EFFECTS OF HUMAN RESOURCES MANAGEMENT PRACTICES ON TALENT DEVELOPMENT IN PUBLIC ORGANIZATIONS: A CASE STUDY OF KENYA POWER

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ABSTRACT

In Kenya, many organizations have not yet recognized the contribution of HRM practices on talent development and hence the employed HRM practices do not influence talent development amongst employees in many organizations. A survey by Ernst & Young (2010) showed that less than 15% of private enterprises practiced talent development while none of the public enterprises was found to have a talent development program. The main objective of the study was to investigate the effects of human resource management practices on talent development in organizations case study of KP. The study specifically; investigated the effect of training, succession planning; job rotation; teamwork and performance management on talent development in organizations. The study adopted a case study research design and the study population comprised of 224 staff working at the Kenya Power head quarter offices situated in Nairobi. The study adopted a stratified random sampling technique selecting a sample size of 67 respondents. Questionnaires were used as the main data collection instruments. Descriptive statistics and inferential statistics was used to analyze the gathered data using a statistical package for social scientists SPSS. The study found out that lack of regular employee training programs, absence of succession planning programs and lack of job rotation hindered promotion of employees’ talent development in the organization. It was recommended that management enhance implementation of effective employees’ training programs, succession planning programs, job rotation programs, creation of work teams and performance management systems.

Key Words: employees training, succession planning, job rotation, teamwork and performance management
Introduction
Human Resource Management (HRM) is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce using an integrated array of cultural, structural and personnel techniques (Storey, 2008). Beer (2007) defined HRM as a strategic approach to the management of human resources that involves all management decisions and actions that affect the relationship between the organization and employees. In Kenya the nature of HRM practices is largely associated with the drastic expansion of businesses globally, technological innovations and fierce competition. It is therefore a step in the right direction to view HRM practices in the Kenyan competitive environment and how they impact organizational performance (Cole, 2009).

In response to the global changes in HRM practices many Kenyan organizations are attempting to embrace the concept of employees’ talent developing by applying various HRM practices that support employee’s talent development (Joseph, 2010). Kenya Power is one of such organizations that is facing major challenges in determining and employing HRM practices that promotes employees talent development which in turn helps in improving the overall organization performance (Phillip, 2007).

Statement of the Problem
Human resource management practices play a significant role in enhancing talent development in many organizations around the globe (Reilly, 2008). According to Ernst & Young (2010) in United Kingdom, over 40% of organizations that employed talent oriented human resource management practices indicated to realize increased performance while the rest 60% explained to realize performance challenges. In United States, talent development activities are typically undertaken by organizations to ensure that there are zero talent outages, to ensure planned succession rather than replacement, and to enhance the organizations’ reputation as a talent magnet (Gandz,2007). A study by Chang revealed that in China, over 50% of organizations have innovated new technologies as result of talent development but in African countries the employed HRM practices hinders talent development and hence there is less innovation. In developed countries, companies such as Barclays Bank have developed talent through its Emerging Leaders Programme (ELP); The Coca-Cola Company was awarded by the Society of Human Resources Management (SHRM), Human Capital Leadership Award in 2008 for its global talent management initiative (Way & Johnson, 2008).

A study by PWC (2009) showed that less than 30% of organizations in African countries had embraced HRM practices that supported talent development; it was only in South Africa, Ghana and Egypt where HRM practices had a positive impact on talent development. According to Phillip (2007) many organizations in Kenya have not yet recognized the contribution of HRM practices on talent development and hence the employed HRM practices do not influence talent development amongst employees in many organizations. A survey by Ernst & Young (2010) showed that less than 15% of private enterprises practiced talent development while none of the public enterprises was found to have a talent development program. A study by Institute of Personnel Development (2009) showed that over 70% of employees in public and private
organizations in Kenya performed poorly due to absence of talent development programs. This supported findings by Joseph (2010) that talent development could help in improving the performance of employees in many organizations in Kenya. According to Edward (2009), an increased understanding of how to adapt and develop effective HRM practices is highly relevant in creating a foundation for organizational success in talent development. HRM practices such as training, career management practices, teamwork, staff retention strategies, reward management, succession planning, job analysis, performance management, good leadership styles and job rotation could play a significant role in supporting talent development in many organizations in Kenya. However, the management of most organizations lacks greater understanding on the contribution of such HRM practices on talent development and hence employs other HRM practices with little or no significance to talent development (Lewis, 2009).

In spite of having previous studies on HRM practices and talent management, neither of studies perspectives on talent management has yielded much new insight into what HRM practices influences talent development in organizations. This indicates that previous literature on talent management has done little to explain the contribution of HRM practices on talent management in organizations in Kenya hence leaving a major knowledge gap on application of HRM practices that leads to talent development. This study aimed to fill the missing gap by investigating the effects of HRM practices on talent management in organizations in Kenya, with specific reference to KP.

Overall Objective of the study
The overall objective of this study was to investigate the effects of human resource management practices on talent development in organizations case study of KP. The specific objectives of the study were to:

1. To investigate the effect of training on talent development in KP.
2. To determine the effect of succession planning on talent development in KP.
3. To establish the effect of job rotation on talent development in KP.
4. To evaluate the effect of teamwork on talent development in KP.
5. To assess the effect of performance management on talent development in KP.

Literature Review

Conceptual Framework
The conceptual framework for this study is based on the relationship between the independent variables and dependent variable. In this study the dependent variable is talent development and the independent variables are; training, succession planning, job rotation, teamwork and performance management. These relationships are summarized in the following schematic diagram as in figure 1.
Independent Variable | Dependent Variable
--- | ---
TRAINING | |
SUCCESSION PLANNING | |
JOB ROTATION | |
TEAM WORK | |
PERFORMANCE MANAGEMENT | |

**Figure 1: Conceptual Framework**

**Theoretical Literature**

**Talent development**
Talent development is part of human resource development which process change in organization, its employees, its stakeholders, and groups of people within it, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization (Pruis, 2011). While talent development is reserved for the top management, it is becoming increasingly clear that career development is necessary for the retention of any employee, no matter what their level in the company. Research has shown that some type of career path is necessary for job satisfaction and hence job retention. Perhaps organizations need to include this area in their overview of employee satisfaction (Rothwell, 2009).

Talent development encompasses a variety of components such as training, career development, career management, organizational development, training and development. It is expected that during the 21st century, more companies will begin to use more integrated terms such as talent development (Bryan and Joyce, 2007). It essentially comes down to a requirement that organizations develop the “right talents in the right people, at the right time, in the right way, to ensure their talent pipeline have an abundant supply of management talents” (Wang-Cowham, 2011).

**Berger Talent Development Theory**
According to Berger (2004) a talented employees is a person who achieves outstanding results/highly effective. The consequences of a talented persons departure imply a lack of return on the, usually substantial, expenditure invested in them, but in the first place, they imply the limited availability of people with similar qualities and/or competencies. A replacement in this case is achieved incompletely and over a long time, presenting a real and negative loss of the business potential (Berger 2004).
Guest Model of HRM
According to Alan (2007) Guest HRM model is prescriptive in the sense that it is based on the assumption that HRM is distinctively different from traditional personnel management (rooted in strategic management, etc.). This type of model that was introduced by David Guest has six dimensions of analysis for HRM; it summarizes the HRM strategies, HRM practices, HRM outcomes, behavior outcomes, performance outcomes, and financial outcomes. The idea of this model is based on the fundamental elements of the HRM approach, such as commitment that have a direct relationship with valued business consequences.

Resource Based Theory
According to Resource Based Theory, resources are inputs into a firm's production process; can be classified into three categories as; physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Crook, 2008).

Training
The purpose of training and management development programs is to improve employee capabilities and organizational capabilities. When the organization invests in improving the knowledge and skills of its employees, the investment is returned in the form of more productive and effective employees (Watad & Ospina, 2009).

Succession Planning
Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through succession planning process, you recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into ever more challenging roles (Senge, 2008). Aik & Tway (2007) concurred that pursuing succession planning ensures that employees are constantly developed to fill each needed role. Jensen (2007) noted that companies that report the greatest gains from succession planning feature high ownership by the CEO and high degrees of engagement among the larger leadership team.

Job Rotation
Vanman (2008) asserted that Job rotation is a well-planned practice to reduce the boredom of doing same type of job everyday and explore the hidden potential of an employee. The process serves the purpose of both the management and the employees. It helps management in discovering the talent of employees. On the other hand, it gives an individual a chance to explore
his or her own interests and gain experience in different fields or operations. Ulrich (2009) contended that the first and foremost objective of job rotation is to reduce the monotony and repetitiveness involved in a job. It allows employees to experience different type of jobs and motivates them to perform well at each stage of job replacement.

Team Work
Graham & Bennett (2008) concurred that teamwork can lead to better decisions, products, or services. The quality of teamwork may be measured by analyzing the following six components of collaboration among team members: communication, coordination, balance of member contributions, mutual support, effort, and cohesion. In one study, teamwork quality as measured in this manner correlated with team performance in the areas of effectiveness and efficiency.

Performance Management
Performance management is an ongoing communication process which is carried between the supervisors and the employees throughout the year. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable (Beechler and Woodward, 2009). According to Pfeffer (2009) a performance management process sets the platform for rewarding excellence by aligning individual employee accomplishments with the organization’s mission and objectives and making the employee and the organization understand the importance of a specific job in realizing outcomes.

Empirical Review
Human Resource Management has made a transition from a state of insignificance to one of strategic importance academically and business wise (Armstrong, 2008). As firms are entering into a more dynamic world of international business and as the globalization of world markets continues apace, comparative human resource management issues appear to be gaining momentum. Both practitioners and academics in the field of human resource management are increasingly aware of the need to examine and understand the human resource management systems suitable to different sectors of the economy (Guest, 2007). Schneider (2008) identified training opportunities as a factor determining employees’ decisions to leave their employer. Employees tend to have a greater appreciation of opportunities to upgrade their knowledge, skills and abilities so that they can remain in demand in the wider employment market (Holland, 2007). Legge (2007) found out that in United States human resource managers considered talent management as anticipation of required human capital in the organization needs at the time then setting a plan to meet those needs. In United Kingdom Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers throughout the organization. Pfeffer (2009) found out that in China and India having good human resource management practices like training and development and employees’ career development have played a
significant role towards supporting the growth and development of employees’ talents hence leading to increased organization performance. Stone (2008) remarked that employee’s succession planning and performance management have helped many Chinese companies to develop employees talents and realize a rapid development in industrialization. 

Relationships between human resource management and talent management have been studied from different perspectives (Sheehan, 2006). Organizations in general face continuous challenges ranging from heightened national consciousness, employment and labour law requirements not to mention the need to ensure maximum utilization of their resources to their own advantage, a necessity for organizational survival. Since both indigenous and foreign companies operate in the same competitive and volatile environment in Kenya both are bound to readjust their management practices to boost their performance (Gladwell, 2010). 

Chang (2009) affirmed that public corporations that lack succession planning programs like leadership development programs and career development programs do not promote development of employees’ talents. According to Maureen (2009) many public corporations lacks effective succession planning programs and this acts a key impediment to the development of employees’ talents. Luke (2009) found out that lack of regular rotation of employees to different work locations affects implementation of effective job rotation program and this affects development of employee talents in organizations.

Mathew (2008) concurred that lack of team work in organizations hampers knowledge sharing between the employees and this creates unfavorable environment for supporting employees’ talent development in an organization. Michael (2009) noted that lack of organized working teams in many organizations hampers employees’ talent development since the working environment fails to promote high level of employees’ interaction and consultation.

Michael (2009) found out that teamwork issues such as high level of employee commitment; increased level of employee job satisfaction; improvement of level of employee confidence and effectiveness of the collaboration in communication affects employees’ talent development in many organizations. Jackson (2009) revealed that employee’s talent development activities are hampered by absence of effective performance management systems in many organizations.

Ruth (2009) also found out that absence of effective performance management systems affects determination of employees’ skills gap and competencies and this hampers implementation of effective talent development programs.

Michael (2007) found out that the current disposition of HRM is largely associated with the drastic expansion of businesses globally, technological innovations and fierce competition that characterizes the environment in which businesses operate today and the Kenyan business environment is no exception to this global development.

Research Methodology

The study adopted a case study research design. According to Orodho (2009), case study research design is type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. According to Kothari, (2003) case study design is a way of making a detailed examination of a
single subject or group of phenomena and then using the gathered information to reflect the entire population. The study population comprised of a total of 224 employees working at Kenya Power head offices in Nairobi (KP Human Resource 2012). The study considered a case study of Kenya Power since it is one of public sector organization that has been attempting to improve on human resource management practices in order to promote employees talent development. KP is also of interest since it plays a significant role in electrical power distribution and hence helps in promoting country’s economic development by supplying electrical energy.

The study categorized the study population into three management levels as top management, middle level management and lower management as presented in table 3.1. The list containing the total number of the employees will be obtained from the human resource department and formed the sampling frame for the study.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>% (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>42</td>
<td>19</td>
</tr>
<tr>
<td>Lower management</td>
<td>86</td>
<td>38</td>
</tr>
<tr>
<td>Middle level management</td>
<td>96</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>224</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: KP HRM (2012)

The study adopted a stratified random sampling technique to select a sample size of 67 respondents. According to Kothari (2003) stratified random sampling is appropriate since it provides all the respondents in the study population an equal chance of being selected as a study respondents and thus it has no bias and eliminates cases of data misrepresentation hence eases generalization of the obtained findings to reflect the opinions of individuals in the study population on the study problem. Simple random sampling was applied to randomly select 30% of the respondents in each of the population category. The sample population of the study thus comprised of 67 respondents as shown in table 3.2.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Ratio</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>42</td>
<td>0.5</td>
<td>13</td>
</tr>
<tr>
<td>Lower management</td>
<td>86</td>
<td>0.5</td>
<td>26</td>
</tr>
<tr>
<td>Middle level management</td>
<td>96</td>
<td>0.5</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>224</td>
<td>0.5</td>
<td>67</td>
</tr>
</tbody>
</table>

Source: KPLC HRM (2012)

The study collected both primary and secondary data through semi-structured questionnaires and reviews of literatures respectively.
Data Analysis
The study produced both quantitative and qualitative data since investigative types of questions was used to collect data. Quantitative data analysis was done first by entering the data into the computer and using SPSS, the frequencies were generated. Description statistics (measure of central tendency) was used to give the expected summary statistic of variables being studied. On the other hand, qualitative analysis was operationalized by arranging the data according to the emerging themes or patterns which were assigned numbers to make them measurable. The data was presented in a user–friendly interactive approach, that is, graphs, charts and tables. Use of graphics to represent data is a valuable supplement to statistical analysis (Kothari, 2003).

Research Findings and Discussion

Response Rate
To establish the actual number of the respondents who actively participated in the study by answering and submitting back the questionnaires, an analysis of the response rate was conducted. The study demonstrates that the response rate comprised of 44 respondents who constituted 66% of the total sample size. The non response comprised of 34 respondents who were 34% of the total response rate. The response rate of 80% of the respondents indicates that the gathered data met the generalization standards since according to Graham (1999) a response rate above 30% of the total sample size can be generalized to represent the opinions of the entire population on effects of human resource management practices on talent development in organizations with specific reference to KP.

Reliability Analysis
The data gathered in the pilot study was subjected to reliability analysis using Cronbach's alpha coefficient of reliability in order to find out if the gathered data was accurate and reliable. According to Zinbarg (2005), Cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalizability. The gathered data was reliable since the value of 0.944 to 0.954 was obtained on all the research variables and this was above 0.75. An alpha coefficient higher than 0.75 indicates that the gathered data has relatively high internal consistency and could be relied upon to determine the effects of human resource management practices on talent development in organizations with specific reference to KP.

Age of the Respondents
To determine the age distribution amongst the respondents, the study asked the respondents to indicate their age categories and the findings were that majority (42%) of the respondents were between 41-50 years, 25% were between 31-40 years, 19% were between 19-30 years and 14% were in the age category of 51 years and over. This indicates that the respondents had worked in the organization for a long time and had much experience on effects of outsourcing on organization performance.
Highest Education Level
To find out if the respondents were academically and professionally qualified in their respective job undertakings, respondents were requested to indicate their highest education level and the findings were that majority (50%) of the respondents had university degrees, 23% had college diplomas and 27% had professional qualifications. The study hence deduced that most of the respondents were professionally qualified professionals with much knowledge and experience on effects of human resource management practices on talent development in the organization.

Training
The question sought to determine the rate of employee training in the organization and majority (39%) of the respondents felt that employees were oftenly trained, 36% stated rarely, 16% very often and 9% never. The respondents explained that lack of regular employee training programs impacted negatively on employee’s talent development in the organization. This was in agreement with Arthur (2008) that lack of regular employee training programs creates unsupportive environment for the development of the employees talents in organizations.

Succession Planning Programs
The question sought to determine the availability of succession planning programs in the organization and as presented majority (64%) of the respondents felt that the organization lacked succession planning programs and 36% agreed that the organization had succession planning programs. The respondents affirmed that lack of succession planning programs like leadership development programs and career development programs hindered development of employees’ talents in the organization. This was in agreement with Chang (2009) public corporations that lack succession planning programs like leadership development programs and career development programs do not promote development of employees’ talents. This also concurred with findings by Maureen (2009) that many public corporations lacks effective succession planning programs and this acts a key impediment to the development of employees’ talents.

Job Rotation
The question sought to determine if the employees were frequently changed to work in different work locations in the organization and, majority (77%) of the respondents felt that the employees were not frequently changed to work in different work locations and 23% felt that the employees were frequently changed to work in different work locations. The respondents affirmed that lack of regular rotation of employees to different work locations affected development of employees’ talents in the organization. This contended with Luke (2009) that lack of regular rotation of employees to different work locations affects implementation of effective job rotation program and this affects development of employee talents in organizations.

Team Work
The question sought to determine if the employees were allowed to work in teams in the organization and as presented, majority (61%) of the respondents felt that the employees were
not allowed to work in teams and 39% felt that the employees were allowed to work in teams. The respondents explained that lack of team work affected knowledge sharing between the employees and this affected development of employee talents. This contended with Mathew (2008) that lack of team work in organizations hampers knowledge sharing between the employees and this creates unfavorable environment for supporting employees’ talent development in an organization.

Performance Management

The question sought to find out if the organization had effective performance management systems and as presented majority (80%) of the respondents felt that the organization lacked effective performance management systems and only a few 20% who agreed that the organization had effective performance management systems. The respondents affirmed lack of effective performance management systems hindered determination of employees’ level of competency and implementation of effective talent development programs. This contended with Jackson (2009) that employee’s talent development activities are hampered by absence of effective performance management systems in many organizations.

Summary

Training

On the effect of training on talent development in organization, the study found out that lack of regular employee training programs hindered promotion of employees talent development in the organization. The study also found out that the major training issues that affected employees’ talent development in the organizations to a large extent were; nature of employees training programs; low level of employees’ competency; development of employees’ skills and capabilities and Training need analysis. These findings echoed findings by George (2007) that the nature of employees training programs; low level of employees’ competency; development of employees’ skills and capabilities and training need analysis are the key notable training issues affecting employees’ talent development in many organizations.

Succession Planning

On the effect of succession planning on talent development in organizations, the study found out that lack of succession planning programs in the organization like leadership development programs and career development programs hindered development of employees’ talents in the organization. The study noted that the major succession planning factors affecting employees’ talent development to a large extent in the organizations included; availability of experienced and skilled employees; human resource planning and delegation of senior employee jobs to junior staff helps in promoting employee career development in many organizations.
Job Rotation
On the effect of job rotation on talent development in the organization, the study found out that lack of regular rotation of employees to different work locations affected development of employees’ talents. The study noted that lack of effective job rotation programs affected development of employees’ capability to work in different work environments and this hindered development of employees’ talents. This concurred with findings by Maureen (2009) that effective job rotations support development of employee capability to work in different work environments and this promotes development of employees’ talents in organizations.

Team Work
On the effect of teamwork on talent development in organizations the study found out that lack of team work affected knowledge sharing between the employees and this affected development of employee talents. It was established that lack of organized working teams in the organization hindered creation of a favorable working environment where employees could easily interact and consult each other and this hampered employees’ talent development. This concurred with findings by Michael (2009) that lack of organized working teams in many organizations hampers employees talent development since the working environment fails to promote high level of employees’ interaction and consultation.

Performance Management
On the effect of performance management on talent development in organizations, the study noted that lack of effective performance management systems hindered determination of employees’ level of competency and implementation of effective talent development programs. It was observed that lack of effective performance management systems made it difficult for the human resource management to determine the employees skills gap and competencies and this hindered implementation of effective talent development programs. This contended with findings by Ruth (2009) that absence of effective performance management systems affects determination of employees’ skills gap and competencies and this hampers implementation of effective talent development programs.

Conclusion
The study investigated on important issue on effects of Human Resources management practices on talent development in organizations. In general the most important aspect revealed by this study is that lack of employees training hinders improvement of employees’ competencies which negatively affects development of employees’ talents in the organization. Effective succession planning programs helps in identification and matching of employees talents with organization job task function which in turn promotes continuous development of employees’ talent in the organization. Job rotation on the other hand helps in development of employee skills and competencies which assists employees to easily adapt in different work environment which greatly supports development of employees’ talents. Finally team work helps employees identify their capabilities and potential to improve on their weaknesses through consultation with other
employees thus enhancing employees’ talents.

**Recommendations**

To promote talent development in public corporations, human resource management should conduct an employee’s skills gap analysis in order to determine the employees training needs; introduce internal employee development programs for succession planning. It should also enhance job rotation and team work in order to allow knowledge sharing, while ensuring that its performance management system are put in place objectively and rated on merit. Finally organization should also have a clear current and future business strategies on talent management as stated on the four pillars of talent management that is in recruitment, performance management, learning and development and compensation management. The study was limited to few factors only based on the scope, there is need to broaden the scope of the factors that may play a role in influencing talent management in organizations.

**References**


