



**FACTORS AFFECTING INTEGRATED TALENT MANAGEMENT IN STATE CORPORATIONS IN KENYA: A  
CASE OF KENYA POWER AND LIGHTING COMPANY**

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**ABSTRACT**

Human Capital (HC) is an important source of competitive advantage in every organization especially if the talent they possess is strategic in nature, rare and inimitable. This makes Talent Management (TM), which can be attained through Integrated Talent Management (ITM), one of the most focused and significant developments in people management. However, despite the benefits offered by ITM, there has been a slow uptake of the practice owing to the implementation challenges. In the developed countries, research shows that only a slight majority of organizations have, at least partially integrated their TM processes. Minimal ITM studies have been conducted in Kenya since the studies done have concentrated on developed countries. The study hence sought to explore factors affecting ITM in State Corporations in Kenya, with a case of KPLC by assessing the effect of performance and compensation management on ITM in state corporations. The study adopted descriptive research design since it helps to understand the characteristics of a group in a given situation and help make certain simple decisions. A stratified random sampling approach was used to collect primary data from all the 224 respondents through questionnaires. Cronbach's alpha co-efficient was used in the reliability test. Descriptive and inferential statistics was used to analyze the gathered data using a Statistical Package for Social Scientists (SPSS) version 21. The study findings established that performance and compensation management do affect ITM. Finally, the study recommends that state corporations should adopt these HR processes as a way of ensuring that ITM is maintained to attain competitive advantage.

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**Key Words:** *Performance Management, Compensation*

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## **Introduction**

Talent Management (TM) generally revolves around putting the right people with the right skills in the right position at the right time Njoroge (2012). Itika (2011) views talent as a key resource that enables organizations. adapt to) organizations to the worldwide competition. Dessler (2011) defines TM as the automated end-to-end process of planning, recruiting, developing, managing and compensating high potential employees throughout the organization. Foot & Hook (2008) asserts that TM has become well established as a Human Resource (HR) priority and is recognized to be of strategic importance to business organizations. TM focuses largely on the development and retention of employees. To achieve these goals, an organization has to attract and hire people with the appropriate competencies in the first place making the integration part of TM very crucial in every organization Njoroge (2012).

According to Morton (2005), talent refers to individuals who have the capability to make a significant difference to the current and future performance of the company to meet commercial demands. Therefore, managing talent should be about identifying, attracting, integrating, developing, motivating and retaining key people across the whole business, not just the 'elite few' decision-makers, as is often the case. These functions are not new since HR departments have been managing them these being) systems and processes that underpin the employee life cycle, and as with all other corporate assets, TM requires a strategic, proactive and integrated approach.

Different authors have come up with different Human Resource Management (HRM) practices which, unfortunately, are used or associated with the drastic expansion of businesses globally, technological innovations and fierce competition instead of managing talent in organizations Marachi & Wuyo (2013). It is therefore a step in the right direction to review

HRM practices in the Kenyan competitive environment and how they affect ITM.

According to the survey data collected by Aberdeen at its 2009 Human Capital Management (HCM) summit, 43% of attendees indicated that the integration of TM processes was a top three issue they wanted to address to resolve the inability to capture and validate data which they indicated was the primary barrier organizations faced to measure the business impact of HCM (Martin & bourke, 2009). The research revealed that only a slight majority of representative organizations had, at least partially integrated their TM processes and they experienced significantly greater performance than those with no integration.

## **Statement of the Problem**

As we move closer to the Kenya Vision 2030, (Garr, 2012) asserts that essential to any organization's success is the ability to build and execute an ITM strategy. This strategy takes time, necessitates the input and efforts of more than one department, and requires stewardship from leaders across the organization. Bersin and Associates' research has given 29 percent higher scores in employee engagement 41 percent in creating a pipeline of viable successors, 36 percent higher ratings in leadership development as some of the benefits of ITM in organizations (Garr, 2012).

Demand for superior talent far outweigh supply (Tarique & Schuler, 2012) and more and more companies are feeling the impact as they compete in the global market due to globalization, workplace reform and changes in the demographic composition of the workforce (Garr, 2012). The growth potential of organizations worldwide now depends on the ability of companies to have the right people, in the right place at the right time and this calls for ITM. However, though many companies understand the competitive value of talent and spend considerable time identifying and recruiting high caliber individuals, they pay too

little attention to allocating their internal talent resources effectively (Morton 2005).

According to Martin & Bourke (2009), many problems are associated with having standalone TM processes. When each process is treated as a completely separate entity, it is as if the employee is being handed off at each development milestone like a baton in a relay race. As a remedy to this problem, Tarique and Schuler (2012) in their study on global TM recommend that researches should be conducted to examine how the integration of global TM systems work and impact organizational effectiveness.

Marachi & Wuyo (2013) in their study on the effects of HRM practices on talent development in organizations in Kenya recommend studies on more HR practices. From the above studies, it is evident that due to cut throat competition and globalization which enables talented HC to move from one organization to another as well as from one country to another, the key challenge is to have an ITM strategy. This prompted this study to investigate the factors affecting ITM in state corporations focusing on Performance Management and compensation management (CM).

### **Objectives of the Study**

The general objective of the study was to explore the factors affecting Integrated Talent Management in state corporations where the key objectives were to determine whether performance management affects Integrated Talent Management and to assess if compensation management affects Integrated Talent Management.

### **Research Questions**

The research questions of this study were:

1. Do employees see the link between performance management and Integrated Talent Management?
2. How does compensation management affect Integrated Talent Management?

### **Scope of the Study**

This study focused on the factors affecting ITM in State Corporations and was confined to KPLC Headquarters in Parklands, Nairobi. It is understood that there could be many other variables affecting ITM but this research was only confined to Performance Management and Compensation Management.

### **Theoretical Review**

#### **Talent Based Theory**

Talent-based theory of the firm illustrates 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 as cited in Moturi 2013). Roberts further states that the firm is considered a talent integrating institution which 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. This stipulates the dependent variable of Integrated Talent Management.

#### **Agency theory**

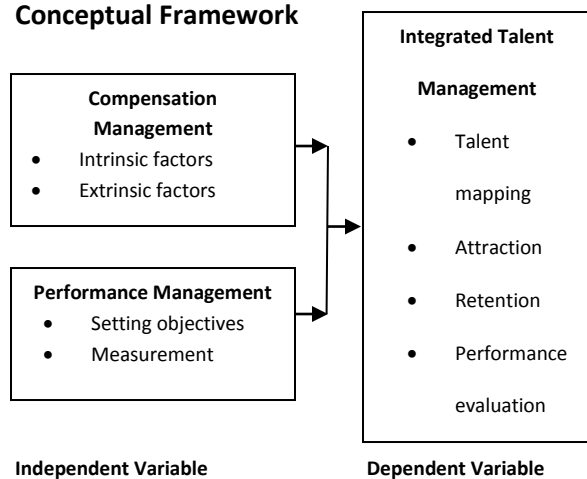
Agency or principal agent theory indicates that stakeholders must develop ways of monitoring and controlling the activities of their employees (Armstrong 2009). Agency theory suggests that employers may have problems in ensuring that employees do what they are told. It is necessary to clear up ambiguities by setting objectives and monitoring performance to ensure that objectives are achieved. With PM in place and talented workforce in the organization, the organizational productivity will be witnessed. This theory stipulates the independent variable of PM which requires that the organization has to come up with techniques of managing the performance to ensure that it is in line with the

organization mission and vision in order to attain high productivity.

**Herzberg’s two-factor theory**

Other than Maslow’s Hierarchy of Needs theory, Herzberg’s two-factor theory is the most famous motivation theory. Known as the theory of satisfiers and dissatisfiers, the theory was developed by Herzberg *et al* (1957) following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers (Armstrong 2012). The study found out that employees are satisfied by achievement, recognition, advancement, responsibility, and the work itself. On the other hand, dissatisfiers included company policy and administration, supervision, salary and working conditions. The main implications of this research, according to Herzberg *et al*, included that while financial incentives may motivate in the short term, the effect quickly wears off. The theory emphasizes the positive value of the intrinsic motivating factors. As a result, Herzberg had immense influence on the job enrichment movement, which sought to design jobs in a way that would maximize the opportunities to obtain intrinsic satisfaction from work and thus improve the quality of working life. This theory stipulates the independent variable CM.

**Conceptual Framework**



**Figure 1 Conceptual Framework**

**Performance Management**

Performance management can be conducted through performance appraisals where by the evaluation of an employee performance is conducted (Nzuve 2010). The employee and supervisor agree on performance targets to be met and frequently as agreed with the employee, the supervisor measures the achievements against the expected outcome. The results are communicated to the employee to help in the promotions, training needs among others. Talent employees are motivated by PM since it helps them to stand out hence rewarding.

**Compensation management**

Herzberg’s two-factor theory is referred to as the theory of satisfiers and dissatisfiers (Armstrong 2012). Herzberg indicates that there are those factors whose absence demotivates while other factors’ presence does not necessarily motivate employees. Herzberg hence asserts that while financial incentives may motivate in the short term, the effect quickly wears off and the talent employees are not necessarily motivated with extrinsic factors for example money but mostly by intrinsic factors. This calls for ITM whereby the organization is able to understand what motivates who and put the measures in place.

**Empirical Review**

This section will deal with past secondary studies or literature related to the topic under investigation in the study. The approach taken is to reflect the title of the past study, the author, year of publication, where it was conducted and the research findings. The section will start with the concept of ITM followed by past studies.

**The Concept of Integrated Talent Management**

Whilst each of the functions of HR has value in its own right, it is their integration that

multiplies the value to the business. ITM shifts HR from a disparate set of specialized functions to a coordinated and interdependent series of connected activities that provide additional leverage at each stage. According to Morton (2005), ITM is an end-to-end holistic system that connects all components of TM. Talent refers to individuals who have the capability to make a significant difference to the current and future performance of the company.

Garr (2012) defines ITM as a three or more connected organizational processes designed to attract, manage, develop, motivate, and retain key people. These processes include activities such as PM, career management, succession management, leadership development, training and capability development, total rewards, and talent acquisition. These processes are integrated through a common interface, data platform, workflow, and cross-process reporting and analytics.

Morton (2005) outlines the benefits of Integration to include streamlined decision making, closely aligned departmental and organizational goals, employees are more engaged, creating external perceptions of the organization being a great place to work, which in turn contributes to attraction of new employees, HR can inventory and proactively develop workforce skills to meet current and future needs, stronger linkages between HR functions facilitating workflow. According to Millar (2007), ITM allows HR to focus on strategic priorities and harness executive attention, a clear understanding of performance expectations and support to achieve these, provision of opportunities to learn, grow, progress and remain engaged, considerable reduction in voluntary turnover and flexibility supports company growth/change without increasing HR Management costs.

### **The Impact of Talent Management Practices on Business Performance**

From the study conducted by Ntonga (2007) in Pretoria Mining Company, employees felt that the company approach to talent identification was reactionary. This meant that the company waited until the position fell vacant before starting to search for a replacement. The employees also stated that though there was the TM integration policy in place, there was no evidence of integration between TM practices and other HR management systems. However, the interviewees agreed that the company had very good training programs for technical employees.

According to the study, there was concern around the instruments used to identify potential and talent especially how they are used for development purpose and deployment to work assignments. It was also realized that there was no transparency as the employees were not informed whether they were talent or not. Further to this, it was realized that rewards and compensation were not linked to managers ability to develop or identify talent and finally, linkage of TM practices to other HR management systems like training, career development, reward among others was seen to be weak and more often an afterthought.

The study came up with recommendations which include to define process systems and procedures for TM practices that define talent identification and further define the required competencies for the differentiation levels in the organization and to develop rewards and compensation structures which will be towards incentivizing line managers to spot and develop talented employees. This study is related to the researcher's study whose independent variable include talent attraction and selection whereby Ntonga's study recommends effective talent identification and acquisition, training and CM which will help in the extrinsic motivation of talent employees hence retention.

### Knowledge Gaps

ITM being a new concept which has not been researched by many scholars, very little has been done in Kenya hence limited literature on which HRM practices are to be implemented in order to attain it. Most of the studies conducted are on TM and were conducted on the public sector hence research should be conducted on the private sector. Njoroge (2012) focused on leadership and high potential development, total reward compensation, training and career management leaving other practices to be pursued by other scholars. Marachi & Wuyo (2013) studied training, succession planning, job rotation, and teamwork and PM also leaving many other practices. This study sought to investigate the factors affecting ITM and more should be done on the same to help the organization come up with a strong ITM for high performance.

## RESEARCH METHODOLOGY

### Research Design

Kothari (2004) defines research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure. Hakim (2000) as cited in Saunders et al (2009) compares a researcher designing a research project with an architect designing a building. This study adopted a descriptive research design since the design helps to understand the characteristics of a group in a given situation, think systematically about aspects in a given situation, offer ideas for further probe and research, and help make certain simple decisions (Sekaran 2003). Mugenda & Mugenda (2003) define descriptive research as a process of collecting data in order to test hypotheses or to answer questions concerning the current status of the subjects in the study. Other scholars, (Kimani & Waithaka 2013 and Njoroge 2012 who have researched on related topics used a similar research design in their studies).

### Study Population

Kothari (2004) defines population, also referred to as a universe as all the items under consideration in any field of inquiry. Kothari inferred that population is a set of persons or objects that has at least one common characteristics. The study population is the entire group of individuals or objects to which a researcher is interested in generalizing the conclusions and it will consist of about 4,000 Kenya Power and Lighting Company employees in the Nairobi County (KPLC HRM 2014). The target population is the accessible population in which the researcher can apply the conclusions (Schindler & cooper 2006) and it consisted of only the employees (750) based at the Head Office at Parklands in Nairobi which are categorized into three management levels including the top, middle and lower level management as presented in table 31.

**Table 1. Target Population**

Category	Target Population	Percentage (%)
Top Level Management	84	11
Middle Level Management	200	27
Lower Level Management	466	62
Total	750	100

### Sampling Frame

Kothari (2004) defines sampling frame as a source list from which a sample is to be drawn. It is a list that includes every member of the population. The sample frame of this study comprised the 750 employees based at the Head Office at Parklands in Nairobi. The study adopted a sample size of 30%. Tyrrell (2009) suggest 30% or more of the population properly selected to constitute an adequate sample. According to Mugenda & Mugenda (2003), 30%

conforms to the widely held rule of the thumb that to be representative, a sample should have thirty or more sample units. Marachi & Wuyo (2013) who studied the effects of HR management practices on talent development used a similar approach. The sample population of the study comprised of 224 respondents as shown in table 2.

**Table 2. Sample Size**

Management Category	Target	Sample (30%)	Size
Top Level	84	25	
Middle Level	200	60	
Lower Level	466	139	
<b>Total</b>	<b>750</b>	<b>224</b>	

### 3.5 Sample and Sampling Technique

#### Data Collection Instruments

According to Kothari (2004), data collection is gathering of information relevant to the research study. The researcher will collect both primary and secondary data for the study. Secondary data was collected through reviewing of literature relevant to the study. The main source was the print and electronic journals. Primary data was collected at source through structured questionnaires. According to Mugenda (2008), questionnaires give a detailed answer to complex problems. Kothari (2004) asserts that questionnaires are cost effective in construction and administering when compared to face-to-face interviews. Scholars who have researched on TM (Marachi & Wuyo 2013, Njoroge 2012 and Kimani & Waithaka 2013) have successfully employed the use of questionnaires in their studies.

#### Data Processing and Analysis

Both qualitative and quantitative data was generated from the study. Qualitative data was presented using descriptive techniques while quantitative data was processed through the use of statistical techniques such as frequencies, percentages, graphs, pie charts, tables and cross-tabulations to summarize, organize data and describe the characteristics of the sample population.

Upon collection, the qualitative data 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. Quantitative data from the questionnaires was coded and then fed into the Statistical Package for Social Sciences (SPSS) version 21 (George & Mallery 2003) for analysis. The Multiple Linear Regression Analysis Model was used to show the relationship between the dependent and independent variables (Kothari 2004). The model used was as follows:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \hat{\epsilon}$$

Where:

Y represents Integrated Talent Management:

X<sub>1</sub> represents performance management:

X<sub>2</sub> represents compensation management and

$\hat{\epsilon}$  represents all the other independent variables which the researcher will not focus on.

### FINDINGS AND DISCUSSION

#### Response Rate

224 questionnaires were distributed, 121 were filled and returned. This was a response rate of 54%. This response rate is adequate and conforms to assertions by Mugenda & Mugenda (2003) that a 50% response rate is adequate for analysis and reporting, a rate of 60% is good while a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered adequate.

#### Reliability and Validity

The reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. Cronbach's Alpha was calculated by application of SPSS version 21 for reliability analysis. The value of the Alpha coefficient ranges from 0-1 and the closer it is to 1.0 the greater the internal consistency of the items in the scale (Gliem & Gliem. 2003). A score of above 0.7 is accepted as it indicates that the instrument is reliable.



**Table 3 Reliability and validity**

Variable	Coefficient Reliability
Performance Management	0.894
Compensation Management	0.942

From table 3, Compensation management had the highest reliability (0.942) followed by Performance management (0.894). This illustrates that all the two scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Mugenda & Mugenda, 2008). Kamau et al (2013) in their study on the influence of institutional leadership on TM in public universities in Kenya achieved a Cronbach's alpha of 0.726 meaning that scales were more reliable hence consistent.

**Gender of the Respondents**

It was paramount for the study to determine the respondent's gender to ascertain gender parity in KPLC. According to the analysis, majority of the respondents were male represented by 57.7% while 42.3% were female. This is in line with the Kenyan constitution which calls for one third of either gender in the employee composition.

**Age of the Respondents**

According to the finding 10% indicated that they were 18-27 years old, 19 % of the respondent indicated that they are 28-37 years old, 39% were 38-47 years old, and 32% were 48 years and above. Marachi & Wuyo (2013) who conducted a related topic in the KPLC found out that the majority (56%) of the respondents were over 41 years old. This shows that majority of the respondents were middle aged who are energetic.

From the finding it was also clear that the majority are employed on permanent basis who were 72 % while the rest 28% were on contract basis. This is attributed to the fact that the Government introduced contracts only a few years ago while the employees were already on permanent employment basis.

**Respondents' Level of Education**

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.

According to the finding 45% indicated that they had Diploma level of education, 37% indicated that they had bachelor degree while 12% indicated that they had Masters Degree and 6 % indicated that they had PHD degree. This shows that majority of the respondent had diploma level of education and so were well informed. Mariachi & Wuyo (2013) in a related topic and at the KPLC found out that the 50% of the employees had university degrees while the rest had diplomas and other professional qualifications. The study hence deduced that most of the respondents were professionally qualified for their jobs.

**Years of Service**

The study requested the respondents to indicate their years of service with KPLC to help determine the level of experience. According to the finding the majority of the respondents had worked for between 11 and 15 years represented by 34% of the respondents. This is followed by those who had worked for 2 to 5 years who were 29%. The least had worked for more than 16 years, which is represented by 8%. It is clear from the findings that majority had been with the organization for a long period of time and they have the experience concerning their work and they were perceived to be in a good position to provide credible and relevant answers to the study research questions. These findings differ with Wambui (2012) who conducted a study on TM practices in Commercial State Corporation (CSC) in Kenya and which found out that the majority of the CSC employees had been in existence for over twenty one (21) years as represented by 81.8%.

**Study variables**

**Factors Affecting Integrated Talent Management**

The study sought to evaluate the factors that influence ITM in state corporations in Kenya. The section intended to get the general view of the effects of performance and Compensation management. This is in line with the literature review as stated by Garr (2012) who looks at ITM as a three or more connected organizational processes designed to attract, manage, develop, motivate, and retain key people. These processes include activities such as talent acquisition, PM, total rewards hence retention among others. With a tight ITM strategy that aligns to the business, organizations are able to thrive.

**Performance Management**

The study sought to find out the influence of the PM in determining ITM. This is in line with the literature review where it is stated that PM can be conducted through performance appraisals where by the evaluation of an employee performance is conducted (Nzuve 2010). The employee and supervisor agree on performance targets to be met and frequently as agreed with the employee, the supervisor measures the achievements against the expected. The results are communicated to the employee to help in the promotions, training needs among others. Talent employees are motivated by PM since it helps them to stand out hence rewarding.

From the findings, the respondents indicated that in government institutions, PM is aligned to the need to nurture and retain talent as indicated by a mean of 3.41 and a standard deviation of 0.813 and 71.8% agreeing with the statement. This can be corroborated with Abbasi et al (2010) on their study on TM as success factor for organizational performance in Pakistan where the findings indicated that 44% agreed while 56% strongly agreed that TM practices help to increase retention of internal talent.

**Table 4 Statements relating to Performance Management**

Performance Management	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Performance management is aligned to the need to nurture and retain talent	2.6	0	5.1	20.5	71.8	3.41	0.813
Performance management is aimed at developing employee capabilities	1.3	0	0	56.4	42.3	3.62	0.629
I understand that performance management is to ensure that my performance supports the strategic goals of the organization	1.3	0	7.7	66.7	24.4	3.87	0.652
My company always provides positive feedback and recognition	1.3	0	12.8	70.5	15.4	4.01	0.634
My company regularly revisit their goals to ensure they align with the organization's objectives	1.3	2.6	9.0	71.8	15.4	4.03	0.683

The findings also found out that PM is aimed at developing individual and team capabilities with a mean of 3.62 and a standard deviation of 0.629. The study also found out that PM is used to ensure that individual performance supports the strategic goals of the organization as indicated by a mean of 3.87 and a standard deviation of 0.652. This can be compared with a study conducted by Abbasi et al (2010) on TM as success factor for organizational performance in Pakistan. The study found out that one of the reasons for TM in organizations include desire to improve organizational performance where by 15% strongly disagreed,

9% were neutral, 38% agreed and 38% strongly agreed.

The respondents also stated that KPLC always provides positive feedback and recognition to the employees as indicated by a mean of 4.01 and a standard deviation of 0.634 with 70.5% agreeing with the statement. The respondents also indicated that the company regularly revisits the employee’s goals to ensure they align with the organization’s objectives as indicated by the mean of 4.03 and a standard deviation of 0.683 with 71.8% agreeing. This is considered to be the most significant factor of all the others, because it has the highest mean scores.

### Compensation Management

The study sought to determine the effect of CM on the ITM in the KPLC. This is in line with the literature review indicated by Herzberg’s two-factor theory referred to as the theory of satisfiers and dissatisfies (Armstrong 2012). Herzberg indicates that there are those factors whose absence demotivates while other factors’ presence does not necessarily motivate employees. Herzberg hence asserts that while financial incentives may motivate in the short term, the effect quickly wears off and the talent employees are not necessarily motivated with extrinsic factors for example money but mostly by intrinsic factors.

From the findings, the study indicated that in Kenya, state corporations especially KPLC, compensation and rewards are both financial and nonfinancial rewards as represented by a mean of 3.37 and a standard deviation of 0.486 and supported by 62.8% of the respondents who strongly agree with this statement. The respondents also indicated that there exists a clear compensation and rewards policy which includes all types of rewards as represented by a mean of 3.62 and a standard deviation of 0.564 and supported by 53.8% of respondents who agreed with the statement.

**Table 5 Statements relating to Compensation Management**

Compensation management	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard Deviation
In our Organization, compensation and rewards are both financial and non financial	0	0	0	37.2	62.8	3.37	0.486
There exists a clear compensation and rewards policy which includes all types of rewards	0	0	3.8	53.8	42.3	3.62	0.564
Our Organization attracts and retains key workers by applying total rewards strategy	0	0	14.1	70.5	15.4	3.99	0.546
Our Organization pays competitive rates plus other flexible benefits	0	1.8	30.3	41.0	26.9	4.06	0.795
Selection for promotion is based on personal relationships and network ties	3.4	6.2	2.6	0	0	1.40	0.543

The study also indicated that KPLC attracts and retains key workers by applying total rewards strategy as shown by a mean of 3.99 and a standard deviation of 0.546 and 70.5% agreeing with the statement. The respondents lastly indicated that the organization pays competitive rates plus other flexible benefits and selection for promotion is based on personal relationships and network ties represented by a mean 4.06 and 1.40

respectively and standard deviations of 0.795 and 0.543 respectively. The latter is considered to be the most significant factor of all the others, because it has the highest mean scores of 4.06 while the former is the least significant factor because it has the lowest mean score.

These findings can be corroborated with the study on CSC by Wambui (2012) in organizations, compensation and rewards are both financial and non financial with a mean of 3.32 and a standard deviation of 1.211. the study also found out that there exists a clear compensation and rewards policy which includes all types of rewards with a mean of 3.05 and a standard deviation of 1.133, the organization attracts and retains key workers by applying total rewards strategy with a mean of 2.64 and a standard deviation of 0.953 and finally the organization pays competitive rates plus other flexible benefits with a mean of 3.55 and a standard deviation of 1,143. Ntonga (2010), in his study found out that selection for promotion is based on personal relationship and network ties with a mean of 3.69, a standard deviation of 1.00 and 60% of the respondents in agreement.

**Regression Analysis**

**Table 6 Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.760 <sup>a</sup>	.577	.559	5.69097

- a. Predictors: (Constant) Performance Management, Compensation Management
- b. Dependent variable: Integrated Talent Management

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 (ITM) that is explained by all the 2 independent variables (PM, CM). The two independent variables that were studied, explain 57.7% of variance in ITM in state

corporations as represented by the R<sup>2</sup>. This therefore means that other factors not studied in the research contribute 42.3% of variance in the dependent variable. Therefore, further research should be conducted to investigate into the other factors that influence of ITM in state corporations in Kenya. R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in table 6, there was a strong positive relationship between the study variables as shown by 0.760.

**Table 7 ANOVA (Analysis of Variance)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.239	4	.157	16	.001 <sup>a</sup>
	Residual	50.345	116	.120		
	<b>Total</b>	<b>56.584</b>	<b>120</b>			

- a. Predictors: (Constant), Performance Management, Compensation Management
- b. Dependent variable: Integrated Talent Management

F critical (value = 16.0), this shows that the overall model was significant. The significance is less than 0.05, thus indicating that the predictor variables, (PM, CM) explain the variation in the dependent variable which is Integrated Talent Management in state corporations in Kenya. Subsequently, we reject the hypothesis that all the population values for the regression coefficients are 0. Conversely, if the significance value of F was larger than 0.05 then the independent variables would not explain the variation in the dependent variable but being 0.001 shows that data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The significance value was less than 0.05, an indication that the model was statistically significant.

**Table 4.11 Multiple Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	$\beta$	Std. Error	Beta	
1 (Constant)	3.632	0.77		.000
Performance management	2.868	0.557	.349	.002
Compensation Management	1.355	0.576	.054	.003

From the regression findings, the substitution of the equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2$ ) becomes:  
 $Y = 3.632 + 2.868X_1 + 1.355X_2$ .

Where Y is the dependent variable (Integrated Talent Management in state corporations.),  $X_1$  is PM and  $X_2$  is the compensation management variable.

According to the equation, taking all factors (PM, CM) constant at zero, Integrated TM will be 3.632. The data findings also show that a unit increase in in PM will lead to a 2.868 increase in ITM and a unit increase in CM variable will lead to a 1.355 increase in ITM. This means that the most significant factor is PM in affecting the ITM in the state corporations in Kenya.

At 5% level of significance and 95% level of confidence, PM had a 0.002 level of significance, implying that the most significant factor is PM the CM. All the sign values were found to be less than 0.05; hence PM and CM were significantly influencing ITM in state corporations.

### Summary of Findings

#### Performance and Compensation Management affect Integrated Talent Management?

The general objective of the study was to establish if performance and CM affect ITM in the KPLC. From the finding, the respondents indicated that the company did have a talent strategy in place with a mean of 1.21 and a standard deviation of 0.407, the organization has a talent strategy which constantly guides, providing direction on how the organization will

acquire, develop, manage and compensate employees by a mean of 1.19 and a standard deviation of 0.394, the talent strategy is formal, well documented and shared with all employees and senior executives spend significant amount of time devoted to ITM issues represented by means of mean of 3.55 and 3.54 and standard deviations of 1.118 and 1.169 respectively. Finally Members of the ITM staff are viewed as credible and competent in performing their duties which is supported by the majority of the respondents with a mean of 3.60 and a standard deviation of 1.144 and that talent strategy is embedded in the overall strategic plan with a mean of 3.75 and a standard deviation of 1.267.

### Conclusions

The study concludes that PM positively affects ITM in the state corporations in Kenya and that it is aligned to the need to nurture and retain talent and also aimed at developing individual and team capabilities. The study also concludes that PM is to ensure that performance supports the strategic goals of the organization and that companies always revisit their goals to ensure they align with the organization’s objectives.

Finally, the study concludes that CM has a direct influence on ITM in state corporations in Kenya and that organizations have a reward policy which includes all types of rewards, attracts and retains key workers by applying total rewards strategy and both financial and non financial rewards are offered to the employees.

### Recommendations

The organizations should adopt the PM as a way of ensuring that they maintain the ITM in the organization since it will help nurture and retain talent and also develop individual and team capabilities. The organizations should always provide feedback and recognition to the employees and revisit their goals to ensure they align with the organizational objectives.

Finally, the study recommends that the state corporations should adopt the CM as a way of

ensuring that they maintain the ITM in the organization. The organizations should have a clear compensation and reward policy in place with both intrinsic and extrinsic rewards. This will enable them to attract and retain talented employees for high performance and competitive advantage.

**Proposed areas of Studies**

This study has investigated into the factors affecting the ITM in state corporations in Kenya;

to this end therefore a further study should be carried out to;

1. Assess the challenges hindering the effective implementation of ITM in state corporations in Kenya.
2. Investigating the effect of employee relations, knowledge management, continuous improvement and culture on ITM in state corporations in Kenya
3. The impact of ITM on business performance in the private companies in Kenya

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