TALENT MANAGEMENT AS A SOURCE OF COMPETITIVE ADVANTAGE FOR KENYA DATA NETWORKS LTD

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature …………………………………….. Date ……………………….

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This research project has been submitted for examination with my approval as University supervisor.

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DEDICATION

To my family for support and understanding especially to my Dad, Mum (Dr and Mrs. M.C.Z Moturi),Brother Michael, Sisters' Kate and Sheila, my wife Charity Anzazi, my son Leroy and friend Wangeci who stood by me, supported and encouraged me to soldier on despite the up and downs of my tight schedule.

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Abstract

An organization human resource capacity is an important source of competitiveness especially if the talent they possess is strategic in nature, inimitable and is rare. Hence in the present day competitive business environment, it is important for a firm to appreciate the critical role this resource can offer in being a source of competitive advantage to the firm and at the same time take actions to manage it. The study sought to establish the role of talent management as a source of competitive advantage at Kenya Data Networks. A case study research design was adopted whereby the researcher interviewed seven senior managers at KDN who were involved in the strategic process of managing organizational talent. Data was collected through the use of the interview guide and content analysis was used to analyze the data. The findings of the study were that effective talent management affects the financial performance of a firm and this was reflected increased sales revenue over the years since adoption of the strategy, productivity and increased market share. In addition, the product development and innovation registered improvements over the period due to the resultant collaboration in the organization. Inter-department communication has also been enhanced due to the bi-annual meetings on the organization strategy evaluation and adjustment review and this has resulted to increased rate of strategy implementation. Some of the challenges faced in the management of talent in the organization include lack of adequate resources allocated to the process and also coming up with a talent management strategy that is not in conformity with the overall organization strategy. The paper sheds light on the newly emerging and yet under-researched concept of "talent management", connecting this idea with existing debates on organization, institutional change and reproduction. Key recommendations to effectively gain a competitive advantage with high performance through talent management is by employee engagement i.e. explore the levels of employee engagement worldwide, the factors that motivate workers and the strategies organizations use to assess and improve engagement, Learning and development i.e. examine learning and development trends - including how and on whom training finance are being spent and review best practices in learning, Performance management i.e. explore organizational systems that are focused on evaluating and maximizing individual performance and looks at the most effective collection of practices, recruitment and selection i.e. investigate recruiting trends, the factors that influence the trends and the methods organizations use to find, attract and select talent, Integrated talent management i.e. describe the field of talent management, which allows the organization to identify, attract and develop the talent they need to meet their strategic goals, skill level of the workforce i.e. describe the current skill levels of workers, explores whether or not those skills meet the requirements of business, and examine ways in which business can raise the skill sets of their communities and employees and relocation i.e. examine the cost, effectiveness and limitations of various employee relocation approaches and finally retention i.e. track perspectives on employee retention, examine causes and costs of turnover and explore strategies to maximize retention of key organizational talent.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The present day business environment is changing rapidly and the necessity for an organization to make a difference expresses its needs to possess a highly qualified and motivated workforce. The demand for competent employees is high, especially for key decision making positions; therefore organizations are exposed to a continuous competitive fight for the best and talented employees. Talent management represents the idea of increasing performance using the most important of the organization's resources – the employee, but this a very sensitive approach because if the managers will choose to retain the "inappropriate talent" then the final effect will be opposite (Bhatti et al., 2011). The ability of an organization to exploit their intangible assets has become far more decisive than their ability to invest and manage their physical assets and hence, remain at the forefront and maintain a competitive edge, organisation must have a good capacity to retain, develop, organize, and utilize their employee competencies (Grönhaug and Nordhaug, 1992).

As was pointed out by Kim et al (2003), in order for enterprises to be successful in the exploitation of their talent assets, an appropriate "fit" between the organization's mission and objectives and its knowledge management strategy should be found. This means that the goals and strategies of talent management should be reflective of those of an organization. Strategists (strategic business managers and knowledge managers) should therefore take note of the major impact of knowledge on the formulation of corporate strategy and organizational success as well as ensure that their knowledge strategy and knowledge program is consistent with corporate ambitions and that the techniques, technologies, resources, roles, skills, culture, etc. are aligned with and support the business objectives (Pillania, 2005). When such alignment between the talent management strategy and the business strategy is clearly established, the talent management system will be moving in a direction that holds promise for long-lasting competitive advantage.

The successful utilization of individual capabilities can contribute positively to performance and enhance organizational image. In talent economy, human capital is the main element, “talent is both produced and held collectively rather than individually in knit groups or communities of practices” (Lang, 2001). The fundamental feature of today's competitive climate in business concerning people issues is to find a method of attracting, developing, retaining, and motivating competent people. To employ the appropriate people in the company, the team of candidates to select from must be up to the prescribed standard. This means that human resource should source and seek out such talented staff and must not expect that an advertisement in the media will yield desired results (Deros*et al.,* 2009).

1.1.1 Talent Management

Talent management is actions taken by organizations for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (Scullion and Collings, 2011). It recognizes people who excel at particular activities and performance upon whom support is offered to enable them to ‘‘push the envelope’’ while capturing and sharing what they do differently so that colleagues can emulate them. Talent management aims at deploying the right people in the right jobs at the right time, ensuring the right environment for individuals to deliver their best and remain committed to the organization (Uren and Jackson 2012). With a proper talent management, organization should have the capacity to identify the kinds of people and capability that will create value or deliver competitive advantage for the organization now and in the future.

Talent management helps organizations to make the most of the strengths and talents of their employees. Talent management has a number of benefits to offer such as improved employee engagement, retention, alignment to strategic goals in order to identify the future leadership of the organization, increased productivity, culture of excellence and much more (Ballesteros, 2010). Despite the benefits of talent management, Boudreau and Ramstad (2007) observe that many companies today do not have a 'talent strategy' in place, despite organizations' acknowledging the fact that talent is an important issue. In many organizations there is a lack of workforce planning, while the approach to accessing talent is poorly coordinated across the business. It is crucial that talent management system be put in place for building organizations. Boudreau and Ramstad (2007) posits that the 73% of the executives in United States of America agree on the positive relationship between talent management process and business strategy to obtain the success of the organizations. It means that companies recognize the importance of talent management integration with business strategy to get the organizational excellence.

The concept of talent management treats talent as a system of interrelated parts that help organizations to strategically leverage talent. By recognizing the interrelatedness nature of talent management, organizations are able to better develop, promote and retain their talent to meet current and future business needs. Organizations are taking steps to manage talent most effectively and also to develop their own employer brand. These brands simplify decision-making and communicate the value they create for their customers. Likewise, employees also identify themselves with certain organizations (Shravanthi and Sumanth, 2008) especially in the light of forecasted labour shortage. Organizations that formally decide to "manage their talent" undertake a strategic analysis of their current human resource processes. This is to ensure that a co-ordinated performance oriented approach is adopted.

1.1.2 Competitive Advantage

Competitive advantage is the ability of the firm to occupy a superior position in an industry and outperform its rivals on the primary performance goal- profitability. A company's superior competitive position allows it to achieve higher profitability than the industry's average (Porter, 1985). Firms strive to survive and succeed in competition by pursuing strategies that enable them to perform better than their competitors. When two or more firms compete within the same market, one firm possesses a competitive advantage over its rivals when it earns or has the potential to earn a persistently higher rate of profit (Hill *et. al*, 2001). According to Winer (2004), developing competitive advantage centers on three key components. First, competitive advantage must be able to generate customer value. Customer value can be defined by the customer in terms of lower price, speedy delivery, convenience, or some other characteristic. Second, the enhanced value of the product or service must be perceived by the customer. Regardless whether the product could be considered superior to competitor's products might not be as important as whether the customer perceives the product to actually be superior. Finally, effective competitive requires that whatever business tactic used should be difficult for business competitors to copy.

Porter (1985) points that a firm can achieve a higher rate of profit (or potential profit) over a rival in one of two ways: either it supplies an identical product or service at a lower cost, in which case the firm possesses a cost advantage; or it can supply a product or service that is differentiated in such a way that the customer is able to pay a price premium that exceeds the additional cost of the differentiation advantage. Differentiation by a firm from its competitors is achieved when it provides something unique that is valuable to buyers beyond simply offering a lower price. Emphasizing the importance of innovation, Grant (1997) points out that innovation not only creates competitive advantage, it also provides a basis for overturning the competitive advantage of other firms. A firm with a distinctive competence can differentiate its products- provide something unique that is valuable to buyers, or achieve substantially lower cost than its rivals. Consequently, the firm creates more value than its rivals and earns a profit rate substantially above the industry average. The strengths of an organization are grounded in its resources, capabilities and competencies that help accompany attain competitive advantage based on-superior efficiency, innovation, quality and customer responsiveness. Profiting from competitive advantage requires that the firm first establishes a competitive advantage, and then sustain its advantage for long enough to reap its rewards (Hill *et. al.*,2001).

Competitive advantage typically results in high profits, but these profits attract competition, and competition limits the duration of competitive advantage in most cases, therefore most competitive advantage is temporary (Barney, 2008). On the other hand, some competitive advantages are sustainable if competitors are unable to imitate the source of advantage or if no one conceives of a better offering. Therefore, competitive advantage must reside in a firm's value chain. Porter (1985) posits that a firm can achieve a higher rate of profit (or potential profit) over a rival in one of two ways: either it supplies an identical product or service at a lower cost, in which case the firm possesses a cost advantage; or it can supply a product or service that is differentiated in such a way that the customer is being able to pay a price premium that exceeds the additional cost of the differentiation advantage.

1.1.3 Information and Communication Technology (ICT) sector in Kenya

The term 'ICT' involves computing and networking facilities (e.g. computers, fixed-line telecommunications, mobile phones and other wireless networks, broadband, specialized application devices, Internet, satellite communications and other networking technologies) that link together, enabling people in organizations and the public at large to communicate and share information. In other words, ICT covers any product that will store, retrieve, manipulate, transmit or receive information electronically in digital form. Information and communication have become an integral part of modern society, such that information+ communication = knowledge society. ICT has a significant effect on productivity in most industries, driving innovation, cutting costs, boosting profits, and helping small firms to overcome limitations of size and establish a global presence. It also creates new opportunities for business and employment. Through ICT, modern societies can manage resources better by, for example, improving the efficiency of energy use and supply, cutting production costs and reducing impacts on the environment.

The ICT sector in Kenya, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital - much of it originating from private sector participants. The main ICT regulatory body in Kenya is the Communications Commission of Kenya (CCK).

There has been pressure from the public and private sector on the government to explore new and cheaper ways of connecting to the Internet, such as through wireless technology and by relaxing the regulatory framework to allow ISPs to use alternative facilities like the very small aperture terminal (VSAT). Previously, only Telkom Kenya had a license to operate an international VSAT service. For this reason, companies could not enter the market unless the government relaxed its monopoly. The Kenyan government has recently introduced measures focused on liberalizing the telecommunications sector. Telkom Kenya’s monopoly over the Internet infrastructure and international bandwidth services ended in 2004, and several new data carriers such as Kenya Data Networks Ltd have been licensed. In addition, new ISPs have been licensed, broadband technologies have been introduced, and voice over Internet protocol (VOIP) telephony has been liberalised, promising to bring about a long-awaited reduction in international and long-distance calling rates. In 2006, CCK licensed a second telecommunications operator (in both fixed and mobile telephony) to rival Telkom Kenya, alongside the two existing mobile operators namely Safaricom Ltd and Celtel Kenya. This immediately led to massive price reductions (to US$0.12 per 3 minutes and US$0.9 per minute for local and international calls, respectively) and improved services in these sectors. This has also attracted foreign investment and encouraged the public to adopt more ICTs. Despite these developments, the new operator has yet to roll out its services due to the slowness of government machinery in legally enabling the process. However, there is much potential in Kenya because of the relatively low fixed-line and mobile tele-density of approximately 1 per cent and 15 per cent, respectively.

The spread of the Internet makes it a focal point for the use of new technologies (or ICTs) because it is efficient, cheap and easy to use, facilitates interrelationships with other technologies and provides a flexible means of communication. Major structural adjustments for attracting foreign investment in the ICT sector have been approved. One of these is the relaxation of the rule that requires foreign companies wanting to invest in the local telecommunications sector to allocate 30 per cent of their shares to the public once they commence operations (Oyuke, 2007). Companies are now required to find a suitable local partner, or announce an initial public offering within five years, or introduce employee option plans. This has significantly reduced wrangles between potential investors and the government that otherwise would hold back the process of liberalizing the ICT sector and the development of an e-economy and information society. The construction of a terrestrial fibre-optic network by Kenya Data Network now known as Liquid Telecom Kenya, at a cost of 4 billion Kenyan shillings, completed in September 2007. In similar vein, the construction of an undersea fibre-optic cable, The East African Marine System (TEAMS), linking Kenya to the United Arab Emirates, is set to begin soon (Wanjiku, 2007). These networks connect all major towns in Kenya to the high-speed Internet world, as well as creating employment opportunities for Kenyans, especially in the outsourcing business. The three cable networks have made Kenya competitive in the provision of international broadband and attract international investment. This has been part of the government's vision to make Kenya 'a prosperous ICT-driven society', as stipulated in the national ICT policy of Kenya which is a product of the Economic Recovery Strategy for Wealth and Employment Creation (2003–2007) and was developed by the Ministry of Information and Communications in 2006. Its mission is to improve the livelihoods of Kenyans by ensuring the availability of accessible, efficient, reliable and affordable ICT services. This policy is based on the model adopted by the Common Market for Eastern and Southern Africa (COMESA) in 2003.

1.1.4 Kenya Data Networks

Kenya Data Networks is a "Full Service, Data Communications Carrier" that was licensed by the CCK in January 2003 as a "Public Data Network Operator" with a mission to build world-class infrastructure in Kenya. KDN is a Kenyan registered communications company with 80% shareholding held by Liquid Telecom (UK) and 20% local shareholding held by Sameer Investment that operates the largest data and Internet backbone in East and Central Africa. KDN provide a comprehensive suite of services over its fibre optic network including Internet Protocol (IP) services, broadband transport, infrastructure services and collocation services. These services provide building blocks that enable there customers meet their growing demands for advanced communications solutions. KDN is leader in the wholesale Telecommunication infrastructure provision market, through a focused range of services, in the East and Central African region, delivering sustainable value to its customers, whilst meeting shareholder requirements.

1.2 Research Problem

The increasing importance of talent in the modern and competitive business world has initiated a need to focus on managing talent as an organizational competitive asset) as well as a source of wealth (Gupta *et al.*, 2002). Sustainable competitive advantage comes from the internal qualities that are hard to imitate rather than the firm's product-market positions and talent is such a resource since firms' talent resources are considered a tool for achieving a sustainable competitive advantage. Odonez de Pablos (2004) assert that a well implemented talent management program may lead to reduced operating costs, a faster new product development cycle and better customer service and thus giving a firm a competitive advantage in a particular sector. A sustainable competitive advantage stems from the valuable, company-specific resources that cannot be imitated or substituted by competitors. Talent management, relational capital and structural capital can all be sources of long term competitive advantage but the most significant evidence favors talent management (Odonez de Pablos, 2004). Talent management processes should among others incorporate generating new knowledge, accessing talent from external sources, representing talent in documents, databases, software and so forth, embedding talent in processes, products, or services, transferring existing knowledge around an organization, using accessible knowledge in decision making and measuring the value of knowledge assets and the impact of talent management (Galagan, 1997).

The Kenya Data Networks faces tough competition for talent as most companies are experiencing a shortage of top talent and the level of intense competition has become unrivalled in the telecommunication industry in Kenya. As one of the oldest ICT based firms, KDN has fallen prey to ‘poaching’ of its dependable employees to new market entrants as well existing multinationals who have diversified there products and infrastructure in the recent past. Talent management is no longer a human resource issue alone but more importantly a strategic issue. As one of the imitable asset resource, talent management is one of the resources that can bring necessary competitive advantage through production of differentiated products and services at a lower cost. However, KDN has not in the recent past appreciated the importance of talent in the realization of organizational objectives. According to 2012 management report, KDN got resignations from eleven key staff members to competitors while two opted to start their own private companies to offer same services that as the company albeit on a smaller scale. Twenty five more were retrenched of which ten got employed by the competitors and the rest decided to be the competitor’s product and services distributors. The loss of these staff disrupted the strategic objectives of the company for the year since it led to delay of the customer orders, overworking of the remaining staff as well as loss of customer orders due to their withdrawing upon realizing that the company was not going to deliver the service within the stipulated time period.

Several studies have been undertaken locally on the role of talent management in the organization strategy. Wafula (2010) researched on the effectiveness of strategic talent management practices in professional service firms in Kenya and found out that local professional service bodies lacked an effective talent management structures and most of their strategies are contained in the contracts with the employees whereby they discourage them from leaving the organization before a stipulated time period especially if the organization has trained the employees. Wangari (2009) studied the linkage of critical success factors and talent management systems at Olivado Kenya (EPZ) ltd and found out that once the role between strategy and talent is defined, then other aspects of strategic management such as resources allocation, organization design, product development and market segmentation can be configured to bolster talent strengths and reduce talent weaknesses. In addition Asava (2009) carried out a research on Talent Management for competitive advantage within commercial banks in Kenya and found out that learning opportunities for an organisation that already has a talent advantage may be more valuable than for a competitor having similar learning opportunities. Though Asavas' research is many ways is similar to the present study, commercial banks achieve their competitive advantage on the basis of IT platforms and systems that they have adopted unlike the IT firms who gain theirs on the basis of the development of the same platforms. It is on the basis of this gap that the present study will seek to realize the important role of talent management a source of competitive advantage for Kenya Data Networks Ltd.

1.3 Research Objective

To establish the role of talent management as a source of competitive advantage at Kenya Data Networks Ltd

1.4 Value of the Study

The findings of this study will improve understanding of the importance implementing talent management at the Kenya Data Networks and how it fosters the company's competitive advantage. Successful management of talent management leads to the organisation attaining a competitive edge. Improved talent management will lead to increased productivity and motivation of staff members. The motivated staff members will be more innovative and contribute effectively to the organisation. The study will shed light on the importance of talent management in the information technology industry and it will be useful to those mandated with handling talent in other technology companies and subsequently reducing turnover rates.

The study will guide technology industry policy makers in how best to manage talent within the industry. This study may prompt further research on the talent management domain, particularly within the information technology industry, as the researcher believes it may be an opportunity for others in academia and elsewhere to learn from the study. The study will help the information technology industry to reformulate strategies related to talent management and help them to develop policies intended to reduce the sources of dissatisfaction among its employees. The study can be used for proactive decision-making on talent management and turnover.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is concerned with the review of literature related to the study. An overview of theories underpinning the study, concept of talent management, factors influencing talent management process, concept of competitive advantage as well as the role of talent management as a source of competitive advantage will be discussed.

2.2 Theories Underpinning the Study

Resources are the fundamental units of value generation. It can be specialized and bundled together in highly distinctive configurations to lend firms special competitive advantages. The resources in a real economy are in a constant state of flux accounting for observed phenomena of competitive and evolutionary dynamics (Mathews, 2002). The resource-based approach sees firms with superior systems and structures being profitable not because they engage in strategic investments that may deter entry and raise prices above long-run costs, but because they have markedly lower costs, or offer markedly higher quality of product performance (Teece et al., 1997). This approach assumes that firms' outstanding performance comes from the rents accruing to the owners of scarce firm-specific resources rather than the economic profits from product market positioning.

The resource based view (RBV) is the dominant theory in strategy literature (Newbert, 2007); it explains sustained, superior performance as a function of the heterogeneity of firm-specific resources such as brands, customer relationships and distribution partnerships (Barney, 1991). However, others feel that RBV has failed to make a major contribution to our understanding of competitiveness as the definition of resources is vague and tautological (Priem and Butler, 2001). As a result, the theory of dynamic capabilities side-steps this criticism by focusing less upon identifying the "static" advantage-creating resources, such as brands, to focus more upon exploring how these resources are created and used for competitive advantage.

Another similar approach is the "competence-based view", primarily represented by Sanchez (2001). They argue that firms utilize competence in order to reach set goals, regardless of whether it is reduced costs or competitive advantage. But the core of the competence-based perspective lies in its approach to the nature of knowledge, and of its discussion of learning processes (Sanchez, 2001). For instance, the difference between data, information, knowledge and interpretive frameworks is highlighted, as the difference between learning and sense-making. A key feature of this school of thought is the transformation of talent into competence, which is made through learning cycles, encompassing individual, group and organizational learning (Sanchez, 2001).

Talent-based theory of the firm postulates that talent is the only resource that provides sustainable competitive advantage, and, therefore, the firm's attention and decision making should focus primarily on talent and the competitive capabilities derived from it (Roberts, 2008). The firm is considered being a talent integrating institution. Its role is neither the acquisition nor the creation of organizational talent; this is the role and prerequisite of the individual. Talent resides in and with individual persons; the firm merely integrates the individually owned talent by providing structural arrangements of co-ordination and co-operation of specialized talent workers. That is, the firm focuses on the organizational processes flowing through these structural arrangements, through which individuals engage in talent creation, storage, and deployment (Roberts, 2008).

2.3 Talent Management

Talent management has received different definitions as the number of authors. Lewis and Heckman, (2006) define talent management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization. On their part, Scullion and Collings (2011) define talent management as actions taken by organizations for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles. Talent management aims at deploying the right people in the right jobs at the right time, ensuring the right environment for individuals to deliver their best and remain committed to the organization.

Talent management is concerned with the exploitation and development of the knowledge assets of an organisation with a view to furthering the organization's objectives. The talent to be managed includes both explicit, documented talent and tacit, subjective knowledge. Management entails all of those processes associated with the identification, sharing and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organisational learning. Organisations that succeed in knowledge management are likely to view knowledge as an asset and to develop organisational norms and values, which support the creation, and sharing of knowledge (Davenport et al, 1998).

According to Galagan (1997), talent management processes should among others incorporate generating new knowledge, accessing knowledge from external sources, representing knowledge in documents, databases, software and so forth, embedding knowledge in processes, products, or services, transferring existing knowledge around an organization, using accessible knowledge in decision making and measuring the value of knowledge assets and the impact of knowledge management. The issue of talent management is thus of interest to a wide range of stakeholders beyond human resource (HR) academics and professionals. Indeed, the Economist Intelligence Unit (2006) found that most CEOs explicitly argued that talent management was too important to be left to HR alone, while a Boston Consulting Group (2007) report identified talent management as one of five critical challenges for HR in the European context. The BCG findings were based not only on those capabilities that executives expect to be most important in managing human capital, but tellingly are also those they perceive their organisations to be weakest at. Thus, the area is likely to be relevant, *inter alia* for scholars and practitioners in the fields of strategic management, human resources and organizational behaviour.

Carlucci *et al.* (2004) showed how the management of talent assets impact business performance. It is argued that business performance equates to value generated for the key stakeholders of an organization. The generated value is the result of an organization's ability to manage its business processes and, on the other hand, the effectiveness and efficiency of performing organizational processes are based on organizational competencies. The management of talent assets enables an organization to grow and develop the appropriate organizational competencies. Therefore, the fact that organizational competencies are based on the effective and efficient management of knowledge assets puts it at the heart of business performance and value creation. Similarly, the effectiveness of talent asset management provides firms with an ability to constantly reconfigure, accumulate, and dispose of knowledge resources to meet the demands of a shifting market (Zott, 2003). Talent asset as a dynamic capability is therefore the organizational and strategic routines which firms use to achieve new resource configurations as markets emerge, collide, split, evolve and die. Dynamic capabilities are unique to individual firms, reflecting their individual idiosyncrasies, their specific path-dependencies, and hence are considered the source of sustainable competitive advantage and long-term superior performance (Teece et al, 1997).

2.4 Factors Influencing Organizational Talent Management Process

To successfully create and implement a talent management strategy, Coleman (2008) suggested that certain critical elements must be included. A talent management strategy should be linked to what the organization is attempting to achieve. It is also important to articulate the purpose of the talent management strategy. What benefits does the organization expect to gain from their work with talent management? How will it affect the employees' work? (Klaila, 2006). The personnel function should focus on top management to encourage processes that will promote cross-boundary learning and sharing. This includes helping to set up and, possibly, fund talent networks, as well as defining and developing the skills of learning from other people. Organizations that have achieved the greatest success in talent management are those that have appointed a senior-level executive to assume the mantle of full-time chief talent officer (Gopal and Gagnon, 2005).

Successful implementation of talent management is linked to such entities as culture and people. In the view of the best-practice organizations, people and culture are at the heart of creating a successful talent-based organization. The biggest challenge for talent management is not a technical one it can be integrated into any number of information technology but a cultural one (Koudsi, 2004). It is the difficult task of overcoming cultural barriers, especially the sentiment that holding information is more valuable than sharing it. Efforts to deploy KM group-ware are frequently met with employee reluctance to share their expertise (Cole-Gomolski, 2007). The likely reason for this is that employees are competitive by nature and may be more inclined to hoard than share the talent they possess.

One of the most important issues when working on a talent management strategy is to create the right incentives for people to share and apply talent (The Banker, 2004). The personal reward systems must support the culture of sharing talent. To improve this process it is crucial to reward employees that contribute their expertise and to make sure employees understand the benefits of talent management, (Cole-Gomolski 2006). A problem with many reward systems and incentives for sharing talent is that useful talent comes from relatively low down in the organization, from people who are not on incentive systems and probably respond much more readily to the feeling that they belong to highly motivated, leading edge, innovative groups of people. This probably means in the end that the pivotal role is played by culture; by an unquestioned, even unconscious, code that encourages talent sharing and co-operative behavior (The Banker, 2004).

2.5 Organizational Competitive Advantage

Competitive advantage exists when a firm has a product or service that is perceived by its target market customers as better than that of its competitors. It is an advantage an organization has over competitors, gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices (Kathuria*et al.*, 2007). The overall objectives of an organization is to create value for customers, competitive advantage and improved profitability for the financial institutions, the dimensions of value that may be important to customers and the mechanisms whereby competitive advantage and improved profitability can be achieved. Within an organization, customer value is created through collaboration and cooperation to improve efficiency or market effectiveness in ways that are most valuable to key customers. Value is not inherent in products or services, but rather is perceived or experienced by the customer. Therefore, in order to compete through creating customer value, a firm must understand, and deliver the value perceived as important by its customers.

An organization's competitive advantage is built upon a well-planned and executed strategy that is sustainable. Competitive advantage belong to those organizations that can activate concurrent business processes and core competences that merge infrastructures, share risks and costs, leverage the shortness of today's product life-cycle, reduce time to market, and gain and anticipate new vistas for competitive leadership (Ross,2008.) In the competitive context, successful organizations either have a productivity advantage or value advantage, or ideally, a combination of these two.

According to Porter (1985), competitive advantage is the ability to earn returns on investment consistently above the average for the industry. This therefore means that competitive advantage can be achieved if the firm implements a value-creating strategy that is not simultaneously being implemented by any current or potential competitors. This can be interpreted to mean that sustained competitive advantage results from strategic assets; which Barney (1991) regards as those that are internally controlled and permit the firm to formulate and implement strategies that expand its efficiency and effectiveness. Competitive advantage is thus dependent not, as traditionally assumed, on such bases as natural resources, technology or economies of scale, since these are increasingly easy to imitate. Rather, competitive advantage is, according to the resource base view, dependent on the valuable, rare, and hard-to-imitate resources that reside within an organization (Stiles and Kulvisaechana, 2004).

2.6 Organization Talent Management as Source of Competitive

A more sophisticated employee market means that competition for talent is fierce and employer branding can play important role for your organization. With product branding no longer sufficient for attracting and retaining talent, talent management will help an organization achieve several competitive advantages. According to Carlucci et al., (2004), an effective organizations talent management will help in capturing the market's high potential employees by understanding their motivations, build a winning environment that people will wish to belong, establishing a link between product and employer branding. Effective talent management starts from the top such that attracting, developing and retaining staff is the precursor of competitive advantage. The impact of decisions and the success of one's strategies have as much an effect on the bottom line as the activities of any department because without competent staff, the other sections of an organization will not be successful (Lepak and Snell, 2006).

Talent assets represent the "Crown Jewels" of companies and their strategic role to create value and improve business performance has incited organizations to invest heavily in methodologies, processes, and technologies to enrich, nurture, and renew them over time (Grant, 1991). He further argues that "the competitive advantage of companies in today's economy stems not from market position, but from difficult to replicate knowledge assets and the manner in which they are deployed". Hence, talent management practices have emerged as the processes to accumulate, articulate, codify and effectively use knowledge assets and enhance their value continually.

A competitive advantage will always be the result of a successful differentiation or low-cost strategy (Porter, 1985). These strategies are dependent of the firm's resources and managerial capabilities to be able to align effectively the resources at the firm’s disposal to achieve necessary competitive advantage. According to Ray et al. (2004), firm performance is not always the ideal dependent variable due to the fact that firms can have other competitive disadvantages, which reduce the return. On the contrary, strategic resources are generally knowledge-based and the trade-off often concerns non-monetary factors. A company can, for example, make heavy investments and direct most of its attention and HRM activities on their customer service department. This will most likely result in a competitive advantage in terms of customer care, fast response times for customer inquiries, and so on.

Organizational competences also condition the way activities fit and reinforce one another, which in turn sustain the operational effectiveness. As they are built internally through complex social and learning processes, organizational competencies are causally ambiguous (King and Zeithaml, 2001). As a result, they are difficult to trade or imitate, scarce, valuable, and non-substitutable. These characteristics make them the source of sustainable competitive advantage, and thereby the basis of “long-term profitability” and “above-average performance in the long run” In fact, organizational competencies, when leveraged into products and services, generate value and abnormal profitability and impact consequently the overall firm performance (Rouse and Daellenbach, 2002; Acquaah, 2003).

Considering a financial perspective, researchers assess the relationship between competences in talent management and financial organizational performance and demonstrate why talent management is a worthwhile investment. Organizations that apply talent management practices demonstrate significantly higher financial performance compared to their industry's peers, for example regarding sales revenue and productivity (Steinweg, 2009), Net Profit Margin and Earnings Before Interest, Depreciation, and Amortization (EBITDA), Return on Assets and Return on Equity, or Return on Shareholders' Value and Market Value. Moreover, different studies induce talent management cost savings through long-term proactive internal succession planning and higher retention rates.

Similarly, the effectiveness of talent asset management provides firms with an ability to constantly reconfigure, accumulate, and dispose of talent resources to meet the demands of a shifting market (Zott, 2003). As a result, dynamic capabilities are therefore the organizational and strategic routines which firms use to achieve new resource configurations as markets emerge, collide, split, evolve and die. Talent capabilities are unique to individual firms, reflecting their individual idiosyncrasies, their specific path-dependencies, and hence are considered the source of sustainable competitive advantage and long-term superior performance (Teece et al, 1997).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the proposed research design, the target population, data collection instruments and the techniques for data analysis.

3.2 Research Design

The research design adopted was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behavior under study. The study was adopted in this particular study since not all the potential population of the study were knowledgeable of such innate factor as how talent management can be a source of competitive advantage. In light of this therefore, a case study design was deemed as the best design to fulfill the objective of the study as the results will be expected to provide an insight in understanding how the organization competitive advantage is derived from talent management.

3.3 Data Collection

The study used primary data which was collected through face to face interview. The respondents interviewed were those involved with identification, development and harnessing organization talent in order to achieve its strategies. The interview guide was made up of three sections namely; respondents profile, talent management process within the organization and how talent management has been harnessed as a source of competitive advantage. The researcher believes that this made it possible to obtain data required to meet specific objectives of the study.

The interviewees were the top managers and functional heads in charge of Human resource, Executive, business development and research, marketing, and public affairs and Finance departments. These are considered to be key informants for this research. In addition the departments in which the respondents work in are the key host of talent in the organization.

3.4 Data Analysis

The data obtained from the interview guide was analyzed using qualitative analysis. The qualitative analysis was done using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observation and detailed description of objects, items or things that comprise the object of study. The themes (variables) that were used in the analysis were broadly classified into two: talent management in the firm and how the firm had utilized its talent as a source of competitive advantage.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

The research objective was to establish the role of talent management as a source of competitive advantage at Kenya Data Networks Ltd. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

The respondents comprised the middle and top management of Kenya Data Networks Ltd. In total, the researcher interviewed 7 respondents that had been intended to be interview in the research design. As a result the response rate was 100%. The respondents comprised one staff member each from human resource department, business development and research, marketing and public affairs, finance departments, technical department and customer service. All the respondents interviewed had worked in their respective positions for at least 4 years and cumulatively had work experience of 78 years within Kenya Data Networks Ltd and other IT based firms. Academically, the respondents had all attained university education with 4 of them having undertaken a master's degree in their respective fields. In addition 2 of the interviewees had rising through the ranks in the organization to occupy the present management position. With their solid academic and work life background in the affairs of the organisation, the respondents were found to be knowledgeable on the subject matter of the research and thus capable to help in the realization of the research objective.

4.2 Talent Management Process at Kenya Data Networks

This section of the interview guide sought to establish whether the organization has put in place talent management practices and what the practices involves.

4.2.1 Talent identification and Integration process at KDN

An organization should develop a mechanism of harnessing its organization talent as well as undertaking measures to integrate the same in the organizational strategies. On the question of what steps KDN had taken to identify and harness the talent present in the organization, the response from the interviewees was varied. It was pointed that organizational talent takes some time to develop and also integrate in the organizational strategy. The respondents pointed that the field of IT is so much dynamic and that continuous training and development is necessary to keep abreast with the demands of the market. New entrants, both local and from outside the country was found to be entering the local market and from the diversified product portfolio that the new entrants bring, there is increased level of competition. This level of competition is further compounded by the limited number of skilled employees in the local market that markets the retention of the existing employees a priority for any firm. The respondents therefore pointed for a firm to remain competitive and be able to remain sustainable; there is need for KDN to establish an effective talent management practice.

An organization talent management process does not arise out of a one off process. Instead, the respondents pointed out that the introduction of talent management at KDN involved the construction of talent pool within the firm which involved both scientific and social contribution. They highlighted that the scientific process involved the creation of a software and incorporated the input of the IT and HR specialist in the organisation and also some consultants that were contracted to come and aid in the development of the system. The developed talent was then embodied within the organisation through both explicit programs developed and through social interchange. Four of the respondents, representing 57%, noted that after the incorporation of the same talent in the organisation, it is then espoused throughout the organisation and its environments. Here the emphasis is on connectivity, access and transfer, and use of technologies such as video conferencing systems, document scanning and sharing tools and telecommunications networks between branches. From this process, the respondents acknowledged talent has become useful economically to the organisation in form of increased outputs.

On the question of whether KDN has appointed a senior-level executive to assume the mantle of full-time chief talent officer in order to achieve the greatest success in talent management, the interviewees respondents answers to the question was mixed whereby some said yes there was a senior manager while other answered to the contrary that the organization has not assigned a senior level management staff to give the guidance on the organizations talent management. This lack of a senior staff member to oversee the management of talent in the firm was found to affect the effectiveness of this process. This omission on the part of the firm explains also the inability of the organization to assign right people in the right jobs at the right time. It was observed that in some cases, the organization has in some cases not been able to place the staff in sections which will ensures that their total output is maximized because of aligning their competence to sections where their skills are. Effective identification of staff skills that will help in the realization of the organizations objectives is part of the talent management process in an organization.

4.2.2 Benefits of Talent management at KDN

The other area that the researcher sought to establish from the respondents was whether the there has been any benefits respondents attributed any benefits of talent management in the organization. Towards this question, all the interviewees pointed that indeed talent management process in the organization can be attributed to have resulted in several benefits. They noted that with effective management of talent, there has been increased long term sustainability of the business in the sense that the organization can have staff that can steer the organization in a business environment that is presently facing high level of competition from many entrants. It was pointed t that for an organization to be strategically competitive over its rivals, there is need to manage the knowledge pool that exist in the firm and the employees are the reservoirs of the same talent. It was observed that organizational competitiveness in the present day competitive environment does not originate from the physical resources alone, but more so the innate intangible resource pool, and employee talent is one of them.

A respondent pointed that since the process was started, the level of employee engagement and retention level had been enhanced. They noted there has been an increased participation of employees in decision which consequently has led to improved level of employee motivation. This involvement of employees in decision making has also helped the firm to retain most of its skilled employees and reduced the cost of training and development as well as replacement cost.

The researcher also sought to find out whether KDN ensures that there is constant flow of talent in the organization order to ensure effective talent management. This talent flow can result from the existing staff or new staff members being recruited in the firm. From this question, it was found that most new employees bring useful specialist experience with them and at the same time, existing members of staff have rich reservoir of information about the operations of the firm and therefore an organization should purpose to tap this experience from the predecessors to new employees. However, it was noted that for this transfer to take place, there is need for incentives to be given to those staff that have the talent reserve and this is necessary because rewarding employees encourage them to share their expertise and lessen the fear of being rendered jobless upon transferring their knowledge new or young members of staff.

4.3 Talent Management as a Source of Competitive Advantage

This section sought to establish from the respondents what effect the management of talent has had in the organizations performance. The performance of a firm will determine the level of competitiveness that it will enjoy in a given industry. The findings from the answers to the interview guide were unanimous that the management of talent in the organization has indeed brought with it a number of benefits to the organization. They observed that clearly the objective of investing in a strategic talent management system by KDN is had positive impact on organizational level outcomes.

4.3.1 Effect of Talent Management on Employee Performance

The adoption of talent management at KDN was found to have had positive effect on the performance of employees. The management of talent is achieved through effective management of employee knowledge and the respondents noted that KDN has achieved several changes as a result of the adoption of the talent management in the firm. Upon adopting the talent management strategy, KDN was able to configure employees' tacit knowledge gained through experience, personal development, and their social capital to the strategic objectives and making sure that the necessary knowledge is available to steer the organization towards the realization of the organizations objectives.

The availability of a common knowledge in the firm was recognized to go a long way in the development of strategies and also its implementation. They pointed that employees in the firm that are engaged in the formulation and implementation of strategies are specialized and are limited and hence to achieve continuous results, there is need to retain them in the firm. The knowledge gained through experience in the firm or other organisation had become quite valuable and by the organization recognizing this pool of talent, it necessitated the development and implementation of talent management in the organization. Kenya Data Networks therefore has managed with the implementation of the TM improved its process of strategy development and implementation and also quality thereof.

4.3.2 Effect of Talent Management on the Financial Performance of the Firm.

The management of talent at KDN was found to have a significant effect on its financial performance. The respondents did appreciate that with the better management of talent, the sales volume of the firm has significantly improved despite an increase in the level of competition being experienced in the sector. They noted that with the organization coming up with a division that manages client data alone and equipping the same with technical and sales people has enable the firm to increase its revenue base from the previous 5 years level by almost 112%. The increase in sales is definitely accompanied by the increased profitability which at the same time led to increased return to the shareholders as well as employees in form of bonuses at the end of the year. It therefore follows that organizations that apply talent management practices demonstrate significantly higher financial performance compared to their industry's peers, for example regarding sales revenue and productivity.

The ability of a firm to increase its value is dependent upon its ability to manage its business processes as well as the effectiveness and efficiency of performing organizational processes which all of them are based on organizational competencies. Talent management was found to have led to increased operational excellence and a better market access due to the changed culture in the firm. It was pointed that a strong talent leadership that is currently spearheaded by the senior management has inculcated in the organization the need of continuous innovation culture and improvement of the existing systems and products. The respondents pointed that at a bi-annual basis, evaluation of new innovations and betterment of the existing products is analyzed whereupon all staff is invited to contribute and challenge each other on the current phase of operations. This was pointed out by the respondents to have changed the current corporate culture.

4.3.3 Effect of Talent Management on the Market share level

Another performance measure that was identified to be influenced by level of talent management at KDN was market penetration. The interviewees noted that at the corporate level, a sustainable strong corporate culture, a significant increase in operational excellence and a better market access have been reported with the strong talent management capabilities. In addition, the number of employees who exited the firm after the talent management process was implemented reduced. This could be attributed to improved quality, speed and skills, higher innovative ability, a higher job satisfaction among employees given the improved career and development perspectives that has come about from the management of talent in the organization.

The ICT sector is considered fairly technical and it is expected that the staff engaged in the product development process are skilled and experienced enough to be able to deliver to the expected standard. They respondents noted that the same skill and experience is never gotten in a short term and hence once acquired, there is need to protect and retain the acquired knowledge. This therefore called for the company to develop an effective and efficient talent management to safeguard the skills gained and to put the same in the proper task to increase the firm performance. On being asked how the same organizational performance as been enhanced through the effective knowledge management, the respondents gave an example of the regional expansion of the firm in the east African region that came about through proper management of talent. They pointed that currently, the company operates in Tanzania, Uganda and Rwanda compared to only Kenya 15 years ago and this can be attributed to the effective management of talent that started during the same period that facilitated the strategic expansion. With the same expansion, the respondents noted that over the period, the number of client base has continued to increase. Based on the customer satisfaction index survey that has been contacted over the period, it was also found that the level of customer satisfaction has also improved. This can be attributed to the firm's investment in training of employees on customer service.

On being asked about the challenges that KDN face in the process of managing its talent, the respondents observed that effective implementation of talent management strategies includes a clear definition of what knowledge needs to be achieved and what motivations must be created. Two of the respondents noted that in the case of KDN, the organization did have a complete measurement system to evaluate whether the talent gained will enable the enterprise to enhance their competitiveness after the implementation of talent. The measurement process will consist of identifying and recognizing value-adding processors and resources, assessing and comparing the execution of talent management activities, and evaluating the impact of an organization's management performance based on bottom-line performance, which must have taken place to completely understand the present position of the firm. This process was found to be lacking in the case of KDN.

Another challenge that the organization faced in its implementation of TM process was the existence of a gap between perceptions of top managers and that of employees due to the difference of position, role, and professional knowledge. Creating new knowledge is a common responsibility for each department or group of experts in a Talent - creating company. Managers at all levels and frontline employees must also share this responsibility. The respondents found out that the perceptions of what type of knowledge employees will be different and depend on their positions and roles. Therefore, to match the perceptions of all employees in different positions, the goals and the plan that are committed by all levels of employees for the knowledge management system became a challenging issue. To mitigate against this challenge, 80% of the respondents suggested that the organization needs to provide training and leverage the resources for the employees.

4.4 Discussion on the Findings

The quality of an organization is representative of the quality its staff possesses and the development of the staff knowledge competency becomes an important objective if it is to be able to attain its strategic objective. Therefore, the development of a culture of learning within the organizations and development of ability, skills and proficiency is very important. The findings of the study was that for an organization to be strategically competitive over its rivals, there is need to manage the knowledge pool that exist in the firm, and the employees are the reservoirs of this talent. It was found that organizations competitiveness in the present day competitive environment does not originate from the physical resources alone, but more so the innate intangible resource pool, and employee talent is one of them. This finding is consistent with the resource base theory which posits that an organizational competitive advantage emanates from the resources it has in the firm and not the external opportunities present. The same view was made by Drucker (1993) who observed that the most valuable assets of the 21st century enterprise are its knowledge and knowledge workers. The ability of enterprises to exploit their intangible assets has become far more decisive than their ability to invest and manage their physical assets. Hence, to remain at the forefront and maintain a competitive edge, organisation must have a good capacity to retain, develop, organize, and utilize their employee competencies. This calls for an effective talent management in the organization.

The other finding from the study was that the organizational strategies need to be oriented with the talents available. It was found that for the organization, keeping the top talent is important for both leadership and rise in the marketplace and there is need for a retention program to be initiated. The retention strategy program should be developed inline with employees committing to the organization's objectives and goals. The strategy of the organization is necessary to be oriented on talents because it has an impact on organizational incomes and outcomes. It therefore follows that an organization should come up with a program of making the employees commit themselves to the organization and this can be realized by understanding the importance of their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. The recruitment process should therefore be made an important step towards retaining the employee. As much as talent management begins with the business strategy and continues with the goal to develop and maintain a "nursery" of talent, as Câmpeanu-Sonea et al., (2011) posited, it would also require employees' professional qualities, loyalty and active involvement. The organizations reward system should be tailored towards getting the best out of the talent currently present in the firm. However as Cole-Gomolski (2006) observed the problem with many reward systems and incentives for sharing talent is that useful talent comes from relatively low down in the organization, from people who are not on incentive systems and probably respond much more readily to the feeling that they belong to highly motivated, leading edge, innovative groups of people and that will therefore bring the necessary competitiveness to the organization. This is consistent to the finding from the current study that at KDN, there has been a tendency to direct more resources to the middle and top management level of talent at the detriment of the lower cadre staff that could actually generate more unique ideas to the realization of the firm's strategy.

The realization of the organizations talent management objective is however beset by a number of challenges which an organization should be cognizant of. The firm should not be discouraged by the amount of resources required to roll out the talent management programs by cutting down on the talent management budget. Such action will have a negative impact on the organization's performance. Secondly, there is a risk of an organization coming up with a talent management strategy that is not in conformity with the overall organization strategy. Thirdly, some managers` reaction to talented employees might not encourage effective talent management as most of the people do not encourage the development of others because they feel that their position in the organization is threatened. It is a rare characteristic of one human being to feel sure to prepare someone else to be better and to become essential for the organization. This quality is mandatory for the person who is responsible with the talents recruitment process.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The chapter describes the summary of the findings of the study, conclusion and key recommendations.

5.2 Summary

The results centered on determining the extent to which talent management is being utilized as a source of competitive advantage at Kenya Data Networks. It was found that organizational talent takes some time to develop and also integrate in the organizational strategy. The respondents pointed that the field of IT is so much dynamic and that continuous training and development is necessary to keep abreast with the demands of the market. New entrants, both local and from outside the country was found to be entering the local market and from the diversified product portfolio that the new entrants bring, there is increased level of competition.

Talent management at KDN has been found to be a strategic tool. The company has been able to utilize talent to create customer focus strategy where the various sales people in the branches have been able to share common knowledge between them to develop customer strategy; it has enhanced innovation in the company through a much faster cycle of developing the products and services; improved employees growth and development; enhanced faster and better decision making and response time to key business issues and generally improved service quality. All the above has helped the organization in improving its competitiveness and being able to strategically react to the changes in the business environment.

Effective talent management affects the financial performance of a firm. The financial performance of the firm resulting from adoption of talent management was reflected in increased sales revenue over the years since adoption of the strategy, productivity and increased market share. In addition, the product development and innovation has registered improvements over the period due to the resultant collaboration in the organization. Inter-department communication has also been enhanced due to the bi-annual meetings on the organization strategy evaluation and adjustment review and this has resulted to increased rate of strategy implementation.

A number of challenges were found to affect efficient management of talent in the organization. A firm might be discouraged by the amount of resources required to roll out the talent management programs by cutting down on the talent management budget, an action which will have a negative impact on the organization's performance. Secondly, there is a risk of an organization coming up with a talent management strategy that is not in conformity with the overall organization strategy. Thirdly, some managers` reaction to talented employees might not encourage effective talent management as most of the people do not encourage the development of others because they feel that their position in the organization is threatened. It is a rare characteristic of one human being to feel sure to prepare someone else to be better and to become essential for the organization. This quality is mandatory for the person who is responsible with the talents recruitment process.

5.3 Conclusion

From the findings of the study, it can be concluded that, today's business environment is changing rapidly and the necessity for an organization to make a difference expresses its needs to possess a highly qualified and motivated workforce. The demand for competent employees is high, especially for key positions; therefore organizations will seek to employ the best employees, which results in a competition for the most talented people. The policy of developing and applying talent management in a given organization should be different from one organization to another, mainly because it should have a direct correspondence with its necessities, strategy and objectives.

For an organisation to fully exploit the potential of their internal talent, they must first identify those positions within the organisation which have the potential to differentially impact on performance. It is only then that the emphasis shifts to filling those positions. In this regard we argue that the key is the development of a talent pool of high potential and high performing employees to fill these pivotal positions. Knowledge assets of a company form an important strategic role to create value and improve business performance. It should be appreciated that competitive advantage of companies in today's economy stems not from market position, but from difficult to replicate knowledge assets and the manner in which they are deployed. It is argued that business performance equates to value generated for the key stakeholders of an organization. The generated value is the result of an organization's ability to manage its business processes and, on the other hand, the effectiveness and efficiency of performing organizational processes based on organizational competencies. Management of knowledge assets enables an organization to grow and develop the appropriate organizational competencies. Therefore, the fact that organizational competencies are based on the effective and efficient management of knowledge assets puts it at the heart of business performance and value creation. Firms should therefore consider business models that consider talent management as a necessary strategy for effective competitiveness.

5.4 Recommendations

5.4.1 Recommendation with policy implication

The study was able to clearly demonstrate the need to have organizations understand the concept of talent management to appropriately harness and leverage on knowledge assets to attain competitive advantage.

There is a great deal of competitive advantage that can be harnessed from management of talent. As a result organizations' have to implement appropriate process of implementing talent management strategies in order to ably face the challenges from the uncertain business environment. As part of the organisation strategy, implementation of the appropriate structure would propel an organisation towards success. At the same time, implementation of knowledge management in any organisation should be backed by the support of the organizations top management. The organizations and staff level of awareness of talent management is critical to the success of the implementing the same in an organisation.

5.4.2 Recommendation for Further Studies

From the study findings it is recommended that a study be carried out on the effect of talent management on the lower level management and their level of performance. Further, there is need to a longitudinal study to establish the effect of talent management before and after establishment of talent management in an organization performance. The main limitation of this research is the adoption of a single case study method. As a result, the findings may not be applicable to a wider population of organizations and subsidiaries. Additional research will be required to substantiate the relevance of these findings in the context of other subsidiaries of the same and other corporations.

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APPENDIX I: INTERVIEW GUIDE

The interview guide will seek to achieve the following objectives;

1. To establish how talent management can be a source of competitive advantage Kenya Data Network Limited.

SECTION A: Demographic Data

1. Which position do you hold in the organization?
2. For how long have you been holding the current position?
3. For how long have you worked in the company?
4. What is the highest level of education you have achieved?

Section B: Talent Management

5. What steps has the company taken to manage its talent?
6. Does your company integrate talent management with business strategy to get the organizational excellence?
7. Does the company deploy the right people in the right jobs at the right time, ensuring the right environment for individuals to deliver their best and remain committed to the organization?
8. Has the company appointed a senior-level executive to assume the mantle of full-time chief talent officer in order to achieve the greatest success in talent management?
9. What are some of the benefits that accrue to the company as a result of managing its talent?
10. How does the company utilize individual capabilities in order to contribute positively to performance and enhance organizational image?
11. Does the company ensure that there is constant flow of talent in order to ensure effective talent management?

Section C: Talent management as a source of competitive advantage

12. How does the firm develop and exploit the special characteristics of knowledge and find a niche to obtain greater competitiveness?
13. How does the firm avoid being imitated by other firms of its special characteristics of talent management?
14. How does talent benchmarking in the company improve talent-based capabilities for sustainable competitive advantage in the marketplace?
15. How does the firm organize the exploitation of resources in order to implement talent management?
16. Does the company develop and increase the talent and learning capabilities of the employees through talent acquisition and talent sharing and transfer, to achieve competitive advantage?
17. How does the company identify the kind of people and capability that will create value or deliver competitive advantage for the organization now and in the future?
18. How does the company ensures that the adoption of information technology is coupled with talent-friendly organizational culture in order to deliver performance?
19. Does the company have a culture that reduces the fear in employees of redundancy after they have contributed their talent in the quest for organizational competitive advantage?
20. How does the company create the right incentives for people to share and apply talent in order to achieve competitive advantage?
21. How does the management of talent in the company puts it at the heart of business performance and value creation?
22. How does the company uses a strong talent management to improve its image and attractiveness thus achieving competitive advantage?
23. How does effective talent management provide the firm with ability to constantly reconfigure, accumulate, and dispose of talent resources to achieve competitive advantage?