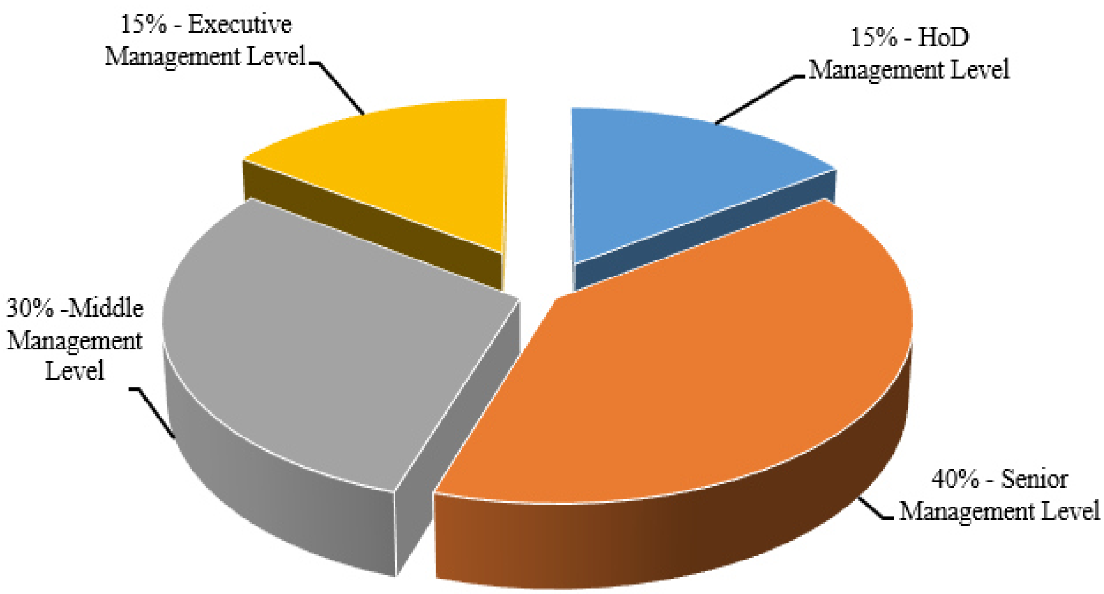

Figure 4.2: Substantive Position in the Parastatal

4.4.6 Size of the Organization

Size of each parastatal under study was measured using the number of full-time employees in the organization. Organization size can be an important determinant for organizational management and performance, and for networking inside and outside the industry network (Joakim, 2005). According to this study, different strategic behaviours were found to have different roles for pursuing the overall corporate strategic initiatives and for gaining significant management effects in interaction with corporate strategy.

This study advances these suggestions by showing how the size of an organization can prosper simultaneously as they bind organizational resources together in these contexts. The results of the study showed that majority of the purely commercial and parastatals with strategic functions have a bigger size of employees. Analysis revealed that 91% of the parastatals had more than 300 employees while none of them had less than 250 employees. This shows the huge potential that each parastatal has in terms of human capital. Figure 4.3 shows the employee-size of each parastatal under study.

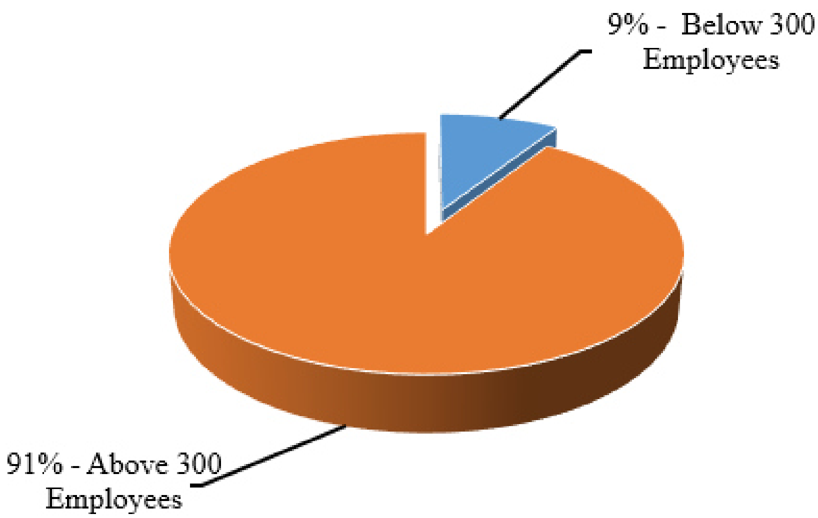

Figure 4.3 Size of the Organization

4.4.7 Approximate Annual Turn Over

Further, respondents were also asked to indicate approximate annual turnover of their organizations. This was aimed at determining the performance of the organization under the existing style of management. Results showed that most (90.2%) respondents' organization had an approximate annual turnover of more than one billion while those in the range of 701-999 million represented 7.3% and 2.4% had annual turnover of between 301 and 500 million respectively. The summary is as shown in Figure 4.4

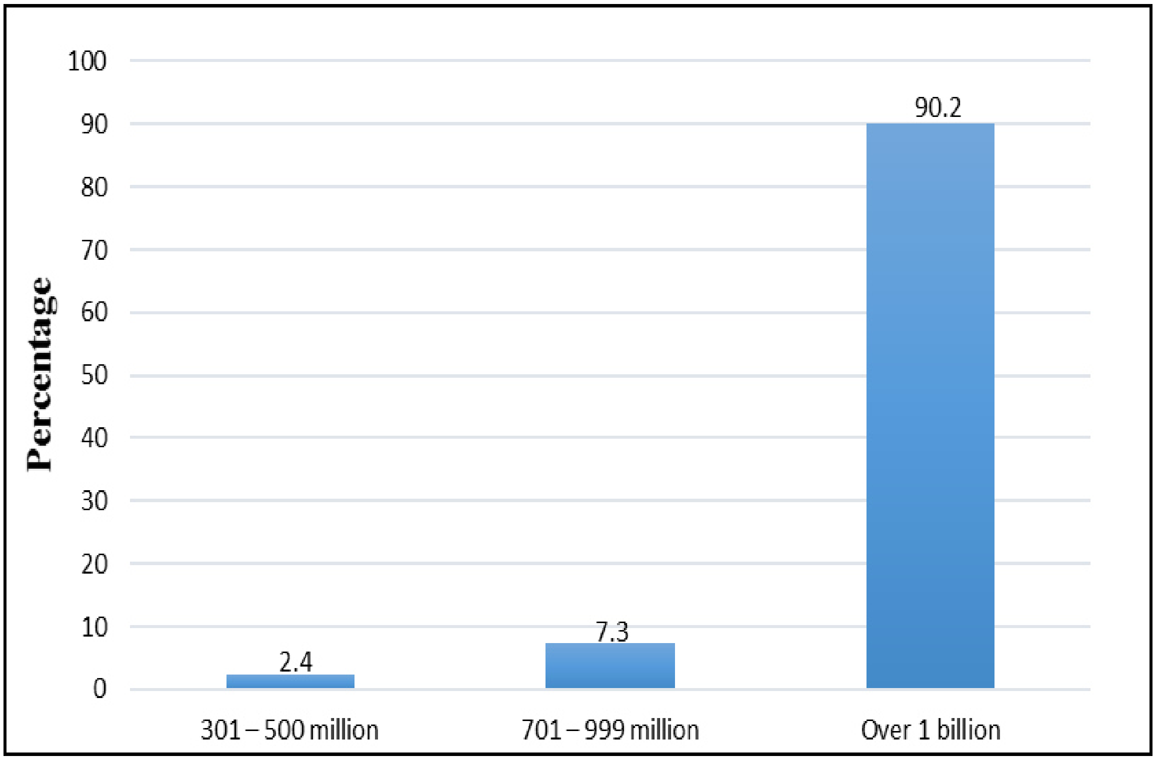

Figure 4.4 Approximate Annual Turn Over

4.4.8 Human Capital Strategies Employed by the Parastatal

The study sought to find out types of HCS employed by their respective parastatals. 25% of the respondents had at one time formulated generic HCS which failed to be implemented. On the other hand, 60% of the respondents indicated that their respective parastatals had implemented HCS while 15% were non-committal. This is in ine with the study findings by Jane (2011) which indicated that the type of human capital strategy used by an organization may have a significant impact on the purpose and acceptability of the entire strategic management process. This is a clear indication that HCS are desperately needed on the management of parastatals in Kenya. The summary is as shown in Figure 4.5.

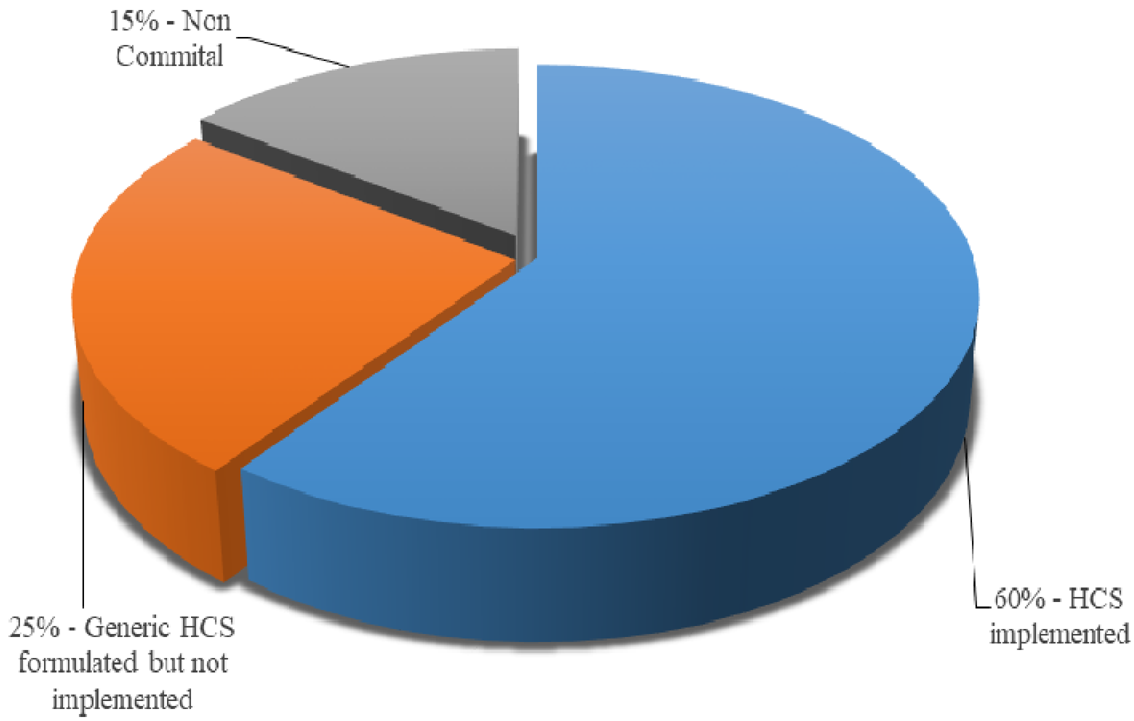

Figure 4.5: Human Capital Strategies Employed by the Parastatal

4.5 Analysis of Requisite Tests of the Assumptions of the Study

4.5.1 Test for Normality

The study performed a test for normality using Kolmogorov Smirnov and Shapiro Wilk. This test holds the null hypothesis that the sample data are not significantly different than a normal population against the alternative hypothesis that sample data are significantly different than a normal population. Null hypothesis is rejected if p-value is less 0.05 level. In the event that all the values of the study variables are greater than the p value ($p > 0.05$) then the null hypothesis cannot be rejected.

In assessing normality of a given set of observations performed in normal and near-normal situations, Ahmed (2014) observed that almost all the tests that were carried out were indifferent for smaller values of skewness and kurtosis. Further, the power of accepting normality reduces with increasing sample size. At alpha level of 5% for all the study variables, the p value was found to be greater than 0.05 and therefore the study concluded that the research population was normally distributed. This means that these variables can be assumed to be normal as shown in Table 4.7.

Table 4.7 Normality test Using Kolmogorov Smirnov and Shapiro-Wilk

	Kolmogorov-Smirnov			Shapiro-Wilk		
Variables	**Statistic**	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
Management of Parastatals	0.0153	123	0.212	0.0899	123	0.215
Talent Brand Nurturing Strategy	0.0264	123	0.245	0.0685	123	0.236
Performance Monitoring Strategy	0.0125	123	0.236	0.0945	123	0.256
Leadership Development Strategy	0.0188	123	0.223	0.0798	123	0.546
Succession Planning Strategy	0.014	123	0.212	0.0925	123	0.248

4.5.2 Auto Correlation Test

Auto correlation which could lead to wrong standard errors was performed using Durbin-Watson (DW) statistic in line with Waleed (2014). Based on the recommendation by Gujarati and Porter (2009), null hypothesis is that there is no autocorrelation which can only be accepted when DW test shows a value equal or close to 2. Findings in this study showed DW coefficient ranging from 1.589 to 1.987 which indicate that autocorrelation was not a problem as shown in Table 4.8.

Table 4.8 Test for Auto Correlation using Durbin Watson (DW) Test

Independent variable	DW Coefficient
Talent Brand Nurturing Strategy	1.589
Performance Monitoring Strategy	1.987
Leadership Development Strategy	1.789
Succession Planning Strategy	1.689
Overall model	**1.786**

4.5.3 Heteroscedasticity Test

Heteroscedasticity test is conducted using Breusch-Pagan and Cook-Weisberg tests. The null hypothesis states that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. A small chi-square value shows absence of heteroscedasticity (Gujarati & Porter, 2009). In essence heteroscedasticity is functionally the absence of homoscedasticity.

In regression analysis for instance, heteroscedasticity can void statistical tests of significance that assume that data set errors are normally distributed and uncorrelated and whose variance do not vary after being modelled. Hamsici and Martinez (2007) reiterated the fact that any residual table and correlation results generated through SPSS that are to be used for testing for collinearity can also be used to check the existence or absence of heteroscedasticity. In this study therefore, the assumption of heteroscedasticity was apparent that it was not violated. The findings as shown in Table 4.9 have small chi-square value and insignificant p-value meaning that heteroscedasticity did not pose a problem.

Table 4.9 Heteroscedasticity Test

Variables	Chi Square	P value
Talent brand Nurturing Strategy	0.53	0.516
Performance Monitoring Strategy	0.25	0.345
Leadership Development Strategy	0.49	0.253
Succession Planning Strategy	0.46	0.421
Overall Model	**0.46**	**0.256**

4.5.4 Multicollinearity Test

In their study, Kock and Lynn (2012) observed that multicollinearity poses a problem when two or more independents variables have a high degree of correlation. Multicollinearity was tested using tolerance value and Variance Inflation Factor (VIF). In a similar version, Pedace (2013) and Kinyanjui (2014) argue that multicollinearity occurs when the correlation coefficient of two predictor variables is equal to or greater than 0.7. Any violation of statistical assumptions can invalidate statistical assumptions.

In this study, multicollinearity was non-existent between the predictor variables. In normal circumstances, decision criterion is arrived at when multicollinearity exists, that is, when tolerance value is close to 0 or close to 1 as it indicates little or no multicollinearity respectively. On the other hand, VIF shows how variance of the coefficient estimate is inflated by multicollinearity. In case shown in Table 4.16 VIFs ranged from 1.28 to 1.31 while the tolerance value was either 0.77 or 0.78 illustrating that multicollinearity would not seriously affect the interpretation of the multivariate analysis findings. The summary of the findings is as shown in Table 4.10.

Table 4.10 Multicollinearity Using VIF

Variables	VIF	1/VIF
Talent brand Nurturing Strategy	1.28	0.78
Performance Monitoring Strategy	1.31	0.77
Leadership Development Strategy	1.28	0.78
Succession Planning Strategy	1.29	0.78
Mean VIF	**1.29**	

4.5.5 Linearity Test for Talent Brand Nurturing Strategy

As shown in the scatter plot, Figure 4.6, the observed values for talent brand nurturing strategy tend to fall on a straight line sloping from right to left illustrating a positive relative linear relationship between talent brand nurturing strategy and management of parastatals

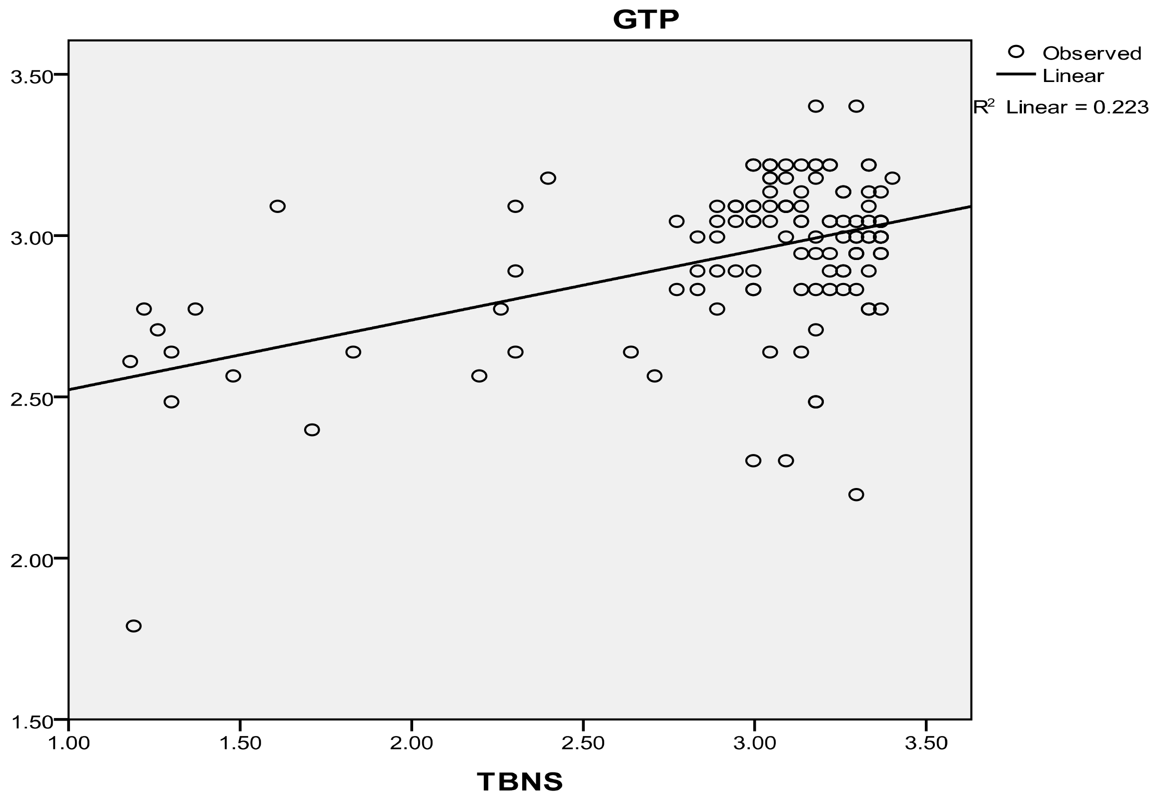

Figure 4.6 Linearity Test for Talent Brand Nurturing Strategy and Management of Parastatals in Kenya

4.5.6 Linearity Test for Performance Monitoring Strategy.

As shown in the scatter plot, Figure 4.7, the observed values for performance monitoring strategy tend to fall on a straight line sloping from right to left suggesting a positive relative linear relationship between performance monitoring strategy and management of parastatals.

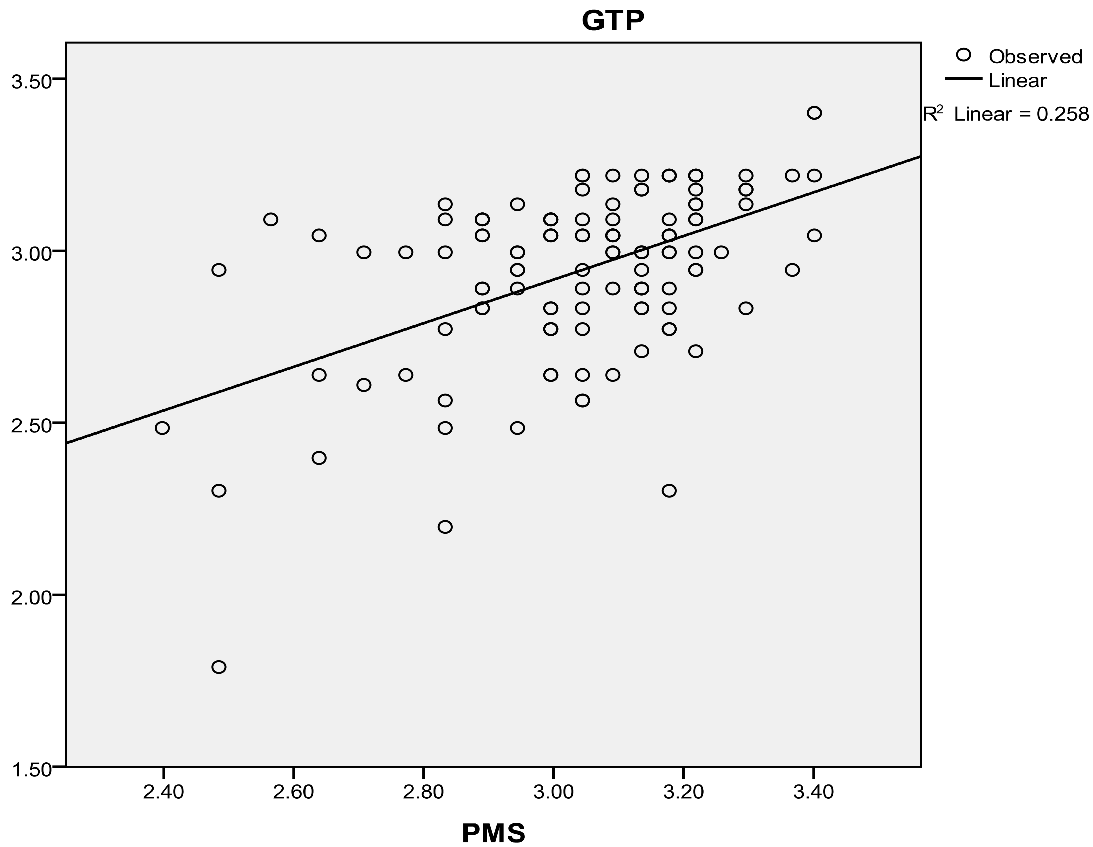

Figure 4.7 Linearity Test for Performance Monitoring Strategy and Management of Parastatals in Kenya

4.5.7 Linearity Test for Leadership Development Strategy

As shown in the scatter plot, Figure 4.8, the observed values for leadership development strategy tend to fall on a straight line sloping from right to left illustrating a positive relative linear relationship between leadership development strategy and management of parastatals.

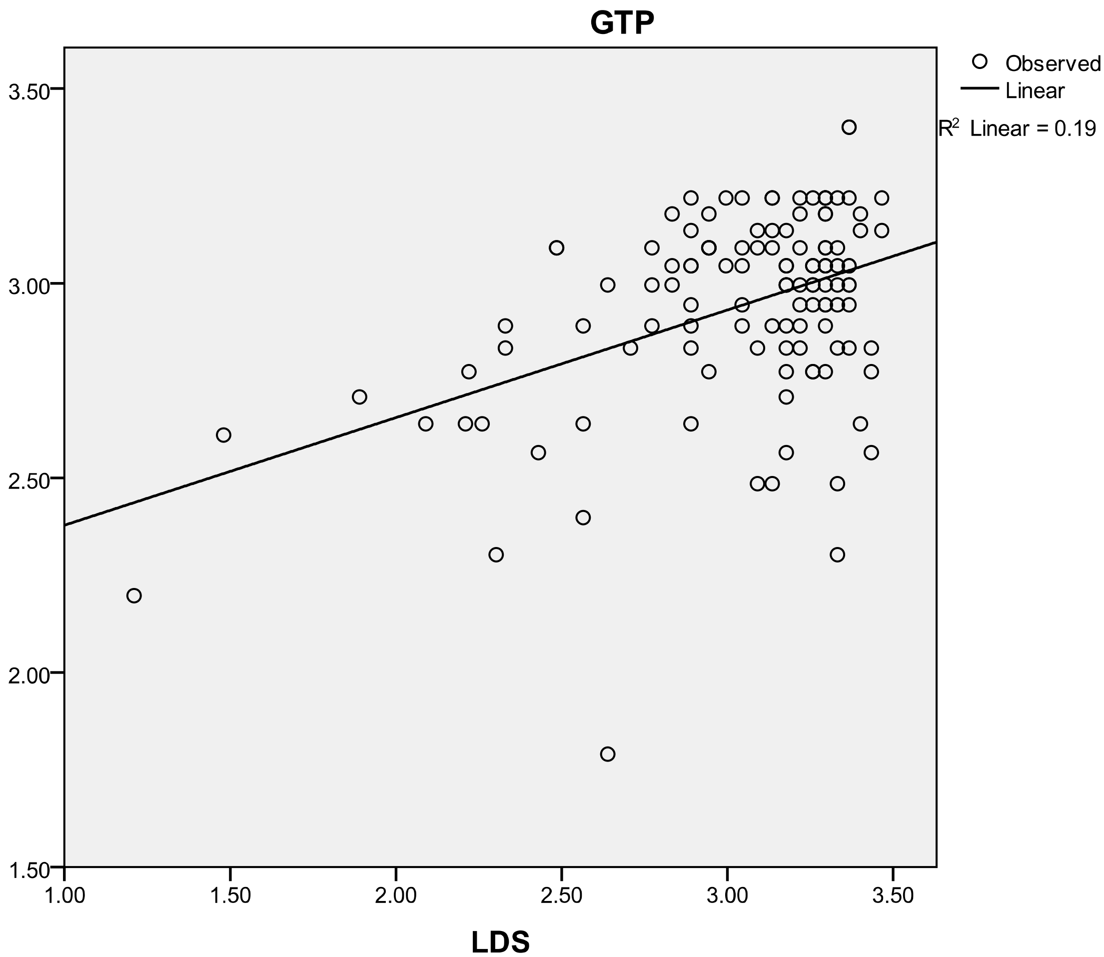

Figure 4.8 Linearity Test for Leadership Development Strategy and Management of Parastatals in Kenya

4.5.8 Linearity Test for Succession Planning Strategy

As shown in the scatter plot in Figure 4.9, the observed values for succession planning strategy tend to fall on a straight-line sloping from right to left illustrating a positive relative linear relationship between succession planning strategy and management of parastatals.

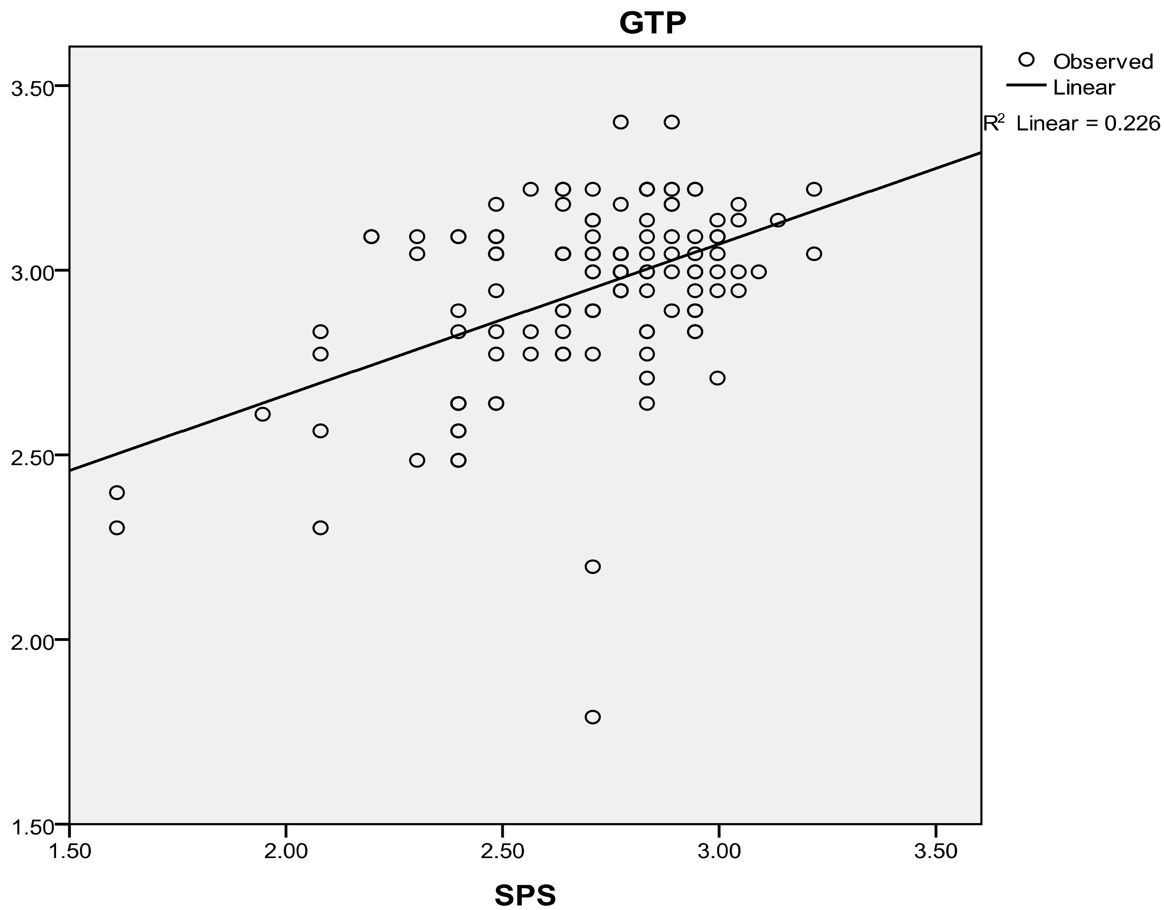

Figure 4.9 Linearity Test for Succession Planning Strategy and Management of Parastatals in Kenya

In summary, the current study established that there was a significant linear relationship between all predictor variables and the response variable. The results showed a strong agreement to the findings by Field (2009) which posited that a negative correlation indicates an inverse relationship implying that any increase in one variable can cause a decrease on the other. The findings from the study further stated that a positive correlation indicates a significant effect whereby any increase in one variable causes an increase on the other variable.

4.5.9 Control of Type I and Type II Errors

The study attempted to ostensibly control type I and Type II errors respectively with the aim of minimizing the negative effect on the statistical tests. According to Larry (2013), these two errors normally occur when the test results are wrongly interpreted. In normal circumstances, Type I error occurs when the null hypothesis is rejected when it is supposed to be accepted. Type II error on the other hand occurs when the null hypothesis is accepted when it was supposed to be rejected. The current study minimized the occurrence of Type I error by using a measurement Confidence Level of 95% with a standard variate of 1.96 and $p \leq 0.05$. This was in accordance with the recommendations as advanced by Larry (2013). For Type II error, the study employed a sizeable sample of 129 respondents to mitigate the effects of the error. This was in agreement with the recommendations of Sekaran (2010).

4.6 Descriptive Analysis for Study Variables on the Likert-Type Scale

The reliability of results from Likert-type scale determines the accuracy of result interpretation. The study used a self-administered questionnaire comprising of standard and objective constructs in a Likert-type scale. The tool adopted a 5-point weighted scale that encompassed Strongly Agree (SA-5), Agree (A-4), Neutral (N-3), Disagree (D-2), and Strongly Disagree (SD-1). Each Likert-type scale table had an average of six constructs. This was necessary in order to increase the response rate from the respondents. Frank, *et al.* (2008) opines that the response rate to any research study can go low and this is attributed to the large number of constructs in the Likert-type research instrument. The study proposes utmost ten constructs to be included in the Likert-type scale table. On the other hand, Lantz (2013) argues that Likert-type data is often assumed to be equidistant thus validating the use of parametric methods to analyse data. However, the study cautions that the validity of parametric analyses of Likert-type may not present the real picture since the equidistance assumption is hardly subjected to tests.

The choice of statistical method depends on the nature of constructs' non-equidistance and skewness. Carifio and Rocco (2007) proposed the following criterion to be used during analysis of Likert-type scale data: Strongly Agree 4.2<SA<5.0, Agree 3.4<A<4.2, Neutral 2.6<N<3.4, Disagree 1.8<D<2.6, and Strongly Disagree 1<SD<1.8. This scale generates a standard equidistance of 0.8. The current study therefore adopted the criterion during the Likert-type scale data analysis as advanced by aforementioned study.

4.6.1 Descriptive Analysis for the Adoption of Talent Brand Nurturing Strategy

Talent brand nurturing is a process of identifying and cultivating unique characteristics that are also job-specific competencies among the employees who have a distribution of current and future potential. Research has also shown that an organizational top talent brand nurturing strategy contributes significant value to the organization and that top performers produce as much as ten times more than the average worker (Priyanka, 2011). The first objective of the study sought to establish the influence of adoption of talent brand nurturing strategy on the management of parastatal in Kenya. To achieve this, the study sought the general opinions on talent brand nurturing strategy on management. The study also adopted a 5-point Likert-type weighted scale and pursued to know the respondents' level of agreement on various statements relating to adoption of talent brand nurturing strategy on the management of parastatals in Kenya.

First, the respondents were asked to confirm whether or not their respective parastatals have in place talent brand nurturing strategies. From the results, 35% of the respondents confirmed generic talent-based strategies do exist while 65% confirmed the contrary. When asked how the existing talent-based strategies influence the management of their respective parastatals, the respondents confirmed that productivity, revenues, high rates of employee retention and efficiency had improved considerably. The summary of the responses is shown in Table 4.11.

Table 4.11 Responses on Whether Parastatals Have Talent Brand Nurturing Strategy in their Management

Category	Frequency (f)	Percentage (%)
Yes	43	35
No	80	65
Total	**123**	**100**

Asked to rate the effectiveness of talent-based strategies, 90% of the respondents confirmed that they are very effective if adopted in the management, 6% confirmed that they are just effective while 4% were non-committal. The summary of the responses is shown in Table 4.12.

Table 4.12 Responses on Rating the Effectiveness of Talent Brand Nurturing Strategy

Category	Frequency (f)	Percentage (%)
Very Effective	111	90
Effective	7	6
Dormant	0	0
Ineffective	0	0
Not Sure	5	4
Total	**123**	**100**

The study also sought to determine if the parastatals under study have existing talent pools. Majority of the respondents translating 86.3% confirmed that their respective parastatals do not have talent pools. Only 13.7% confirmed that there are talent-like pools but they are not active. The summary of the responses is shown in Table 4.13.

Table 4.13 Responses on Whether Parastatals Have Existing Talent Pools

Category	Frequency (f)	Percentage (%)
Yes	17	13.7
No	106	86.3
Total	**123**	**100**

In general, this implies that the top leadership in these parastatals are aware of talent brand nurturing strategy but conceivably the key impediments is lack of commitment to execute and translate this coveted strategy into action. Management success rests on the ability of the leadership in the parastatal to proactively scan and execute talent brand nurturing strategies. The premise advanced by this study is supported by Mauborgne and Kim (2015) who confirmed and affirmed that the input of human capital is critical to the achievement of strategic goals. Moreover, the results are in support to RBV and study findings by Ian (2007) which affirmed that there is need for a systematic strategic approach to talent-based strategy and cautions that focusing only on talent acquisition is misguided and unhelpful.

On the other hand, the respondents were requested to indicate their level of agreement as follows; strongly disagree, disagree, neutral, agree and strongly agree. Descriptive statistics such as percentage, mean and standard deviation were jointly used to summarise the study findings as shown in Table 4.14. Firstly, the respondents were requested to state their level of agreement on their awareness of talent brand nurturing strategy. 44.9% agreed and 33.1% strongly agreed. 11% of the respondent were neutral, 7.6% disagreed while 3.4% strongly disagreed. Concerning 'investing significantly in skills, capabilities and experience development in the organization of operation contributes to better management of the parastatal' there was a high level of agreement of the respondent of 85.7% as compared to 7.8% of the respondent who disagreed and only 6.7% remained neutral.

The study also sought to determine the respondents' level of agreement on 'offering exceptional training to talented employees helps to strategically equip the workforce with innovative skills. 43.7% agreed, 42.9% strongly agreed while 8.4% neither agreed nor disagreed. However, 2.5% of the respondent disagreed and those who strongly disagreed were represented by 2.5%. About 'top management support has helped the organization build and maintain inimitable talent brand', the respondent were lenient with the response where 31.9% strongly agreed, 31.1% agreed, 21% disagreed and 8.4% strongly disagreed, although 7.6% remained neutral.

The respondents were also tasked to state their level of agreement on ‘the whole premise of building talent pools strongly affects the success of the organization in the future’ statement. Out of the total number of respondents, 49.2% strongly agreed, 26.3% agreed while 9.3% neither agreed nor disagreed. 9.3% disagreed and only 5.9% strongly disagreed. This shows there is a higher disparity between the respondent who agreed (75.5%) and those who disagreed (15.2%). 32.5% strongly agreed that the organization has internal instrument of nurturing talents and has qualified candidates profiled-matched to strategically fill specific positions, 24.2% disagreed and 18.3% agreed. However, 17.5% remained neutral and only 7.5% of the respondent strongly disagreed. Finally, the respondents were prompted to agree or disagree whether their organization had invested on research and development programmes to nurture creativity and innovation. The responses were as follows; 30% strongly agreed, followed by 24.2% who agreed. Those who disagreed were 22.5%, then 15% were neutral and just 8.3% strongly disagreed. On average, all the constructs of talent brand nurturing strategy posted a mean score of 3.85 and a standard deviation of 1.20. From the analysis, it is clear that talent brand nurturing strategy has the ability to positively influence management of the organization in order to exceed stakeholder expectations, improve talent retention rates and increase human capital productivity. These results are in concurrence with study findings on global approach to talent management which found that mentoring, coaching and providing career development strategic plans have a direct and positive impact on management and productivity in particular (Steve, 2012). The results equally corroborate with study findings by Ifeoma, *et al.* (2015) which found that strategic talent management is key for organization’s success and sustainable growth as it allows an organization to retain top talents while at the same time increasing productivity. The summary of the analysis is as shown in Table 4.14.

Table 4.14 Descriptive Analysis for the Adoption of Talent Brand Nurturing Strategy on Likert-type Weighted Scale

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
	Percentage of responses (n=123)						
I am aware of talent brand nurturing strategy	3.4	7.6	11	44.9	33.1	3.97	1.02
Investing significantly in skills, capabilities and experience development in the organization of operation contributes to better management of our parastatal.	3.4	4.2	6.7	33.6	52.1	4.27	1.03
Offering exceptional training to talented employees helps to strategically equip the workforce with innovative skills	2.5	2.5	8.4	43.7	42.9	4.22	0.94
Top management support has helped the organization build and maintain inimitable talent brand	8.4	21	7.6	31.1	31.9	3.57	1.38
The whole premise of building talent pools strongly affects the success of the organization in the future	5.9	9.3	9.3	26.3	49.2	4.04	1.25
The organization has internal instrument of nurturing talents and has qualified candidates profiled-matched to strategically fill specific positions	7.5	24.2	17.5	18.3	32.5	3.44	1.38
Our organization has invested on research and development programmes to nurture creativity and innovation	8.3	22.5	15	24.2	30	3.45	1.37
Average						**3.85**	**1.20**

4.6.2 Descriptive Analysis for the Adoption of Performance Monitoring Strategy

The second objective of study sought to establish the influence of adoption of performance monitoring strategy on the management of parastatal in Kenya. To achieve this, the study sought the general opinions on performance monitoring strategy on management. The study equally adopted a 5-point Likert-type weighted scale and sought to know respondents' level of agreement on various statements adoption of performance monitoring strategy.

First, the respondents were asked to confirm whether or not their respective parastatals have in place performance monitoring strategies. The question of whether or not their respective parastatals have performance monitoring strategies in the mainstream management. The results from the respondents show that 41.3% responded in affirmative while 58.7% confirmed the contrary. Those who responded in affirmative indicated that their respective parastatals do have performance monitoring tools such as appraisals while others confirmed the existence of sophisticated which according to them are non-operational at all. Table 4.15 indicate the summary of the responses from the respondents.

Table 4.15 Responses on Whether Parastatals Have Performance Management Strategy in their Management

Category	Frequency (f)	Percentage (%)
Yes	51	41.3
No	72	58.7
Total	**123**	**100**

The study also sought to find out the extent at which existing performance monitoring strategy are aligned to the strategic goals. From the analysis, the responses show that 91.7% believe that there are little efforts directed towards this cause. 5.3% of the respondents confirmed that there was no significant link between PMS and management strategic goals in the parastatals' current operating environment. 1.7% and 1.6% of the respondents believe that PMSs are aligned to the management strategic goals respectively. The summary of the responses is shown in Table 4.16.

Table 4.16 Responses on Extent at Which Performance Management Strategies Are Aligned to Management Strategic Goals.

Category	Frequency (f)	Percentage (%)
Very Largely	0	0
Largely	2	1.7
Moderately	2	1.6
A Little	113	91.7
Not at All	6	5.3
Total	**123**	**100**

The respondents were also asked to list performance monitoring tools and models which their respective parastatals use if any. Majority of the respondents listed traditional EBSC models and indicated that they are dormant.

In summary, the responses are in concurrence with the conclusion by Molraudee (2015) which opined that for an organization to gain a competitive advantage, the following should be applied throughout the PM process; human capital development facilitation and support, trust and justice. Broad context and culture of organizations have to change to sustainability-oriented and have PM systems and models in order to achieve management strategic goals. This implies that parastatals can leverage more if they adopt performance monitoring strategy in order to improve productivity and increase key talent retention rates. Culture change should also be embraced as it featured out to be a key incredient in enhancement of pruductivity towards achievement of business strategic goals.

Secondly, a 5-point Likert Scale was used by the respondents to indicate their level of agreement; strongly disagree, disagree, neutral, agree and strongly agree was used to summarise the study findings as shown in Table 4.17. The respondent were first asked if they were aware of talent performance monitoring srategy. 25.2% disagreed, the respondent who agreed tied with those who were neutral with a pecentage of 24.4%.

The respondent who strongly disagreed were 13.8% and 12.2% strongly agreed. The study also sought the opinions from the respondent to either agree or disagree on whether the organization uses employee Balanced scorecard that allows supervisors and managers to objectively analyze the employee's performance and contribution to the achievement of strategic goals. 12.2% strongly agreed, 34.1% agreed, 23.6% neither agreed nor disagreed, 20.3% disagreed, while 9.8% strongly disagreed.

The study also pursued the respondent's level of agreement on whether key performance indicators had helped the organization clarify organizational strategic objectives From the analysis, the majority of the respondents showed their approval (51.2%) while 29.2% disagreed, and 19.5% were undecided. In addition, respondents were asked to rate their level of agreement on "competency assessments often help form the strategic basis for training programs and learning content, both formal and informal." 38.2% and 22.8% indicated the agreement and strong disagreement respectively while 13% and 8.1% recorded their disagreement and strong disagreement though still 17.9% were unsure of the stand. As to whether collection of competencies by use of a framework jointly defines strategic management of the respondents' organization, majority of the respondents (65.8%) agreed where a small proportion (17.1%) differed and only 17.1% neither agreed nor disagreed.

Further, the researcher probed if respondents proposed or opposed the statement that: "competency model and the resources developed based on the model provide the foundation for talent management throughout the HC lifecycle in our organization." 33.3% of the participants strongly agreed, followed by 26.8% agreed, 20.3% demonstrated their disagreement, while 5.7% strongly disagreed and 13.8% took a neutral position. Finally, 37.4% and 39% were found agreeing and strongly agreeing to the construct that "Pay-for-performance compensation structures not only account for the individual, but also for the working environment and performance of the team as well, encouraging the employees to band together to achieve strategic goals.” Even though, 15.4% and 2.4% disagreed and strongly disagreed respectively with the said construct while only 5.7% took a neutral stand. The average mean score was 3.47 implying that majority of the respondents were in agreement that performance monitoring strategy is a crucial ingredient that can influence the quality and success of organizational management as a result of increased productivity of the entire workforce.

The results resonate with the study findings by Mark and George (2010) which stated that performance monitoring strategy helps organizations track by regular collection of information related to performance to assist timely decision making, ensure accountability, and provide the basis of evaluation and learning amongst the workers in the organization. Based on results, the current study also confirmed that performance monitoring strategy is an important tool for tracking the progress and quality of management to facilitate proper intervention plans and actions towards the achievenment of the larger business strategic management goals. The summary of the results is as shown in Table 4.17.

Table 4.17. Descriptive Analysis for Performance Monitoring Strategy on Likert-type Weighted Scale

	Percentage of responses (n=123)						
Statements	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
I am aware of talent Performance Monitoring Strategy	13.8	25.2	24.4	24.4	12.2	2.96	1.24
The organization uses employee Balanced Scorecard that allows supervisors and managers to objectively analyse the employee's performance and contribution to the achievement of strategic goals	9.8	20.3	23.6	34.1	12.2	3.17	1.18
Through balance scorecard, key performance indicators have helped the organization clarify organizational strategic objectives	7.3	22	19.5	34.1	17.1	3.32	1.20
Competency assessments often help form the strategic basis for training programs and learning content, both formal and informal	8.1	13	17.9	38.2	22.8	3.55	1.21
Collection of competencies by use of a framework jointly define strategic management of the organization	10.6	6.5	17.1	32.5	33.3	3.71	1.28
Competency model and the resources developed based on the model provide the foundation for talent management throughout the HC lifecycle in our organization	5.7	20.4	13.8	26.8	33.3	3.62	1.29
Pay-for-performance compensation structures not only account for the individual, but also for the working environment and performance of the team as well, encouraging the employees to band together to achieve strategic goals	2.5	15.4	5.7	37.4	39	3.95	1.14
Average						**3.47**	**1.22**

4.6.3 Descriptive Analysis for the Adoption of Leadership Development Strategy

The third objective aimed at establishing the influence of adoption of leadership development strategy on the management of parastatals in Kenya. To achieve this, the study first sought the general opinions on leadership development strategy. The study sought to establish whether or not the parastatals under focus have in place the leadership development strategies that create a focus on mission-critical management activities. Majority of the respondents translating to 37.8% confirmed in affirmative while 62.2% confirmed that indeed their respective parastatals have no such strategy. For those who confirmed in affirmative, the responses revealed that mentoring and coaching were the main strategic initiatives but painted a picture of passiveness. The summary of the response is shown in Table 4.18.

Table 4.18 Responses on the Existence of Leadership Development Strategies in the Parastatal.

Category	Frequency (f)	Percentage (%)
Yes	46	37.8
No	77	62.2
Total	**123**	**100**

The study also sought to find out the extent at which the top management craft leadership development strategies that can influence their respective business management strategic goals. Majority (71.3%) chose the statement 'to a small extent' while 26.0% of the respondents chose the statement 'not at all'. 1.5% chose the statement 'to a moderate extent' while 1.2% chose the statement 'to a large extent'. From the results, it is apparent that there is a dire need for formulation and implementation of leadership development strategy. The summary of the responses is as shown in Table 4.19.

Table 4.19 Responses on Extent at Which Performance Management Strategies Are Aligned to Management Strategic Goals.

Category	Frequency (f)	Percentage (%)
To a Very Large Extent	0	0.0
To a Large Extent	1	1.2
To a Moderate Extent	2	1.5
To a Small Extent	88	71.3
Not at All	32	26.0
Total	**123**	**100**

Furthermore, the study sought to determine how the parastatals under study create and develop managers and leaders at different levels and who are geared to deliver the business goals. From the analysis, the responses show that 93.3% of the respondents confirmed that their respective parastatals use appraisal rating strategy to identify potential and future leaders while 4.2% of the respondents confirmed the use of outplacements through government sponsored strategic leadership courses in government institutions. Moreover, 2.5% of the respondents chose 'other interventions' but did not specify. The summary of the responses is as shown in Table 4.20.

Table 4.20 Responses on How Parastatals Create and Develop Managers and Leaders

Category	**Frequency (f)**	**Percentage (%)**
Appraisal Ratings	115	93.3
Strategic Development Programmes	0	0
Outplacements	5	4.2
Other Interventions	3	2.5
Total	**123**	**100**

The study done by Jordi (2014) concluded that global leadership competences should be based on the functions that global-minded leaders need to perform and their specific context and the need for strategic alignment of global leadership development strategies with the organization's purpose and strategy. Similarly, the study reiterates that CEOs commitment is a key factor in making global leadership development initiatives successful. The efforts are also required to develop the organizations mentor networks by fully engaging all managers in mentoring relationships with direct reports and high potential human capital in all other work units.

This implies that parastatals in Kenya need to re-evaluate the degree of contemporary leadership development strategies which directly affect continuity, productivity and overall strategic management of the parastatals.

Moreover, descriptive analysis on leadership development strategy was conducted on 5 point Likert scale and summarised in percentages. First, asked whether they were aware of talent Leadership Development Strategy, 38.2% and 36.6% agreed and strongly agreed of being aware, while 6.5% and 5.7% disagreed and strongly disagreed and 13% took a neutral stand. Secondly, respondents were requested to indicate their level of agreement on “Strategic leadership lessons are best learned from those who are trusted and well respected inside our own organization” statement. From the analysis, 35% and 26% showed strong agreement and agreement respectively while only 4.1% and 12.2% showed their strong disapproval and disapproval respectively though 22.8% of the respondents were unsure of where they fall. Thirdly, respondents were requested to show their level of agreement to this construct; “personal assessments and development plans with a 360-degree feedback are excellent resources that enable employees and the top management to gain mutual insight into the employee's best fit at the organization.” From the analysis, 33.3% and 31.7% of the respondents indicated their strong approval and approval respectively. There was a tie between those respondents who indicated their disapproval and strong disapproval respectively since 8.1% of the respondents chose the duo. Significant proportion of the respondents (18.7%) were indecisive.

Fourthly, respondents’ opinion on whether their organization had already developed plans and processes for employees to engage with and begin to plan their own career paths was also sought by the study. Most participants 61.8% disagreed with this statement while 18.7% approved to have plans and process and 19.5% were unsure of this. Fifthly, participants were also required to indicate their level of agreement on whether their respective parastatals normally equip its human capital with leadership skills of global nature and those which are complete with ICTs from time to time or when need arises. From the analysis, 37.4% and 13.8% showed their agreement and strong agreement respectively while 24.4% and 8.1% opposed by strongly disagreeing and disagreeing respectively. 16.3% of the respondents were undecided.

Sixth construct on whether respondents agreed to having a well-developed mentoring program had helped in keeping employees long enough to develop leaders who understand the organization's culture and processes, the results showed that majority of the respondents (33.6%) strongly agreed, 27% posted their agreement whereas 25.4% and 2.5% showed their disagreement and strong disagreement respectively. Analysis of the results also showed that there was a significant percentage (11.5%) of the respondents who were undecided. Seventh construct dealt with whether integrated mentoring and coaching programs enables the respondent's organization identify, select, and develop high-potential employees as suitable candidates for leadership roles. As supposed, 56.9% agreed to have these programs while 29.3% recorded their disapproval and 13.8% of the respondents were undecided. Finally, the study sought the respondents' levels of agreement on whether the organization selects action learning projects that directly relate to the business strategy and which have enabled participants practice their leadership development goals. From the analysis, majority of the respondents showed an agreement (40.6%) whereas 30.9% indicated their disagreement and 28.5% of the respondents were undecided. The average mean score was 3.42 depicting that majority of the respondents were in agreement that leadership development strategy is a key determinant management success on meeting the stakeholders' expectations and improvement of productivity.

The results from the study thus indicate that leadership development strategy influences management of parastatals in Kenya by a significant margin. The revelation concurs with the findings by Byham (2009) which demonstrate that existence and compliance to human capital strategy framework determines the success of managing the organizations. In support to the results from the respondents of this study, Kevin (2007) also found out that organizations can only thrive in achieving strategic management objectives if leadership development-based strategies crafted from HCS framework are embraced. Results are in sync with study findings by Robert, *et al.* (2009) which found that self-driven strategic development with a 360-degree feedback is more than a data collection and feedback system. From the responses, it is that the measured characteristics and behaviours must be related to the organization's strategic objectives and culture and that elements such as feedback processes must by supported by tools which facilitate the analysis and interpretation of data in support of leadership development strategic planning in order to increase productivity and help the management retain the most coveted talented workforce. Table 4.21 shows the summary findings from the respondents.

Table 4.21 Descriptive Analysis for Leadership Development Strategy on Likert-type Weighted Scale

Statements	Percentage of responses (n=123) Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
I am aware of talent Leadership Development Strategy	5.7	6.5	13	38.2	36.6	3.94	1.13
Strategic leadership lessons are best learned from those who are trusted and well respected inside our own organization.	4.1	12.1	22.8	26	35	3.76	1.18
Personal assessments and development plans are excellent resources that enable employees and the top management to gain mutual insight into the employee's best fit at the organization	8.1	8.1	18.7	31.7	33.4	3.74	1.23
The organization already has a development plans and processes in place that employees can engage with and begin to plan their own career paths.	23.6	38.2	19.5	13.8	4.9	2.38	1.13
From time to time or when need arises, our organization normally equip its human capital with leadership skills of global nature	8.1	24.4	16.3	37.4	13.8	3.24	1.20
Having a well-developed mentoring program has helped in keeping employees long enough to develop leaders who understand the organization's culture and processes	2.5	25.4	11.5	27	33.6	3.64	1.25
Integrated mentoring and coaching programs enables our organization to identify, select, and develop high-potential employees as suitable candidates for leadership roles.	9.8	19.5	13.8	26.8	30.1	3.48	1.36
The organization selects action learning projects directly relating to the business strategy and which have enable participants practice their leadership development goals.	7.3	23.6	28.5	26.8	13.8	3.16	1.15
Average						**3.42**	**1.20**

4.6.4 Descriptive Analysis for the Adoption of Succession Planning Strategy

In line with the study's fourth objective which sought to examine the influence of adoption of succession planning strategy on the management of parastatals in Kenya, a descriptive analysis was conducted. To achieve this, the study first sought the general opinions on succession planning strategy. In relation to the achievement of both the short and long term strategic goals, the study sought respondents' opinion on crafting and execution of succession planning strategies for a period of the past five years. The results show that 83.7% responded in negative while 16.3% confirmed that their respective parastatals had indeed crafted and implemented succession planning related strategies. The responses also revealed that their respective parastatals rely heavily on poaching successors from external sources and few parastatals rely on internally-bred successors. The results revealed that there are no serious efforts towards crafting and implementing strategic plans related to succession issues. Table 4.22 shows the summary findings from the respondents.

Table 4.22 Responses on Crafting and Implementation of Succession Planning Strategies in the Parastatal.

Category	Frequency (f)	Percentage (%)
Yes	20	16.3
No	103	83.7
Total	**123**	**100**

On whether or not the parastatals have adopted strategic plans and use specific tools to prepare a successor for strategic purposes and continuity, majority of the respondents, (approximately 75%) remained non-committal while the rest pointed out that their parastatals use traditional methods of picking successors for key positions. From the analysis, it is apparent that the use of automated tools in the parastatals is not a priority. The respondents painted a picture which showed how culture- change is highly needed in the parastatals. Preparing the organization for a succession, planned or unplanned, requires preparation and documented strategies that are reviewed at regular intervals.

Delorme and Arcand (2010) found that the introduction of automated tools in the organization affects the way successors are picked and deployed for key roles in specific managerial levels.

This implies that any successful and sustainable integration of succession planning strategies can enable organizations generate attractive revenues and help improve employee retention rates. It also implies that parastatals ought to employ automated tools in strategic planning of succession issues.

A Five-point Likert scale ranging from strongly disagrees to strongly agree was also used to assess the level of agreement on succession planning strategy constructs. The following results in percentage were summarised as shown in Table 4.23. from the analysis, 34.1% and 25.2% of the total respondents showed their strong agreement and agreement respectively. The study also sought the respondents' level of agreement on whether they were aware of talent succession planning strategy. Results showed that 22% were unsure of their state of awareness whilst 10.6% and 8.1% of the respondents registered strong disagreement and disagreement respectively. Further, respondents' level of agreement on whether their organization had in the past positioned succession planning as a key retention strategy was sought. The results showed that 27.3% disagreed, 23.1% indicated a neutral stand, 19% strongly disagreed while only 24% of the respondents showed agreement and 6.6% strong agreement respectively.

In addition, the respondents were asked whether building competences including the qualifications, behavioural and technical competencies required to perform tasks highly contribute to smooth succession processes in their respective parastatals. From the analysis, 30.3% showed disagreement, 24.6% indicated agreement, 26.2% strongly agreed, 12.3% indicated a neutral stand while only 6.6% of the respondents strongly disagreed. furthermore, majority of the respondents (37.2%) agree that organization use automated tools to streamline the process of tracking, identification, and selection of high achievers to become suitable leadership successors. 14% also showed their strong agreement, however, 25.6% disagree totally with this backed by 8.3% who reported their strong disagreement.

Further probing on whether succession planning initiative in respondents' organization included steps that actively promote women and minorities for leadership opportunities, and train managers on how to encourage diversity on their teams was sought where 37.2% of the respondents showed disagreement and 11.6% strongly disagreed. However, 15.7% and 12.4% agreed and strongly agreed that women and minorities were involved actively for leadership opportunities. Finally, asked if their organization had data base that can be used to make strategic staffing decisions for critical positions, majority of the respondents (52.8%) agreed to this backed by 9.8% who strongly agreed, however, 12.2% and 16.3% strongly disagreed and disagreed respectively. The average mean score was 3.19 implying that majority of the respondents were in agreement that succession planning strategy is a key determinant management success especially in the issues concerning talent retention.

The results corroborate with past study findings which underscored the importance of succession strategies. Existence of succession planning strategy is a key ingredient in succession management in an organization. Equally, the results from indicate a high-level agreement with the findings by Wiblen *et al.* (2010) who reiterated that succession planning is a key step towards achievement of a competitive advantage. Further the results agree with those of Rothwell (2010) who recommended that effective succession planning strategic initiatives should be able to address the need for critical backups in the management hierarchy and individual development towards and across the career ladder. The current results are also similar to other previous studies which found that a proactive internal succession planning strategy reduces transaction costs and, subsequently, raises corporate profit (Steinweg, 2009). Furthermore, a seamless succession strategy may reduce the loss of knowledge and enhance work quality, for example, because information and practices can be transferred personally (Conway, 2007). Also, since stakeholder satisfaction is driven, amongst other things, by work quality, this strategy leads to an increase in stakeholder satisfaction. The findings further stated that succession planning strategy is useful in acceleration of organizational development, retention of talented personnel, and creation of talent pools to fill key positions in the organization. The summary of the findings is shown in Table 4.23.

Table 4.23 Descriptive Analysis for the Adoption of Succession Planning Strategy on Likert-type Weighted Scale

	Percentage of responses (n=123)						
Statements	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
I am aware of talent Succession Planning Strategy	10.6	8.1	22	25.2	34.1	3.64	1.31
The organization has in the past positioned succession planning as a key retention strategy	19	27.3	23.1	24	6.6	2.72	1.21
Building competences including the qualifications, behavioural and technical competencies required to perform tasks highly contribute to smooth succession processes in our organization	6.6	30.3	12.3	24.6	26.2	3.33	1.33
The organization uses automated tools to streamline the process of tracking, identification, and selection of high achievers to become suitable leadership successors	8.3	25.6	14.9	37.2	14	3.32	1.22
Succession planning initiative in our organization include steps that actively promote women and minorities for leadership opportunities, and train managers on how to encourage diversity on their teams	11.6	37.2	23.1	15.7	12.4	2.80	1.21
The organization has data base that can be used to make strategic staffing decisions for critical positions.	12.2	16.3	8.9	52.8	9.8	3.32	1.22
Average						**3.19**	**1.25**

4.6.5 Descriptive Analysis for Management of Parastatals

The descriptive statistics on the dependent variable (Management of Parastatals) was sought through 5-point Likert scales starting from strongly agree to strongly disagree. The results are as summarised in percentage as shown in Table 4.24. Out of 123 respondents, 28.5% agreed that they understood the concept of human capital strategies and their effects on the management of the parastatal, 15.4% showed a strong agreement on the same, 22.8% however, disagreed of any understanding of the concept or management. The results also showed that 19.5% of the respondents indicated their strong disagreement on this statement while 13.8% took a neutral stand. Further, respondents were asked if they believed adoption of human capital strategies on the management of their organization helped in retention of the workforce. The results showed that 40.7% demonstrated their strong disagreement, 37.4% also showed agreement while 4.9% of the respondents indicated a neutral stand. However, 10.6% of the respondents recorded their strong disagreement together with 6.5% who chose to just disagree.

Moreover, on seeking to find if adoption of human capital strategies on the management of the respondent's organization enables retention of key talents that further lead to prosperity, 45.9% of the respondents showed their strong agreement, 32% just agreed, 9% of the respondents disagreed while there was a tie on those who strongly disagreed and those who took a neutral position at 6.6%. In addition, respondents were asked whether they agreed that adoption of human capital strategies on the management of organization helps the management exceed stakeholder expectations that leads to stakeholders having confidence and full satisfaction. Overwhelmingly, majority of the respondents (52.8%) showed strong agreement, 31.7% also asserted to this, 8.1% were unsure, 4.9% and 2.4% registered their strong disagreement and disagreement respectively. Finally, the researcher sought to find if respondents agreed to adoption of human capital strategies in the management of organization so as to increases productivity of the workforce. Again, most of the respondents (59.3%) recorded their strong agreement to this statement, 21.1% followed agreeing to it, 8.9% remained unsure while 4.9% and 5.7% registered their strong disagreement and disagreement respectively. The average mean score of the constructs under management was 3.88 with a standard deviation of 1.2. This shows that many respondents highly rated adoption of human capital strategies on to have significant effect on management of an organizations in achievement of high productivity, increased workforce retention rates and exceeding stakeholder expectations. From the analysis, the results show high level of agreement to the study findings by McGraw and Taylor (2009) which revealed that quality of management and strategic choices on the most critical assets of the organization are key drivers to achieving a strategic fit in management of organizations. The summary of the results is as shown in Table 4.24.

Table 4.24 Descriptive Analysis for Management of Parastatals on Likert-type Weighted Scale

	Percentage of responses (n=123)						
Statements	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
I understand the concept of Human Capital Strategy (is) and its/their effects on the management of the organization	19.5	22.8	13.8	28.5	15.4	2.98	1.39
In this organization, I believe adoption of human capital strategies on the management of our organization helps in retention of the workforce.	10.5	6.5	4.9	37.4	40.7	3.91	1.29
Adoption of human capital strategies on the management of our organization enables retention of key talents hence leading to prosperity.	6.6	9	6.5	32	45.9	4.02	1.22
Adoption of human capital strategies on the management of our organization helps the management exceed stakeholder expectations that leads to stakeholders having confidence and full satisfaction.	4.9	2.4	8.2	31.7	52.8	4.25	1.04
Adoption of human capital strategies in the management of our organization increases productivity of the workforce	4.9	5.7	8.9	21.1	59.4	4.24	1.14
Average						**3.88**	**1.22**

4.7 Inferential Analysis

In order to determine the impact of independent variables (adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy and succession planning strategy respectively) and dependent variable (management of parastatals) inferential analysis was conducted. The bivariate nature of both dependent variable and independent variables was sought. Based on Kothari (2009) argument, a bivariate nature of two variables can be established by use of either correlation or regression analysis. Correlation analysis is used to establish the strength of the relationship between the predictor and response variables respectively whereas regression analysis is used to establish the nature of the relationship between the dependent variable and independent variable (Kothari, 2009). For the purpose of the current study both correlation and regression analysis were used. Decision creteria on whether to reject or fail to reject the null hypothesis was based on 5% level of significance, that is, if the p value was less than 0.05, the null hypothesis would be rejected and if otherwise the null hypothesis would be accepted. In this current study, the p-value was less than 0.05 which meant that predictor variables had significant influence on management of parastatals.

4.7.1 Correlation Analysis

According to Pallant (2010), correlation is used to explore the relationship between the study variables and helps to test multicollinearity in the study variables. Correlation values that are not close to 1 and -1 indicate that the study variables are of different measures. This therefore guarantees that there is absence of multicollinearity hence allowing the study to utilize all the study variables under consideration. The study sought to find out the strength of the link between management of parastatals and talent brand nurturing strategy, performance monitoring strategy, leadership development strategy, and succession planning strategy. To conduct correlation analysis, Pearson's Product Moment (PPM) correlation was conducted since it is applicable when study variables are in ratio scale. Correlation coefficient (rho) was used by the study as the measure of the strength of the relationship between the study variables. The finding of the study showed a significant positive linkage between management of parastatals and talent brand nurturing strategy (rho=0.472). This implies that any unit increase of talent brand nurturing strategy would have and positive effect on management of parastatals. The relationship between management of parastatals and performance monitoring strategy was found to have a significant positive correlation (rho=0.508). Therefore, any unit increase in performance monitoring strategy will have a positive improvement on management. Also, the findings of the study showed that there is a significant positive relationship between management of parastatals and leadership development strategy (rho=0.436). This implies that any unit increase in leadership development strategy improves the management of parastatals. Moreover, the results of the findings demonstrated a significant positive relationship between succession planning strategy and management of parastatals (rho = 0.475). Therefore, any unit increase in succession planning strategy leads to a positive impact on the management of parastatals. As per these results, the most influential factor was found to be performance monitoring strategy since it had the highest correlation coefficient of rho=0.508. The results of the correlation are as summarised in Table 4.25.

Table 4.25 Correlation Matrix

	MGP	TBNS	PMS	LDS	SPS
MP	1	.472**	.508**	.436**	.475**
TBNS	.472**	1	.297**	.379**	.356**
PMS	.508**	.297**	1	.362**	.397**
LDS	.436**	.379**	.362**	1	.268**
SPS	.475**	.356**	.397**	.268**	1

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

Key;

MP:	Management of Parastatals
TBNS:	Talent brand Nurturing Strategy
PMS:	Performance Monitoring Strategy
LDS:	Leadership Development Strategy
SPS:	Succession Planning Strategy

4.8 Regression Coefficient Analysis and Hypothesis Testing

Regression analysis is described as a statistical process of estimating the relationship between the study variables (Graham, 2005). The study further reiterates that regression analysis is vital for generating an equation that is capable of giving statistical measurements on the relationships between study variables. Since the dependent variable (Management of Parastatals) was in ratio scale, the study chose to use Ordinary Least Square (OLS) method to fit the data into the conceptualized model in the conceptual framework. The coefficient of determination (R^2) was used as a measure of the explanatory power with the main aim of showing how the independent variables explained 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 goodness of fit of the model while regression coefficient was used to explain the nature of the relationship between the independents variables and dependent variable respectively.

4.8.1 Testing Hypothesis One

H_{01}: Adoption of Talent Brand Nurturing Strategy has no significant influence on management of parastatals in Kenya. Based on the model summary in Table 4.26, Coefficient of determination as indicated by R squared is 0.223 implying that 22.3% of the positive change in management of parastatals is explained by talent brand nurturing strategy while the other factors not included in the study control the remaining proportion of 77.3%. The adjusted R square of 21.6% depicts that if management of parastatals is excluded, talent brand nurturing strategy explains only 21.6%. The standard error of estimate (0.2216) shows the average deviation of the independent variables from the line of best fit. The results are shown in Table 4.26.

Table 4.26 Model Summary for Talent Brand Nurturing Strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472a	0.223	0.216	0.2216

a Predictor: (Constant), TBNS
b Dependent Variable: MP

Table 4.27 shows the measure for goodness of fit for the model using one-way Analysis of Variance (ANOVA) since the p-value is less than the 0.05, then there is a significant change in the explanatory power ($F = 34.679$ and p value <0.05). ANOVA results indicated that the p-value of the F-statistic was found to be 0.000 which in essence is less than 0.05 level of significance. This clearly demonstrates that the estimator in the one parameter regression analysis is significantly not equal to zero. This implies that the predictor, Talent Brand Nurturing Strategy, has a significant influence on management in the parastatals. The results are shown in Table 4.27.

Table 4.27 Talent Brand Nurturing Strategy ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.703	1	1.703	34.679	.000b
	Residual	5.942	122	0.049		
	Total	**7.645**	**123**			

a Dependent Variable: MP
b Predictor Variable: (Constant), TBNS

From Table 4.27 regression equation can be written as:

MP = 2.306 + 0.216 TBNS ……………………………………………Equation (i)

The regression as depicted in equation (i) shows that holding talent brand nurturing strategy at a constant zero, the management of parastatals would be at 2.306, any unit increase in adoption of talent brand nurturing would lead to increase in the management of parastatals by factors of 0.216. Moreover, since the p value is less than 0.05 level of significance, then it means that talent brand nurturing has significant influence on management of parastatals hence leading to null hypothesis being rejected and instead allowing alternative hypothesis to be accepted. There is a significant positive relationship $r= 0.472$ and $p\leq 0.05$. Since the p-value was less than 0.05, it implies that a constant of 2.306 and TBNS at 0.216 are both significant at 95% level of confidence. The regression results indicate that TBNS plays a key role on the management of parastatals in Kenya. The results relate to the findings by Miguel (2007) which affirmed that organizations that had embraced and implemented talent strategies succeeded in their management endeavours. This is also in agreement with Green and Tull (2009) who opined that null hypothesis is only accepted if its p-value is greater 0.05 and if the p-value (Sig) is less than 0.05, then the alternative hypothesis should be accepted. The summary of the results is shown in Table 4.28.

Table 4.28 Regression for Talent Brand Nurturing Strategy

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.306	0.11		20.989	0.000
	TBNS	0.216	0.037	0.472	5.889	0.000

a Dependent Variable: MP
b Predictor Variable: TBNS

4.8.2 Testing Hypothesis Two

H_{o2}: Adoption of Performance Monitoring Strategy has no significant influence on Management of Parastatals. The model summary in Table 4.29 demonstrates the coefficient of determination as indicated by R squared to be 0.258 implying that 25.8% of the positive change in management of parastatals is explained by performance monitoring strategy while the other factors not included in the current study explains the remaining proportion of 74.2%. The adjusted R square of 25.2% depicts that if management of parastatals is excluded, performance monitoring strategy explains only 25.2%. The standard error of estimate (0.21656) shows the average deviation of the independent variables from the line of best fit.

Table 4.29: Performance Monitoring Strategy Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508a	0.258	0.252	0.21656

a Predictor: (Constant), PMS
b Dependent Variable: MP

In Table 4.30, the measure for goodness of fit for the model is measured using ANOVA. Since the p-value is less than the 0.05, then there is a significant change in the explanatory power (F = 42.009 and p value <0.05).

Table 4.30 ANOVA for Performance Monitoring Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.97	1	1.97	42.009	.000b
	Residual	5.675	122	0.047		
	Total	**7.645**	**123**			

a Dependent Variable: MP
b Predictor: (Constant), PMS

From Table 4.30 regression equation can be written as:

MGP = 1.014 + 0.634 PMS ………………………………………………… Equation (ii)

The regression as demonstrated by equation (ii) shows that when performance monitoring strategy is held at a constant zero, management of parastatals would be at 1.014. This means that a unit increase in performance monitoring strategy would lead to an increase in the management of parastatals by factors of 0.634. Again, since the p value is less than 0.05, it implies that performance monitoring strategy has significant influence on management of parastatals hence the null hypothesis is rejected and the alternative is accepted. The results indicate that adoption and implementation of performance monitoring strategy is capable of influencing management of parastatals positively. The results from the current study resonates with the study findings by Wellins, *et al.* (2009) which indicated that performance monitoring based strategies provide organizations with a conducive environment for tracking employee and putting intervention measures where necessary with the aim of achieving better performance management hence resulting to increased productivity. The summary of the results is as shown in Table 4.31.

Table 4.31 Performance Monitoring Strategy Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.014	0.298		3.401	0.000
	PMS	0.634	0.098	0.508	6.481	0.000

a Dependent Variable: MP
b Predictor Variable: PMS

4.8.3 Testing Hypothesis Three

H_{03}: Adoption of leadership development strategy has no significant influence on management of parastatals. The model summary in Table 4.32 demonstrates the coefficient of determination as indicated by R squared to be 0.19 implying that 19% of the positive change in management of parastatals is explained by leadership development strategy while the other factors not included in the current study control the remaining proportion of 81%. The adjusted R square of 18.3% depicts that if management of parastatals is excluded, leadership development strategy explains only 18.3%. The standard error of estimate of 0.22624 shows the average deviation of the independent variables from the line of best fit. The summary of the results is as shown in Table 4.32.

Table 4.32 Leadership Development Strategy Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436a	0.19	0.183	0.22624

a Predictors: (Constant), LDS

In the Table 4.33 the test for goodness of fit is assessed using one-way Analysis of Variance (ANOVA). As the results shown below the p-value is less than the 0.05, then there is a significant change in the explanatory power for the variable leadership development strategy (F = 28.347 and p value <0.05).

Table 4.33 ANOVA for Leadership Development Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.451	1	1.451	28.347	.000b
	Residual	6.194	122	0.051		
	Total	**7.645**	**123**			

a Dependent Variable: MP
b Predictors: (Constant), LDS

From Table 4.33, regression equation can be written as:

MP = 2.102 + 0.276 LDS ……………………………………………… Equation (iii)

The regression equation (iii) shows that holding leadership development strategy at a constant zero, the status of management of parastatals would be at 2.102. This implies that any unit increase in leadership development would lead to increase in the quality of management of parastatal and improvement of productivity by factors of 0.276. Again, since the p value is less than 0.05 means that leadership development strategy has significant influence on management hence the null hypothesis is rejected. Figure 4.34 shows the summary coefficients of LDS.

Table 4.34 Leadership Development Strategy Regression Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	2.102	0.159		13.2	0.000
	LDS	0.276	0.052	0.436	5.324	0.000

a Dependent Variable: MP
b Predictor Variable: LDS

4.8.4 Testing Hypothesis Four

H_{04}: Adoption of succession planning strategy has no significant influence on management of parastatals. The model summary in Table 4.35 demonstrates the coefficient of determination as indicated by R squared to be 0.226 implying that 22.6% of the management of parastatals is explained by succession planning strategy while the other factors not included in the current study control the remaining proportion of 77.4%. The adjusted R square of 22% depicts that if management of parastatals is excluded, succession planning strategy explains only 22%. The standard error of estimate (0.22114) shows the average deviation of the independent variables from the line of best fit. The summary of the results is as shown in Table 4.35.

Table 4.35 Succession Planning Strategy Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.475a	0.226	0.22	0.22114

a Predictor: (Constant), SPS

Table 4.36 shows the succession planning strategy ANOVA to measure for goodness of fit for the model. As indicated by the study, p-value is less than the 0.05 implying that there is a significant change in the explanatory power ($F = 35.315$ and p value <0.05).

Table 4.36 ANOVA for Succession Planning Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.728	1	1.727	35.315	.000b
	Residual	5.917	122	0.049		
	Total	**7.645**	**123**			

a Dependent Variable: MP
b Predictor Variable: (Constant), SPS

From Table 4.36, regression equation can be written as:

MP = 1.844 + 0.409 SPS ……………………………………………… Equation (iv)

The regression equation (iv) shows that holding succession planning strategy at a constant zero, management of parastatals would be at 2.306, a unit increase in talent brand nurturing would lead to improvement of management of parastatals by factors of 0.216. In addition, since the $p<0.05$ meaning that succession planning strategy has significant influence on management of parastatals hence the null hypothesis was rejected and instead the alternative hypothesis was accepted. The results show that there was significant positive relationship $r= 0.475$ and $P\leq0.05$. The summary is shown in Table 4.37

Table 4.37 Succession Planning Strategy Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.844	0.186		9.921	0.000
	SPS	0.409	0.069	0.475	5.943	0.000

a Dependent Variable: MP
b Predictor Variable: SPS

Summary of the Hypotheses Tested

In the current research study, the hypothesized had been stated that;

H_{01}: Adoption of Talent Brand Nurturing Strategy has no significant effect on the management of parastatals in Kenya. (H_0: $\beta_1 = 0$; verses H_1: $\beta_1 \neq 0$)

H_{02}: Adoption of Performance Monitoring Strategy has no significant effect on the management of parastatals in Kenya. (H_0: $\beta_2 = 0$; verses H_2: $\beta_1 \neq 0$)

H_{03}: Adoption of Leadership Development Strategy has no significant effect on the management of parastatals in Kenya. (H_0: $\beta_3 = 0$; verses H_3: $\beta_1 \neq 0$)

H_{04}: Adoption of Succession Planning Strategy has no significant effect on the management of parastatals in Kenya. (H_0: $\beta_4 = 0$; verses H_4: $\beta_4 \neq 0$)

The results showed that the null hypothesis in each case was rejected correspondingly. The summary of the results is as shown in Table 4.38.

Table 4.38 Summary of the Hypotheses Tested

Hypothesis Statement	Hypothesis Test	Significant Value	Verdict
H_{01}: Adoption of Talent Brand Nurturing Strategy has no significant effect on the management of parastatals in Kenya	H_0: $\beta_1 = 0$; H_1: $\beta_1 \neq 0$	.000	H_0 Rejected
H_{02}: Adoption of Performance Monitoring Strategy has no significant effect on the management of parastatals in Kenya	H_0: $\beta_2 = 0$; H_1: $\beta_2 \neq 0$	.000	H_0 Rejected
H_{03}: Adoption of Leadership Development Strategy has no significant effect on the management of parastatals in Kenya	H_0: $\beta_3 = 0$; H_1: $\beta_3 \neq 0$	.000	H_0 Rejected
H_{04}: Adoption of Succession Planning Strategy has no significant effect on the management of parastatals in Kenya	H_0: $\beta_4 = 0$; H_1: $\beta_4 \neq 0$	.000	H_0 Rejected

4.9 Discussions for the Regression Coefficient Analysis and Hypothesis Testing

This section contains the discussion in line with both main and specific objectives of the study. To start with, the main objective aimed at establishing the effect of adoption of human capital strategies in the of parastatals in Kenya. In order to achieve this objective, specific variables were investigated to ascertain their effect on the management of parastatals. This included adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy and succession planning strategy respectively. From the results, most respondents (78.1%) showed their solidarity to adoption of human capital strategies that enabled retention of the workforce, improve productivity and above all enable the organization to exceed stakeholder expectations. In summary, important findings from the respondents on the management of parastatals showed a strong positive interrelationship in that adoption of human capital strategies was expected to: retain key talents (77.9%), stakeholders' confidence and satisfaction (84.5%) and increase productivity (80.4%). This means that many organizations value human capital strategies and so adoption of specific HCS is long overdue.

4.9.1 Effect of Adoption of Talent Brand Nurturing Strategy on Management of Parastatals

The hypothesis that was tested**: H_{01}: Adoption of Talent Brand Nurturing strategy has no significant effect on the management of parastatals.**

Based on the regression analysis results, adoption of talent brand nurturing strategy was proved to have a significant and positive relationship with the management of parastatals. This led to a rejection of null hypothesis thereby supporting the alternative hypothesis at 5% level of significance. This meant that 0.223-unit increase in talent nurturing strategy had an added value to the management of parastatals in achieving productivity and improvement of retention rates. As pointed by Level 5 Strategy Group (2014) branding of talents was an activity that involves the whole organization more importantly how it works to add unmatched value.

Balogh (2012) study talent branding at the University of Pecs found that one of the necessary feature for a company is to attract and nurture talents from the skilled human capital using the strongest and the best effective tools and strategies. This seems in agreement with of most respondents of this study who support a parastatal that investing significantly in skills, capabilities and experience developed in the organization of operation enables the management to exceed stakeholder expectations. There were a large number of respondents supporting opinion that when exceptional training is offered to talented employees, workforce is strategically equipped with innovative skills. In the same argument, Cannon and McGee, (2011) noted that a continued growth in specialization in all specific fields has been seen to increase knowledge tremendously leading to innovation-oriented type of the organization. Lack of the right skills is observed to be an endemic problem in today's dynamic business environments as it lowers productivity.

Majority of the respondents (63%) in the current study agreed that there is a need for top management to build and maintain an inimitable talent brand. A similar support in the study conducted by Collings and Mellahi, (2009) was recorded where those in top management were required to craft strategies that would help develop talent pools that would fit with the organization's broader strategic goals that would eventually create a strategic fit leading to better management. The success of the organization has been found to be strongly affected by the whole premise of building talent pools as affirmed in this study. This is further affirmed by a study done by O'Reilley and Pfeffer (2010) who suggested that organizations should strive to incorporate culture and environment under which it operates when nurturing talents. Culture and the environment under which talents are bred are seen to be critical in determining whether the expected performance level of the management will be above or below the normal level (Iles, 2008).

The current study confirmed the need for organization to consider investing in programs that will help nurture creativity and innovation as suggested by Eyring and Eyring (2013). Their study on multinational organizations observed that organization investing in research and development of nurturing talents showed different results in numerous areas like leadership, turnover and employee retention. CIPD (2012) suggestion of aligning talent brand nurturing strategy with overall business strategic goals received a support from the current study where majority of the respondents (50.5%) agreed (against 31.7% who opposed) to the internal instrument of nurturing talent having qualified candidates who are profiled-matched to strategically fill specific positions.

4.9.2 Effect of Adoption of Performance Monitoring Strategy on Management of Parastatals

The null hypothesis stated**: H_{02}: Adoption of Performance Monitoring Strategy has no significant effect on management of parastatals in Kenya.**

Out of all the predictor variables tested, adoption of performance monitoring strategy was observed to be most significant and to positively affect the management of parastatals. This implies that increased levels of performance monitoring would automatically result in enhanced management of the parastatals resulting to high productivity. Green, *et al.* (2012) supports this finding in their study of supply chain partners, where environmental collaboration and monitoring strategies were found to improve both the employees and organization performance. Similarly, Debora and Alecia (2015) found that close performance monitoring had a significant impact on employee attitudes which included job satisfaction and effective commitment.

In the present study, a good number of organizations were found to use Employee Balanced Scorecard (EBS) in supervision and management of the employees' performance and contribution to the achievement of strategic goals as argued by Northcott and Taulapapa (2012). The study reiterates that employment of EBS is seen as defensive mechanisms to the increased competition that require employees to act competently. Asked whether competency assessments often helped form the strategic basis for training programs and learning content, majority of the respondents indicated their agreement (61%). This means that employees were actually benefiting from such trainings.

An overwhelmingly support of question on pay-for-performance compensation indicate that payment serves to increase productivity and band employees together to achieve strategic goals not only as individuals but also as a team working in the same environment. Although pay-for-performance is a pleasant idea, implementation has often been complex and difficult due to implementation design and the performance monitoring being innately difficult in government sectors (Organization for Economic Co-operation and Development (OECD), 2017). The findings of the current study are also similar to study findings by Germaine (2011) which found that as a result of performance monitoring strategy, the management strategically use performance metrics to measure and monitor the patterns of the shortcomings among the individuals or teams to guide them back on track. Similarly, data analysis of the current study show that performance metrics is a critical ingredient of performance management as it has proved to be a discipline that aligns performance with corporate strategy. In concurrence to the current study findings, Odhon'g (2015) equally found that the executives can craft and implement performance monitoring strategy to collect data, establish baselines, set alerts, create, analyze and share reports with a sole aim of creating performance metrics to define and communicate strategic objectives that are tailored to every individual in the organization. Therefore, an organization aiming to adopt pay-for-performance mechanism should give it a serious strategic planning it deserves.

4.9.3 Effect of Adoption of Leadership Development Strategy on Management of Parastatals

The null hypothesis stated**: H_{03}: Adoption of Leadership development strategy has no significant effect on management of parastatals in Kenya.**

The regression results showed a significant and positive relationship between adoption of leadership development strategy and management of parastatals. Moreover, the null hypothesis was rejected favouring the alternative hypothesis. Therefore, adoption of leadership development strategy would be followed by improvement in the management of the parastatals resulting to high productivity and exceeding of stakeholder expectation. Most participants (61%) were of the opinion that well respected and trusted individuals in the organization formed the best roadmap for strategic leadership. Elsewhere, individuals of high calibre are those considered transformational, which is an asset that many organizations strive to get in order to improve the current and future performance (Koech & Namusonge, 2012).

Personal assessment has been observed to be an appropriate chance of evaluating personal statement and achievement received as similarly found by Hunnicutt (2008).

Further, most of the respondents (65%) have shown their agreement to the gain received by employees plus top management inform of insight of the best fit individuals in the management of the organization. Even so, evidence from the sample suggest that many organizations lack development plans to start up employee career paths as shown by majority of the respondents (61.8%) who refuted this claim of having any plans in their organization. On a survey on strategic responses to poor organizational performance, Palmer and Ketchen (2012) found that mass exodus amongst the members of the workforce was rampant due to compensation and benefits (50%) while another group indicate lack of career paths (35%). Meaning that organizations need to develop a structure that shows the path their employees are expected to go through.

Mentorship programs meant to nurture leadership skills for longevity of the organization culture and processes have proven necessary over time. Organization have established these vital programs to equip human capital with skills that can help retain employees for tomorrow leadership. United States Office of Personnel Management (2008) outlined numerous reasons for mentoring programs and included; to boost employee morale, increase productivity, and for career development among others. A key to note from this study is that the framework for mentorship is necessary and must be aligned with the business strategic goals. The study equally found that mentorship and coaching program were areas that helped to identify, select, and develop high-potential employees as suitable candidates for leadership roles as shown by the agreement made in the statement. In the selection of the learning projects, business strategy must be considered to enable participants practice their leadership development goals. In conclusion, Merrick (2013) reiterates that mentoring programs may be challenged in the management talents within the organization.

4.9.4 Effect of Adoption of Succession Planning Strategy on Management of Parastatals

The null hypothesis tested**: H_{04}: Adoption of Succession planning strategy has no significant effect on management of parastatals.** The regression results showed a significant and positive relationship between adoption of succession planning strategy and management of parastatals. Therefore, adoption of succession planning has proved to have contribute to quality management of parastatals. Consequently, improved high retention and productivity rates were proven to have been realized. Succession planning strategies are key to survival of the organization (Adewale, Obiodun & Kodale, 2011) since employee retention is enabled when the succession strategic plans such as provision of growth opportunities and job satisfactions are encouraged (Eshiteti, *et al.,* 2013).

Most of the respondents (50.8%) asserted that building competences including the qualifications, behavioural and technical competencies required to perform tasks highly contributed to smooth succession processes in many organizations. In the same way, Salama (2014) portrayed strategic succession plan to consist: human capital planning, talent strategic management, career strategic management and performance strategic management. It is with this premise that organizations should find it necessary to apply automated tools in an effort to streamline the process of tracking, identification, and selection of high achievers who turn to be suitable leadership successors in the near future as demonstrated by (AON, 2006).

All groups of people should be involved in the strategic succession planning initiated in the organization so as to promote diverse leadership which is responsible of own action. Teams in the workplace should be diversified in their activities to optimize individual ambitions as well as to achieve the strategic goal of the organization (Sullivan, 2010). However, most participants' organizations demonstrated their concerns for women and minority group to participate in the leadership opportunities and teamwork in preparation for any succession when they disagreed (48.9%) with such groups having been realized in their organizations.

Having an organizational structure that helps make strategic staffing decisions for important positions should not be overlooked by management as most participants of this study agreed to the impact created by such structure. Darvish and Temelie (2014) suggests that an institution need to formalize and concentrate on developing a succession strategic plans where even a committed top management is actively involved and can be used to encourage others for the same since by so doing, the organization will still progress even when personnel are retired, dismissed or face other life threatening issues.

4.10 Overall Model

The model summary displayed in Table 4.39 indicates the overall coefficients of determination of the four independent variables under study. The R-square posted an overall value of 0.443 depicting that independent variables (adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy and succession planning strategy) explain 44.3% of the dependent variable (management of parastatals). Excluding the dependent variable, explanatory power changes to 42.4% as shown by the adjusted R-squared. The standard error of the estimate (0.18991) demonstrates an average deviation of independent variables for the line of the best fit. Only 55.7% of the variations on management can be explained by other factors that are not included in the model. This is an indication the model is moderately perfect. The summary is as shown in Table 4.39.

Table 4.39 Overall Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.666a	0.443	0.424	0.18991	1.893

a Predictors: (Constant): TBNS, PMS, LDS, SPS.
b Dependent Variable: MP

ANOVA as shown in Table 4.40 measure goodness of fit do indicate F statistics of 23.492 and p-value less than 0.05. This means that the independent variables have a significant change in explanatory power. The summary is as shown in Table 4.40.

Table 4.40 Overall ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.389	1	0.847	23.492	.000b
	Residual	4.256	122	0.036		
	Total	**7.645**	**123**			

a Dependent Variable: MP
b Predictors: (Constant): TBNS, PMS, LDS, SPS.

The results from the multi-linear regression analysis are displayed in Table 4.41. In general, adoption of performance monitoring strategy had the most significant positive relationship with management of parastatals (β=0.349 t=3.554 p value = 0.000). Second most significant and positive influence on management of parastatals was the adoption of succession planning strategy (β=0.199 t=2.96 p value = 0.000). Third most significant and with a positive relationship was found to be adoption of leadership development strategy and management of parastatals (β=0.116 t=2.355 p value = 0.000). The last variable that still had a significant and positive relationship is between adoption of talent brand nurturing strategy and management of parastatals (β=-0.109 t=-3.058 p value = 0.000).

The overall regression equation can be represented as:

MP = 0.675 + 0.109 TBNS + 0.349 PMS+ 0.116 LDS + 0.199 SPS………Equation (v)

The regression equation model as shown in equation (v) indicates that all the coefficients of all the predictor variables were significant in influencing management in parastatals. This signifies that an increase in management effectiveness and efficiency of parastatals would results in increase by 10.9%, 34.9%, 11.6% and 19.9% in the variable: adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy and succession planning strategy respectively. These results are in line with the findings by Beheshti (2010) which argued that a good number of both the public and private organizations are in a dire need of human capital strategic initiatives to improve productivity to achieve desired strategic objectives. The results further confirmed the preposition that the level of top management involvement HCS execution determines the effectiveness and efficiency of strategic management in an organization. The results also concur with the study findings by Cheng and Dainty (2007) which revealed that organizations with proper talent management strategies were more effective in their organizational management agenda. The study further states that talent nurturing strategy should be business driven, future focused, integrated, and be able to deliver measurable results. These results also reinforce the study findings as advanced by Gregory (2011) which states that performance management based strategy provides an organization with conducive environment for impressive performance. The results also corroborate the findings by Kevin (2007) which opined that aligning of human capital based strategies to business management strategic goals enhances productivity and enables organizations retain the best crop of talents within its employee ranks. Table 4.41 shows the summary regression coefficients for all the variables.

Table 4.41 Regression Coefficients for all Variables

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Err.	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	0.675	0.27		2.497	.000		
	TBNS	0.109	0.036	0.238	3.058	.000	0.779	1.283
	PMS	0.349	0.098	0.279	3.554	.000	0.764	1.309
	LDS	0.116	0.049	0.183	2.355	.000	0.785	1.275
	SPS	0.199	0.067	0.231	2.96	.000	0.776	1.288

a Dependent Variable: MP
b Predictor Variables: TBNS, PMS, LDS, SPS.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings both inferential and descriptive statistics of the study based on the objectives outlined in chapter one of the study. It also makes conclusions on the key findings and in relation to the observations and decision criteria outlined in the past studies and books. Later on, recommendations are offered as per the objectives and outcomes of the study. Finally, the chapter ends with recommendations for further areas that can be studied to extend or review the current study.

5.2 Summary of the findings

This study proposed to test effect of adopting human strategies in the management of parastatals in Kenya. The study registered excellent response as 95.3% of the questionnaires were filled and returned. The showed that the overall model was significant at 5% level of significance as it showed that predictors positively impacted the quality of management of parastatals. The models predictive power as measured by use of coefficient of determination (R-squared) was strong, illustrating that 44.3% of management of parastatals can be explained by four predictor variables (adoption of talent brand nurturing strategy, adoption of performance monitoring strategy, adoption of leadership development strategy and adoption of succession planning strategy).

Testing for reliability of the research instrument using Cronbach's Alpha showed that all independent variables were reliable as the alpha value was above 0.7. Test results for regression assumption further showed that variables were normally distributed as measured by Kolmogorov Smirnov and Shapiro-Wilk test, autocorrelation assessed using Durbin Watson test revealed had no autocorrelation, multicollinearity did not pose a problem as values of variables tended to 1 and heteroscedasticity was also found to be absent. The null hypothesis in each case was rejected since the p-values were less than 5% level of significance.

5.2.1 Adoption of Talent Brand Nurturing strategy

The first objective aimed to determine the influence of adoption of talent brand nurturing strategy on management of parastatals. Talent brand nurturing strategy was assessed from the perspective of training, integration support from the top-management and internal talent pools on a 5-point Likert scale. Regression findings revealed that talent brand nurturing strategy had a significant effect on the management of parastatals posting a p-value that was less than 0.05 level of significance at 95% confidence level. Talent brand nurturing strategy alone was found to explain 22.3% of the management of parastatals. The results resonate with the study findings by Rothwell (2007) which opined that talent strategy is key in performance management of state corporations and therefore must be implemented.

ANOVA showed that beta of talent brand nurturing strategy was 0.216 which was also confirmed to be significant. This implied that a unit increase in talent brand nurturing would result in improvement in management of parastatals by 21.6%. Similar findings of a positive relationship were affirmed by findings from correlation analysis which indicated a positive and significant relationship.

5.2.2 Adoption of Performance Monitoring Strategy

In line with the second objective that targeted to establish the influence of adoption of performance monitoring strategy on management of parastatals. Performance monitoring strategy was assessed by focusing on employees' appraisal with the balanced scorecard, use of competency model and pay-for-performance compensation. Findings from the analysis showed a beta which was significant at 0.05 level of significance at 95% confidence level illustrating that for every unit increase in performance monitoring strategy there would be a corresponding increase in 63.04%.

Analysis of Variance revealed an optimal F-statistics and p-value that was less than implying that the model was significant. Predictive power as measured by R-squared showed that performance monitoring strategy alone explained 25.8% of management of parastatals.

5.2.3 Adoption of Leadership Development Strategy

The third objective aimed at finding the effect of adoption of leadership development strategy on management of parastatals. Leadership development strategy was measured by studying self-driven development with 360-degree feedback, exposure to global leadership skills and action learning, and coaching done for leadership. One-way analysis of variance was conducted and was found to be significant. Regression coefficients demonstrated a beta of 0.276 and significant p-value which was less than 0.05 level of significance at 95% confidence level. This implies that leadership development strategy is important in the management of parastatals and that for every unit increase in leadership development strategy would lead to increase in management of parastatals by 27.6%.

Evidence from the sample, as shown by regression analysis, suggests that leadership development strategy positively influence management of parastatals. The results also showed consistencies with correlation coefficients that further proved the presence of a positive relationship which was found to be significant. The predictive power as shown by R-squared indicate that only 19% of management of parastatals can be explained by leadership development strategy alone.

5.2.4 Adoption of Succession Planning Strategy

Fourth objective sought to find if adoption of succession planning strategy has effect on management of parastatals. Succession planning was assessed from 5-Likert scale weighing heavily for the answer to the positioning succession plans, competencies in building critical leadership roles and strategizing succession through automated tools. The findings revealed there is a significant positive effect of succession planning strategy on management of parastatals. The p-value was found to be less than 0.05 level of significance at 95% confidence level meaning there is a significance positive relationship between the study variables mirroring the past studies.

Similar results were confirmed by correlations analysis that found a positive and significant relationship between succession planning strategy and management of parastatals. The predictors power as measure by R-squared was established to be 0.226, illustrating that succession planning strategy only explain 22.6% of the management of parastatals.

5.3 Conclusion

The study sought to explore the effects of adoption human capital strategies on the management of parastatals in Kenya. With a review of both theoretical and empirical literature, the study disclosed the human capital strategy is a worthwhile investment and consistently found out that there exists interrelationship between the predictor variables (Adoption of talent brand nurturing strategy, performance monitoring strategy, leadership development strategy and succession planning strategy respectively) and management of parastatals in Kenya.

The importance of adoption talent branding nurturing strategy was therefore found to be significant to the management of parastatals. More specifically and to experience this improvement of productivity and retention of skilled workforce, the study has proven that parastatals require: exceptional training of the talented employees, investment in skills, capabilities and experience, conducting research and development to nurture creativity and innovation, and strategically profiling candidates to specific positions as suggested by this study. The current study takes this cognizance view to conclude that indeed talent brand nurturing strategy is a key ingredient for those parastatals and other organizations wishing to gain a sustainable competitive advantage through key talent retention and high productivity in their strategic management and in particularly the corporate strategic goals.

The focus on adoption of performance monitoring strategy has shown a statistically significant and strongest positive effect on all the management of parastatals indicators reviewed. Parastatals or organizations wishing to improve their strategic management to create a sustainable competitive advantage ought to embrace critical performance monitoring strategy in their mission aligned to goals and objectives. The study revealed the significance of focusing on performance measurement tools such as Employee Balanced Scorecard in evaluation of whether the organizations is still working to meet its strategic objectives in the key area of performance management. The results illustrate how strategic monitoring through the use of EBSC alone can be a cost-effective tool for improving organizational management. Another important area in performance monitoring is competency model for assessments which forms basis of training, strategic management and talent management which are core activities in strategic planning of the organization and therefore this study proved its worthiness in creating a sustainable competitive advantage. A compensation done as per the performance metrics of individuals has been proved to play an important role in the working environment by encouraging employees to band together with the aim of achieving the desired strategic management goals. Incentive compensation strategic plans increases the value of an organization in line with the stakeholder's expectations. Of the four strategies considered by the study, performance was found to be the most significant influencer of management in the parastatals due to high degree of correlation and predictive power and so performance monitoring strategy is key in determining compensation and other necessary intervention measures required to achieve quality management and improve productivity. Performance monitoring strategy is crucial as it helps the organization to track performance indices through regular collection of information to assist top managers make informed decisions, ensure accountability and enable policymakers to develop a framework of intervention measures.

Further, the study also found that the pursuit and adoption of leadership development strategy had the strongest positive effect on the management of parastatals, underlining the value of enhancement of self-driven development and 360-degree feedback strategies, mentoring and coaching, employment of automated tools to cater for succession strategic planning, building competences and strategic positioning of successors. This study concludes that personal assessment and development plays a greatest role by in-sighting the best fit employees in the organization to develop their career in leadership of the parastatals or organizations. However, it can also be concluded that mentoring and coaching does not help in selection of those employees to for leadership in isolation. The quality and success of management and performance in parastatals is determined by the choice of candidates and the strategy of selecting and developing high potential leaders on the basis of their past performance.

The study concludes that adoption of succession planning strategy was positively related and significant factor in management of parastatals. This means that parastatals in Kenya that aims to have positive change in their management need to plan for succession strategy as a key retention initiative. The study has proven that leaders should consider streamlining the process of tracking, identifying and selecting successors who will fit the leadership position left through natural attrition, retirement or resignation. Use of up to date database also proved to be useful in making strategic staffing decisions for critical positions. The success of business strategic goals and sustainable competitive advantage is determined by effective and efficient implementation of succession planning strategies in state enterprises in Kenya. Successful implementation of succession planning strategy requires identification and alignment of organizational strategic goals to minimize employee turnover and improve productivity and ensure sustainable competitive advantage.

Overall, all the strategies showed a direct positive effect on strategic management of parastatals in Kenya. Following the study outcomes, it is possible to conclude that adoption of human capital strategies is long overdue and organization should move with speed to craft, adopt and implement these particular strategies from the most stable organizational platform, the human capital.

5.4 Recommendations

The study findings of the current research suggest that parastatals in Kenya need to adopt and implement human capital strategies as this will help to improve the quality of management which is geared towards enhancement of productivity, lower employee turnover, exceeding of stakeholder expectations, enhancement of stakeholder confidence and satisfaction, creation of sustainable competitive advantage and successful achievement of strategic objectives in the long run. Based upon the findings and conclusions of this study, the researcher recommends the following on adoption of human capital strategies on the management of parastatals in Kenya.

The organizations mission, vision and adoption of talent brand nurturing strategies should be shared by all in order to allow smooth and successful implementation of management strategic goals. Strategic choice of talent based strategies through exceptional training, support from the top m management, and creation of talent pools forms a clear roadmap of achieving maximum productivity. Parastatals in Kenya should adopt talent brand nurturing strategy as the findings shows that organization having this strategy in place are benefiting from innovative skills and inimitable talents branded employees who contribute immensely to the success of the organization management. This strategy has also been associated with developing creative and innovative ideas during when a worthy investment is made on research and development thus the organization is likely to benefit from the new ideas that bring about satisfaction and strong stakeholder confidence. In this regard therefore, leaders must forge a common ground and understanding of the critical importance of talent-based strategies in achievement of competitive advantage as a result of low employee turnover, satisfied stakeholders and moreso maximum productivity demonstrated by satisfied workforce. So, for parastatals willing to enhance their prowess in strategic management need to implement strategies that will help nurture talents and create talent pools.

Given the importance of supervision in evaluating and monitoring the performance of the employee, parastatals should strategize on how to effectively perform monitoring role so as to enhance management to create a sustainable competitive advantage. Strategic performance monitoring should be all-round not focusing only on one aspect of strategic management. Use of balance scorecard that look into both the financial and non-financial performance should be implemented fully to give a clear picture of the individual performance. Based on the results of the current study, performance-based provide incentives to top management teams to make strategic decisions that best serve the interests of the stakeholders. In addition, competency model should be applied to ensure the most competent or deserving candidate competitively fills the strategized position. In summary, organisations should consider designing and implementing effective performance monitoring strategic systems to assist in tracking by regular collection of individual-specific information as this will guarantee accountability. Adoption of effective performance monitoring strategy facilitates proper intervention strategic plans and actions towards successful achievement of productivity, low employee turnover and stakeholder satisfaction as a result of management strategic choice of human capital as a nuclear platform of competitive advantage.

The study revealed positive significance of adoption of leadership development strategy on management of parastatals. Therefore, for parastatals wishing to optimize their strategic management must adopt competitive leadership development strategies. Success of any leadership development strategy in the organization will only be achieved if employees in the organization are shown their career paths taught by the most trusted and respected leaders in the organization. Key leaders are the driving force behind developing a strategic plan for leadership roles. Boards of directors are critical to the process. Preparing the organization for a leadership transition, planned or unplanned, requires preparation and documented strategic plans reviewed at regular intervals. The strategy enriches potential leaders with tacit and organizational knowledge that enable steady continuity hence the achievement of competitive advantage. Organization should strive to achieve good leadership through application of mentoring programs on the organization's culture and processes and in line with the organization's strategic goals. Based on the globalization dynamics, employees should be exposed to global strategic leadership skills and action learning and in so doing, productivity will be improved. The leadership opportunities should not be biased on basis of gender, race, tribe or age. This will help the management exceed stakeholder expectations, enhance stakeholder confidence, increase the level of satisfaction and create sustainable competitive advantage.

The findings of the study revealed positive relationship between adoption of succession planning strategy and management parastatals in Kenya. For this case therefore, the study recommends that organization come up with a succession plan strategy as this was found to be vital in the strategic management of the organization. These plans should be diverse to incorporate all people while still streamlining organization for easier identification, tracking, and selection of the best suitable successors. Furthermore, organizations should consider increasing the levels of involvement in implementation of succession planning strategies. Using the resulting information, boards and key leaders could begin strategizing about leadership succession with a greater understanding of the succession planning strategies used in a similar organization. The expectation is that understanding the succession planning strategies of the organization, leaders at the inception of strategy formulation streamlines the process and increases the possibility that the organization will adopt a formal succession plan. A final expectation for key leaders' is that understanding succession planning strategies will inspire improvement in the business practice of succession planning. Leaders in these organizations should put in place drastic development measures to support adoption and implementation of succession planning strategies. These include strategic positioning, profiling and mapping of talent pools lock-in and retaining key talents, building competencies and use of automated tools to make strategic choices from the options and make accurate predictions on the future needs of the organization.

In summary, all the organizations need to make strategic choices on human capital strategies as the findings in this study exposed how influential it is in retention of workforce, nurturing of talents that lead to prosperity, substantial increase in stakeholder confidence and enabling the management exceed the stakeholders' expectations, increase productivity and lastly creation of sustainable competitive advantage. Parastatals in Kenya hoping to boost their management prowess for great and excellent performance and successful achievement of strategic goals thus would not be reluctant to formulate, execute and adopt the human capital strategies.

5.5 Implications of the Study to the Practice and Theory.

The current study makes a significant contribution in the field of strategic management in general and specifically to choices and options, formulation and implementation of human capital strategies on the management of parastatals in Kenya. Indeed, the current study confirms that there exist a literature gap on adoption of human capital strategies on the management of parastatals in Kenya. In response to this therefore, the scholarly research examined the effects of adoption of human capital strategies and has proved that it is linked to productivity, employee turnover, stakeholder expectations, confidence and satisfaction as well as strategic planning, implementation, and sustainable competitive advantage. It also enables parastatal governing and management bodies to craft and implement competitive human capital strategies to create sustainable competitive advantage in the ever-changing business environments.

As a result of hypotheses testing, the findings make important declarations regarding to adoption of human capital strategies and whether or not they have any effect on management of parastatals in Kenya. The findings contribute resourceful literature that is geared to benefit researchers on the usefulness of adoption of human capital strategies. The study has also confirmed the interrelationship between the current study findings. The study also confirms the assertion by Resource-Based View Theory that the strategies and competencies built through human capital are considered the source of competitive advantage. The study also confirmed the relevance of the premise as advanced by Contingency Theory that strategic management is the best fit between human capital strategies and business strategies which in the long run are considered a universal prescription of organizational strategic goals. In support to Configurational Theory, the study found and underscored the importance of binding together and adoption of a set of human capital strategies in any organization aspiring to be the market leader in a competitive business environment. In support to Human Capital Theory, the study has finally found that human capital is the only stable platform where long lasting strategic initiatives can be formulated and which the organization can invest on. In addition to the existing body of knowledge, investments relating to attracting, developing, and cultivating talents are viewed as strategic investment on human capital that is projected to positively change the business management dynamics in the organization.

5.6 Suggestions for Further Studies

This study mainly focused on the parastatals with strategic functions and some of which are regulatory and service-oriented in nature (like government hospitals, academic institutions and so on) and hence these findings may not be similar to those that are tailored to generate profit. Future research studies should explore profit making organization to compare them with those that aim to get profits.

Another further research could also be done to critically analyze the impediments of adoption of human capital strategies among the parastatals. This will in turn provide effective solutions on implementation of human capital strategies which has created a wide gap between research and actual management thus affecting the performance management and productivity. In this current study, it clearly emerged that the organizations that are performing well have in the past treated human capital as the stable platform where strategic initiatives must start from. Similar studies that focus on other variables associated with adoption of human capital strategies that that have a potential of influencing management are also recommended. More importantly, implementation of the key findings of such studies can greatly benefit government owned entities and other related organizations.

The current study relied on descriptive survey research design where the respondents were asked to provide opinions on a five-point weighted scale on Likert Scale. Therefore, a longitudinal study such as structural equation modeling would be more appropriate as it could provide a better perspective on the effects of adoption of human capital strategies on the management of government owned or other entities in Kenya in order to better and clearly inform the strategic policy frameworks of human capital strategies. Also, future studies should consider introducing environmental factors such as politics, culture and nepotistic patronage as moderating variables to gain further insights into the influence of adoption of human capital strategies on the management of organizations. Lastly, the findings presented in this study are based on the evidence gathered from parastatals with strategic functions. Future research therefore should be extended to other government entities because from analyses of human capital, it has been proven to be a stable platform which is still under-utilized and where effective strategies can be crafted and implemented.

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APPENDICES

Appendix 1: Introductory Letter

James K. Choge
P.O. Box 1407-00606, Nairobi
Cell: 0724 178 210
Date: 3rd January 2016

To: Whom It May Concern

Dear Respondent,

I am a PhD student at Jomo Kenyatta University of Agriculture and Technology pursuing a Doctorate Degree in Business Administration (Strategic Management Option). I am currently conducting a research on **"Effect of Adoption of Human Capital Strategies on the Management of Parastatals in Kenya".** This is one of the requirements to my fulfillment of the award of the doctorate degree. I am obligated to collect accurate data from the parastatals on the aforementioned title to enable me come up with conclusions and recommendations that will benefit the government of Kenya, scholars, academicians, and policy makers in government owned entities (parastatals). You have been chosen as a participant in this study by way of answering the attached questionnaire to the best of your knowledge. Please note that confidentiality and ethical issues will be observed to the highest level. Kindly respond to the questions contained in the questionnaire with the highest accuracy possible. Your response will be treated with utmost confidentiality and will be used only for research purposes of this study.

A copy of the study may be provided to you on request. In case of further communication, please use the attached contact to reach the researcher.

Thank you in advance for showing interest to participate in this very important research.

Yours Sincerely,
James K. Choge

jamchoge@gmail.com

Appendix 2: Institutional Letter - JKUAT

JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY
WESTLANDS CAMPUS

OFFICE OF THE DIRECTOR

[illegible]

JKU/04-HD433-C003-4308/2014

12th January, 2016

TO WHOM IT MAY CONCERN

RE: JAMES CHOGE

This is to confirm that the above named is a student at Jomo Kenyatta University of Agriculture & Technology – Westlands Campus, undertaking a degree in Doctor of Philosophy in Business Administration.

It is a requirement that the student undertakes a Research Thesis in a relevant field in order to [illegible] on his skills. Mr Choge's Research is on **"Adoption of Human Capital Strategies [illegible] the Management of Government Parastatals in Kenya."** This Research is Purely [illegible].

Any assistance given to him will be highly appreciated and if you need clarification please contact the undersigned.

Thank you.

[illegible]

[illegible]

Appendix 3: Interview Guide

1. What is the long term strategic direction of your parastatal on matters human capital?
2. Do you have effective human capital strategic plan that guide your course or direction?
3. What type of human capital strategies does your organization currently implement?
4. Which human capital strategies or combination of them do you think are best for improving management of the organization and why?
5. In your own opinion, what is the effect of adoption of human capital strategies on the management of a parastatal?
6. What barriers do you think, if any, may your parastatal encounter when crafting and implementing human capital strategies?

Appendix 4: Questionnaire

Kindly fill the questionnaire as appropriately as possible using a tick (✓). Any information provided by you will be treated with utmost confidentiality and will be used for research purposes only.

Section A: Background Information

1. Gender

   Male [ ] Female [ ]

2. Respondents Age Group:

   Below 20 Years [ ] 21 - 30 Years [ ] 31 - 40 Years [ ] 41 - 50 Years [ ]

   51 - 60 Years [ ] Over 60 Years [ ]

3. Highest academic qualification:

   K.C.S.E [ ] Diploma [ ] Bachelor's Degree [ ] Master's Degree [ ]

   PhD [ ] Others [ ] (Specify) ……………………………………………………..
   ……………………………………………………………………………………………
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4. Number of years worked with the organization

   Below 5 Years [ ] 5- 10 Years [ ] 11-15 Years [ ] 16-20 Years [ ]
   Over 20 Years [ ]

5. Do you have any formal training in Strategic Management?

   Yes [ ] No [ ]

   If the answer is yes to the question above, please state your qualification.

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6. Work experience if any:

   Less than 2 years [ ]   3 – 10 years [ ]   11 – 20 years [ ]   Over 21 years []

7. What is your substantive position in the parastatal? *Please specify*

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8. Organizational Information

   i. Number of Employees in the parastatal

      Less than 50 [ ]   51 – 100 [ ]   101-150 [ ]   151 – 200 [ ]
      201 – 250 [ ]   251- 300 [ ]   Over 300 [ ]

   ii. Approximate Annual Turnover in Kenya Shillings.

      Below 1 million [ ]   1 – 100 million [ ]   101 – 300 million [ ]
      301 – 500 million [ ]   501 – 700 million [ ]   701 – 999 million [ ]

      Over 1 billion [ ]

SECTION B: EFFECT OF HUMAN CAPITAL STRATEGIES ON THE MANAGEMENT OF PARASTATALS IN KENYA.

PART I: Talent Brand Nurturing Strategy

a) Does your parastatal have talent-based strategies integrated to the management?

☐ Yes ☐ No

If yes above, please specify

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b) How would you rate the effectiveness of talent-based strategy when adopted to the management of your organization?

☐ Very Effective ☐ Effective ☐ Dormant ☐ Ineffective ☐ Not Sure

c) How does the existing talent-based strategy (s) influence management of your organization? Briefly explain

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d) Today's smart organizations are ever vigilant and diligent in developing strategic talent pools. Do your parastatal have talent pools?

☐ Yes ☐ No

If yes above, what strategic plans and actions related to talent brands do your organization put in place to develop and maintain talent pools? ……………………...
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This part aims to establish the influence of talent brand nurturing strategy on the management of your organization. Please indicate how much you agree or disagree with each of the following statements on a scale of 1 to 5. The scale is indicated as follows;

5 - Strongly Agree (SA);
4 – Agree (A);
3 – Neutral (N);
2 – Disagree (D); and
1 - Strongly Disagree (SD).

S/No	STATEMENT	SA	A	N	D	SD
1	I am aware of talent brand nurturing strategy					
2	Investing significantly in skills, capabilities and experience development in the organization of operation contributes to better management of our parastatal.					
3	Offering exceptional training to talented employees helps to strategically equip the workforce with innovative skills					
4	Top management support has helped the organization build and maintain inimitable talent brand					
5	The whole premise of building talent pools strongly affects the success of the organization in the future					
6	The organization has internal instrument of nurturing talents and has qualified candidates profiled-matched to strategically fill specific positions					
7	Our organization has invested on research and development programmes to nurture creativity and innovation					

PART II: Performance Monitoring Strategy

a) Does your parastatal have performance monitoring strategies within the mainstream management?

☐ Yes ☐ No

If yes above, please specify

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....

b) In your considered point of view, to what extent do you perceive performance monitoring strategies are aligned to management strategic goals?

☐ Largely ☐ Moderately ☐ A Little ☐ Not at All

c) The attainment of strategic goals in today's competitive business world depends on the sustained consistency and the committed workforce productivity level. Which performance monitoring tools or models do your parastatal use?

Please specify

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d) The following opinions in this part are geared towards understanding your response in assessing the effects of performance monitoring strategy on the management of your organization. Please indicate how much you agree or disagree with each of the following statements on a scale of 1 to 5. The scale is indicated as follows;

5 - Strongly Agree (SA);

4 – Agree (A);

3 – Neutral (N);

2 – Disagree (D); and

1 - Strongly Disagree (SD).

S/No	STATEMENT	SA	A	N	D	SD
1	The organization uses employee Balanced Scorecard that allows supervisors and managers to objectively analyze the employee's performance and contribution to the achievement of strategic goals					
2	Through balance scorecard, key performance indicators have helped the organization clarify organizational strategic objectives					
3	Competency assessments often help form the strategic basis for training programs and learning content, both formal and informal					
4	Collection of competencies by use of a framework jointly define strategic management of the organization and competitive advantage.					
5	Competency model and the resources developed based on the model provide the foundation for talent management throughout the HC lifecycle in our organization					
6	Pay-for-performance compensation structures not only account for the individual, but also for the working environment and performance of the team as well, encouraging the employees to band together to achieve strategic goals					

PART III: Leadership Development Strategy

a) Does your organization have leadership development strategies that create a focus on mission-critical management activities?

☐ Yes ☐ No

If yes above, please specify

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b) To what extent do your top management craft leadership development strategies that act as enablers of your parastatal's business strategies?

☐ To a Very Large Extent ☐ To a Large Extent ☐ To a Moderate Extent

☐ To a Small Extent ☐ Not at All

c) How do your parastatal create managers and leaders at different levels who are expected to deliver the corporate management strategy?

☐ Appraisal Ratings

☐ Offering of Strategic Development Programmes

☐ Outplacements

☐ Other Interventions (Please specify)

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d) This part seeks your opinion to establish the effect of leadership development strategy on the management of your organization. Please indicate how much you agree or disagree with each of the following statements on a scale of 1 to 5. The scale is indicated as follows;

5 - Strongly Agree (SA);

4 – Agree (A);

3 – Neutral (N);

2 – Disagree (D); and

1 - Strongly Disagree (SD).

S/No	STATEMENT	SA	A	N	D	SD
1	Strategic leadership lessons are best learned from those who are trusted and well respected inside our own organization.					
2	Personal assessments and development plans with a 360-degree feedback are excellent resources that enable employees and the top management to gain mutual insight into the employee's best fit at the organization					
3	The organization already has a development plans and processes in place that employees can engage with and begin to plan their own career paths.					
4	From time to time or when need arises, our organization normally equip its human capital with leadership skills of global nature including ICTs					
5	Having a well-developed mentoring program has helped in keeping employees long enough to develop leaders who understand the organization's culture and processes					
6	Integrated mentoring and coaching programs enables our organization to identify, select, and develop high-potential employees as suitable candidates for leadership roles.					
7	The organization selects action learning projects directly relating to the business strategy and which have enable participants practice their leadership development goals.					

PART IV: Succession Planning Strategy

a) Has your parastatal crafted and implemented succession planning strategies in support of achievement of short and long term strategic management objectives for the past five years?

☐ Yes ☐ No

If yes above, please specify

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b) What strategic plans and tools are available to prepare a successor for continuity and development in different levels of management in your parastatal?
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c) What additional information can you provide that might help in successful adoption and alignment of succession planning strategies to the larger business management strategies of your organization?

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d) This part seeks your opinion to establish the influence of succession planning strategy on the management of your organization. Please indicate how much you agree or disagree with each of the following statements on a scale of 1 to 5. The scale is indicated as follows;

5 - Strongly Agree (SA);

4 – Agree (A);

3 – Neutral (N);

2 – Disagree (D); and

1 - Strongly Disagree (SD).

S/No	STATEMENT	SA	A	N	D	SD
1	The organization has in the past positioned succession planning as a key retention strategy					
2	Building competences including the qualifications, behavioural and technical competencies required to perform tasks highly contribute to smooth succession processes in our organization					
3	The organization use automated tools to streamline the process of tracking, identification, and selection of high achievers to become suitable leadership successors					
4	succession planning initiative in our organization include steps that actively promote women and minorities for leadership opportunities, and train managers on how to encourage diversity on their teams					
5	The organization has data base that can be used to make strategic staffing decisions for critical positions.					

PART V: Management of Parastatals

The following opinions in this part are geared towards understanding your response in determining the effects of adoption of human capital strategies on the management of your organization. Please indicate how much you agree or disagree with each of the following statements on a scale of 1 to 5. The scale is indicated as follows;

5 - Strongly Agree (SA);

4 – Agree (A);

3 – Neutral (N);

2 – Disagree (D); and

1 - Strongly Disagree (SD).

S/No	STATEMENT	SA	A	N	D	SD
1	In this organization I believe adoption of human capital strategies on the management of our organization helps in retention of the workforce.					
2	Adoption of human capital strategies on the management of our organization enables retention of key talents hence leading to prosperity.					
3	Adoption of human capital strategies on the management of our organization leads to stakeholders having confidence and full satisfaction.					
4	Adoption of human capital strategies in the management of our organization increases productivity of the workforce					

Thank you very much for sparing time within your busy schedule to complete this questionnaire and for your unwavering support and contribution to this particular study

Appendix 5: List of Parastatals in Kenya

1. Purely Commercial and Parastatals with Strategic Functions

S/N	Parastatal	Sector
1	Agro-Chemical and Food Company	Agriculture, Livestock & Fisheries
2	Kenya Meat Commission	Agriculture, Livestock & Fisheries
3	Muhoroni Sugar Company Ltd	Agriculture, Livestock & Fisheries
4	Nyayo Tea Zones Development Corporation	Agriculture, Livestock & Fisheries
5	South Nyanza Company Limited	Agriculture, Livestock & Fisheries
6	Chemilil Sugar Ltd	Agriculture, Livestock & Fisheries
7	Nzoia Sugar Company Ltd	Agriculture, Livestock & Fisheries
8	Simlaw Seeds Kenya	Agriculture, Livestock & Fisheries
9	Simlaw Seeds Tanzania	Agriculture, Livestock & Fisheries
10	Simlaw Seeds Uganda	Agriculture, Livestock & Fisheries
11	Kenya National Trading Corporation (KNTC)	East African Affairs Commerce & Tourism
12	Kenya Safari Lodges and Hotels Ltd. (Mombasa Beach Hotel, Ngulia Lodge, Voi Lodge)	East African Affairs Commerce & Tourism
13	Golf Hotel Kakamega	East African Commerce & Tourism
14	Kabarnet Hotel Limited	East African Commerce & Tourism
15	Mt Elgon Lodge	East African Commerce & Tourism
16	Sunset Hotel Kisumu	East African Commerce & Tourism
17	Jomo Kenyatta Foundation	Education Science & Technology
18	Jomo Kenyatta University Enterprises Ltd.	Education Science & Technology
19	Kenya Literature Bureau (KLB)	Education Science & Technology
20	Rivatex (East Africa) Ltd.	Education, Science & Technology
21	School Equipment Production Unit	Education, Science & Technology
22	University of Nairobi Enterprises Ltd.	Education, Science & Technology
23	University of Nairobi Press (UONP)	Education, Science & Technology
24	Development Bank of Kenya Ltd.	Industrialization & Enterprise Development
25	Kenya Wine Agencies Ltd (KWAL)	Industrialization & Enterprise Development
26	KWA Holdings	Industrialization & Enterprise Development
27	New Kenya Co-operative Creameries	Industrialization & Enterprise Development
28	Yatta Vineyards Ltd	Industrialization & Enterprise Development
29	National Housing Corporation	Lands, Housing & Urban Development
30	Research Development Unit Company Ltd	Lands, Housing & Urban Development
31	Consolidated Bank of Kenya	National Treasury
32	Kenya National Assurance Co. (2001) Ltd	National Treasury
33	Kenya Reinsurance Corporation Ltd	National Treasury
34	Kenya National Shipping Line	Transport & Infrastructure

S/N	Parastatal	Sector
35	Kenya Animal Genetics Resource Centre	Agriculture, Livestock & Fisheries
36	Kenya Seed Company (KSC)	Agriculture, Livestock & Fisheries
37	Kenya Veterinary Vaccine Production Institute	Agriculture, Livestock & Fisheries
38	National Cereals & Produce Board (NCPB)	Agriculture, Livestock & Fisheries
39	Kenyatta International Convention Centre	Agriculture, Livestock & Fisheries
40	Geothermal Development Company (GDC)	Agriculture, Livestock & Fisheries
41	Kenya Electricity Generating Company (KENGEN	Agriculture, Livestock & Fisheries
42	Kenya Electricity Transmission Company (KETRACO)	Agriculture, Livestock & Fisheries
43	Kenya Pipeline Company (KPC	Agriculture, Livestock & Fisheries
44	Kenya Power and Lighting Company (KPLC)	Agriculture, Livestock & Fisheries
45	National Oil Corporation of Kenya	East African Affairs Commerce & Tourism
46	National Water	East African Affairs Commerce & Tourism
47	Numerical Machining Complex	East African Commerce & Tourism
48	Kenya Broadcasting Corporation	East African Commerce & Tourism
49	Postal Corporation of Kenya	East African Commerce & Tourism
50	Kenya Post Office Savings Bank	East African Commerce & Tourism
51	Kenya Airports Authority (KAA)	Education Science & Technology
52	Kenya Ports Authority (KPA)	Transport & Infrastructure
53	Kenya Railways Corporation (KRC)	Transport & Infrastructure

2. State Agencies - Executive Agencies

S/N	Parastatal	Sector
1	Internal Revenue Service	National Treasury
2	Konza Technopolis Authority	Information, Communication & Technology
3	Bomas of Kenya	East African, Commerce & Tourism
4	Water Services Trust Fund	Environment, Water & Natural Resources
5	Leather Development Council	Industrialization and Enterprise Development
6	Agricultural Development Corporation	Agriculture, Livestock & Fisheries
7	Anti-Female Genital Mutilation Board	Devolution & Planning
8	Constituency Development Fund	Devolution & Planning
9	Drought Management Authority	Devolution & Planning
10	Export Processing Zones Authority (EPZA)	Industrialization & Enterprise Development
11	Financial Reporting Centre	National Treasury
12	Higher Education Loans Board	Education, Science & Technology
13	Information and Communications Technology Authority	Information, Communication & Technology
14	Investor Compensation Fund Board	National Treasury

15	Kenya Academy of Sports	Sports, Culture & The Arts
16	Kenya Accountants & Secretaries National Examination Board (KASNEB)	National Treasury
17	Kenya Deposit Protection Authority	National Treasury
18	Kenya Ferry Services Ltd (KFS)	Transport & Infrastructure
19	Kenya Film Development Service	Sports, Culture & The Arts Technology
20	Kenya Institute of Curriculum Development	Education, Science & Technology
21	Kenya Law Reform Commission	Office of The Attorney General & Department of Justice
22	Kenya Medical Supplies Authority	Health
23	Kenya National Bureau of Statistics	Devolution & Planning
24	Kenya National Examination Council (KNEC)	Education, Science & Technology
25	Kenya National Highways Authority (KeNHA)	Transport & Infrastructure
26	Kenya National Innovation Agency	Education Science and Technology
27	Kenya Ordinance Factories Corporation	Defence
28	Kenya Roads Board (KRB)	Transport & Infrastructure
29	Kenya Trade Network Agency	National Treasury
30	Kenya Wildlife and Forestry Conservation Service	Environment, Water & Natural Resources
31	Kenyatta National Hospital	Health
32	LAPSSET Corridor Development Authority Livestock Development and Promotion Service (new)	Executive Office of the President
33	Local Authorities Provident Fund	National Treasury
34	Moi Teaching and Referral Hospital	Health
35	Nairobi Centre for International Arbitration	Office of The Attorney General & Department of Justice
36	National Aids Control Council	Health
37	National Cancer Institute of Kenya	Health
38	National Coordinating Agency for Population & Development	Devolution & Planning
39	National Council for Law Reporting	Office of The Attorney General & Department of Justice
40	National Council for Persons with Disabilities	Labour, & Social Security Services
41	National Hospital Insurance Fund	Health
42	National Industrial Training Authority	Industrialization and Enterprise Development
43	National Irrigation Board National Museums of Kenya	Agriculture, Livestock & Fisheries
44	National Quality Control Laboratories	Sports, Culture & The Arts
45	National Social Security Fund	Health
46	Board of Trustees	Labour, & Social Security Services
47	National Youth Council	Sports, Culture & The Arts
48	Nuclear Electricity Board	Energy and Petroleum
49	Policy Holders Compensation Fund	National Treasury

50	Sports Kenya	Sports, Culture & The Arts
51	The Kenya Cultural Center	Sports, Culture & The Arts
52	Tourism Fund	East African Affairs, Commerce & Tourism
53	Unclaimed Financial Assets Authority	National Treasury
54	Water Resources Management Authority	Environment, Water & Natural Resources
55	National Campaign Against Drug Abuse Authority	Interior & Coordination Of National Government

3. State Agencies - Independent Regulatory Agencies

S/N	Parastatal	Sector
1	Agricultural, Fisheries and Food Authority	Agriculture, Livestock & Fisheries
2	Commission for University Education	Education, Science & Technology
3	Communications Commission of Kenya	Information, Communication & Technology
4	Competition Authority	National Treasury
5	Council for Legal Education	Office of The Attorney General & Department Of Justice
6	Energy Regulatory Commission	Energy & Petroleum
7	Kenya Bureau of Standard (KBS)	Industrialization & Enterprise Development
8	Kenya Civil Aviation Authority (KCAA)	Transport & Infrastructure
9	Kenya Film Regulatory Service	Sports, Culture & The Arts
10	Kenya Maritime Authority	Transport & Infrastructure
11	Kenya National Accreditation Service	Industrialization & Enterprise Development
12	National Commission for Science, Technology and Innovations	Education, Science & Technology
13	National Construction Authority	Lands Housing & Urban Development
14	National Environmental Management Authority (NEMA)	Environment, Water & Natural Resources
15	National Land Transport & Safety Authority	Transport & Infrastructure
16	Public Benefits Organizations Regulatory Authority	Devolution & Planning
17	Public Procurement Oversight Authority	National Treasury
18	Technical and Vocational Education and Training Authority	Education, Science & Technology
19	Tourism Regulatory Authority	East African Affairs, Commerce & Tourism
20	Water Services Regulatory Board	Environment, Water & Natural Resources

4. State Agencies - Research Institutions, Public Universities, Tertiary Education and Training Institutions

S/N	Parastatal	Sector
1	Bukura Agricultural College	Agriculture, Livestock & Fisheries
2	Chuka University	Education, Science & Technology
3	Cooperative University College	Education, Science & Technology
4	Dedan Kimathi University	Education, Science & Technology
5	Egerton University	Education, Science & Technology
6	Embu University College	Education, Science & Technology
7	Garissa University College	Education, Science & Technology
8	Jaramogi Oginga Odinga University of Science and Technology	Education, Science & Technology
9	Jomo Kenyatta University of Agriculture and Technology	Education, Science & Technology
10	Karatina University	Education, Science & Technology
11	Kenya Agricultural and Livestock Research Organization	Agriculture, Livestock & Fisheries
12	Kenya Forestry Research Institute	Environment, Water & Natural Resources
13	Kenya Industrial Research & Development Institute	Industrialization & Enterprise Development
14	Kenya Institute of Mass Communication	Information, Communication & Technology
15	Kenya Institute of Public Policy Research & Analysis (KIPPRA)	Devolution & Planning Agriculture, Livestock & Fisheries
16	Kenya Marine and Fisheries Research Institute	Agriculture, Livestock & Fisheries
17	Kenya Medical Research Institute (KEMRI)	Health
18	Kenya Medical Training College (KMTC)	Health
19	Kenya Multi-Media University	Education, Science & Technology
20	Kenya School of Government	Devolution & Planning
21	Kenya School of Law	Office of The Attorney General & Department Of Justice
22	Kenya Utalii College (KUC)	East African Affairs, Commerce & Tourism
23	Kenya Water Institute	Environment, Water & Natural Resources
24	Kenyatta University	Education, Science & Technology
25	University of Nairobi	Education, Science & Technology
26	Kirinyaga University College	Education, Science & Technology
27	Kisii University	Education, Science & Technology
28	Laikipia University	Education, Science & Technology
29	Maasai Mara University	Education, Science & Technology
30	Machakos University College	Education, Science & Technology
31	Maseno University	Education, Science & Technology
32	Masinde Muliro University of Science and Technology	Education, Science & Technology
33	Meru University of Science and Technology	Education, Science & Technology
34	Moi University	Education, Science & Technology
35	Murang'a University College	Education, Science & Technology
36	National Crime Research Center	Office of The Attorney General & Department of Justice
37	Pwani University	Education, Science & Technology
38	Rongo University College	Education, Science & Technology
39	South Eastern Education, Science and Technology	Education, Science & Technology
40	Kenya University	Education, Science & Technology
41	Taita Taveta University College	Education, Science & Technology
42	Technical University of Mombasa	Education, Science & Technology
43	The Technical University of Kenya	Education, Science & Technology
44	University of Eldoret	Education, Science & Technology
45	University of Kabianga	Education, Science & Technology

Appendix 6: Authority Letter from NACOSTI for Conducting the Research

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471, 2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/16/31661/10370**

Date: **19th April, 2016**

James Kipruto Choge
Jomo Kenyatta University of Agriculture
And Technology
P.O. Box 62000-00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Adoption of human capital strategies on the management of government parastatals in Kenya,"*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **15th April, 2017.**

You are advised to report to **the Chief Executive Officers of selected Parastatals, the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

DR. STEPHEN K. KIBIRU, PhD.
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Chief Executive Officers
Selected Parastatals.

The County Commissioner
Nairobi County.

NACOSTI

National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified

THIS IS TO CERTIFY THAT:
MR. JAMES KIPRUTO CHOGE
of JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY, 1407-606 Nairobi,has been permitted to conduct research in *Nairobi County*

on the topic: ***ADOPTION OF HUMAN CAPITAL STRATEGIES ON THE MANAGEMENT OF GOVERNMENT PARASTATALS IN KENYA***

for the period ending:
15th April,2017

Permit No : NACOSTI/P/16/31661/10370
Date Of Issue : 19th April,2016
Fee Recieved :Ksh 2000

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation