



**TALENT MANAGEMENT PRACTICES AND PRODUCTIVITY OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN KENYA: A CASE STUDY OF STIMA SACCO SOCIETY LIMITED**

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**ABSTRACT**

*The environment for most organizations today is, complex, dynamic, highly competitive, and extremely volatile, and is likely to remain so for years to come. Amongst to these conditions, most organizations are also facing several other challenges like: talent flow, managing of two generations of employees, viz., older or mature workers and younger workers and a shortage of needed competencies. 'People-driven' businesses are becoming predominant. The purpose of this study is to analyze talent management processes in savings and credit cooperative societies in Kenya in relation to organizational performance. This study used descriptive survey method to collect both qualitative and quantitative data that helped in analyzing talent management processes in the SACCO industry. The study population was Stima SACCO Society Limited as it is one of the SACCO serving members from a wider background. It targeted twenty staff of Stima SACCO, from top management, supervisory and subordinate levels. The study used purposive sample to select the top management, supervisory level staff and the subordinate staff. The study used primary data collected using structured and unstructured questionnaires. A pilot study was conducted to test the reliability of the questionnaire and the interview guides. The collected data was recorded in an electronic spreadsheet and analyzed using Statistical Package for Social Sciences (SPSS) so as to aid in presenting the findings using tables, pie charts and bar charts.*

*The study revealed that there is a relationship between the overall level of satisfaction, the SACCO's performance and various aspect of the work or organizational attributes such as motivation level, effectiveness of the recruitment process, the effectiveness of the evaluation policies, effectiveness of, have an association with ones level of job satisfaction and the overall performance. It is evident that today's war for talent is a direct result of the desire of companies' to identify the key factor which is essential to keep people loyal to the organization. Finally, analysis of the organizational situation discerns the state of talent management within a company. It defines who owns talent management, how it is supported by senior leadership, what systems will support individual initiatives, and the role of HR in executing the strategy.*

**Key Words:** *Attraction and Recruitment, Training and Development, Organization Productivity, Talent Management Practices, Stima SACCO*

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## INTRODUCTION

Talent management is a process that emerged in the 1990s and continues to be adopted, as more companies come to realize that their employees' talents and skills drive their business success. Companies that have put into practice talent management have done so to solve an employee retention problem. The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent.

A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the Human Resources (HR) department to attract and retain employees, but rather must be practiced at all levels of the organization. Talent management is today one of the "keys to the future" for many organizations. Its effects run through organizations, wider than just HR, to the core of the businesses. Done correctly, talent management can help address not only operational issues within organizations but also equality issues which increasingly arise today. (Lewis & Heckman, 2006).

In the past year or two, however, there have been numerous examples of organizations downsizing operations and reducing their workforces as a result of economic and financial conditions. Thus for many organizations there seems to be a talent surplus with unemployment increasing and too many qualified people chasing too few jobs. Regardless of economic and workforce conditions, organizations large and small, public and private, have come to the realization that in order to gain and sustain a competitive advantage they must manage their workforces effectively. To do so they must confront the reality of talent management and related challenges and develop Human Resources

Management (HRM) activities to meet those challenges. There is considerable evidence that organizations worldwide face formidable talent challenges. The ability to attract, develop, and retain a needed supply of critical talent is a challenge facing all organizations (Collings & Mellahi 2009).

Talent management's first responsibility is to attract and retain qualified employees. Without this primary function, no company can achieve its full potential. Recruiting workers can be a difficult task, especially in times of low unemployment. The further up the ladder the position is, the harder the position will be to fill. Recruitment and retention may depend on adequate or competitive compensation packages. These packages must be carefully scrutinized based on industry standards. Pay may be the most important of the compensation package but it is not the only part. Traditional benefits such as health insurance and vacation also play a role. However, newer benefits, such as flexible packages and telecommute options can also be very attractive for some positions. Talent management's job is to find out what compensation packages are needed and then see if those, or something similar, can be offered (Lewis & Heckman, 2006).

After employees have been recruited, the next thing talent management must do is integrate them in a way that is most advantageous to the company. This may involve creating non-traditional positions or creating positions that are shared among two or more individuals. This position sharing takes the focus away from individuals and personalities, but requires more communication between those sharing the position. Further, integration also means finding educational opportunities, whether as part of the normal work environment or through continuing education in a classroom. (Cappelli, 2008)

Talent management, therefore, means not only finding that talent, but educating it and molding it in

such a way as to be most beneficial to the company. While many companies may offer some sort of continuing education through formalized classes or occasional workshops, this is far short of true talent management, which involves a concerted effort of education through regularly scheduled sessions meant to achieve certain standards. The benefits of this education are often quantified in a number of ways, which may include knowledge assessments and practical work assessments.

Savings and Credit Co-operative Societies (SACCO) are member-owned, democratic businesses that support grassroots economic and social development through increased access to resources and profits for members. Low-income, vulnerable, disenfranchised, or conflict-affected communities often do not have access to the resources necessary to improve their own livelihoods. Co-operatives provide a mechanism for a group of individuals to pool their limited assets and improve their economic circumstances. In turn, local economies benefit from the ripple effect of these financial gains.

The Savings and Credit Co-operatives are formed with the aim of encouraging thrift among its members by affording them an opportunity for accumulating savings, thereby creating a source of funds for credit to the members at fair and reasonable interest rates. For a Savings and Credit Co-operatives (SACCO) to attract and retain members it must design savings and credit products that provide them the convenience and return they seek. This means that, the staff must be highly competent and innovative to competitively design these products considering the dynamic market environment, where there is stiff competition.

The purpose, for which low income earners save and borrow, is not the same purpose for which high income earners sacrifice returns in exchange for complete access to their funds whenever they need them. The high income earners and wealthier savers

prefer to sacrifice liquidity in exchange for higher returns on savings. Savings and credit products should be built by tailoring them to meet the demands of individual members considering the purpose for which they save-education fees, mortgages, health, domestic, household, retirement, investment etc.

For this to be sustained the Society needs to attract and retain a vibrant pool of talents who will be in a position to competently innovatively develop new products and services to meet the needs of different clientele in the Society, at the same time being able to stay abreast of the tuff competition from other financial institutions in the market.

### **Statement of the Problem**

Previously organizations concerns was to recruit and get the required personnel in the organization without much concern of if they will retain them, since there was a perception that the market is wide and full of qualified personnel. Today, companies have become fiercely competitive when it comes to attracting and retaining talent. A HR manager is expected to identify potential talent, comprehend, conceptualize and implement relevant strategies to contribute effectively to achieve organizational objectives. Hence a serious concern of every HR manager in order to survive this 'War for Talent', is to fight against a limited and diminishing pool of qualified available candidates to replace valuable employees when they leave, dramatically.

According to Stima SACCO employee satisfaction survey conducted in 2010, 75 per cent of the senior executives admit that employee retention is a major concern today, the obvious reason being the 'increasing rate of turnover'. This dynamically changing and volatile demand-supply equation with such erratic attrition trends and cut throat competition has led the Society to focus on mechanisms pertaining to attracting and retaining talent. It is an accepted truth that turnover will

happen and the Society need to devise a strategy to curb unprecedented turnover from affecting organizational success. HR professional in the industry believe matching the right blend of talent with the right job profile can lead to superior performance, and this is the key reason why talent management concept is becoming an important trend for any organization to think of seriously for it to attract, and not only to retain employees, but to retain employees who can increase the performance of an organization in this competitive business environment. This study intends to analyze talent management practices in SACCO Societies in Kenya.

### **Research Objectives**

The overall objective of the study was to analyze talent management practices in SACCO Societies in Kenya. The specific objectives of the study were:

- To establish the effect of attraction and recruitment on productivity of SACCO Societies in Kenya.
- To assess the effect of training and development on productivity of SACCO Societies in Kenya.

### **LITERATURE REVIEW**

This chapter reviews relevant literature of the study.

#### **Theoretical Review**

##### **Talent Management Evolution Theory**

Labor, Personnel, Employees, Human Resources, Human Capital, Associates, Workforce- these are all terms that have been used to designate the people that work at companies. Today, more and more people are replacing these monikers with “talent.” This reflects the changes we have seen in the marketplace. People are more educated than ever before, there are more specialty/niche job positions than ever before, and the marketplace is more competitive than ever before. Add to that the fact that the labour market is about to undergo the

much discussed labor shortage as the baby boomers exit the workplace and it is easy to understand why HR professionals have replaced traditional descriptors with “talent.” The focus now is not on hiring for the open position but on hiring the right person for the position. Organizations are comprised of people and in order to win in the marketplace, the organizations need the best people available and the best talent”. (Fredric and Craig 2004)

“Ultimately, people are hired, or “talent”, not out of altruism but out of a need to drive organizational performance. This is the key to Talent Management. Therefore Talent Management can be defined as the activities associated with attracting, hiring, training, developing, and managing an organization’s people for the purposes of maximizing organizational productivity. It isn’t enough just to hire great people or to develop great people. With great people and lousy results, the outcome is a lousy organization. Results are king. Obtaining desired results rests on aligning and integrating the key components of talent management. (Fredric and Craig 2004)

According to Lewis and Heckman (2006), talent management has become one of the most important buzzwords in the field of Corporate HR field. To understand why talent management has become so important, we must first look at the evolution of corporate HR.

##### **Cognitive evaluation Theory**

The theory says that the introduction of extrinsic rewards and punishment may hurt the intrinsic motivation, and therefore, the overall level of motivation. Earlier, it was believed that intrinsic motivation was totally independent of extrinsic motivation. However, with further studies and researches, it was concluded that these two are connected with each other. Finally, psychologists and organizational behaviorists reached on the conclusion that with the use of extrinsic motivation,

the intrinsic motivation – which could be already present – eventually decreases (Waterman, Peters & Phillip, 1990).

The CET is validated by various studies and researches. Kruglanski, Alon and Lewis (2014) did a test on the cognitive evaluation theory and the effects of intrinsic motivation. Their subjects were some children, who were offered and given tangible rewards for playing games.

The end result showed that the level of intrinsic motivation decreased when the external rewards were put on offer – hence, validating the concept of the cognitive evaluation theory. There can be a lot of explanations for this theory – based on the specific situations and cases. However, psychologists believe that the cognitive evaluation theory holds true mainly because of the following two reasons: When the extrinsic rewards are offered, the individual himself loses a lot of control on the task. This loss of control results in lower intrinsic motivation. Secondly, the presence of extrinsic rewards changes the perception of the individual. The very reason, why he was performing the task in the first place, changes. This results in a shift from intrinsic motivation to extrinsic motivation. When the focus of the individual changes, so does his motivation (Velcu, 2007).

For managers, the CET suggests never to use extrinsic rewards and punishment, where intrinsic motivation is already available. But CET does encourage the use of verbal extrinsic rewards, such as, appreciation, recognition and praise. Moreover, it also teaches the managers to keep the salary independent from the performance. Otherwise, the intrinsic motivation – if there is any – will become dependent on the extrinsic rewards (salary). In other words, money, in terms of commission, might make your employees more productive and focused, but in strict motivational sense, it will seriously reduce their intrinsic motivation (Wu & Wang, 2006).

For employees, CET suggests to pick up a job that you really love and care about. This falls more into the lines of choosing a career and career development. When you will be intrinsically motivated for your job, the extrinsic rewards won't matter much. You will be able to perform significantly better than the rest of your colleagues. Moreover, with the inclusion of verbal extrinsic rewards, your performance and motivation level will keep increasing progressively (Vasconcelos, 2011).

### **Teamwork Theory**

One of the most influential models of teamwork theory was developed in 1965 by Bruce Tuckman. His original model identified four stages that all groups pass through as they move from "newly formed" to "high-performance" teams. In 1977, he revised the model to include a fifth stage. Those stages are Forming, Storming, Norming, Performing, and Adjourning (Bruce, 1965).

During the Forming stage, members of the project team meet each other and learn about the tasks they will need to perform. Team members will try to see how they fit in with each other and understand what is expected of them. During this stage, it is critical for the project manager to provide structure and direction for the team. Clearly defining the project's objectives and making sure each team member understands their role and responsibilities will help you lead the team through this stage successfully. The Storming stage is characterized by interpersonal issues such as conflict and polarization. During this stage it is common for team members to challenge each other, including the project manager! Team members will also question what they are doing and how it is being done (Pinar & Girard, 2008).

As the project manager, this will likely be the most challenging time leading your project.

Understanding that this type of conflict is normal for any team will help you pass through this stage successfully. During this stage, some of the skills that will help you build your team are conflict management, active listening, and relationship building. It is also important for you to be assertive, confident, and positive during this stage, especially if some of the team members are challenging your leadership.

Lebans and Euske (2006) state that as conflicts become less intense and the team members begin to understand and accept each other, the team will gradually move into the Norming stage. It is during this stage that your team starts to come together and is able to focus more effectively on the project tasks and objectives. During this stage, you will want to focus on keeping everyone moving in the right direction. Communication and constructive feedback will help you do this. You can continue your team building efforts by arranging social events with the team and making sure to give positive recognition to team members.

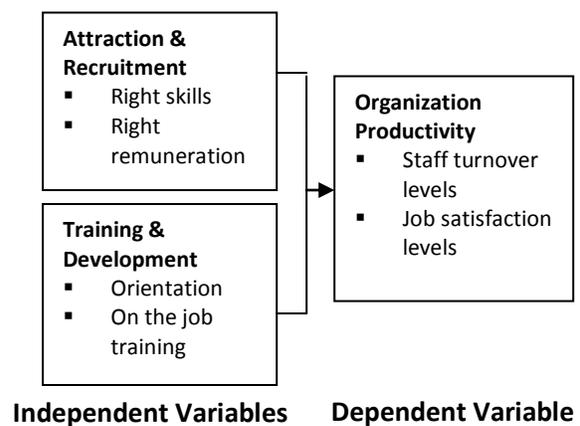
In the Performing stage, team members are comfortable with each other and group norms have been accepted. Interpersonal and structural issues have been settled and support task performance. Team synergy is high during this stage which results in high performance.

Now that the team is performing at a high level, you will be able to focus more of your energy on leadership activities and less on supervisory activities. This level of synergy amplifies the overall effectiveness of your project. As the project comes to an end, the team moves into the Adjourning stage. At this point, the team has become very close and many of the team members will feel a sense of loss. For this reason, this stage is also known as the Mourning stage (Kates & Glbraith, 2007).

As the project manager, it is important that you arrange for a celebration to recognize the team's accomplishments. This will close the project on a

positive note. Plus, you never know when you will work with some of these same people on a future project you are leading. They'll remember the recognition and appreciation you showed them on this project. Do you want to learn how to get your team to the Performing Stage quicker? Check out The Tuckman model is one of the most influential models of teamwork theory.

### 2.3 Conceptual Framework



**Figure 1: Conceptual Framework**

**Attraction and Recruitment:** this includes: identification and attraction, hiring and inculcation of the key players, their roles and responsibilities to each stage.

The approach of ensuring that an organization get and keeps the talents it needs requires that attraction and retention policies and programmes be in place. According to Armstrong (2006), attraction policies lead to programmes for external sourcing that is recruitment and selection of people from outside the organization. Retention policies on the other hand are designed to ensure that people remain as committed members of the organization. The outcome of these polices is a talent flow that creates and maintains the talent pool. Both attraction and retention policies and

programmes make an organization 'a great place to work'.

According to Lewis and Heckman (2006), the turnover of key employees can have a disproportionate impact on the business and the people organizations wish to retain are probably the ones most likely to leave. Concerted action is required to retain talented people to achieve its goals and productivity. It is also necessary to encourage the greatest contribution from existing talent and to value them accordingly.

Retention strategy should be based on an understanding of the factors that affect them. For early employees, 30 years and below, career advancement is significant. For mid-career employees-age 31-50, the ability to manage their careers and satisfaction from their work are important. Later career employees-over 50 years, will be interested in security. It is also the case that a younger workforce will change jobs and employers more often than older workforce, and workforces with a lot of part-timers are less stable than those with predominantly full-time staff. (Armstrong 2006).

**Training and Development:** this involves identification of the critical skills needed to play the key roles in the talent management life cycle effectively. Armstrong (2006), talent development involves identification of those with potential and provides the basis for career planning and development, ensuring that people have the sequence of experience supplemented by coaching and learning programmes that will fit them to carry out more demanding roles in the future.

Talent development should be linked to other learning and development initiatives. Appropriate learning and development interventions are required at relevant stages in a career path for talented individuals to achieve their maximum potential. Developing talent needs informal as well as formal learning interventions. These interventions will include conventional

development activities but there is also the opportunity to use creative alternatives such as talent coaching and mobility. (Cappelli 2008)

According to Armstrong (2006), learning and development policies and programmes are essential components in the process of developing talent that is ensuring that people acquire and enhance the skills and competencies they need. Policies should be formulated by reference to 'employee success profiles', which are described in terms of competencies and define the qualities that need to be developed. Employee success profiles can be incorporated in role profiles. Learning and development activities are also important means of developing managers and gaining the engagement and commitment of talented staff by giving them opportunities to grow in their present roles and to progress to higher level roles.

### **Empirical Review**

There is considerable evidence that organizations worldwide face formidable talent challenges. The ability to attract, develop, and retain a needed supply of critical talent is a challenge facing all organizations (e.g., Coy & Ewing, 2007). In a 2004 Deloitte Research Study, Athey (2004. p1) noted that despite millions of unemployed workers, there is an acute shortage of talent: science educators to teach the next generation of chemists, health care professionals of all stripes, design engineers with deep technical and interpersonal skills, and seasoned marketers who understand the Chinese marketplace. Resumes abound, yet companies still feverishly search for the people who make the difference between 10 percent and 20 percent annual growth, or between profit and loss. Critical talent is scarce.....

Similar trends and HR challenges are reported in survey based studies conducted by other consulting and professional research groups such as the Boston Consulting Group, World Federation of People Management Associations, Manpower Inc,

Economist Intelligence Unit, and The Chartered Institute of Personnel and Development. The academic literature (e.g., Collings & Mellahi, 2009; Cappelli, 2008a, 2000b; Boudreau & Ramstad, 2007, 2005; Lewis, & Heckman, 2006) also suggests that organizations face greater competition for talent worldwide and face challenging times in attracting, retaining, and developing people they need. So even though there is currently a global economic slowdown, there are major structural conditions in place to ensure that competition for talent worldwide will continue to be a significant challenge. More specifically, organizations are and will continue to be searching for individuals who can effectively manage through the complex, challenging, changing, and often ambiguous global environment. In other words, most companies worldwide, regardless of size, are confronting and/or will soon confront many talent management challenges, if left unmet, will impact their global business strategies, both in the near term and longer term.

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter deals with the description of the methods that was applied in carrying out the research study. It is organized under the following sections: research design, population size, sampling frame, sampling technique, research instruments, data collection procedures and data analysis. This study used descriptive survey method. The study considered this design appropriate since it facilitated towards gathering of reliable and accurate data that clearly describes the analysis of talent management processes in the SACCO societies industry. The target population for this study was SACCO societies in Kenya. According to SASRA (2010) there are currently 220 registered deposit taking SACCO societies in Kenya, Stima SACCO being one of them.

Stima SACCO was registered in the year 1974 to facilitate savings and provide credit to employees of

the then East Africa Power and Lighting Company, now Kenya Power & Lightning Company (KPLC) Limited. The SACCO served the employees of KPLC, its affiliates companies and the wider ministry of energy. This makes it appropriate study population to gather reliable and accurate information that reflect the analysis of talent management processes in the SACCO industry. The study population included 8 top managers since they were in charge of spearheading and policy making and overseeing implementation of talent management. The researcher used probability sampling method. The stratified sampling was used in preparing the sampling frames, then divided the population into three homogenous stratas or sub groups, consisting top managers, supervisory and subordinates. These were 31 respondents representing 53% of the populations. The study collected primary data which was gathered using structured and unstructured questionnaires. In this study, reliability of the questionnaires was seen through the results of pilot tests which was done using test-retest technique. The researcher administered the questionnaires twice on the same respondents in the same category who would not be included in the sample within a time lapse of one week. The results enabled the researcher to correct any inconsistencies arising from the instrument, thus improving its reliability hence the results (Mugenda and Mugenda 2003). For data analysis the Statistical Package for Social Sciences (SPSS) computer software was used specifically for the purpose of analyzing the quantitative data and presenting it inform of table, figures and graphs, in order to give pictorial presentation of talent management practices in SACCO societies in Kenya.

### **RESEARCH FINDINGS AND DISCUSSION**

This chapter discusses the result of the semi-structured questionnaire responded by 28 participants in relation to the research objectives. 31 questionnaires were distributed. 28

questionnaires were returned which is a 90.33% response rate. According to Mugenda and Mugenda (2003) a response rate of over 70% is very good for descriptive study. Demographically, 14.29% were of the age bracket of 18 -30 years, 53.58% were of the age bracket 31-40, 28.58 were of the age bracket 41-50. The majority of respondents were from these two age gaps because the main focus was supervisory and top management whom are expected to have gained some level of experience both in the work filed and age wise. 3.58% were of the age of 51 years and above. Based on education levels 3.58% of the respondent had secondary level of education, 53.58% of the respondent had college level of education while 46.53% of the respondents had university level of education. Employees bring to an organization their prior education, experience, knowledge and skills that add a lot of value to the organizations. Davenport and Oryusak (2000). Based on working experience, 10.72% of the respondents had work experience of less than two years. 2.58% of the respondents had work experience of 3-5 years, 14.29% recent of the respondent had working experience of between 6 and 7 years and 46.43% had working experience of 8 years and beyond. This shows that the majority of the workforce had a lot of experience. Employees bring to an organization their prior education, experience, knowledge and skills that add a lot of value to the organizations. Davenport and Oryusak (2000). This indicates that the study population gave information that had value.

### **Study Variables**

#### **Presence of Talent Management Practices**

From the analysis of the data 93 % of the respondents were aware of the talent management practices at Stima SACCO while only 7% were not aware. This indicates that talent management is key in cooperative societies. The survey concurs with the Kuscco (2009) where Sacco's are challenged to

embrace talent management practices. The respondents, who did not know the existence of talent management practices, felt that Stima's productivity would increase if the Society embraced talent management practices.

#### **Talent management Effectiveness**

In this regard 61.6% of the respondent agreed that the talent management practices are effective while 38.4% didn't believe the practices could be effective. This indicates that the presence of talent management practices is well known and appreciated by a majority of the employees of the Sacco and therefore there is relevance of the study.

#### **Talent management and attraction and recruitment process**

Majority 68% indicated that recruitment process is influence by talent management process and only 32% were of the feeling that talent management does not influence attraction and recruitment processes. This concurs with Armstrong (2006) that for an organization to attract best candidates, talent management strategies must be clearly put in place.

#### **Talent Management and Training and Development**

A vast majority 89% indicated that talent management influences employees training and development. A minimum minority of 11% felt that talent management practices do not influence training and development. This is because the according to Cappelli (2008) learning and development only focuses heavily on those employees whose talents have been identified. This concurs with Armstrong that learning and development policies and programmes are essential components in the process of developing talents that is ensuring that people acquire and enhance skills and competencies.

## **Talent Management Practices and Employee Performance**

### **Involvement in Talent Management**

A majority of 89% indicated that they were involved in talent management processes, while 11% were not involved. Those involved were asked to write how they are involved and majority was of the opinion of being involved in learning and development and succession planning. This agrees with Armstrong (2009) that for talent management to be effective involved of all employees from top management should be encouraged.

### **Employees job satisfaction levels**

The respondents were asked to rate the performance of their SACCO. 7.15% thought the performance was excellent, 71.43% thought it was good while the remaining 21.43 % thought the performance to be average. This confirms what Armstrong (2006) argues that talent management practices offer a wide range of features that enable the development of programs that promote greater employee satisfaction.

### **Individual employee's satisfaction levels in relation to talent management practices**

50% of the respondent rated their level of satisfaction as being moderate, 40% of the respondents perceived their level of satisfaction to be high, 6.7% of the respondents thought their level of satisfaction to be very high while 3.3% of the respondent thought their level of satisfaction to be low. This confirms what Armstrong (2006) argues that talent management practices offered a wide range of features that enabled the development of programs that promote greater employee satisfaction.

### **Effect of Talent Management on Employee motivation**

The respondents were asked to rate how motivated they felt after the talent management processes. Majority of the respondents representing 40%

thought that they were moderately motivated, 33% rated their motivations level as high, 20% of the respondent indicated that they were very highly motivated while the remaining 6.7% of the respondents thought that talent management was not doing enough to motivate them since they indicated that their motivations were low.

### **Talent management and employee Retention**

Majority of the respondents representing 53.58% thought that the employees retention levels are high, 35% rated the retention levels at moderate, 10.72% of the respondent indicated that the levels are either low or very high. This is in line with Purcell et al (2003) whose research showed that when an organization embraces talent management it becomes successful and is able to meet people needs thus retaining them.

### **Effectiveness of Talent Management Evaluation practices**

The researcher sought to find out how the SACCO talent management practices are perceived and their effectiveness.

### **Employees involvement in Talent Management Evaluation practices**

74.2% of the respondents indicated that they were involved in the talent management evaluation process while 25.8% responded that they were not involved in the evaluation process. This concurs with Armstrong (2006) who said that unless the performance management be all inclusive, the employees will always feel that they are left out.

### **Talent Management Evaluation practices on individual employee performance**

Majority of the respondents representing 75.9 % did agree that the evaluation process had some effects on their individual productivity in the SACCO with only 24.1% of the respondents were of the opinion that the evaluation process had no effect on their

productivity. This agrees with Lewis and Heckman (2006) that when an employee is aware of the direction of his work and gets feed back of the performance, he is motivated more to achieve higher goals.

#### **HR Department influence in Talent Management Evaluation Process**

68% felt that HR department is not doing enough to influence talent management practices, while 32% felt that the HR department is doing well in the talent management evaluation process.

#### **Talent Management Evaluation practices on Society performance**

58.6% of the respondent agreed that the evaluation process did indeed affect the SACCO's performance, while 41.4% of the respondents thought that the evaluation process had no effect on the SACCO's performance. This is in agreement with Cappelli (2008) and Armstrong (2006), that when an organization embraces talent management practices, the productivity will go up.

#### **Relationship between talent management practices and employee performance**

The researcher sought to find out if there was any relationship between talent management practices with the level of satisfaction and the organization productivity. Chi-square test of independence was used in the analysis. The results were as follows:

#### **Stima SACCO performance and employee satisfaction**

From the findings, it was concluded that there is an association between the overall performance of the SACCO and employee satisfaction.

#### **Effects of talent management on overall employee satisfaction**

From the results the level of satisfaction was associated with the effectiveness of talent management practices.

#### **Levels of motivation and employee satisfaction**

From the findings it was concluded that the test confirms that there is an association between the level of motivation and the overall level of satisfaction.

#### **Results of Study Findings**

##### **Relationship between Recruitment process and SACCO performance**

The data also showed that 83% of the respondent agreed to the SACCO recruitment process was transparent and effective, while 16.7% of the respondents thought otherwise. We therefore conclude that there is an association between the SACCO performance and the effectiveness of the recruitment process

##### **Relationship between talent management and employee attraction and retention**

It was concluded that there is an association of talent management practices with attracting and retention of employees.

##### **Relationship between Effectiveness of Talent Management practices and the overall SACCO productivity**

The researcher did some test on the variable overall performance of the SACCO and the effectiveness of talent management practices. From the findings, it was concluded that there is an association between the effectiveness of talent management practices and the SACCO's performance.

#### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter gives a summary of the study; it highlights the findings in line with the study objectives, presents the conclusions drawn from the findings and the recommendations made.

### **Summary of the findings**

The researcher found that there is a relationship between the overall level of satisfaction, the SACCO's performance and various aspects of the work or organizational attributes such as motivation level, effectiveness of the recruitment process, the effectiveness of the evaluation policies, effectiveness of, have an association with one's level of job satisfaction and the overall performance.

### **Talent Management**

The study established that attraction and recruitment and training and development are the key areas of talent management. This study confirms the framework of talent management by Collings & Mellahi (2009) as the ability to attract, retain, compensate, develop and succeed critical talents in an organization.

There is a conclusive evidence to show that there is an association between the effectiveness of the talent management practices and the employee satisfaction. It means that, talent management played an important role in the SACCO. Now the area of concern for the talent managers was therefore making their processes and practices effective and known to the employees.

### **Employee performance**

The study established that talent management practices influenced employee performance in SACCO societies in Kenya. A strong and a positive relationship between talent management and employee performance was found which was statistically significant. Frank & Taylor (2004) argue that tighter integration of HR strategies and talent management will highly influence the performance of the individual employee to a greater length.

### **Talent Management Evaluation**

The study established that unless there is effective evaluation through performance management, a SACCO Society might not be able to get a return on

investment from the talent management practices. This is as emphasized by Armstrong (2009) that for a talent management to be effective, the strategic goal of the organisation must be very clear, followed by departmental or functions strategic goals which are then narrowed down to individual employee targets. Lewis and Heckman (2006) emphasised that when managing people in a consistent and measurable way, everyone is aligned, held accountable and the management are able to identify high performers and successors to the key and critical positions throughout the organization.

### **Organisational productivity**

The study established that talent management influenced organisational productivity. A strong and positive relationship between talent management and organisational performance was found which is statistically significant. Fredrick and Craig (2004) back up this that it is not enough to just hire people or develop great people. With great people and lousy results, the outcome is lousy organisation. They emphasise that results are king and obtaining desired results rests on aligning and integrating the key components of talent management in all the operations of an organisation.

### **Conclusion**

From this research, it is evident that today's war for talent is a direct result of the desire of companies' to identify the key factor which is essential to keep people loyal to the organization.

Therefore one of the leading challenges in HR management has been implementing effective human capital strategies to enhance performance and accountability. As a result, emphasis on performance and results-oriented service delivery has resulted to dramatic changes in employee perception on various aspects of the job. Thus for every reason to like a job, there may be an equal

reason not to like it in fact there may be more than one reason not to like it .

There is also a direct correlation between successful retention and tools of motivation used by the employer. It is not that companies do not recognize the need to allure employees to motivate them for better performance but what companies often fail to identify is- “Are you giving them what they want (status, value, self-esteem, pride, job satisfaction, challenge and mentoring)?” So what does all of this information tell us? After looking at these findings, we find that HR professionals have already put a lot in place in regard to talent management, but the impact of these talent management processes and practices are yet to materialize to solve the dynamics of the ever changing talent pool. While most organizations do have the necessary processes in place, they are still struggling with implementation of the ‘good processes’. The overarching conclusion we can draw from these results is that effective talent management requires taking a broad view of your organization’s talent requirements through strategic HR planning. It also demands that many different systems need to work together in an integrated fashion to realize the biggest return on your investment. Only through the combination of abroad view and proper system alignment can talent management be sustained for the long term. Organizations want to ensure their supply of leaders meets demand, so identifying and addressing future gaps has to be part of the plan today.

Finally, analysis of the organizational situation discerns the state of talent management within a company. It defines who owns talent management, how it is supported by senior leadership, what systems will support individual initiatives, and the role of HR in executing the strategy.

### **Recommendations**

At the end of the day, creating and delivering a great employee value proposition is clearly the best way to retain good people. Research shows that companies which have recognized the need to give priority to its people management-driven strategies are the winners. In the midst of this ‘war for talent’, most importantly, it is only when an organization is successfully able to convey the message that it cares for employees that retention becomes a strategic advantage. After all, business is a competitive endeavor and the employee lasts only as long as he is satisfied. Nobody owes anybody else a living.

### **Suggestion for Further Research**

This work may serve as a base for further studies on talent management practices. Due to the homogenous nature of governance and structures of Sacco societies, this study concentrated on one of the leading Sacco’s in Kenya. The study also limited itself to talent management practices on organization productivity and its outcome. More variables could be incorporated in the model to get a deep understanding of the whole processes especially the implementation aspect.

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