



**INFLUENCE OF STRATEGIC TALENT MANAGEMENT ON PERFORMANCE OF OUTDOOR ADVERTISING FIRMS IN KENYA**

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## INFLUENCE OF STRATEGIC TALENT MANAGEMENT ON PERFORMANCE OF OUTDOOR ADVERTISING FIRMS IN KENYA

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Accepted: October 16, 2017

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### ABSTRACT

*Strategic human resource management is crucial to competitive advantage and performance of organisations. In this study, we examine the relationship between talent management, a strategic human resource strategy, and performance of outdoor advertising firms in Kenya. Specifically, we examine the influence of talent management strategies, namely compensation, career management, staff development and performance management strategies on performance. Drawing from resource based view theory, dynamic capability theory, as well as reinforcement theory, a descriptive survey of 117 respondents was conducted using structured questionnaire for data collection. The findings were that while performance management strategy was statistically significant in explaining performance, compensation, career management and staff development strategies were statistically insignificant in explaining performance of outdoor advertising firms in Kenya. Further, the practice of the talent management strategies that were studied was low which may explain their insignificant influence on performance. It was recommended that the outdoor advertising firms improve on their enactment of to the talent management strategies to higher levels to realise a more significant contribution to performance. The study also recommended that implementation of career management strategy includes career counseling, coaching and mentoring, career planning and career development programs to improved performance. It was also recommended that a more effective performance management strategy be implemented in the outdoor advertising firms to improve performance.*

**Key words:** Talent management, organizational performance, outdoor advertising firms, Kenya

## INTRODUCTION

The current conversation in strategic management concerns strategic resources and capabilities whose theoretical/ conceptual underpinning is the Resource-based view (RBV) and the dynamic capability view (DCV) of the firm. Organizations are guided by a clear vision, mission and strategy which can only be realized through deployment of resources and capabilities which include the staff and the skills and competencies they possess. Therefore, to be able to successfully implement organizational strategy, a very clear human resources strategy focusing on the people (HR) and their talent (capability) has to be formulated and implemented to align with the organization's core strategy (Omalaja & Euroola, 2010).

Human resources (the people) are a strategic resource drawing as espoused by the RBV and development of their talent and involvement building their strategic capability to execute organizational strategy which leads to superior performance of organizations is a strategic imperative. To enhance organizational performance and improve the relationship between strategic human resource management practices and organizational performance, organizations should develop talent management (TM) strategies such as competitive compensation, staff development, career management and an effective performance management strategy (Sun, 2012).

Further, the TM strategies should be an integrated set of human resource dynamic capabilities or assets aimed at addressing organization performance challenges. Therefore, the presence of effective TM strategy will enhance the organizational performance and further improve the relationship between talent management practices and organizational performance. In this regard, talent management is a crucial strategic

concern for any organization due to its link with superior performance (Bairi, Manohar & Kundu (2011).

Since a group of McKinsey consultants coined the phrase the "War for Talent" in 1997, the topic of strategic talent management has received a remarkable degree of practitioner and academic interest. This relatively recent emphasis on strategic TM represents a paradigm shift from more traditional human resource related sources of competitive advantage literature such as those that focus on organizational elites, including upper echelon literature and strategic human resource management towards the management of talent specifically suited to today's dynamic competitive environment. While the context may have shifted significantly since the latter part of the last century, the notion of TM remains important. Arguably the challenge of maximizing the competitive advantage of an organization's human capital is even more significant in the recessionary climate of the latter part of the opening decade of the twenty first century (Porter, 2011). However, despite the growing popularity of strategic TM and over a decade of debate and hype, the concept of strategic TM still remains unclear.

The Outdoor advertising subsector of the advertising industry in Kenya as is the case in most African countries have been faced with many challenges associated with insufficient implementation of talent management strategies leading to overall organizational unsatisfactory performance. The most critical problem in the industry remains attracting and retaining professional talent in a scenario where there is already critical shortage of human talent (Business Daily Sept 6, 2016)

## Statement of the Problem

The notion that people can be managed is a thought that need to be put to rest. Talent Management becomes a challenging but creative task of managing an asset; which is always referred to as such but treated as a liability. People as important stakeholders can be turned from being short-changed to being long-term economic value to the investors (Buhler, 2012). Having understood the problems faced by strategy and HR managers on this issue, the key question which remains unanswered is how companies can attract, manage and retain talent?

Along with financial and non-financial outcomes the importance of strategic Talent Management is emphasized in organisations (Purcell, 2008). Companies in Outdoor advertising sector are facing uncertainties arising from external forces such as supply and demand of manpower and internal forces which include HR policies which in turn impact their talent management approaches. These forces have an effect how talent is acquired, nurtured and retained in the organization (Business Daily Sept 6, 2016). Nana (2013) suggests that organizations should ensure that they are better positioned to meet the problems of the talent shortage in order to achieve their future business needs. A study by the Human Capital Practice of Deloitte (2005), found that the approaching Baby Boomer retirements, widening skills gap due to reducing educational standards and outdated and inefficient talent management strategies are contributing to challenges that threaten the global business economy.

Talent management is therefore no longer a human resource issue alone but more importantly a strategic issue. As one of the imitable asset resources, talent is one of the resources (and TM a strategic capability) that can bring necessary competitive advantage through production of differentiated products and services at a lower cost (Deloitte, 2005). However, firms in Outdoor

Advertising firms in Kenya have not in the recent past appreciated the importance of talent in the realization of organizational objectives. According to 2016 management report at Magnate Ventures which is one of the key players in the industry, the company received 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. The loss of key staff disrupted the strategic objectives of the company for the year since it led to delays in service delivery, stalling of key projects as well as overworking of the remaining staff (Human Resources Report, 2016).

Reviewed studies are not clear on the relationship between strategic TM interventions, namely Compensation, Staff development, Career Management and Performance management in the outdoor advertising firms in Kenya which is less researched. This study is an attempt to establish the influence of Strategic Talent Management on overall organizational performance to generate empirical knowledge on “people asset” is leveraged for improved competitiveness of the company as well as help firms in the Outdoor Advertising Firms in Kenya in their path to progress. To be able to answer the question: What is the relationship between talent management and performance of outdoor advertising firms in Kenya, the following four specific questions were answered.

- What is the relationship between Compensation strategy and performance in Outdoor Advertising Firms in Kenya?
- What is the effect of Career Management on performance in Outdoor Advertising Firms in Kenya?
- What is the effect of Staff development strategy on performance in Outdoor Advertising Firms in Kenya?

- What is the relationship between performance management strategy and performance in Outdoor Advertising Firms in Kenya?

## LITERATURE REVIEW

### Theoretical Framework

In an attempt to establish the how talent management influence organizational performance, the study focused on Resource-Based View Theory, motivation theory, dynamic capability theory as well as reinforcement theory.

**Resource-Based View Theory** .Resources are the fundamental units of value generation. They can be specialized and bundled together in highly distinctive configurations to lend firms special competitive advantage. The resource-based approach sees firms with superior systems and structures as 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, Pisano & Shuen 2012). 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.

Staffs are strategic resources. Their skills, expertise and experience are capabilities that should be continually developed to ensure that they make positive contribution to organization performance. The resource based view (RBV) is the dominant theory in strategy literature (Newbert, 2013); it explains sustained and superior performance as a function of the heterogeneity of firm-specific resources such as its people, brands, customer relationships and distribution partnerships (Barney, 2011). An increasingly popular idea within Talent Management is that it should be connected to the strategy of the firm. The idea that human resource has a strategic role has its basis in RBV as

popularized by Barney in 1991. Barney came to the conclusion that the resources that are rare, inimitable and non-substitutable can be sources of competitive advantage. This has led to strategy researchers acknowledging the role of human capital and knowledge (wright, Dunford, & Shell, 2010).

It is important therefore that the strategy of the firm tells the employees how it separates their firm from competition in a clear way. A vague and generic strategy will not guide the actions of the employees. Furthermore, it is key to state the goals of the firm clearly in such a way that employees can understand their role in achieving the goals. In continuation, Human resource needs to understand why and how they can support the strategy through putting in place implementable hr strategies or interventions (Becker, Huselid, & Ulrich, 2011).

**Dynamic Capability Theory**. This approach emerged as an addition to the Resource Based theory with a focus on adaptability and survival rather than sustainability of firms. According to Teece and Pisano (1994) the prosperity of firms is hinged on timely responsiveness, quick and flexible product innovation and a management capability to effectively control and redeploy internal and external competences rather than the mere accumulation of valuable resources. Essentially, it argues that the value of resources is likely to be eroded through competitor imitation or substitution (Barney, 1986). The term 'capabilities' emphasizes the key role of strategic management in appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources and functional competences to match the requirements of a changing environment. The dynamic capability approach focuses attention on the firm's ability to renew its resources in line with changes in its environment. It refers to the firm's ability to alter the resource base by creating, integrating, recombining and releasing resources

(Eisenhardt & Martin, 2000). Collis (1994) is particularly explicit when making the point that dynamic capabilities govern the rate of change of ordinary capabilities.

This theory's perspective therefore goes beyond a financial-statement view of assets to emphasize the "soft assets" that management needs to orchestrate resources both inside and outside the firm. This includes the external linkages that have gained in importance, as the expansion of trade has led to greater specialization. It recognizes that to make the global system of vertical specialization and co-specialization work, there is an enhanced need for the business enterprise to develop and maintain asset alignment capabilities that enable collaborating firms to develop and deliver a joint "solution" to business problems that customers will value (Teece, 2010).

**Reinforcement theory.** Reinforcement theory proposes that organizations can change employees behaviour by using reinforcement conditions, punishment and extinction. Reinforcement conditions behaviour, people are most likely to engage in desired behaviour if they are rewarded for doing so. Behaviours that are not rewarded are less likely to be repeated as people repeat behaviours that are positively rewarded and avoid behaviours that are punished; managers can influence their junior's behaviour by reinforcing acts that they deemed favourable (Nzuve,2007).There are two schedules of reinforcing; a continuous reinforcement schedule reinforces the desired behaviour each and every time it is demonstrated, in an intermittent reinforcement not every instance of the desired behaviour is reinforced. Reinforcement is given only often enough to make behaviour repeated (Saleemi, 2006).

In the context of the current study the researcher argued that the reinforcement of behaviour is related to learning and development strategies that

the trainers use when conducting employee coaching, mentoring and on-the job training of employees because as Gupta (2008) says coaching occurs between the employee and supervisors and focuses on examining employees performances and taking actions to maintain effective performance and correcting ineffective performance. Mentoring also involves helping the employee learn the ropes and preparing the employee for increasing responsibilities (Gupta,2008).All these methods ,the researcher noted were involved in encouraging and reinforcing effective behaviours while at the same time discouraging ineffective behaviours.

### **Empirical review**

Khulida and Siti (2004) in the study about the relationship between organizational career management and performance, results of the study indicated that there was significant and positive relationship between organization career management and the individual performance. Questionnaires were the main data collection instrument and the sample comprised insurance sales people.

Kelly (2012) examined career development practices among commercial Banks in Kenya. The main objective of the study was to determine the career development practices among commercial bank in Kenya. The study adopted a cross sectional census design and primary data was collected using questionnaire. The study established that there are several career development practices that are evident among commercial banks in Kenya. These practices include: Existence of career growth information for employees, treating career development as a core HR function, practicing career counselling, incorporating career growth into the appraisal process, encouraging employees to pursue higher education as a way of uplifting skills, training program and undertaking of professional programs by employees to assist them achieve career objectives.

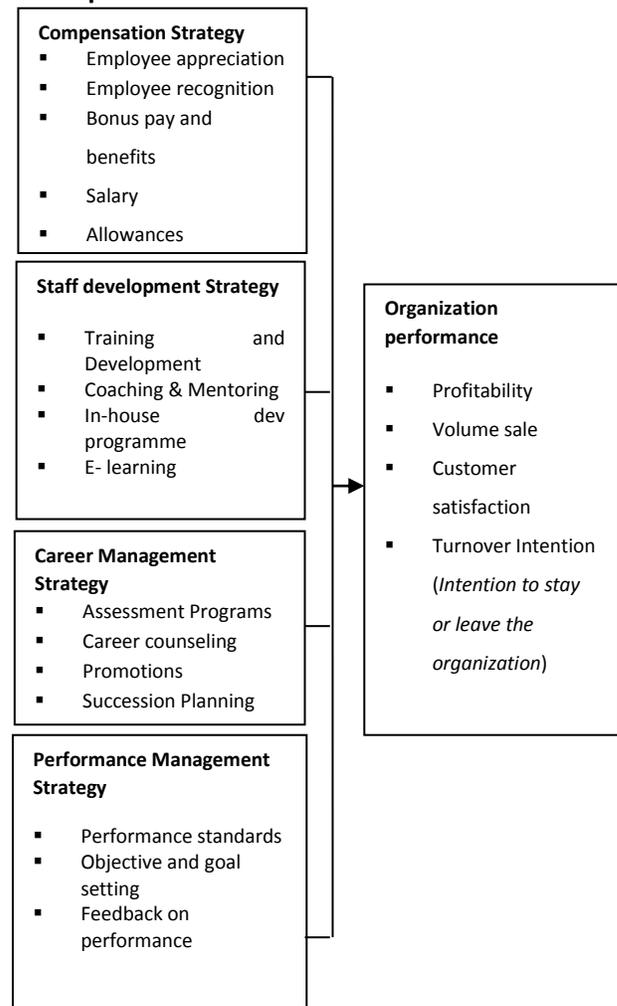
Azara and Syed, (2013) study on employee training and the organization performance, revealed a significant and positive association between training and the organization performance .The study used both the qualitative and quantitative research designs and questionnaires were the main data collection instruments. Poorhosseinzader and Subramaniam, (2012) cross sectional study done on Malaysian Multinational companies also found a positive and significant relationship between developing talents and the success of the companies with correlation of 0.728 and p value of 0.000 at 0.05 level of significance .

Kehinde (2012) carried out a study on talent management effect on organization performance in Nigeria and had the following findings ;the results showed that there was evidence that talent management ,profitability and return on investment were highly correlated .However talent management index had a higher correlation with profitability level at 3.72 than with return on investment at 3.64 which was attributed to the general belief in Nigeria that the organizations pursue the profit motive at all cost including the use of talent management .The study results showed that 95%of organizations visited were either applying talent management or partially applying talent management. The questionnaires were used as the survey method of primary data collection .Correlation coefficient and t-student distributions were methods used in the analysis of data gathered.

CIPD (2010) study on learning and talent development results indicated that in house development programmes at 56%and coaching by line managers at 51% ranked among the top effective learning and development practices. E-learning was also identified as key in learning and development. Moreover, the study found that senior managers and the human resource department were tasked with ensuring that courses

were delivered and overall planning of the learning process carried out effectively. This study was carried out through a survey of various organizations. The study also found that the skills the employer said they needed to focus on in order to meet their business objectives were mainly leadership skills at 65%, frontline people management skills at 55% and business awareness at 51%.

### Conceptual Framework



**Independent Variables      Dependent Variable**

**Figure 1: Conceptual Framework**

### Compensation Strategy

Employees get rewarded for services they provide to the organization (Khan, 2012). Recognition and

commensurate rewards are critical factors that influence the attraction and retention of capable employees in any organisation. There have been various studies that show that there exists a relationship between the rewards given to employees and their retention (Chew & Girardi, 2008). According to Som (2008) the role of HR in many organisations is to attract, develop, retain and motivate talent taking into consideration the current and future requirements of the organisation. This was confirmed by Katua, Mukulu and Gachunga (2014) who carried out a study on bank employees and found out that strategies and policies that address rewards and recognition of employees have a larger role in inducing employees who contribute heavily to the performance of commercial banks in Kenya. They further recommended that HR managers should prioritise those compensation systems that result in employee motivation and those that encourage productivity and innovation in the workforce.

The focus of any recruitment process is to match the right people, with the right jobs at right time (CIPD, 2010). Employees define a good employer and a great place to work as one that has an effective employer brand. With recruitment, some companies are more successful than others in their efforts to attract and retain talented people. Potential employees receive and evaluate information available to them and develop a multidimensional view of these employers (Keller 1993). The process of recruitment and selection of employees should be structured in such a manner to influence positive image of the organisation (CIPD, 2010).

The surmises that an organisation can exert positive change in its working environment through recognition programs. This practice is no longer a nice-to-have practice but one that if executed well, is a driver for a high performing organisation aiming to grow its bottom line which also results in a case

of improved engagement of employees. To have these strategies make the greatest impact on the return on investment, they should be programs that are strategic in nature having executive and top management buy in as well as leverage on peer-to-peer recognition.

### **Career Management strategy**

Organizational career management significantly changes the nature of an organization providing numerous benefits including. These benefits may include: enhanced employee engagement levels where employees have greater commitment to their work. When employees recognize how skillful performance in their jobs benefits them personally, they become more committed to high performance. Employees have greater commitment to the organization because they no longer view their employment as a “financial contract for duties performed” but regard their employment as a partnership for reaching goals. They therefore take a greater interest in and ownership of corporate goals (Herriot and Pemberton, 1995).

Career management is also beneficial to the employee as it can assist them by offering structure, direction, meaning, and purpose to their daily activities (Greenhaus, Callanan, & Godshalk, 2000). For employees, having a career can furthermore imply other important consequences such as the financial return after having invested time and labour in the employing organization. A well-functioning career management system ensures both an organised working environment as well as the satisfaction of basic economic needs and other higher needs such as for example self-actualization and personal development needs (Cummings and Worley, 1993).

### **Staff development Strategy**

According to (Chew, 2004), training provides employees with specific skills that may be lacking or those that may have been identified through

shortcomings in their performance, whereas development relates to equipping employees with capabilities identified as being critical for the future performance of the organisation.

According to (Cole 2002), training can be defined as a learning activity purposed at obtaining some particular know how and skills aimed at improving an occupation or performing a task. Staff development assists the organisation to achieve its goals by ensuring that its talent is utilised in an optimal manner and this in turn helps the employee to achieve their individual objectives and goals (Adeniji, Osibanjo, and Abiodun, 2013).

According to Dockel (2003) training is one approach an organisation can use to demonstrate to its employees that they are a critical component of the organization. Staff development is also a solution to bridging the gap between existing performance gaps as well as anticipated or planned future performance goals. One method of adapting to the ever changing and competitive environments is to equip the workforce with sufficient and requisite skills through interventions geared towards Staff development of the staff (Greenhalgh & Mavrotas, 1996). Implementing general training programs as well as tailored job specific training programs, increases the brand component of the organisations and also results in highly engaged employees (Barrow & Mosley, 2005). Employee retention and commitment can be enhanced through training programs that are tailored to the job (Torrington et al., 2005).

Ahmed (2015) conducted a study on career development and employee commitment and engagement at Nairobi City County Government. The study was based on a descriptive survey research design. The study found that career development practices which include career planning, coaching, counselling and mentoring greatly influenced employee commitment and

engagement at Nairobi County Government. The study concludes that that the County government has a policy that governs career development for its staff and has put in place coaching practices in developing staff for future positions as an organization. Career counselling which is also a fundamental HR policy is applied to a greater extent in the County. In the county management suggests specific strategies to accomplish work objectives by providing junior employees with specific guidance for achieving career goals. The study recommends that the County Government should formulate appropriate career development policies to adequately address the training needs.

### **Performance Management Strategy**

Managing talent is key at all levels of performance management because without focus on performance it is hard to see how an organization can find competitive advantage through talent (Brayan , Joyce , & Weiss, 2016), argue that many companies that understand the value of talented people put considerable effort into recruitment ,then alienate their talent with poor performance management systems. They argue that few companies use talented people in an advantageous way by creating work experiences to develop their expertise.

A study by Njoroge (2012) on talent management practices in commercial state corporations in Kenya, sought to know if promotion from within was encouraged and if performance management was aligned to the need to nurture and retain talent. He found out that majority of the respondents were not sure of the practices on capability development and performance management. Reilly (2011) has rightly stated that the key to effective talent management is the alignment of talent management philosophy and with the organization's employee's psychological contract. This can only be materialized when the goals of

talent management are clear to the organization so that they act as torch bearers.

Performance management provides a means of building relationships with people, identify talent and potential, planning learning and development activities and making the most of the talent possessed by the organization. The identification of talents is made on the basis of assessment of the current performance and a forecast of their potential. Performance appraisal is the measurement of actually achieved results within those areas which the specialized individual is responsible and/or competencies understood as critical for the success of performed work as well as of the entire organization. A forecast of potential is a prognosis for how many levels within the organization an employee can advance on the basis of their past and current performance appraisal, Staff development, preferences in their careers and the current and planned levels of competencies.

### **Organizational Performance**

Most commonly used methods for measuring organization performance can be classified into five categories of performance that is financial performance, operational performance, customer satisfaction, employee satisfaction and learning and growth (Tonga, 2007). Financial performance can also be measured by return on investment, competitive position market share growth, overall profitability, sales volume growth, cash flow and Profit improvement (Yeung., et al 2006). Operational performance is measured by productivity, overall quality performance, timeliness, quality improvement, waste reduction, production performance improvement (Fuentes& Montes, 2006). Employee satisfaction is measured by employee morale, employee growth and employee productivity (Rahman, 2006).

Talent-management practices can create the most permanent competitive advantages, new

technologies and innovations can be easily be replicated by competitors and generate only temporary competitive advantages. Sustained competitive advantage comes from talent management practices in other words, how the organization attracts, develops, retains, motivates, manages, and rewards its talent (Heimen et al., 2004). Like a machine, a business will fail to operate successfully if key elements such as processes, systems, and structure are misaligned or hindered by friction between those element and like a machine, a business must be designed, operated, and maintained. These functions are performed by the talent – the human capital employed by the enterprise. Indeed, talent (i.e., an organization's employees), typically is the single biggest lever for driving improvements in business performance. The collective skills of the talent employed in an organization largely comprise the organization's core capabilities.

If a firm wants to be successful, it must invest in talent management of their workers to obtain some conditions in the company like good business environment (Snell, 2007). For the talent to be cultivated the employee must be able to experience both intrinsic and extrinsic reward from their jobs and should the employee find job interesting and challenging, they will exert all necessary effort in doing the job and therefore lead to increased productivity (Davis et al., 2007).

### **METHODOLOGY**

The research adopted a descriptive survey research design which is the best for the study as it describes and explains the characteristics associated with the subject population. Descriptive design discovers and measures the cause and effect of relationships between variables (Khalid, Abdullah & Kumar, 2012). The target population comprise of outdoor advertising firms in Kenya. According to KEPISA (2016), there were a total of 16 firms within the

Outdoor Advertising Industry in Kenya. For the purpose of this study; 4 firms which had been operational for the past 5 years and had 40 employees and above were selected to participate in the study. These four firms formed the unit of analysis. The firm that met this criterion were; Adsite Limited, Magnate Ventures Limited, Live Ad Limited, and Firm Bridge Ltd with a total number of employees of 430. Therefore the target population of this study comprised of 430 employees from the selected firms.

The study used both primary and secondary data collection method. Data was collected through drop and pick questionnaires. The questionnaire contained both structured and unstructured questions. The questionnaire was structured based on the research Objectives or hypothesis.

Both quantitative and qualitative approaches were used for data analysis. Once the data was collected

**Table 1: Practice of TM in OAC**

Variable/Construct	Mean	SD
Compensation strategy	2.78	1.09
Career management	3.60	0.93
Staff development	3.66	0.84
Performance management	3.74	0.90
Performance	3.46	0.97

On a scale of 1 to 5 (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree and 5=strongly agree), the descriptive results indicated that TM was not sufficiently practiced (M<4.00) in the OAC and further that the performance needed to be better than it currently was (M=3.46).

**Compensation Strategy.** From the study findings, the respondents were neutral on the statement that Bonus pay was satisfactory and commensurate to effort (mean=3.3178). On the other hand, respondents disagreed that the firm offered competitive remuneration to all staff. This implied that in outdoor advertising firms bonus pay was not

it was checked for completeness and readiness for analysis. The collected quantitative data from the questionnaire was coded and entered into the computer for computation of descriptive statistics. The Statistical Package for the Social Sciences software was used to run descriptive statistics.

## RESULTS AND DISCUSSION

### TM practice in OAC

The study sought to determine the practice of TM at OAC using descriptive statistics comprising mean and standard deviation with regard to Compensation Strategy, Career Management strategy, Staff development programmes, performance management strategy and overall Performance of the firms. The study findings were as presented in subsequent subheadings. The descriptive results showing the extent to which TM was practiced and the level of performance are presented in Table 1.

satisfactory and did not commensurate to effort and the advertising firms did not offer competitive remuneration to all staff.

**Career Management Strategy.** Based on the findings in the Table 1, majority of the respondents agreed that the firm offered equal chances for promotion (mean=3.8131), the firm had a well laid down succession policy (mean=3.7103), and that there is clear communication of information concerning career options and opportunities with the firm (mean=3.3084). On the other hand, respondents were neutral on the statement that there were organizational assessments of employee abilities and potential (mean=3.5701). This implied

that outdoor advertising firms in Kenya offered equal chances for promotion, had a well laid down succession policy. In addition, outdoor advertising firms had a well laid down succession policy, and that there was clear communication of information concerning career options and opportunities within the firms

**Staff Development Strategy.** Based on the study findings, majority of the respondents strongly agreed that there existed a training and staff development policy in their firm (mean=4.0654), there existed Leadership development in the firm (mean=3.8972), and that there existed evaluation and feedback of employees in the firm (mean=3.8598). In addition, respondents agreed that the firm had adopted In-house development programme (mean=3.6262). This was an implication that in most of the Outdoor Advertising Firms in Kenya there existed a training policy, there existed Leadership development, and that there exists evaluation and feedback of employees in the firm

**Performance Management Strategy.** As per the study findings, respondents agreed that staff in their department were provided with opportunities for growth and development (mean=4.0283), targets were clearly communicated to staff in their department (mean=3.8302) good performance was rarely rewarded in their organization (mean=3.8019) and that the organization had mechanisms in place to ensure performance and feedback (mean=3.7358). However, respondents

were neutral on the statement that promotion in their organization was not based on seniority but on performance (mean=3.3868). This implied that in outdoor advertising firms in Kenya, staffs in their department were provided with opportunities for growth and development, targets were clearly communicated to staff in their department, good performance was rarely rewarded in their organization and that the organization had mechanisms in place to ensure performance and feedback

**Organizational Performance.** The study findings revealed that majority of the respondents agreed that their company's profitability has improved over the last two years (mean=3.6822), their sales were higher than those of their closest competitors (mean=3.6168) and that the satisfaction of their customers had improved over the last two years (mean=3.3271). However, respondents were neutral on whether they will see themselves in this organization beyond the next two years (mean=3.2150)

**Relationship between TM and performance of OAC**  
In this subsection a summary of the correlation and regression analyses is presented. It seeks to first determine the degree of interdependence of the independent variables and also show the degree of their association with the dependent variable separately. These results were summarized in Table 2.

**Table 2: Correlation Matrix**

		Compensation strategy	Career management	Staff development	Performance management	Performance
Compensation strategy	Pearson Correlation	1				
	Sig. (2-tailed)					
Career management	Pearson Correlation	0.076	1			

	Sig. (2-tailed)	0.438				
Staff development	Pearson Correlation	-0.032	<b>.200*</b>	1		
	Sig. (2-tailed)	0.746	<b>0.039</b>			
Performance management	Pearson Correlation	-0.03	-0.161	-0.09	1	
	Sig. (2-tailed)	0.763	0.097	0.358		
Performance	Pearson Correlation	0.054	-0.073	-0.045	<b>.209*</b>	1
	Sig. (2-tailed)	0.582	0.456	0.644	<b>0.031</b>	
n=107	n=107					

\* Correlation is significant at the 0.05 level (2-tailed).

The correlation summary shown in Table 2 indicated that Performance management was the only variable which was significant at the 95% confidence level. Results of the Pearson's correlation coefficient depicts that there was an insignificant positive relationship between compensation strategy and performance ( $r=0.054$ ,  $p$ -value  $>0.05$ ). Therefore, it can be implied that an increase in compensation strategy was associated with an insignificant increase in performance. Secondary, the results showed that there was a weak negative insignificant relationship between career management and performance ( $r=-0.073$ ,  $p$ -value  $>0.05$ ). Thirdly, the findings showed that there was a weak negative insignificant relationship between staff development and performance ( $r=-0.045$ ,  $p$ -value  $>0.05$ ). However, there was a significant positive relationship between performance management and performance ( $r=0.209^*$ ,  $p$ -value  $<0.05$ ).

### Influence of TM on performance of Outdoor Advertising Firms

In the Endeavour, the study sought to determine the goodness of fit of the regression equation using the coefficient of determination between the overall independent variables and Performance of outdoor advertising firms. Coefficient of determination established the strength of the relationship. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Performance of outdoor advertising firms) that is explained by the Compensation Strategy, Career management Strategy, staff development strategy, and performance management strategy as the independent variables of the firm.

### Model Summary

Model summary' table, provides information about the regression line's ability to account for the total variation in the dependent variable

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222a	0.049	0.012	0.9673

a. Dependent Variable: Performance of outdoor advertising firms

- b. Predictors: (Constant), Compensation Strategy, Career management Strategy, staff development strategy, and performance management strategy

Table 3 illustrates that the strength of the relationship between Performance of outdoor advertising firms and independent variables. From the determination coefficients, it can be noted that there is a weak relationship between dependent and independent variables given an  $R^2$  values of 0.049 and adjusted to 0.012. This shows that the independent variables (Compensation Strategy, Career management Strategy, staff development

strategy, and Performance management strategy) accounts for 4.9% of the variations in Performance of outdoor advertising firms.

#### ANOVA Results

Analysis of variance (ANOVA) is a collection of statistical models used to analyze the differences among group means and their associated procedures (such as "variation" among and between groups)

**Table 4: ANOVA of the Regression**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.953	4	1.238	1.323	.266b
Residual	95.441	102	0.936		
Total	100.394	106			

- a. Dependent Variable: Performance of outdoor advertising firms

- b. Predictors: (Constant), Compensation Strategy, Career management Strategy, staff development strategy, and performance management strategy

Analysis of Variance (ANOVA) was used to make simultaneous comparisons between two or more means; thus, testing whether a significant relation exists between variables (dependent and independent variables). This helps in bringing out the significance of the regression model. The ANOVA results presented in Table 5 showed that the regression model has a margin of error of  $p = 0.266$ . This indicates that the model is insignificant since its  $p$  value is more than significance test of 0.05. An  $F$  statistic of 1.323 indicated that the

combined model was insignificant. This was supported by a probability value of (0.266). The reported significance level of (0.266) was greater than the conventional probability of (0.05) hence insignificant.

#### Coefficient of Regression

Multiple regression analysis was conducted as to determine the relationship between the Performance of outdoor advertising firms and the four variables.

**Table 5: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	2.72	0.749		3.63	0		
	Compensation strategy	0.056	0.087	0.062	0.644	0.521	0.992	1.009

Career management	-0.043	0.104	-0.042	-0.416	0.678	0.933	1.071
Staff development	-0.019	0.115	-0.017	-0.169	0.866	0.954	1.048
Performance management	0.218	0.106	0.202	2.063	0.042	0.97	1.031

a Dependent Variable: Performance

**Compensation strategy:** The results from this study indicate that compensation has a positive but insignificant association (correlation) performance of outdoor advertising firms in Kenya. However, Bartlomiejczuk (2015) established that as the competition for the best talent continues to heighten, one of the critical components of organisations performance includes compensation strategy. Many talent managers are now prioritizing and giving top attention to compensation strategy with many believing that employee recognition has a vital role in nurturing engagement. While it is not a new phenomenon that recognition is critical for employee engagement, it is now becoming a strategic priority as many organizations work towards the alignment of organizational objectives and goals including desired behaviors to employee recognition.

**Career management and performance:** The results suggest that an improvement in career management strategy, would lead to a fall in performance of outdoor advertising firms. Though the decrease is insignificant, these findings are contrary to the study findings by Greenhaus, Callanan, and Godshalk, (2000) who observed that Career management is beneficial to the employee as it can assist them by offering structure, direction, meaning, and purpose to their daily activities. A well-functioning career management system ensures both an organized working environment as well as the satisfaction of basic economic needs and other higher needs such as for example self-actualization and personal development needs.

Contrary to the present findings, Khulida and Siti (2004) in the study about the relationship between organizational career management and performance indicated that there was significant and positive relationship between organization career management and the individual performance. Questionnaires were the main data collection instrument and the sample comprised insurance sales people. Similarly, Kelly (2012) examined career development practices among commercial Banks in Kenya. The study established that there are several career development practices that are evident among commercial banks in Kenya. These practices include: Existence of career growth information for employees, treating career development as a core strategic HR function, practicing career counselling, incorporating career growth into the appraisal process, encouraging employees to pursue higher education as a way of uplifting skills, training program and undertaking of professional programs by employees to assist them achieve career objectives.

**Staff development and performance:** Further, as seen from the results (Table ) an improvement in staff development, would lead to a fall in performance of outdoor advertising firms, albeit insignificantly. This is contrary to previous studies such as Chew, (2004), who found that training provides employees with specific skills that may be lacking or those that may have been identified through shortcomings in their performance, whereas development relates to equipping employees with capabilities identified as being

critical for the future performance of the organization.

**Performance management and performance:**

However, as performance management strategy is progressively implemented, the performance of outdoor advertising firms will significantly improve. This finding was similar the study finding by Nyanjom, (2013) who opined that in order to enhance organizations ability to survive through turbulent environment, most corporations take great care in managing the performance measures of their employees. A properly functioning performance management system can address the challenge of losing key talents.

According to the regression results, only performance management has a positive and significant influence on performance of outdoor advertising firms while the other variables have an insignificant influence. These findings suggest that compensation strategy, career management, and staff development are not being practiced to an extent that is sufficient to influence performance. This calls for the need to improve the extent to which these talent management interventions are applied in the organisations. However, these three results (on the effect of compensation strategy, career management, and staff development on performance) are contrary to the findings in previous empirical studies which call for more investigation to ascertain the threshold for implementation of these strategies to enable positive influence on performance of the studied firms.

**CONCLUSION AND RECOMMENDATION**

Based on the findings of this study it is concluded that in outdoor advertising firms bonus pay is not satisfactory and does not commensurate to effort and those firms do not offer competitive remuneration to all staff. The study also concludes that compensation strategy is statistically

insignificant in explaining performance of outdoor advertising firms in Kenya.

The findings are that while performance management strategy is statistically significant in explaining performance, compensation, career management and staff development strategies were statistically insignificant in explaining performance of outdoor advertising firms in Kenya. Further, the practice of the talent management strategies that were studied was low which may explain their insignificant influence on performance.

These findings will assist the management in developing a comprehensive talent management policy that enables it in managing the best talent in different regions in which the organizations operate. It will also guide the policy makers, outdoor association of Kenya and the Media industry as whole to advice on how best talent war can be won by organizations. Further, besides being of importance in assisting scholars and other stakeholders as a platform for further research on role of talent management strategies on performance in Outdoor Advertising Firms, it will also contribute to the theory and practice of human resource management by providing a comprehensive report on how strategic talent management can influence overall business performance.

**Compensation strategy**

Based on these research findings, the study recommended that the outdoor advertising firms should enact salaries and benefits of employees' strategy that should remain competitive within the market to enhance organization performance.

**Career management strategy**

The study suggest that career management strategies like having career counseling facilities, coaching and mentoring, career planning and career development programs should be widely adopted

by outdoor advertising firms as doing so would lead to improved performance. Top managers should know that a strong career plan (and solid job performance) is the best approach to getting the career opportunities they seek now and in the future. Therefore, they should make retention of key talent a priority since an organization's future success is not only dependent on its financial resources but ultimately depends on the strength of effective talent management strategies.

### **Staff development strategy**

Staff development should be systematically and fully integrated to optimize business results. From the study, not all respondents felt that the development opportunities were available to them and/or relevant to their current and future career needs. The study recommends a well thought and effective development of employees throughout the talent lifecycle by demonstrating that every strategic business priority has a measurable learning angle. It is therefore recommended that management in these organizations should maintain learning and development practices like learning needs identification, sponsoring employees for leadership programs and in-house development programs to shape the organization's future leadership hence sustained organization performance in the long run.

### **Performance management strategy**

The study indicates that Performance management was the only variable which was significant at the 95% confidence level hence recommends a more successful performance management strategy that can catalyze success and help leaders in the

Advertising Outdoor firms in Kenya to foresee and surmount challenges. This is because by putting the right people in place, maximizing their strengths and planning for future needs, the firms will be able to empower their most valuable asset – their people. This is becoming easier to do so – modern technology provides companies with new opportunities to employ a highly strategic, data-driven approach to workforce administration.

### **Suggestions for Further Studies**

Future researcher may test the mediating effect of personal characteristics, for instance age, qualification, gender, level of job, and nature of job for analysis of talent management in advertising sector. Such traits of talent may have some role in talent management and organizational performance in the advertising sector. For the future studies, these can be added in the model to have a better understanding about how the Talent Management dimensions impact on organizational advertising

This study was focused on the selected outdoor advertising firms in Kenya only which excludes other players in the advertising sector like press, television and digital media. Even some other subsectors of advertising industry like the media buying agencies might produce different results. The study might also yield different results for the advertising industry and in some other focused geographical region. For the further research, more empirical and comparative studies are required to know better understanding of the impact of talent management dimensions on organizational performance.

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