

Factors Influencing Effective Talent Management Strategy in Organizations: A Case Study of Corrugated Iron Sheets Limited-Mombasa Kenya

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ABSTRACT

Organizations in public and private sectors are facing monumental challenges of managing top talent immediately they are recruited from the labor market or head hunted from the competition. This is despite the high cost that goes with their procurement, placement, and compensation. While effective talent management is critical for fueling business growth and repositioning business competitive edge, retaining this key asset has become a major concern for corporate leadership including those in Small and Medium Enterprises in Kenya. Wellis and Qiuyong (2010) opined that developing leadership capability and talent pipeline are key success factors for global organizations.

The purpose of this study was to establish the challenge facing organizational leadership in managing talent a case study of Corrugated Iron Sheets Ltd. The study was a descriptive research and adopted a survey design. Key instrument employed in collecting data include structured questionnaires, interviews, observation and analysis of secondary data. The data was then inspected and analyzed through statistical methods. The findings indicated that effective strategies on talent acquisition, training, management commitment and organization development are key ingredient for effective talent management. It is therefore important for Corrugated Iron sheets to integrate these policies with the business plans to spur growth and productivity. The study recommended that the organization should improve its overall corporate talent management strategy by streamlining recruitment, learning and development, and engaging people in the business. It should also do away with counterproductive employment practices such as nepotism and selective recruitment of people so that people with right skills to succeed have a chance to grow their career with the organization.

Key Words: Acquisition, Development, Commitment and Talent Management

Introduction

Executives around the world seem to agree that one of the biggest challenges facing their companies is building and sustaining a strong talent pipeline. Talent management is a term that emerged in the 1990's to incorporate development in Human Resource Management which placed more emphasis on the management of Human Resource or Talent. It was coined by David Watkins of Softcape. However, the connection between Human Resource Management & organization effectiveness has been established since the 1970's. The term is associated with competency-based management. Business survival depends on speed and continuous self-renewal, and talent is central to the operations of any company. Research undertaken in this field indicate that companies which excel in effective talent management maintain internal consistency, complimentarily and reinforcement practices that they employ to attract, select, develop, evaluate and retain talent which align with the corporate culture.

Most organizations value a more central ownership approach to talent in order to get senior management buy-in and strategic alignment with the program. However this seems to raise operational issues in business unit driven organizations. Companies such as Mabati Rolling Mills have set up talent markets where managers negotiate job transfers and obtain development opportunities more easily while building networks across organization. Jones and Wright (1992) opined that an increasing body of work contains the argument that the use of high performance work practices, including comprehensive employee recruitment and selection procedure, incentive compensation, performance management systems, and extensive employee involvement and training, improve the knowledge, skills and abilities of a firm's current and potential employees. It also increases their motivation, reduce strikes, and enhance retention of quality employees while encouraging non-performers to leave the firm. At Corrugated Iron sheets management seems to concentrates more on statutory training such as training on first aid, firefighting skills, machine operations or computer programs. It was also noted that recruitment strategies are driven by nepotism despite the organization having an employment checklist to guide recruitment which is a huge set back in acquisition of the right talent and maintenance. In addition Management is also more profit oriented and seems to give little attention to embracing suggestions raised by middle or junior employees in

regard to human resource development. This denies the industry the benefits or gains of an across the board talent management system.

Globally talent management has been a core concern in many organizations but only seems to have gained popularity in the late 1990's, following the publication of Mc Kinsey and company's "war for Talent" study (chamber et al 1990s) which drew widespread attention to a rising demand for talent intensive skills that outpaces supply in many industries and markets. While moderating a panel of senior talent managers on the dilemmas and problems managers and companies must contend with, Erickson (2011) found that most managers were faced with a number of challenges. This include: attracting and retaining top talent at all levels of the business to meet the dynamics of a growing organization, creating a value proposition that appeals to multiple generations, developing a robust leadership pipeline, rounding out hires who lack the breadth of necessary global leadership, transferring key knowledge and relationships, stemming the exodus of generation X from corporate life, and attracting and retaining generation Y. To ensure Corrugated Iron Sheets remain competitive it must therefore embrace a dynamic corporate strategy that value talent management

Problem statement

Corrugated Iron Sheets faces numerous challenges moving forward. More sophisticated procurement strategies and technology productivity strategies are changing the way services are won and delivered. Within any specific market, the ability of an organization to adapt and manage quality talent to meet client needs is necessary in order to remain competitive over the next decade. This has a profound impact on talent management strategies at Corrugated Iron Sheets. The industry has lost some of its best employees who join other organizations because they do not feel they are growing their career in the company. Although management recognizes that talent is crucial to the success of the organization, adequate measures to protect and nurture it are yet to be formulated. In addition the organization being a private company, proposals by the middle level managers to nurture talent are yet to be implemented. For example, employee's benefit scheme such as employee of the year award has not materialized. Other human resource initiatives such as talent audits schemes, competency analysis, team building activities or employee satisfaction surveys which are relevant in nurturing a talent management environment have not been established. This study therefore sought to determine the factors that influence effective talent management and how they contribute to human resource development.

1.3 Objective of the study

The overall aim of the study was to analyze the factors influencing talent management and the implementation challenges facing organizations. The specific objectives were:-

1. To establish the recruitment strategy and its effect on talent management.
2. To establish the role of top management commitment to talent management
3. To examine the effect of training and development on talent management
4. To determine the effect of organizational business plan on talent management

Research questions

The study was guided by the following research questions;

1. What impact does recruitment strategies have on talent management?
2. How is the top management committed to talent management?
3. What contribution does training and development have on talent management?
4. How does the business plan affect talent management?

Conceptual framework

The conceptual framework of this study consisted of the following variables: recruitment strategy, top management commitment, training and development and organizational business plan. They influence talent management in the organization.

This is illustrated in Figure 1 below;

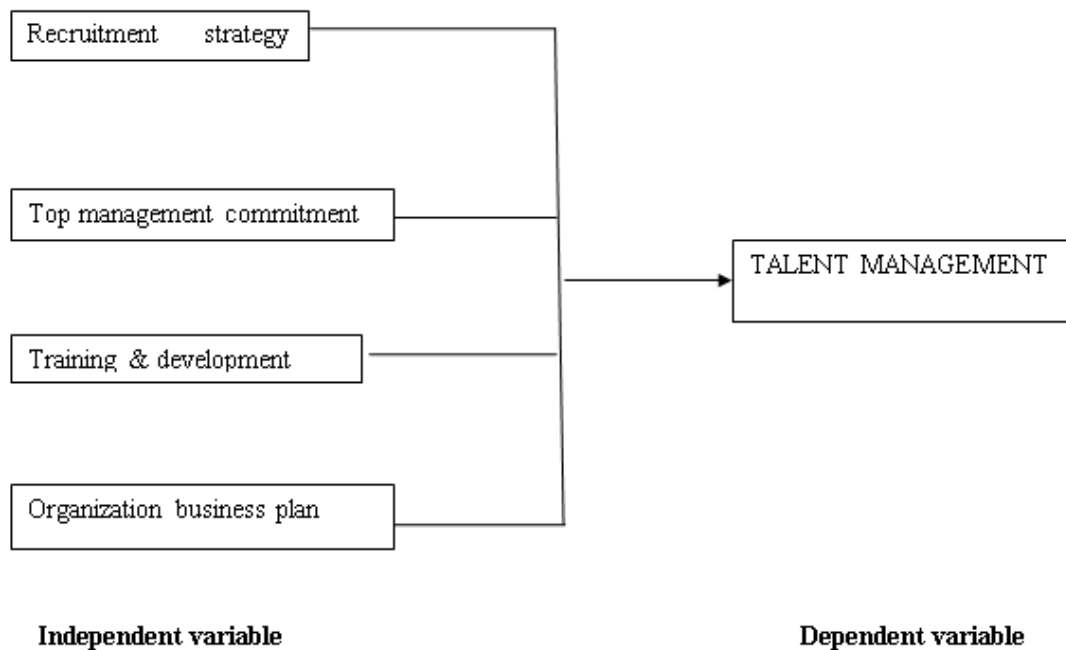


Fig. 1 Relationship between talent management and strategies

Research design and methodology

Research design:

The study was a qualitative descriptive research. Mugenda & Mugenda (1999) defines a descriptive research as a process of collecting data in order to test hypothesis so as to answer questions concerning the current status of the subjects in a study. The study was conducted through a case study. Zucker (2009) Bromley, (1990) defines a case study as a systematic inquiry into an event or a set of events which aims to describe and explain the phenomenon of interest. In this case data collected from staff and managers of corrugated iron sheets was analyzed so as to determine the challenge of talent management to organization performance at Corrugated Iron Sheets.

Target population

Mugenda et al (2008) defines population as the entire set of individuals, events or objects with common observable characteristics. The target population for this study consisted of 270 employees drawn from general workforce and senior management staff of Corrugated Iron Sheets Ltd.

Sampling and sampling technique

A sample of 60 employees and 9 senior staff was selected for this study from the target population. This sample was chosen because it represented the entire population. The research ensured that all departments were represented. The research also covered departmental heads as well as senior staff. Stratified random sampling technique was used for this study whereby the strata consisted of junior employees and the second being that of senior employees. This ensured that the researcher got information on what the employees felt about the subject and what the managers were doing about it.

Data collection instrument

These are tools used for collection of data and how they are developed (Oso and Onen 2009). Questionnaires, interviews, and document analysis was used to collect data in this study. Both primary and secondary data were used. Primary data from questionnaires, coming directly from employees and senior staff of the company were used. There was also use of interviews of senior staff. Secondary data was used especially through the study of the company profile, website, internet and books from the libraries.

Questionnaires

These are a collection of items which a respondent is expected to react to, usually in writing. Oso & Onen (2009). A well-structured and easy to understand questionnaire was used which had questions that were easy for respondents to give their honest opinion. The questionnaire also enabled the researcher to collect primary data because the study was concerned with variables that could not be directly observed such as views and opinions. The questionnaire was self-administered.

Interviews

These are person to person verbal communication in which one person asks the other questions intended to elicit information or opinions Oso & Onen,(2009). Interviews were used for some senior managers and a few semi-illiterate employees. Semi-illiterate employees were interviewed, especially the mechanics and welders who could not read and understand the questionnaires.

Data collection procedure

The data collection procedure was by employees filling questionnaires, holding interviews with employees and managers of the company and by going through a number of secondary sources of data available Pre-testing of the data instruments was done to check the validity of the instruments of data collection. This was done by carrying out a few interviews and giving out a few questionnaires. Secondary data was also pre-tested. A randomization of selection of participants from each stratum was done in order to ensure that quality of data was not biased.

Data analysis and presentation techniques

Data was first inspected and edited by going through all the collected questionnaires to identify those that had been responded to wrongly. Spelling mistakes and even those that had blank spaces or those left unfilled and all those that were not used in analysis for this study were eliminated.

The questionnaires were well-structured and respondents only needed to mark the best option. The results were tabulated and analyzed using Excel, statistical methods and descriptive statistics such as frequencies and percentages.

Findings

Recruitment strategy and talent management

A number of the respondents agreed that recruitment strategy had a positive influence on talent management. Amongst the junior staff, 38% agreed that recruitment had a very high influence while 19% gave it a high influence. 24% of the respondents stated that recruitment has a moderate influence. Only 19% said there was no relationship between recruitment strategy and talent management. 17% of the managers gave recruitment a very high influence on talent management while 33% gave it a high influence. 50% stated that it has a moderate influence. No manager said it has no influence.

Commitment by top management to talent management

A majority of the respondents (65%) among junior staff agreed that commitment by top management to talent management is vital. Among the managers, 50% agreed that commitment by top management to talent management is important while 60% expressed their views on how the management can show its commitment. However it is interesting to note that all respondents agreed that this is a challenge to the organization

Training strategy and talent management

Most respondents agreed that training is an important ingredient to effective talent management. 48% of respondent gave training a very high score on training while 36% gave it a high score. This illustrates that there is a general consensus that training positively influences talent management. Unfortunately 12% of the respondents gave training a moderate score while paltry 5% stated that it had no role in talent management. Most respondents especially the junior staffs were of the view that they should be accorded more training opportunities while 76% stated that they have benefited from the trainings offered by the Organization.

Business planning and talent management

Respondents among junior staff gave involvement in business planning of the organization a 38% very high score while 13 respondents or 31% said it has a high degree of influence in talent management. This is close to 69% in total for a high score which significantly suggests that respondents confidently felt that being involved in business planning contributes to talent management. The managers gave it a combined high score of 67% as one respondent (17%) gave it a very high score and 3 or 50% gave it a high score. 33% of the managers gave it a moderate score while only 1 or 17% stated that it has no relationship to talent management.

Conclusions

1. The recruitment strategy of Corrugated iron sheets is very important for the organization to develop a high level of talent.
2. The commitment by the organization's management to talent is important in order to keep track of their talent requirements.
3. The management should ensure that they continually carry out talent audits in order to identify gaps in talent management.
4. Training strategy is important as Corrugated Iron Sheets whose bulks of employees are learning on the job or experience undergo trainings to give them more knowledge.
5. All employees should be involved in coming out with the organization's business plan as they get to have more confidence in the organization as they feel they are involved in the management at all levels.

Recommendations

1. The findings are consistent with the human resource concept that good recruitment strategies and policies should guide recruitment process. This will ensure that staff employed have the necessary qualifications and are ready to learn so that the organization can build a long term talent.
2. For the organization to succeed in building a talent pool, the top management must appreciate the benefits of having a talent pool and be committed to build it.
3. Training plays a critical role in building a talent pool and therefore effective talent management. Organizations must have a good strategic plan for both internal and external training facilitation.
4. The organization's business planning has been previously a preserve of the top management decision makers. Nowadays, employees want to be involved at all levels and therefore Corrugated Iron Sheets is no exception.

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