TALENT MANAGEMENT PRACTICES IN COMMERCIAL STATE CORPORATIONS IN KENYA

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NOVEMBER, 2012

DECLARATION

This research project is my original work and has not been submitted for examination in any other University.
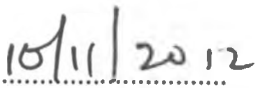
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This research project has been submitted for examination with my approval as a university supervisor.

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Finally, I owe my gratitude to all other people who in one way or another contributed towards completion of this project.

DEDICATION

This work is dedicated to my family

ABSTRACT

Talent Management Practices has been recognized by many authors as an important Human resource management practice. According to researchers, talent management practices are key in the ever changing global environment. Talent management in Commercial State Corporations is no exception.

The objective of this study was to determine talent management practices in commercial state corporations in Kenya. The study explored the various talent management practices that Organizations pursued. The scope of the study was Commercial State Corporations in Kenya. Descriptive survey was used in the study. The study population focused on all the 31(thirty one) commercial state corporations as listed in the SCAC guidelines (appendix II). Primary data was used in the study. A structured questionnaire was used to collect the data. Data collected was analyzed using descriptive statistics. Percentages and frequencies were used to analyze questions on the profiles of the respondents and the Companies. Mean scores and standard deviations were be used to analyze data to determine the talent management practices embraced by these organizations. The data was presented in tables and frequency charts.

The findings indicate that most of the CMC's lacked a well formalized and clearly communicated talent strategy. Workforce planning and talent acquisition policies and practices were seen to be embraced but only to a moderate extent. However, the retention policies as a talent management practice in most of the organizations was unclear and hence not embraced much. Other practices on capability development and performance management, leadership and high potential development, total reward compensation practice appeared to be lacking and therefore adopted to a very minimal extent. Learning and development practice and Career management practice was seen to be embraced to some extent. However, although the organisations concurred having programmes and set aside reasonable funds for learning and development, the implementation of these programmes and aligning them to talent management was lacking. The study therefore found that existence of talent management practices in Commercial State Corporations was not clear and existed only to a low extent.

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CMC   Commercial State Corporations

HR   Human Resource

SCAC   State Corporations Advisory Committee

CHAPTER ONE

INTRODUCTION

1.1 Background

Most Organisations today recognise in their policy statements that people are the most important asset in their organisations. Whether these organisations behave or act in a manner that puts their employees as their most important asset and how they manage their talent is the greatest concern. Studies have shown that most organisations often invest very little in their employees. Talent management has been seen to generally revolve around putting the right people with the right skills in the right position at the right time. Effective talent management involves a perpetual journey toward consistently higher levels of performance efficiency, a process that helps employers succeed by staying ahead of the curve of an ever-changing business environment (Hay Group 2009). The need for talent management in organizations is driven by the global trends which include business growth trends which often require different kinds of talent, workforce demographics with reducing labour pools, complex economic conditions, and global focus on leadership.

According to the Human Capital Institute (2009), the way an organisation manages its talent can be a game-changer for the organization as business owners and shareholders comprehend the link between keeping the best talent and achieving the best results. Companies need to align business strategies with Talent management practices that will engage and develop the right individuals, because having the right competencies, skills and experiences are the key to competitive differentiation and success as a market leader. Talent management is therefore crucial right from the recruitment process. According to Thite (2004), the competency framework is grounded in the realization that today's world of work is radically different from that in the industrial economy and so is the profile of the workforce needed. Foot & Hook (2008) found out that talent management has become well established as a Human Resource priority and is recognized to be of strategic importance to business organizations. Talent management focuses largely on the development and retention

of employees, but to achieve these goals, an organization has to attract and hire people with the appropriate competencies in the first place.

1.1.1 Talent Management

Talent management has been viewed as a relatively new concept but there is nothing new about the various approaches contained in this concept which include attracting, retaining, motivating, developing and succession planning of the human resource in an organisation. According to Beardwell (2010), the term talent management was first coined by the McKinsey Group in the late 1990s when they warned that a 'war for talent' was imminent due to a predicted shortage of people with leadership potential. Talent and leadership has been viewed to continue to be scarce in many countries in that fewer workers and leaders are entering the workforce to replace aging employees who leave organisations to retire. Creating a talent pool in organisations is therefore inevitable as it aims to develop and maintain a work force that is skilled, engaged and committed.

Armstrong (2008) defines talent management as the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. According to Price (2007), talent management is 'a strategic and integrated approach to developing a skilled and competent workforce, involving targeted recruitment, development and retention. Similarly, Dessler (2011) sees Talent management as 'the automated end-to-end process of planning, recruiting, developing, managing, and compensating employees throughout the organization. According to Elegbe (2010), talent management to some refers to the process an organisation adopts for managing those with scarce skills and to others it is how they manage all their human resources irrespective of the worth, status and capabilities of each individual employee. Talent management is not merely a process of managing physical human bodies or disparate human resource management processes and systems, but rather an integrated and comprehensive approach to managing the abilities, competencies, skills, needs, concerns, careers, fears and expectations of the people that an organisation values and needs to make it great and highly effective. This definition is also anchored by Lawler (2008) who states that effective talent management is not just about attracting, developing, and

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retaining the best talent; it is about organizing and managing people so that they perform in ways that lead to excellent organizational performance.

1.1.2 Talent Management Practices

Talent management Practices involve an extensive collection of activities that different organizations embrace to ensure it gets and maintains a highly skilled and knowledgeable workforce. Human Capital Institute (2008) examined current talent management practices in five specific areas. These are talent strategy, workforce planning and talent acquisition practices, capability development and performance, leadership and high potential development, and talent analytics. These practices may not necessarily come with cost, for example, talent development may be informal through providing employees with opportunities to experience new and diverse roles in areas of work, coaching and mentoring over more formal development opportunities like training sessions.

According to Armstrong (2008) talent management practices have been seen to consist a wide range of activities which different organizations adopt. These include the employee resource strategy, attraction and retention policies and programmes, talent audit, role development, talent relationship management, performance management, total reward, learning and development and career management. Talent management practices are beyond filling positions and managing paper recruitment process. It involves process consulting which includes forecasting openings and needed resources, using assessments for selection and development, placing employees into appropriate projects, planning for and measuring the return on investment of personnel programs, utilizing technology advancements, and more (Newhouse, Lewis & Jones 2004). Stahl et al, (2007) consider three set of practices that encompass most talent management activities as recruitment, staffing, and succession planning; training and development; and retention management. Generally, talent management practices include talent acquisition or picking the right people through rigorous selection process. Organisations also need to provide development opportunities to employees through internal training through job experience; enabling career self-management through talent appraisals; enabling work changes through internal transfers; retaining the right talent; managing performance-is key at all levels

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because without focus on performance, it is hard to see how an organisation can find competitive advantage through its talent (Lawler 2008).

1.1.3 Commercial State Corporations

A State Corporation has various meanings as outlined in 'The State corporations Act' Chapter 446 of the Laws of Kenya. First, it may be a corporate body established by or under an Act of parliament. Second, the president may by order establish a state corporation as a body corporate to perform the functions specified in the order. Third, it also represents a bank or a financial institution licensed under banking Act or other company incorporated under the Company Act (Wamalwa, 2003). State corporations in Kenya have been classified in eight broad functional categories based on mandate and core functions. These are; Financial, Commercial/manufacturing, regulatory, public universities, training and research, service, regional development authorities, and tertiary education/training state corporations. According to Njiru (2008), the Kenya government forms state corporations to meet both commercial and social goals. The role of state corporations in Kenya is to develop and maintain physical infrastructure for rapid and sustainable economic growth and poverty reduction; the delivery of government information, services, and processes that is integrated, accessible, and customized, creation of an enabling environment, development, promotion and diversification of high quality products and services; strengthening of tripartite mechanisms in industrial relations, empower all Kenyans including the marginalized groups; and maintenance of sustainable industrial harmony and employment.

Commercial/manufacturing state corporations in Kenya as presented by the Inspectorate of state corporations are thirty one (31) in number (Appendix II). According to the Office of the President circular number OP/CAB.9/21/2A/LII/43 dated 23rd November 2004, talent management activities can be seen to exist in State Corporations. The Government through the circular has put emphasis on acquisition of employees who have relevant skills and experience. According to Kobia and Mohammend (2006), the Government of Kenya also developed and launched the Strategy for Performance Improvement in the Public Service in 2001 which sought to increase productivity and improve service delivery. However, state corporations in

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Kenya have been experiencing a myriad of problems, including corruption, nepotism, and mismanagement (Daily Nation, March 12, 2003). This means that talent management activities in these institutions may in the end not be competitive.

1.2 Research Problem

Talent management did not appear until the late 1990s, when McKinsey & Company first coined the term in their report The War for Talent (1997; Michaels, Handfield-Joes, and Axelrod 2001), exposing the 'war for talent' as a strategic business challenge and a critical driver of corporate performance. According to Duttagupta (2005,2) talent management is a lot more than yet another human resource process; the talent mindset is not just another Human Resource fad, in the broadest possible terms, talent management is the strategic management of the flow of talent through an organization'. According to Iles et al., (2010), talent management has emerged as an area of interest and focus for many human resource development academics and practitioners in the recent years. However, organizations and practitioners should not jump on the 'talent management bandwagon' because talent management is fashionable, but instead they should ask what issues, be it branding, attraction, retention, leadership development, succession planning, that talent management is designed to solve.

In Kenya each state corporation has its own management organization structure with a matching head count budget to support the business. Under these guidelines, the Board and its Chief Executive are empowered to determine both the structure and the pay levels and to ensure that the structure is manned by staff with the relevant skills and experience, recruitment should be competitive when filling any management position, whether internally or externally. The Management therefore have the mandate to ensure proper talent acquisition and subsequent management. However it is clearly known that state corporations have been unable to manage their talent due to a number of issues which are uniquely experienced in the sector. Njiru (2008) studied the role of state corporations in a developmental state in Kenya and found out that state corporations in Kenya have been experiencing a myriad of problems. Leadership has been known for politicization and poor corporate governance where the board appointments are political. According to Njiru (2008), lack of adequate human

resources has hampered effective and efficient service delivery in state corporations and recommended that recruitment of technical staff be undertaken to address succession management.

There are a number of research studies conducted in relation to talent management and talent management practices. Swapna and Raja (2012) studied the role of talent management with special reference to service sectors in India and found out that the employees of education as well as healthcare sectors felt that talent management was very important in achieving financial benefits and improve the bottom line of organizations. Similarly, Lawler (2008) studied strategic talent management and lessons from the corporate world and found out that most of the talent management practices that are used by the best high-involvement companies can be used in public education and if adopted, they will lead to improvements in classroom instruction and student achievement. Human Capital Institute (2008) studied the state of talent management practices in companies today and found out that quality talent is a sustainable competitive advantage, coupled with a realistic view of the complexity and scope of changes in the global workforce, has led to a renewed focus and urgency around talent management. A study by Price (2007) found out that it is difficult to attract and keep the best people in organizations due to corporate turmoil and limited career opportunities and that non-competitive pay and benefits are also barriers. He further found out that the behaviours that can drive away talent include failure to make talent supply a long-term strategic priority, new technology and tools that are now available to address getting and keeping talent, and that if Human Resource is not actively engaged in the planning process and does not receive corporate commitment from the top, the supply of talented employees will almost certainly be limited. None of these studies on the talent management concept have focused on the Kenyan Commercial State Corporations. This study is motivated by the fact that despite the growing popularity of talent management, the concept of talent management in a Kenyan set up is still/remains unclear. This study therefore attempts to fill this gap.

1.3 Research Objective

To establish the talent management practices in commercial state corporations in Kenya.

1.4 Value of the Study

Employees being the most important asset in every organization, this study will be of importance to various stakeholders. Among them that will find this study important are the state corporations themselves, the employees, the government, educationists and academicians, students.

The government in its effort to realize its strategic goals and to promote growth of the economy through state corporations will appreciate the role of talent management in the growth process. The report will empower leaders with proactive management of talent and influence improvement in service delivery.

The report will be of great value to both the employer and the employees. It will help organizations to understand how they can utilize and tap the potential of talent available for business growth. It will also help them understand the various talent management practices that are available and invest in adequate resources to these activities as well as match them with their respective organizational goals. Employees on the other hand will appreciate the necessity of talent development whether through self development or through their organizations and will strive to develop to remain relevant and of value.

This study aims at making contributions to knowledge on talent management. The academic fraternity researchers and students will find this research important in helping them understand talent management practices and in effect it will open up research and study opportunities.

CHAPTER TWO
LITERATURE REVIEW

2.1 Talent Management

According to Human Capital Institute (2008), today's fast-paced global environment, coupled with ever-growing challenge of a rapidly changing workforce, requires a well-planned, rigorous approach to talent management. According to Dessler (2009), there are four characteristics that set talent management apart from traditional human resource processes; taking a talent management approach recognizes that in a competitive world, acquiring, developing, and retaining talent are critical tasks; an effective talent management process should integrate the underlying talent management activities such as succession planning, recruiting, developing, and compensating employees; talent management is goal directed and the aim is to align the employees' efforts and the firm's talent management activities with the Company's strategic goals and that integrating the talent management functions means that effective talent management systems are almost always information technology-based. Tarique and Schuler (2010) note that many studies have limited focus on human resource practices in context of recruiting talent management, leadership and succession planning development. But as Huselid et al, (2005) argue, talent management needs to be differing from other Human resource approaches so that it may focus on identifying the core positions that should be filled in with "A performers".

Bano et al, (2011) studied talent management in the corporate sector of Islamabad, Pakistan and found out that talent management has positive significant influence on employee attitudinal outcomes and organizational effectiveness like employee work engagement, turnover avoidance, and value addition. They concluded that organizations, which are enthusiastic for gaining competitive advantage over their business rivals, need to manage their talent in vigilant and effective ways. Success of organisation is based upon the talent management in today's competitive marketplace. Talent management is about the processes, systems and strategies and their implementation of those unified strategies which are designed to enhance the productivity of the workplace by developing the improved processes for attracting,

development, utilization and retention of skilled people matches with the current and upcoming business needs. Heinen and O'Neill (2004) argue that every organisation has a talent management system whether it is by default or design and Companies need to understand whether their implicit talent management system is functioning as intended and is helping support the Company's key priorities, goals and capabilities.

2.2 Talent Management Practices

According to Dessler (2011), talent management requires coordinating several human resource activities, in particular workforce acquisition, assessment, development, and retention. Human Capital Institute (2008) examined related current talent management Practices in five specific areas: Talent strategy, workforce planning and talent acquisition, capability development and performance, leadership and high potential development, and talent analytics. On the other hand, Armstrong (2006) further and looks at the elements of talent management as the resourcing strategy, attraction and retention policies and programmes, talent audit, role development, talent relationship management, performance management, total reward, learning and development and career management. While Ringo et.al (2008), studied six dimensions of talent management as develop strategy, attract and retain, motivate and develop, deploy and manage, connect and enable, transform and sustain.

According to Ringo et.al (2008), the application of talent management practices makes a difference in organizational performance. They observed that knowledge-intensive industries tend to focus on developing and connecting their employees, financial services companies tend to concentrate on attracting and retaining employees, with little attention given to development or collaboration while retailers focus heavily on talent strategy, in addition to applying notable number of talent management practices overall. According to Smith and Lubitsh (2007), a research into the talent management practices of leading organisations was undertaken within four global businesses and one of the key findings from this research report is that leading organisations view TM as a strategic priority and an important long-term investment that needs reviewing, refining and reinvention as needs and priorities change. Ringo et al, (2008) confirms that many organizations believe that effective talent management practices can be a critical source of differentiation in today's highly competitive,

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global integrated economy. Other studies done show that companies with established talent management capabilities achieve improved quality, speed and skills (Gabdossy Kao, 2004; Tansley et al., 2007), higher innovation ability (Kontoghiorghes & Frangou, 2009; Sullivan & John, 2009; Tansley et al., 2007), a higher job satisfaction among employees if they are given carrier and development perspectives (Mac-Beath, 2006; Steinweg, 2009) and above all, a higher retention rate of employees overall and of talent in particular (DiRomualdo et al., 2009; Sebald et al., 2005; Tansley et al., 2007; Yapp, 2009).

This research will focus on the key areas highlighted by these studies and will focus on talent strategy, workforce planning and talent acquisition strategy, retention policies and programmes, capability development and performance, leadership and high potential development, total reward, learning and development, and career management.

2.2.1 Talent Strategy

Talent strategy is generally concerned with practices associated with developing strategy, identifying talent gaps, succession planning, and recruiting, selecting, educating, motivating and retaining talented employees human resource though a variety of initiatives (Ringo et al., 2010). According to Human Capital Institute (2008), talent management is a complex discipline, encompassing a wide array of programs and processes and for such initiatives to be successful, a concrete talent strategy must serve as a constant guide, providing direction for how the organization will acquire, develop, and retain employees, while always reflecting the key business goals of the organization. In the study carried out they found out that successful companies embedded their talent strategy into the overall strategic planning process, integrating individual programs and practices to ensure they are all driving toward the same set objectives. No strategy can be effective without the support of senior leadership and talent management is certainly no exception.

Bethke-Langenegger, Mahler and Staffelbach (2010), studied effectiveness of talent management strategies in Swiss Companies and found out that talent management practices with a strong focus on business strategy and its alignment with overall business goals have a statistically highly significant impact on corporate profit; one

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that is greater than that of any other focus of talent management practices. They also studied how talent management strategies affect organizational performance in these companies and found out that organizations that apply talent management practices demonstrate significantly higher financial performance compared to their industry's peers.

2.2.2 Workforce Planning and Talent Acquisition

According to Queensland Public Service (2008) workforce planning is about having the right people with the right skills in the right place at the right time. It is more about developing an understanding of the make-up of the current workforce, the environment in which it works and will work in the future, and necessary skills, capabilities and aptitudes that will be required to achieve business outcomes in an ever changing environment. According to Agarwala (2007), human resource planning helps a firm determine its human resource requirements and develop action plans to meet these requirements. However, according to Human Capital Institute (2008), workforce planning in most organizations is short-term focused. Effective workforce planning requires a clear understanding of what talent is currently in place and what is required to be successful in the future. In the study carried out, they found out that although a considerable number of companies say they conduct workforce planning broadly across all divisions and business units, only a small percentage of this are doing so consistently throughout the organization.

According to Armstrong (2008), the business plan provides the basis for human resource planning, which defines human capital requirements and leads to attraction and retention policies and programmes for internal resourcing. In the present business environment, organizations are faced with the pressure to produce more with fewer resources. Employees, on whom an organisations' profitability depends, compose the largest fixed cost that an organization incurs, on the human resources front, productivity can be improved by ensuring that the organization attracts the best talent at the lowest possible cost which translates into the adoption of the best recruitment and selection methods and instituting measures to retain and develop them (Mahapatro 2010). According to Agarwala (2007), effective recruiting can be a powerful strategic weapon and developing innovative sources through which to find the best people is as important as the selection process. Acquisition of human

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resources is the process by which a firm hires employees to ensure that the required number and types of employees are available to perform organizational activities and accomplish organizational objectives successfully. According to Stahl et al (2007), recruitment practices in most companies follow a talent pool strategy. The Company recruits the best people and then places them into positions rather than trying to recruit specific people for specific positions. Most companies develop close ties with leading universities around the world to attract top talent and that all Companies institute systems to identify high-potential candidates on the basis of their leadership competencies and validated assessment instruments. They found out that one of the most potent tools companies use to excel in leadership development is line manager involvement. Managers at all levels become heavily involved in the recruitment of talent and are responsible to develop the skills and knowledge of their employees. A talent development-oriented culture also makes employees aware of their own responsibility for their development, including seeking out challenging assignments, cross-functional projects, or new jobs within the corporation.

2.2.3 Retention Policies and Programmes

Seeking talent in the ever shrinking global talent pool has become an international crusade, companies are uncertain as to what talent attraction and retention decisions they should be making (Armstrong, 2007; Bussin, 2007; Crous, 2007; Leonardi 2007; Minchington, 2006). Every organization today is interestingly concerned with seleting and retaining competent, committed people who are exclusively known as knowledge workers (Iles et al., 2010). According to Armstrong (2006), these policies and programmes describe the approach to ensuring that the organization both gets and keeps the talent it needs. Retention policies are designed to ensure that people remain as committed members of the organization. The outcome of these policies is a talent flow that creates and maintains the talent pool firms seek to ensure that the hired employee will perform well and make positive contributions to the form performance as well as stay with the firm for a reasonable period of time (Agarwala 2007). Retention of key staff is a major component of talent management and any retention strategy needs to have information on why employees leave the organization. Berger (2004), points out that talented employees have the luxury of picking and choosing employers who offer them the right form of currency, such as work life balance; an

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effective diversity policy; or a context where talented people have a strong voice in the organization.

Buckingham (2000) argues that employees are more likely to remain with an organization if they believe that their manager shows interest and concern for them; if they know what is expected of them; if they are given a role that fits their capabilities; and if they receive regular positive feedback and recognition. Mahapatro (2010) sees retaining talent as 'the critical success factor in retaining employees is the alignment between organizational and individual goals. A study carried out on state corporations in Kenya by Njiru (2008), found out that state corporations in Kenya suffer deficiency; a fact that may be attributed to low tenure, ineffective employee commitment measures and unattractive retention schemes. Similarly, Pillai, Dhobale and Patil (2011) studied the reasons why employees leave an organization and also the strategies for attracting and retaining talent and found out that 'nearly 63% of respondents to the survey opined that talent management will be the most pressing strategic issue they face in years to come. In other related studies, Lewa (2010) studied talent management and forecasting in Kenya's Higher education sector the case of public university and found out that Kenyan universities do not train for retention and operate on assumption that there will always be people ready to join university as tutorial fellows, lecturers, associate professors and professors. According to Peffer, (1995), a promotion-from-within policy has several advantages, it encourages training and skills development and helps companies retain talent because the availability of promotion opportunities binds employees to the organization. The Chartered Management Institute (CMI, 2006) sees flexible working system as an effective instrument organizations can use to recruit and retain the best employees. Organizations can as well reap higher returns on Training and Development investment and from the promotion of equal employment opportunities through affirmative action.

2.2.4 Capability Development and Performance Management

According to Mahapatro (2010), increasing emphasis on talent management also means that many organizations are re-defining performance management to align it to the need, to identify, nurture and retain talent. According to HCI (2008), achieving sustained organizational performance through the development of a capable

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workforce lies at the very heart of talent management. However, they found out that lack of accountability for developing talent below executive levels, coupled with managers' lack of capability to develop talent, are key drivers of the struggle many organizations have effectively and consistently executing talent management practices. Performance management processes provide a means of building relationships with people, identifying talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. Performance management is a means of increasing the engagement and motivation of people by providing positive feedback and recognition (Armstrong 2006).

Employees should also have opportunities for growth and development and employee performance management system provides one of such mechanism for employee development. The aim of performance management is to ensure that employee performance supports the strategic goals of the organization. Baron and Armstrong (1998) emphasize the strategic and integrated nature of performance management by stressing that it focuses on increasing the effectiveness of organizations by improving the performance of employees and by developing individual and team capabilities. Bersin (2011) studied trends and predictions for 2012 on performance management, on their groundbreaking research in 2011 they discovered that companies which regularly revisit their goals (quarterly or even more often) dramatically outperform those which create annual cascading-goal programs. They also found out that the ability for managers to be coaches is the number one driver of organizational impact. Further, companies realize that while they must still weed out the low performers and drive execution, it is even more important to coach people to perform better – and potentially move them into better roles.

2.2.5 Leadership and High Potential Development

According to HCI (2008), in today's uncertain business environment, strong leadership is more important than ever before. The ability to develop leaders who can effectively face tomorrow's global business challenges is critical to an organization's success and many organizations have come to realize the only way to ensure a strong pipeline of leadership talent is to develop it themselves and undertaking that has become increasingly challenging. The key findings in leadership development were

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that significant progress has been made in building leadership capability; opportunities exist to better align and execute leadership programs; high potential development is a priority for many organizations, but consistent execution falls short. According to a publication by Deloitte (2012), it is important for organizations to create programs focused on helping these high potential employees grow. They look at success factors for effective finance talent leadership program as on the job stretch experience, established mentoring programs, involved managers, and executive engagement. A survey carried out by Economist Intelligence Unit (2006) revealed the three most common areas of focus for leadership development are enabling the organization's strategic goals, improving the skills of leaders to act in a more strategic and future-focused way and helping to develop high-potential employees.

Stahl et al (2007), studied how leading multinationals build and sustain their talent pipeline in America, Asia-pacific, and Europe/Middle East/Africa, and found out that one thing the excellent companies they studied have in common is their commitment to leadership development. Most companies have established state-of-the-art training centers or learning campuses; they work with the best universities and educational services providers in the world; and they use the latest leadership development tools and technologies. IBM invests more than $700 million annually to develop the knowledge and expertise of its workforce. Talent management is increasingly a part of the corporate strategy for most of the organizations and according to the research by Bano et al (2011), Corporate sector has emerged with immense importance of talent management. For example, CEO A.G. Lafley of world's largest consumer company namely Procter & Gamble claims that he spends one-third to one-half of his time in developing talent (Holstein, 2005). Today, the challenge is not just whether to invest resources in talent management, but also how to identify what talent practices provide the greatest return; where leaders can most effectively spend their time developing people; and how to drive greater consistency, integration, and alignment of talent practices with the business strategy. Senior leadership plays a key role in creating a culture that supports talent development. In a study carried out they found out that senior leaders value talent, but there is limited alignment with business strategy (HCI 2008).

2.2.6 Total Reward

According to Agarwala (2007), to ensure that the organization has competent and motivated employees, there should be a fair basis for rewarding employees. According to Manus and Grahan (2003), total reward includes all types of rewards indirect as well as direct and intrinsic as well as extrinsic. According to Kaplan (2007), total rewards encompass everything that employees value in their employment relationship, compensation, benefits, development and the work environment. Zingheim and Schuster (2000), categorized total rewards into four components: convincing future, encouraging workplace, individual growth and "total pay". According to IDS (2003) companies that address individual's need and preferences adequately in terms of total pay are more likely to "attract" and "retain" key workers and by applying such methods organization anticipates enormous concentration to non-monetary aspects of rewards.

Total reward strategies, which provide for both financial and nonfinancial rewards, can contribute to the engagement and commitment of talented people by demonstrating that they are valued for their contribution and by operating fairly and consistently (Armstrong 2008). Paying competitive rates will affect the ability of organizations to attract and retain people, but there is a limit to the extent to which companies can compete with the 'pull of the market' as Cappelli (2000) points out. According to Sandra (1998), a total reward strategy is critical to addressing the issues created by recruitment and retention as well as providing a means of influencing behavior and that it can help create a work experience that meets the needs of employees and encourages them to contribute extra effort. However, Agarwala (2007), notes that it is rare to come across companies that have a clearly articulated total compensation and rewards philosophy.

While money is obviously an important part of reward, it is increasingly evident that it takes more than just cash to recruit and retain high quality employees. According to Silverman and Reilly(2003), total reward and flexible benefits are in the limelight because organizations have rightly calculated that having a better understanding of what turns their employees on will bring benefits in recruitment and retention. Hay Group (2009) carried out a research across all sectors and regions and examined how

Organizations from the board down are looking to their reward programs to deliver the performance they need and found out that companies are channeling the limited rewards available in a far more focused way to those employees most vital to the future of the company. However, Nazir, Shah and Zaman (2012), studied literature to design an expatriate reward strategy for the employees based in China with an aim to identify the likelihood of "total rewards" for a diverse workforce and found out that the idea of total reward is nothing but the amalgamation of conventional 'compensations and benefits' and it leave a qualm on part of its lucidity.

2.2.7 Learning and Development

Learning and development policies and programmes are essential components in the process of developing talent, ensuring that people acquire and enhance the skills and competencies they need. Learning and development activities are important means of developing managers and gaining the engagement and commitment of talented staff by giving them opportunities to grow in their present roles and to progress to higherlevel roles (Armstrong 2008). The CIPD's Learning and Development Survey (2009) found out that the top two most effective talent management activities to be in-house development programmes and coaching. Similarly, CIPD 2011 survey in UK, US and India, studied effectiveness of learning and training development practices and found out that in-house development programmes are viewed as most effective by practitioners in all three countries. Talent management needs to continue to train and develop high performers for potential new roles, identify their knowledge gaps, and implement initiatives to enhance their competencies and ensure their retention (Cairns, 2009).

Gómez-Mejía et al (2007), argue that loyalty and commitment are no longer relevant issues in human resource management and instead, personal growth, learning and development have become more relevant as they make individuals more employable. Further, 2008 Hewitt survey revealed that almost half of the companies studied planned to increase or sustain employee learning, engagement and development budgets during the economic slowdown (Beechler and Woodward, 2009). According to Puvitayaphan (2008), when the organizations pay special attention to the development of the best talent, they also take good care of their own performance.

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Kaplan and Norton (1996) said that the success of the organization depends mainly on people. If they have knowledge and skills, as well as opportunities for development, they will be able to improve their jobs and enhance their performance. In this matter, Rothwell and Kazanas (2003) said that talent training requires not only formal classroom training but also there are other approaches such as mentoring and autonomous learning. Besides, talent motivation is one of the crucial functions which concern the needs of talented people.

2.2.8 Career Management

According to Armstrong (2008), career management is concerned with providing opportunities for people to progress and develop their careers and ensuring that the organization has the flow of talent it needs. Career management consists of the processes of career planning and management succession. Talent management is, in a sense, career management from the employer's point of view. The employee wants to align his or her skills, training, performance feedback, and development in such a way as to have a successful career. The employer, for its part, wants to integrate the same functions to ensure that it is using its corporate talent in the best possible (Dessler 2011). According to Mahapatro (2010) one of the objectives of succession planning is the active development of a strong 'talent pool' for the future which is often viewed as the most important. This observation is also anchored by Rothwell (2005) who says that succession planning and management goes beyond simple replacement planning and it is proactive and attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned development activities.

Hills (2009) suggest five strategies for effective succession planning as aligning succession planning with business strategy, assessing leadership potential based on the 3Cs of fit – competence, connection and culture, involving talent in the succession planning process, using a mix of experience outside or executive coaching and formal learning experiences in talent development and drawing from a wider net of potential successors. Organizational Career management has been described as a series of formal and less formal activities designed and managed by the organization to influence the career development of one or more employees (Arnold, 1996) and thereby to improve organizational effectiveness. According to Orpen (1994), a variety

of organizational career management practices are employee workshops, job rotation, job enrichment, career progression ladders and like organizationally planned programs or developmental stage theories. Organizations may also contribute to career identity by providing abundant opportunities for self-development, opportunities for advancement and mentors. When selecting an employee, organizations may use internal job postings extensively, maintain a job-matching database, encourage job rotations and internal management succession and transfer people across departments laterally to increase their value for themselves and for the firm (Lazarova and Taylor, 2008).

According to many career authors, organizational career management supports the development of employee commitment (Sturges et al., 2002). When organizational career management practices meet employees pre-joining expectations (Sturges et al., 2000), this will enhance commitment and other positive outcomes. According to Lubititsh & Smith (2007), the shift away from a psychological contract that provided job security and a mutual employment relationship, towards one where individuals have to maintain their "employability" through managing their own development and career progression, has undoubtedly shifted the balance of power towards talented professionals. Similarly, Murphy and Ensher (2001) studied the contributions of self-management strategies to job outcomes in Protégés and found out that individuals who used self-set career goals reported greater job satisfaction and perceived career success. McKinsey (2005) also revealed a strong link between quality of succession planning and shareholder return.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This Chapter sets out the research methodology that were adopted in carrying out the objective of the study stated in Chapter One. The research setting, the population, sample data collection, instruments and data analysis is discussed.

3.2 Research Design

Cross-sectional descriptive survey was used to establish the talent management Practices which have been adopted by commercial state corporations. According to David and Pamela (1998), studies concerned with finding out who, what, which, and how of phenomenon are descriptive designs. According to Creswell (1994) and Cooper and Schneider, 1999, survey is the most appropriate research design in descriptive studies because the research findings are significant, not biased and accurate.

3.3 Population

This study focused on all the thirty one (31) Commercial State Corporations in Kenya as per the State Corporations Advisory Committee (SCAC) guidelines (Appendix II). This was done through a census survey since the population was small. The target respondents were the Human Resource Managers because they are the persons in charge of human resource functions.

3.4 Data Collection

Primary data was used in this study. A structured questionnaire was used to collect the data (Appendix I). The questionnaire was divided into two parts. Part A was used to collect data on the respondent and company profile while part while part B contained questions aimed at determining the talent management practices in these Commercial State Corporations. The researcher dropped the questionnaires at the respondents' places of work and picked later. A follow up was done via telephone and e-mails.

3.5 Data Analysis

Data collected will be analyzed using descriptive statistics. Percentages and frequencies will be used to analyze questions on the profiles of the respondents. Mean scores and standard deviations will be used to analyze data in part B in order to determine the Talent Management Practices adopted and reasons for adopting these practices. The data will be presented in tables and frequency charts.

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CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This chapter presents data analysis and findings of the study from the questionnaires completed by the respondents. The questionnaires were divided into two sections. Section A collected data on respondent's and company profile, while section B collected data on talent management practices in commercial state corporations. The target of the study was thirty one (31) commercial state corporations as listed by the SCAC guidelines. Twenty two questionnaires were filled and completed. This presented a response of rate of 71%. The data was analysed using percentages and frequencies. The results are presented as follows.

4.2 Demographic profiles of the Organizations

This encompasses information on organization size in terms of numbers of employees, the period the organization has been in existence and the sector under which it falls in the state corporations.

4.2.1 Number of employees in the Organisations

This was intended to determine the size of the Organization in terms of employee numbers and capacity. The number of employees is an indicator of the Organization size and would help in comparing the size with the talent management practices embraced. Large organizations would be expected to have comparable talent management practices. The results are as presented in figure 4.1 below.

Fig. 4.1: Number of employees in the organisations
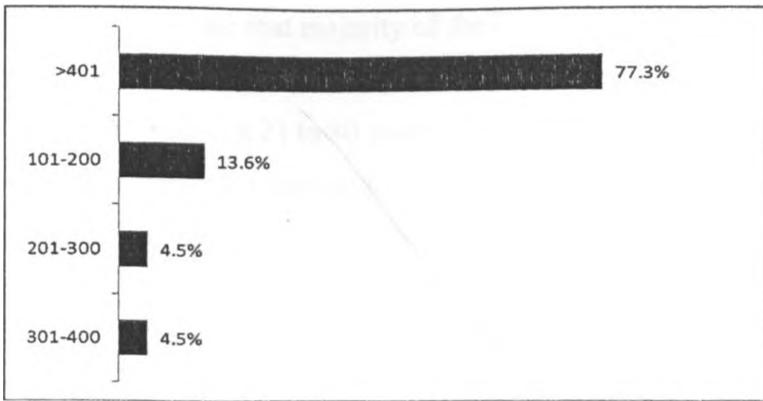
Source: Research data

The results indicate that the number of employees for most of the Organizations was between 401 and above. This is represented by 77.3% of the total Organizations studied. This was followed by a representation of 13.6% for Organizations that had between 101 to 200. The other categories between 201 to 400 made up a total of 9%. Since the majority of the Organizations have a large employee capacity, it is expected that they would have formalized talent management practices in place.

4.2.2 Number of years of Organisation existence

The study sought to know the number of years these commercial state corporations have been in existence. This would guide in understanding the talent management practices adopted by firms and would expect that for organizations that have been existence longer would have adopted at least some of the talent management practices discussed. The results were as represented in figure 4.2 below.

Fig. 4.2: Number of years of organisation existence

Source: Research data

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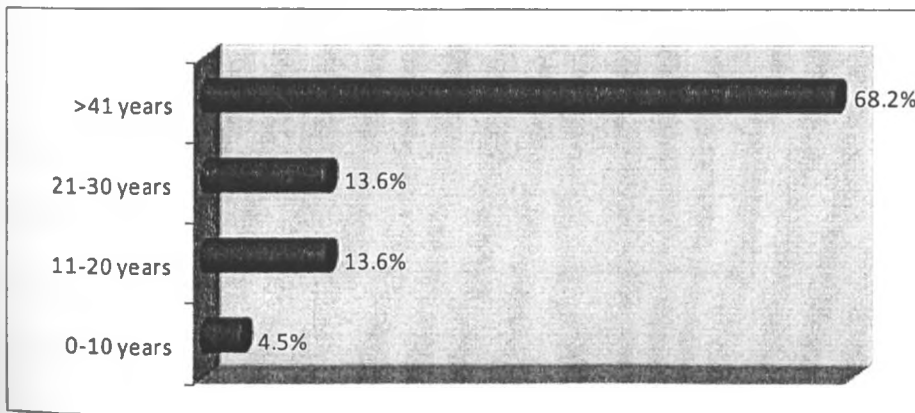
The results indicate that majority of the CSC's have been in existence for over fourty one (41) years as represented by a 68.2%. This was followed by those that have been in existence between 21 to 30 years with a representation of 13.6%. Those between 11 to 20 years were also represented by 13.6% and those that were of 10 years of age and below with a representation of 4.5%.

This is an indication that since majority of these organisations have been in existence for a longer period, they have in one way or another used talent management practices in their management activities.

4.2.3 The Organization Sectors

The study intended to establish the sector under which each organisation represented falls. This will be helpful in determining the level of representation across all sectors and can be used to generalize the findings. The sector representation is as presented in table 4.1 below.

Table 4.1: The Organisation sectors

SECTOR	PERCENTAGE
Agriculture	27.3%
Trade industry	18.2%
Transport	18.2%
Education, science & technology	9.1%
Energy	9.1%
Information& Communications	4.5%
Tourism and wildlife	4.5%
Lands, settlement and housing	4.5%
Water & irrigation	4.5%

Source: Research data

The results show that majority of the respondents fall under the agricultural sector with a representation of 27.3%. This was followed by the trade and industry and transport with 18.2% representation each. The education, Science and technology and energy followed with a 9.1% each while the rest was represented by 4.5% each.

This representation indicates that at least all the sectors in the commercial state corporations have been represented in this study and hence the results can be generalized.

4.3 Talent Management Practices

In this section, the research sought to establish the talent management practices adopted by commercial state corporations. This is in relation to talent strategy, workforce planning and talent acquisition strategy, retention policies and programmes, capability development and performance, leadership and high potential development, total reward, learning and development, and career management. A likert scale of 1-5 (where 5=very large extent, 4= large extent, 3=not sure, 2= low extent, 1=very low extent), was used to determine the extent to which talent management practices were adopted by the commercial state corporations. The data will be interpreted using the mean (where <1.5=very low extent, 1.5-2.5=large extent, 2.5-3.5=not sure, 3.5-4.5=large extent, >4.5=very large extent) and Standard deviation (<1= no variation, 1=no consensus).

4.3.1 Talent Strategy

The study on talent strategy as one of the talent management practices sought to establish if Organizations have talent strategy in place on how to acquire, develop and retain employees. The results are as presented in table 4.2.

Table 4.2: Talent Strategy

Our organization has the following Talent Management practices in place	Mean	Standard Deviation
Our organization has a talent strategy which constantly guide, providing direction on how organization will acquire, develop and retain employees	3.23	1.02

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The talent strategy is formal, well documented and shared with all employees	2.59	0.959
Senior executives spend significant amount of time devoted to managing talent management issues	2.18	1.006
Talent strategy is embedded in the overall strategic plan	2.68	1.359

Source: Research data

The results on whether the Organisations have talent strategy which constantly guide, providing direction on how organisations acquire, develop and retain employees indicated that majority of the respondents were not sure of this practice in their organizations. This was represented by a mean of 3.23. Similarly on whether the talent strategy was formal, well documented and shared with all employees and on whether the talent strategy was embedded in the overall strategic plan, majority were not sure as represented with a mean of 2.59 and 2.68 respectively. However, the respondents to a low extent agreed that senior executives spend significant amount of time devoted to managing talent management issues. This was represented by a mean of 2.18. However, the results show that there was no consensus on existence of talent strategy, senior executives spending significant amount of time devoted to managing talent management issues and on talent strategy embedment in the overall strategic plan.

Overall, talent strategy practices in these organisations seem to be unclear and there is lack of a well formalized and communicated talent strategy.

4.3.2 Workforce Planning

Workforce planning was one of the talent management practices this study sought to establish if it was practiced in these Organizations. The study sought to establish if the organisations had the right people with the right skills in the right places, whether the workforce planning was long-term focused, whether talent in these organisations was seen as a source of competitive advantage and whether workforce planning was carried out broadly and consistently across all divisions and business units in these organisations. The results were represented in table 4.3.

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Table 4.3: Workforce planning

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Our organization has the right people with right skills in the right places	3.45	1.011
Work force planning in our organization is long-term focused and there is an understanding of what talent is currently in place and what is required to be successful in future	3.36	0.902
Talent in our organization is seen as a source of competitive advantage and the organization caters for its growing talent needs	3.00	1.069
Workforce planning is carried out broadly and consistently across all divisions and business units	3.45	0.963

Source: Research data

The results on whether the organizations had the right people with the right skills in the right places, whether workforce planning was long-term focused, whether talent is seen as source of competitive advantage and whether workforce planning is carried out broadly and consistently across all divisions and business units indicated that the respondents were not sure. This was rated with a mean of 3.5, 3.46, 3.0, and 3.45 respectively. However, standard deviation results indicate that there was lack of consensus on the outcome of whether the organizations had the right people with right skills in the right places, and whether talent was seen as a source of competitive advantage and the organizations cater for growing talent needs.

Overall, the results of this study clearly show that workforce planning as a talent management practice is not clearly adopted.

4.3.3 Talent Acquisition Policies

The study on talent acquisition policies sought to establish if these organisations had recruitment and selection practices that attracts the best talent, the adopted recruitment practices, the levels of involvement of managers at all levels and if the organisation develops innovative recruitment strategies to attract talent.

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Table 4.4: Talent acquisition policies

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Our organization has recruitment and selection practices that attracts the best talent	3.82	0.795
Recruitment practices follow an already created internal talent pool in readiness to occupy identified or vacant positions	3.55	1.057
Managers at all levels are involved in the recruitment process	3.45	1.143
Our organization develops innovative recruitment strategies to find the best people e.g. having close ties with leading universities to attract top talent	2.73	1.316

Source: Research data

The results indicate to a large extent, the organizations have recruitment and selection practices that attract the best talent with a mean of 3.82. They also indicated to a large extent that recruitment practices follow an already created internal talent pool in readiness to occupy identified or vacant positions with a mean of 3.55. However, on whether managers at all levels were involved in the recruitment process and if the organizations develop innovative recruitment strategies, the results indicate that majority were not sure. This was rated with a med of 3.45 and 2.73 respectively. However the standard deviations results indicate that there was no consensus on the outcome on recruitment practices, involvement of managers at all levels, and innovativeness of recruitment strategies.

Overall, talent acquisition policies and practices can be seen to be adopted but to a moderate extent.

4.3.4 Retention Policies in place

This study also sought to establish the retention policies as a talent management practice and if the organisations have a talent development orientation culture that encourages retention, if employees were aware of their responsibilities and get trained for retention, whether organisations were concerned with retaining competent knowledge workers, whether there were policies in place to that describe the approach to ensuring it keeps the talent it needs and keeping the talent needed, whether the

retention strategy include data on why employees leave the organization and if there was low employee turnover because of attractive retention schemes in place. The results are as represented in table 4.5 below.

Table 4.5: Retention policies in place

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Organization has a talent development oriented culture that encourages retention	2.86	0.834
Employees are aware of their responsibilities and are trained for retention	3.68	0.646
The organization is concerned with retaining competent committed people/knowledge workers	3.27	0.985
The organization has policies in place that describe the approach to ensuring it keeps the talent it needs	3.36	0.953
The retention strategy includes data on why employees leave the organization	3.36	1.002
In our organization there is a low employee turnover because of attractive retention schemes in place	2.55	1.143

Source: Research data

On retention policies, the results indicate that to a large extent employees were aware of their responsibilities and are trained for retention as represented with a mean of 3.68. However, the respondents were not sure if their Organisations had policies in place that describe the approach to ensuring keeping talent it needed, if retention strategy included data on why employees leave the organization, on whether their organizations were concerned with retaining competent committed people/knowledge workers, on whether their organizations had a talent development oriented culture that encourages retention and on whether they had a low employee turn-over because of attractive retention schemes in place. This is as represented with the means of 3.36, 3.36, 3.27, 2.86 and 2.55 respectively. However, the standard deviation results show that there was no consensus on the outcome of presence of retention strategy that includes data on why employees leave the organisations and on low employee turnover because of attractive retention schemes in place. This was represented with a standard deviation of 1.002 and 1.143 respectively.

Overall, the retention policies as a talent management practice in most of the organisations seem to be unclear and hence not adopted to a reasonable extent.

4.3.5 Capability Development and Performance Management

The study of talent management practice on capability development and performance management was also critical and sought to determine if the line managers in these organisations are responsible for developing skills of the talent recruited. It also sought to know if promotion from within was encouraged and that performance management was aligned to the need to nurture and retain talent, whether performance management aimed at developing individual and team capabilities and that coaching and job rotations is made to develop capability performance. The results are as shown in table 4.6;

Table 4.6: Capability development and performance management

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Line managers are responsible to develop skills and knowledge of employees they contributed in recruitment	3.09	0.868
Our organization encourages promotion from within of nurtured talent below executives levels	3.27	0.935
Performance management is aligned to the need to nurture and retain talent	3.14	1.037
Performance management is aimed at developing individual and team capabilities	3.14	0.99
Managers coaching and job rotations are made to develop capability and performance	3.05	1.046

Source: Research data

The results indicate that the respondents were not sure of the practices on capability development and performance management. They were not sure on whether the line managers were line managers are responsible to develop skills and knowledge of employees they contribute in recruitment as represented with a mean of 3.09. They were also not sure if their Organisations encourage promotion from within of nurtured talent below executive levels as represented with a mean of 3.27. Performance management was also rated with a mean of 3.14 indicating that the respondents were

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not sure and on whether managers coaching and job rotation are made to develop capability and performance represented with a 3.05. The standard deviation results indicate that there was no consensus on the outcome of performance management alignment to the need to nurture and retain talent and on managers coaching and job rotation being done to develop capability and performance.

Overall, capability development and performance management as a talent management practice appear to be lacking and not well communicated.

4.3.6 Leadership and High Potential Development

This talent management practice focused on establishing the leadership of these organisations, leadership development, leadership programs that focus on high potential growth of employees. It also sought to establish if a list of potential leadership candidates existed on file and was regularly updated. That talent management planning process was known to all employees and not limited to management staff.

Table 4.7: Leadership and high potential development

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Our organization has a strong leadership	3.59	0.734
The organization ensures a strong pipeline of leadership by developing its talent	3.18	0.664
The organization has leadership programs focus on high potential employees to grow	2.91	0.811
A list of potential leadership candidates exist on file and regularly update	2.45	1.011
In our organization, talent management planning process is known to all employees and not limited to management staff and HR	2.41	1.008

Source: Research data

The results on leadership and high potential development practice amongst the organisations revealed that majority of the organisations to a large extent believe in a strong organisation leadership as presented with a mean of 3.59. However, the respondents were not sure on whether their Organisations ensure a strong pipeline of

leadership by developing its talent and that the organisation has leadership programmes that focus on high potential employees to grow as represented with a mean of 3.18 and 2.91 respectively. To a low extent, the practices on organizations keeping a list of potential leadership candidates on file and regularly updated and on the organisation talent management planning process being known to all employees was adopted. This was represented with 2.45 and 2.41 respectively. However the standard deviation results show that there was no consensus on these two practices as represented with a 1.011 and 1.008 respectively.

Overall leadership and high potential development is not well embraced. However, there is an indication that it is implemented to a small extent by some of the organisations though not fully.

4.3.7 Total Reward Compensation

This study sought to establish whether the total reward strategy was practiced in these organisations. Whether the compensation rewards were both financial and non financial, whether there existed a clear compensation and rewards policy that includes all types of rewards, whether the organisation attracts and retains key workers by applying total reward strategy and if it offers competitive pays plus other flexible benefits.

Table 4.8: Total reward compensation

Our organization has the following Talent Management practices in place	Mean	Standard deviation
In our organization, compensation and rewards are both financial and non financial	3.32	1.211
There exists a clear compensation and rewards policy which includes all types of rewards	3.05	1.133
Our organization attracts and retains key workers by applying total rewards strategy	2.64	0.953
Our organization pays competitive rates plus other flexible benefits	3.55	1.143

Source: Research data

The results on total reward compensation talent management practice indicate that to a large extent, the organisations pay competitive rates plus other flexible benefits with

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a mean of 3.55. There was however no consensus on this results. The results also indicate that majority were not sure on the other practices i.e. whether the compensation rewards were both financial and non financial, whether there existed a clear compensation and rewards policy that includes all types of rewards, and whether the organisation attracts and retains key workers by applying total rewards strategy. This was represented with mean of 3.32, 3.05 and 2.64 respectively. However the standard deviations results indicate lack of consensus on most of these outcomes.

Overall, the total reward compensation practice appear to be unclear in these organisations and therefore adopted to a very minimal extent.

4.3.8 Learning and Development

Learning and development is also a key talent management practice and this study sought to establish its adoption. Whether the organisations have in-house development programmes to develop its employees, whether it encourages coaching and mentorship, if it encourages personal growth and development, and if the department heads are evaluated and compensated for development of talent. It also sought to establish if there was policy on sponsorship of trainings to develop identified talent and the allocation of reasonable funds to learning and development.

Table 4.9: Learning and development

Our organization has the following Talent Management practices in place	Mean	Standard deviation
Our organization has in-house development programmes to develop its employees	3.59	0.908
Our organization encourages coaching and mentorship by managers	2.86	1.125
Personal growth and development is encouraged	3.36	0.953
Department heads are evaluated and compensated for their efforts to develop talent	2.09	1.109
There is policy on sponsorship of trainings/programmes to development identified talent. Training is done for retention	3.14	0.941
There is reasonable allocation of funds to learning and development	3.59	0.854

Source: Research data

The results on learning and development revealed that the organisations have in-house development programmes to develop its employees and that there is reasonable allocation of funds to learning and development as represented with a mean of 3.59 in both. Respondents were not sure on whether personal growth and development is encouraged, whether there was policy on sponsorship of training to development of identified talent, and whether organizations encourage coaching and mentorship by managers. This is as presented with a mean of 3.36, 3.14 and 2.86 respectively. To a low extent however, the respondents indicated that department heads were evaluated and compensated for their efforts to develop talent. There was however no consensus on this outcome. There was also lack of consensus on the outcome on coaching and mentorship by managers.

Overall, learning and development practice can be seen to be embraced so some extent. However, although the organisations have programmes and set aside reasonable funds for learning and development, the implementation of these programmes and aligning them to talent management is lacking.

4.3.9 Career Management

This study also sought to establish the practices on career management. It was keen to establish whether these organisations have clear policies on progress and career development known to all employees, if the succession is done through development of strong talent pool and that job rotations and transfers were done to increase employees' value and preparedness for succession. It also sought to establish how promotion of employees is done. The results were as tabulated in table 4.10;

Table 4.10: Career management

Our organization has the following Talent Management practices in place	Mean	Standard deviation
In our organization, progress and career development policy is clearly outlined and known to all employees	3.09	1.019
Succession is done through development of strong talent pool	2.23	1.02
Job rotations, transfers are done to increase to increase employees value and preparedness for succession	2.91	1.065

Selection for promotion is based on personal relationship and network ties	2.41	1.098
Promotion is based on past performance	3.64	0.848
Promotion is based on range of experience	3.59	0.908
Promotion is based on ability	3.68	0.995

Source: Research data

On career management talent management practice, the results indicate that promotion to a large extent was based on ability, on past performance and on range of experience as represented by mean of 3.68, 3.64 and 3.59 respectively. The respondents were however not sure on whether the organisations had career development policy clearly outlined and known to all employees and on whether job rotations, transfers were done to increase employees' value and preparedness for succession. However, the standard deviations for these outcomes indicated lack of consensus. To a low extent, the results indicated that selection for promotion was based on personal relationship and network ties and that succession was done through development of strong talent pool as represented with a mean of 2.41 and 2.23 respectively. There was however no consensus on this outcome.

Overall, some of the career management practices can be concluded to be embraced by organisations although to a small extent. However career management policies appear to be formalized to a very small extent.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study is aimed at establishing the talent management practices in commercial state corporations in Kenya. Data was collected by self administered questionnaire through drop and pick method. Data was collected from twenty two (22) out of thirty one commercial state corporations which constitute a response rate of 71%. The research focused on a several talent management practices i.e. talent strategy, workforce planning and talent acquisition strategy, retention policies and programmes, capability development and performance, leadership and high potential development, total reward, learning and development, and career management. In this chapter, discussion of the analyzed data, conclusion and recommendations are presented.

5.2 Summary

The objective of the study was to establish the talent management practices in commercial state corporations as provided for in the SCAC guidelines. A questionnaire based on the literature and prior knowledge of these organizations together with discussions with key players was used as the instrument of data collection.

The data was analyzed by computing the relevant descriptive statistics. Frequency distribution tables were also used to analyze the data. Section A of the questionnaire was analyzed using frequency distributions and percentages while section B was analyzed using mean scores and standard deviations. Frequency distribution tables were also used to analyze the data.

From the analysis results, most of the Commercial state corporations did not have clear talent strategy and there is lack of well formalized and communicated talent strategy that would act as a guide towards achieving competitive results. The talent strategy practices in these organisations seem to be unclear. Workforce planning and

talent acquisition policies and practices can be seen to be embraced but only to a moderate extent. However, the retention policies as a talent management practice in most of the organisations seem to be unclear and hence not embraced much. Other practices on capability development and performance management, leadership and high potential development appear to be lacking and not well communicated. Similarly, the total reward compensation practice appear to be unclear and therefore adopted to a very minimal extent. Learning and development practice can be seen to be embraced to some extent. However, although the organisations have programmes and set aside reasonable funds for learning and development, the implementation of these programmes and aligning them to talent management is lacking. The career management practices can be concluded to be embraced by organisations although to a small extent.

5.3 Conclusion

From the research findings as presented in chapter four, Commercial State Corporations to a large extent have not embraced the talent strategy and talent management practices in their operations. There are no clear policies on most of the practices studied and majority of the other talent management practices scored lowly and none indicated results adoption to a very large extent. The observation made in this study reveal that talent management seem to be a new concept and unclear hence not strongly understood or practiced.

5.4 Limitations of the Study

The study was intended to cover all the Commercial State Corporations in Kenya as provided in the SCAC guidelines. Despite a response rate of 71%, some limitations and challenges were experienced.

Unavailability of key target respondents who are the Human Resource Managers of Heads of the Human Resource sections was a challenge. Most of the Organizations HR Managers delegated the exercise to officers at lower levels hence resulting to lack of clear understanding on the questionnaire. This posed a challenge since some of these officers did not quite comprehend the concept of talent management.

Some respondents declined to provide information. Out of the remaining 9 respondents three wrote back declining the request to undertake the study in their Organizations. There were also delays in submitting the filled questionnaires while others failed completely to fill the questionnaires even after follow-up. This resulted to delays in compiling of data.

5.5 Suggestions for future Research

There is an opportunity for a similar study on talent management practices. The study should focus on the talent management practices in all other state corporations or in all organizations in Kenya as a whole. This is particularly important because talent management is a fairly new concept in terms of implementation in Kenya and considering the changes in the global business environment, there is need to understand it better and embrace it for competitive advantage and to reap its benefits.

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APPENDIX I: RESEARCH QUESTIONNAIRE

Please fill the blank space

PART A: BIOGRAPHIC DATA

RESPONDENT'S PROFILE

1)   Name of the respondent (Optional) ....

2)   Position held in the Corporation ....

3)   What is your highest level of education (**Please indicate by ticking**);

     a) College degree   ( )

     b) Bachelors degree   ( )

     c) Masters degree   ( )

     d) PHD degree   ( )

     e) Other (please specify) ....

4)   Year of experience in the Organization

     a) 0-1 years   ( )
     b) 2-5 years   ( )
     c) 6-10 years   ( )
     d) 11-15 years   ( )
     e) 16 and above years   ( )

COMPANY'S PROFILE

Please indicate by ticking your category in the following;

5) Number of employees in the Organization

     a) 1-100   ( )

     b) 101-200   ( )

     c) 201-300   ( )

     d) 301-400   ( )

     e) 401 and above   ( )

6) For how long has the organization been in existence?

     a) 0-10 years   ( )
     b) 11-20 years   ( )

c) 21-30 years   (   )
d) 31-40 years   (   )
e) 41 and above years   (   )

7) Please indicate which sector describes your firm by ticking

a) Agriculture	( )		g) Health	( )
b) Trade and Industry	( )		h) Office of the President	( )
c) Information & Communications	( )		i) Tourism and wildlife	( )
d) Education, Science & Technology	( )		j) Lands, settlement and housing	( )
e) Transport	( )		k) Water and irrigation	( )
f) Energy	( )			

PART B: TALENT MANAGEMENT PRACTICES

These questions in this part seek to establish the extent to which your firm uses talent management practices to encourage talent acquisition, development and retention.

1) Listed below are the probable talent management practices that your Company practices. To what extend has your corporation put in place these practices? Please rank them using the key guideline below;

[1] – Strongly disagree
[2] – Disagree
[3] – Neither agree nor disagree
[4] – agree
[5] – strongly agree

Our Organization has the following Talent Management Practices in place	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Talent strategy					
Our Organisation has a talent strategy which constantly guide, providing direction on how organization will acquire, develop, and retain employees					
The talent strategy is formal, well documented and shared with all employees					
Senior executives spend significant amount of time devoted to managing talent					

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management issues					
Talent strategy is embedded in the overall strategic plan					
Workforce planning	**Strongly disagree**	**Disagree**	**Neither agree nor disagree**	**Agree**	**Strongly agree**
Our Organization has the right people with right skills in the right places					
Workforce planning in our organization is long-term focused and there is an understanding of what talent is currently in place and what is required to be successful in future					
Talent in our organization is seen as a source of competitive advantage and the organization caters for its growing talent needs					
Workforce planning is carried out broadly and consistently across all divisions and business units					
Talent acquisition policies					
Our Organization has recruitment and selection practices that attracts the best talent					
Recruitment practices follow an already created internal talent pool in readiness to occupy identified or vacant positions					
Managers at all levels are involved in the recruitment process					
Our organization develops innovative recruitment strategies to find the best people e.g having close ties with leading universities to attract top talent					
Retention policies in place					
Our Organization has a Talent development oriented culture that encourages retention					
Employees are aware of their responsibilities and are trained for retention					
The organization is concerned with retaining competent committed people/knowledge workers					
The Organization has policies in place that describe the approach to ensuring it keeps					

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
the talent it needs					
The retention strategy includes data on why employees leave the organization					
In our organization there is a low employee turnover because of attractive retention schemes in place					
Capability development & performance management					
Line Managers are responsible to develop skills and knowledge of employees they contributed in recruiting					
Our Organization encourages Promotion from within of nurtured talent below executive levels					
Performance management is aligned to the need to nurture and retain talent					
Performance management is aimed at developing individual and team capabilities					
Managers coaching and job rotations are made to develop capability and performance					
Leadership and high potential development					
Our Organization has a strong leadership team					
The Organization ensures a strong pipeline of leadership by developing its talent					
The organization has Leadership programs focus on high potential employees to grow					
A list of potential leadership candidates exist on file and regularly updated					
In our Organization, talent management planning process is known to all employees and not limited to management staff and HR					
Total reward compensation					
In our Organization, compensation and rewards are both financial and nonfinancial					
There exists a clear compensation and rewards policy which includes all types of rewards					
Our Organization attracts and retains key workers by applying total rewards strategy					

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Our Organisation pays competitive rates plus other flexible benefits					
Learning and development					
Our Organization has in-house development programmes to develop its employees					
Our organization encourages Coaching and mentorship by managers					
Personal growth and development is encouraged					
Department heads are evaluated and compensated for their efforts to develop talent					
There is policy on sponsorship of trainings/programmes to development identified talent. Training is done for retention					
There is reasonable allocation of funds to learning and development					
Career management					
In our Organization, progress and career development policy is clearly outlined and known to all employees					
Succession is done through development of strong talent pool					
Job rotations, transfers are done to increase employees value and preparedness for succession					
Selection for promotion is based on personal relationships and network ties					
Promotion is based on past performance					
Promotion is based on range of experience					
Promotion is based on ability					

THANK YOU

APPENDIX II: COMMERCIAL STATE CORPORATIONS IN KENYA AS PRESENTED BY INSPECTORATE OF STATE CORPORATIONS

	State Corporation	Parent Ministry
1	Agro-Chemicals and Food Company	Agriculture
2	Chemilil Sugar Company	Agriculture
3	East African Portland Cement Company	Trade and Industry
4	Gilgil Telecommunications Industries	Information and Communications
5	Jomo Kenyatta Foundation	Education, Science and Technology
6	Kenya Airports Authority	Transport
7	Kenya Broadcasting Corporation	Information and Communications
8	Kenya Electricity Generating Company	Energy
9	Kenya Literature Bureau	Education, Science and Technology
10	Kenya Medical Supplies Agency	Health
11	Kenya Ordinance Factories Corporation	Office of the President (DOD)
12	Kenya Pipeline Company	Energy
13	Kenya Ports Authority	Transport
14	Kenya Power & Lighting Company	Energy
15	Kenya Railways Corporation	Transport
16	Kenya Safari Lodges and Hotels	Tourism and Wildlife
17	Kenya Seed Company Limited	Agriculture

18	Kenya Wine Agencies	Trade and Industry
19	Kenyatta Intercontinental Conference Center	Tourism and Wildlife
20	National Cereals and Produce Board	Agriculture
21	National Housing Corporation	Lands, Settlement and Housing
22	National Oil Corporation of Kenya	Energy
23	National Water Conservation and Pipeline Corporation	Water and Irrigation
24	Numerical Machining Complex	Trade and Industry
25	Nzoia Sugar Company	Agriculture
26	Postal Corporation of Kenya	Information and Communications
27	Pyrethrum Board of Kenya	Agriculture
28	School Equipment Production Unit	Education, Science and Technology
29	South Nyanza Sugar Company	Agriculture
30	Telkom Kenya Limited	Information and Communications
31	University of Nairobi Enterprises and Service Limited	Education, Science and Technology

Source: Office of the President Circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November 2004

APPENDIX III

LETTER OF INTRODUCTION

Naomi W. Njoroge
C/o National Housing Corporation
P.O. Box 30634 – 00100
NAIROBI.
Mobile: 0722 532000
28th September 2012

The Managing Director

....

Dear Sir/Madam

RE: REQUEST TO COLLECT DATA

I am a student at the University of Nairobi (School of Business) currently pursuing a Master of Business Administration Degree in Human Resource Management. As part of the requirement for the course, I am required to undertake a research project on real management issues.

I therefore write to request for your permission to collect data in your Corporation/Organization. My research project will seek to establish the '**Talent Management Practices in Commercial/ Manufacturing State Corporations in Kenya'**. I have attached a copy of an introductory letter from the University as well as a copy of the questionnaire.

The information provided will be used for academic purposes ONLY and will be treated with utmost confidence it deserves.

Thanking you in advance.

Yours faithfully

Naomi
Naomi W. Njoroge

DATE 25|09|2012

TO WHOM IT MAY CONCERN

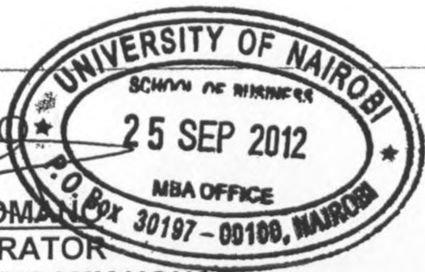The bearer of this letter .....NAOMI.....WAMBUI NJOROGE

Registration No..........D61|70002|2008.........

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

IMMACULATE OMANGO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
2 5 SEP 2012
MBA OFFICE
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