Influence of Talent Development on Knowledge Retention in Government Ministries in Kenya

Loise Wachuka Mungai1, Wario Guyo2, Willy Muturi3, Assumpta Kagiri4
1PhD Student, JKUAT, College of Human Resource Development, Department of Entrepreneurship, Technology, Leadership and Management, Nairobi, Kenya.
2Senior Lecturer, JKUAT, College of Human Resource Development, Department of Entrepreneurship, Technology, Leadership and Management, Nairobi, Kenya.
3Professor, JKUAT, College of Human Resource Development, Department of Economics, Accounts and Finance, Nairobi, Kenya.
4Lecturer, JKUAT, College of Human Resource Development, Department of Entrepreneurship, Technology, Leadership and Management, Nairobi, Kenya.

Abstract:- The two objectives of this study were to assess the influence of talent development on knowledge retention in government ministries in Kenya and to establish if top management commitment moderates the influence of talent development on knowledge retention. A survey was conducted with employees of 7 randomly sampled government ministries as the respondents. The sample size was 385 respondents selected using a statistical formula for determining sample size from populations with over ten thousand subjects. Pearson Correlation and linear regression models were used in determining the influence of the independent variable on the dependent variable.

The study found that government ministries have put in place various talent development measures. Findings of the study confirmed that talent development significantly influences knowledge retention in government ministries in Kenya. Top management commitment was found to significantly moderate the influence of talent development on knowledge retention. The study recommends that government ministries in Kenya improve talent development and other talent management practices in order to improve on knowledge retention and remain competitive. It also recommends that top management remain committed to talent development and communicate this commitment internally and externally in order to attract and retain the appropriate talent.

Key Words: influence, talent development, management, commitment, moderate, knowledge retention

I. INTRODUCTION

The general objective of this study was to assess the influence of talent management practices on knowledge retention in government ministries in Kenya. The specific objectives were to assess the influence of talent development on knowledge retention in government ministries in Kenya and to establish if top management commitment has significant moderating effect on the influence of talent development on knowledge retention.

Knowledge is recognized as a resource that is at a par with other economic resources hence it should be managed systematically, just like other economic resources (Okemwa, 2009). Talent development is considered one of the practices in knowledge management. Garavan and Carberry, (2012) define talent development as the process of identification of employees to develop and design of the competencies to develop. Kehinde (2012) posits that common themes around talent management are emerging but chief executive officer (CEO) involvement is among the main recurring themes. Therefore, to be effective, the talent mindset must be embedded throughout the organization starting with the CEO. Lack of ownership of a business problem or improvement opportunity by top managers contributes to failure in knowledge transfer (Razak et al, 2013). Human resource leaders will have to work closely with senior management to attract, hire, develop, and retain talent (Oladapo, 2014 as quoted by Kibui 2015).

Macon and Artley (2009) posit that the success of any organization will depend on its ability to embrace an environment with methods to develop, motivate, and retain current workforce as well as attract, encourage, develop, and retain the new generation of workers. Recruiting, developing and retaining high performing talent constitute major challenges and are recognized priorities in organizations (White, 2009). Kenani(2011) states that there is need for increasing scientific knowledge and skills of employees in Kenya to achieve strategic business objectives. Ng’ethe (2012) posits that training and research impart stocks of knowledge in staff. The Australian Government (2010) reported that core to addressing the rapid loss of skilled personnel from the public sector would be the accelerated development of both leadership and the broader employee base. According to Kibui (2015) those already in employment tend to remain with the institution if there is a sense of achievement through personal development realized by providing growth opportunities.

Kenya's public service is faced with a major challenge as more than half of the workforce will be retiring in the next few years with a significant effect on the public pension bill and skills base (PSC, 2017). Business Management Reviewes
II. LITERATURE REVIEW

2.1 Theoretical Framework

This study was based on human capital theory developed by Gary Becker and others who laid the foundations for human capital research in 1964. The theory suggests that individuals and the society derive economic benefits from investments in people. This theory is related to both talent development and knowledge retention which are variables in the current study. Kehinde (2012) stated that more value has been accorded men working in a business organization as they are regarded as human capital or talent working within the firm as opposed to the past perception of human resources as factors of production. Thomas et al (2013) define human capital as the people, their performance and potential in organizations implying that employees can develop their skills and abilities over time.

The current world of work puts the importance of human capital at the center of the organizational environment (Okemwa, 2009). Human Capital Theory posits that the knowledge and skills a worker possess generate a stock of productive capital thus advocates for talent development for employees to acquire knowledge and skills. The theory views people as an asset capable of adding value to their organizations and in some cases ensuring their survival in a competitive environment (Sutherland, 2005).

Armstrong (2012) refers to human capital as the human factor in organizations, the combined intelligence, skills and expertise that gives the organization its distinctive character. Intellectual capital, also known as human capital is considered the value of skills, thinking, knowledge, creativity, and experiences of the workforce (Cummings-White & Diala,2013). It is the knowledge, skills and abilities of individuals that create value hence the focus has to be on means of attracting, retaining, developing and maintaining the human capital they represent (Sutherland, 2004). Talent management activities are considered important as a means of attracting, identifying, developing and retaining the human capital necessary to meet the strategic needs of the firm (Kabwe, 2011). Human capital approach to talent management favors developing employees from within and internal recruitment as the organization will have invested in developing the employee, allowing them to reach their full potential (Thomas et al 2013). According to Pena (2013) if no measures are taken to transfer business processes, institutional policies and practices, and historical knowledge to other members in an organization, there may severe business continuity and knowledge issues as younger employees leave the organization.

As opined by Cummings-White and Diala (2013), attracting and retaining intellectual capital or a cadre of highly skilled employees is essential and organizations must move from the notion of human resources to that of human capital. An organization’s most significant resource is intellectual capital and knowledge. Thomas et al. (2013) define human capital as the people, their performance and potential in organizations implying that employees can develop their skills and abilities over time. The Chartered Institute of Personnel Development (CIPD, 2017) states that organizations have to leverage the skills and capabilities of employees by encouraging individual and organizational learning by providing supportive environment where knowledge can be created, shared and applied. There is evidence of studies related to talent development and others to knowledge retention both in Kenya and elsewhere in the world. Okemwa (2009) conducted a study on the role of knowledge management in enhancing government service delivery in Kenya. Kibui (2015) has examined the effect of talent management on employee retention in state corporations. Lucas (2009) conducted a study on talent management strategies to create higher performing workforce. Dube and Ngulube (2013) carried out a study on pathways for retaining human capital in academic department of South Africa. Cummings-White and Diala (2013) carried out a study on managing human capital in North Texas Municipality. None of these studies is on the influence of talent development on knowledge retention. Most of the cited studies are based in state corporations and the private sector and not government ministries. There also appears to be concentration of research related to talent management and knowledge retention in developed economies as opposed to developing economies like Kenya. Consequently, the current study sought to fill the existing research gaps by assessing the influence of talent development on knowledge retention in government ministries in Kenya through empirical evidence. Unless organizational plans win the support and involvement of top management, they are unlikely to succeed hence the need to assess the influence of top management commitment on the influence of talent development on knowledge retention in this study.
2.2 Empirical Review

The study has reviewed various studies on talent development. Astudy by Göthensten and Parson (2014) revealed there is need for relevant training since there is mismatch between the skills and knowledge of young graduates and the needs of the Chinese industry which needs well-trained workers for their product-oriented economy and not academic scholars. According to Harrison (2013), organizations are under mounting pressure to develop highly adaptable employees, able to embrace evolving business conditions, new business opportunities, and shifting strategies in the face of inevitable and continuous change. Tymon et al (2010) posit that updating knowledge through providing employees with training and development on newly installed technologies reflects employee job satisfaction and intention not to switch to other organization implying knowledge retention. Talent development is also advocated for by the principle of continuous improvement in total quality management practiced by modern organizations.

A study by Kibui and Kanyiri (2014) found out that Generation Y makes up a huge segment of the talent pool, hence the need to retain and develop them for they are the necessary pipeline for the future. There should be emphasis on coaching and mentorship as a CIPD (2010) study on learning and talent development revealed that in house development programs ranked among the top effective learning and development practices. Organizations should therefore ensure that they create opportunities for employees to learn new things in their work environment and from growth in their careers through deliberate talent development efforts.

III. METHODOLOGY

This study adopted a descriptive research design which is concerned with describing the characteristics of a particular individual, group or situation from the perspective of the respondents (Kothari, 2012) hence it is accurate as it depicts the reality on the ground. Singh (2009) states that descriptive survey is designed to obtain pertinent and precise information concerning the under study and to draw valid conclusions. This design has been used by many scholars (Okemwa, 2009; Kagwiria 2014; Ngethe et al, 2012; Kibui, 2015) who have researched on topics related to the hence it was deemed appropriate for this study. A sample of 385 respondents were chosen using a formula recommended by Kothari (2012) for sampling from populations with over ten thousand subjects.

The study collected primary and secondary data both qualitatively and quantitatively by use of questionnaire. The first part of the questionnaire collected personal information of the respondents including, age, gender, level of education and years of service. A five point Likert response scale ranging from strongly agree to strongly disagree was also used to gather information. Descriptive statistics tools such as mean and standard deviation were used to analyze data collected on the variables of the study. Pearson Products Moment Correlation (PPMC) analysis was calculated to find out the extent and direction of the relationship between the variables of the study. Inferential statistical analysis was undertaken and the study hypotheses tested. The questionnaire was pilot tested in one government ministry which was not included in the main study. The pilot test led to revision of the questionnaire to ensure that all items were simple, clear and unambiguous to the respondents. All these data analyses were done by the use of the SPSS version 21.

IV. DATA ANALYSIS

4.1 Response Rate and Respondent Demographics Results

The sample consisted of 385 questionnaires out of which 55 were administered in each of the 7 government ministries in Kenya included in this study. Out of the administered questionnaires, 276 were filled and returned to the researcher. This represented 72% response rate. According to Mugenda and Mugenda (2012), a 50% response rate is considered adequate, 60% good, while 70% and above rate is considered very good hence the response rate was considered very good and acceptable for this research.

Out of the 276 the returned questionnaire, 53% were from female employees and 47% from males contradicting the notion that male gender is predominant in employment in the public sector in Kenya by Waigano (2015) and the findings of Kibui (2015) where 57% of the respondents were male and 43% were female. It also disagreed with the findings of the study carried out by Maganga and Wario (2017) at national government ministries in Kenya whose results indicated 79% were males with only 21% as females. According to the findings of this study, employees aged below 30 years make up 11% of the respondents, 31-40 years 29%, 41-50 years 32% and 51-60 years 28%. None indicated to be older than 50 years. The composition of the respondents in this study indicates existence of a dynamic multi-generational workforce where workers have diverse age and range of skills beneficial to government ministries in Kenya. With 60% of the employees falling between 41-60 years, this implied that majority of the employees in the national government ministries were in middle age and ageing categories. This is inconsistent with the findings of Munyiva (2015) in a study on the effect of talent management practices on employee retention where only 16% of the respondents were in this bracket. The researcher attributed this to departure of older employees from service due to natural attrition or resignation to join private practice or other engagements.

Lack of respondents who were above 60 years old was an indication that government ministries do not retain employees past mandatory retirement age. This was inconsistent with the findings of a study by Gerber (2014) who found out that organizations retain older workers with more knowledge past retirement to allow them time to train their younger counterparts. The findings also contradicted those of Klassen and Higo(2015) who posited that retaining retirees
reduces costs of loss of knowledge, potential leaders, experience and relationships among others.

The low percentage of employees aged below 30 years in this study was an indication that very few millennials have been attracted to government ministries in Kenya in recent years. The findings were consistent with the findings of Devine & Powell (2008) who established that there is a dwindling supply of young workers and more seriously so for public sector organizations. They also confirmed the findings of Kibui and Kanyiri (2014) that human resource managers in the public sector in Kenya have a challenge in attracting and retaining young educated workforce.

As per study findings, only 6% of the respondents had worked in their ministry for less than one year. Those who had worked for 1-5 years make up 32%, an indication that many employees were relatively new in their ministries and may lack the wealth of knowledge and understanding of their ministry that comes with long service. However, those with experience of 6-10 years make up 29% implying that they had served in the ministries long enough to be conversant with the talent attraction and knowledge retention practices employed in their ministries.

Low percentage of those with 11-20 years of experience who make up 17% of employees in government ministries could be an indication of high labor turnover possibly due to natural attrition or resignations or lack of willingness to remain in the ministry for long which concurs with the findings of Muniyva (2015). Those who have worked in the ministry for over 21 years make up 16% and are mainly in the 41-60 age bracket giving the impression that older employees are more loyal and attracted to government ministries than younger ones. This could also be attributed to the fact older people have fewer new job openings as employers prefer more energetic younger employees with fresh ideas. It could also indicate that older employees fear losing the benefits accrued over the years hence opt to remain till retirement which concurs with the views of Kibui (2015). There were three job group clusters of respondents to whom the questionnaire was administered. The Senior Managers job group had a representation of 13% of the total number of questionnaires that were filled and returned, Middle Level Managers were 66% while Support Staff were 21%.

Only 1% of the respondents had Primary education, 11% had Secondary education, 42% had College education. The research found that 46% of the respondents had University education which concurred with the findings of Maganga and Wario (2017) which also indicated that 46% of employees in government ministries had university education. This implied that efforts had been made to attract and engage employees with high qualifications since the combined number (88%) of the respondents had college and university education. It also meant the results of the study could be trusted as the respondents had capacity to understand and respond to the items in the questionnaires rationally.

### 4.2 Reliability Test Results

Cronbach Alpha was used to test the reliability of the study constructs. The findings indicated that talent development had a coefficient of 0.821, knowledge retention had a coefficient of 0.871 and top management commitment had a coefficient of 0.843. Since all constructs depicted values of Cronbach’s Alpha greater than 0.7 which is considered the minimum acceptable coefficients, they were all considered reliable. Various other tests were conducted to ensure the study model would be applicable to the required analysis for regression and moderating effect. Normality of the data, factor analysis, correlation, homoscedasticity and multi-collinearity tests were among the other tests conducted to ensure the data fulfilled key assumptions for linear relationships (Sanders et al, 2015).

### 4.3 Descriptive Analysis

#### 4.3.1 Descriptive Analysis for Qualitative Items on Talent Development

On an item that asked respondents whether there was a policy on talent development in their ministries, 34% of the respondents agreed while an overwhelming 66% of the respondents indicated that such a policy did not exist in government ministries in Kenya. This implies that government ministries need to have policy on talent development in order to streamline talent development practice. The ministries that already have such a policy should communicate the same to all employees. According to Maganga & Wario (2017), clear communication of policy outputs and outcomes to stakeholders can be the starting point to transforming uncompetitive public sector organizations into dynamic and knowledge-intensive learning organizations.

In response to the item on opportunities available for employees to develop their talents, results of the study revealed that, 40% of the respondents indicated there were seminars and workshops for employees, 26% indicated that employees were given time off for training, 25% indicated there was sponsorship for training, 8% felt that all these opportunities were available and 1% indicated there were scholarships as talent development practices in government ministries. The responses are presented in figure 4.10. The high number of respondents who agreed with this statement was a clear indication that talent development was practiced in government ministries in Kenya.

Findings of the study agreed with those of World at work (2009) whose study established that development and career opportunities are the most important in attracting talented employees to big certified public organizations. The findings also concurred with those of Kibui (2015) who established that employees tend to remain with the institution if there is a sense of achievement through personal development which is realized by providing growth opportunities. They were also in agreement with the findings of Australia Government (2010) who established that core to addressing the rapid loss of skilled personnel from the public sector is the accelerated...
development of both leadership and the broader employee base.

4.3.2 Descriptive Analysis of Responses to Likert Scale Statements on Talent Development

The questionnaire for this study had 9 factors used to measure talent development practices in government ministries in Kenya. Respondents were required to indicate their levels of agreement or disagreement with provided statements on talent development on a 5 point Likert Scale of SA (5), A (4), N (3), D (2) and SD (1). The closer to 5, the higher the agreement and the further from 5 the higher the disagreement with the statement. A score of 3 indicated indecisions while below three indicated disagreement or dissatisfaction with the statement.

On the first item on the level of agreement with the statement that progress and career development policy is clearly outlined and known to all employees, 54% of the respondents agreed, 29% were neutral, 17% disagreed. The mean for this item was 2.51 and the standard deviation was 1.21. From these results, although the majority of respondents, 54%, are satisfied with the state of affairs, many others 46% appear not satisfied. In regard to the statement that employees are encouraged to improve their knowledge and skills, 66% agreed, 21% were neutral and 13% disagreed. The majority of respondents appeared satisfied with the efforts made in their ministries. The mean for this item was 2.21 and the standard deviation was 1.14.

In regard to a statement that HR department frequently undertakes employee needs analysis to guide them on career development paths, 52% agreed, 28% were neutral while 20% disagreed. The mean for this item was 2.6 with a standard deviation of 1.24. The results indicated that though the majority were satisfied, there is a big number 48% of employees who are not satisfied with needs analysis efforts in their ministries. This calls for improvement in needs assessment and advice on the career development paths.

According to the results of this study, 37% agreed, 33% were neutral while 30% disagreed that employees in their ministry are mentored and coached to develop their skills. Evidently, the majority of the respondents did not appear convinced their ministries were doing well in mentorship and coaching of employees. The mean for this item was 2.99 and the standard deviation was 1.15. Efforts should therefore be made to mentor and coach employees in government ministries in order to enhance knowledge retention.

In response to the statement that heads of departments are sensitized on the need for nurturing talent, 35% of the respondents agreed, 33% were undecided and 32% disagreed. The majority, 65%, of the respondents were not sure, disagreed or strongly disagreed and this could be an indication that they had not benefitted from or witnessed efforts to nurture their talent by their heads of departments. Only 35% appeared satisfied with the efforts made. The mean for this item was 2.99 and the standard deviation was 1.15. Heads of departments should therefore be sensitized on the need to nurture talent and communicate the same to their staff and be seen to be actively nurturing talent to assure the staff the ministries value them.

On the statement that employees are rewarded upon completion of training, 29% agreed, 27% were neutral while 44% disagreed. The majority of respondents, 71%, were undecided or disagreed. The mean for this item was 3.27 and the standard deviation was 1.25. This could imply that only few employees, 29%, may have been rewarded on completion of training which could have led to feelings of unequal treatment and job dissatisfaction among employees. It could also imply that employees felt there were no added monetary or nonmonetary benefits for the efforts they made in improving their skills and knowledge. Rewards are a powerful motivator hence it is recommended that government ministries consider rewarding their employees who successfully complete their training and to encourage them improve their skills and knowledge.

With regard to the statement that ministry partners with academic institutions in training employees on specific skills, 49% agreed, 23% were neutral and 28% disagreed. The mean for this item was 2.67 and the standard deviation was 1.32. While 49% of the respondents appear satisfied with this practice, the simple majority of 51% are dissatisfied and do not appear aware of any such partnerships. There is therefore need for the management to communicate any such arrangements to all employees. The responses to all items on talent development are presented in table 4.7 in percentages, means and standard deviations.

The findings of this study in regard to the influence of talent development on knowledge retention were that a significant influence exists. The findings were consistent with those of Waleed (2011) as quoted by Ng’ethe (2012) who established that an organization that invests in training of its employees remains competitive. The findings also concurred with the views of Pena (2013) that an effective method of softening the blow when experienced workers leave is having them mentor and train other employees thus pass on their knowledge and retain it within the organization. The findings of the study also concurred with those of CIPD (2010) study on learning and talent development which indicated that senior managers and the human resource department commitment ensure courses are delivered and overall planning of the learning process is carried out effectively. The findings further concurred with those by Chitsaz-Isfahani & Boustani (2014) that staffs prefer business environments in which they will develop, renovate themselves, learn continuously and where their ideas are supported and encouraged.
knowledge retention in government ministries in Kenya can be explained by talent development in exclusion of the other independent variables of the current study.

Table 3: Model Summary of Talent Development and Knowledge Retention

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<th>Talent Development</th>
<th>R</th>
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<td>0.619</td>
<td>0.383</td>
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The independent variable is talent development

Regression Analysis for the Moderating Effect of TMC on Influence of Talent Development on Knowledge Retention

The study established that the linear regression model for the moderating effect of top management commitment on talent development was significant. The results of the regression after moderation indicated that R²= 0.505 which was higher than R²= 0.383 for influence of talent development on knowledge retention before moderation. The difference of 0.122 (12.2%) implied a significant positive moderating effect of top management commitment on the influence of talent development and knowledge retention in government ministries in Kenya. The results are presented in table 4. Although the results indicated that top management commitment had a moderating effect on the relationship between talent development and knowledge retention, various parameters that enhance effectiveness of top management commitment should be looked into in order to increase the correlation coefficient.

Table 4: Model for Moderating Effect of Talent Management Commitment on Influence Talent Development on Knowledge Retention

<table>
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<th>Model</th>
<th>R</th>
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<td></td>
<td>0.711</td>
<td>0.505</td>
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The independent variable is talent development*TMC (XZ)

ANOVA results for moderating effect of top management commitment on influence of talent development on knowledge retention indicated the F-test statistics were
272.472 and the critical values of F-test were 1.272 degrees of freedom at 0.05 level of significance. It was therefore concluded that top management commitment has a significant moderating effect on the influence of talent development on knowledge retention in government ministries in Kenya. The test revealed that moderated talent development had a significant positive effect on knowledge retention since F-value was 0.000 which is less than the 0.05 set level of significance (p=0.000<0.05).

V. CONCLUSIONS AND RECOMMENDATIONS

Talent development was found to be statistically significant in explaining knowledge retention in government ministries in Kenya. The study findings indicated that a positive linear relationship exists between talent development and knowledge retention in government ministries in Kenya. The study confirmed that several talent development strategies used for knowledge retention were effective. It confirmed there was policy on talent development, employees are encouraged to improve their knowledge and skills, HR department undertakes employee needs analysis to guide them on development paths, employees are coached and mentored, heads of departments are sensitized on the need for nurturing talent, employees are rewarded upon completion of training and ministries partner with academic institutions in training employees on specific skills.

It was therefore concluded that talent development significantly affects knowledge retention since an increase in talent development leads to increase in knowledge retention. The null hypothesis that there is no significant influence of talent development on knowledge retention was rejected and the alternate hypothesis that talent development significantly influences knowledge retention was accepted. There is therefore need for government ministries to emphasize on talent development for knowledge retention purposes.

It was evident that training and development practice was embraced to some extent as ministries were said to have programs and budget for the same. The study recommends that the practice be broadened to be all inclusive to satisfy all employees and enhance knowledge retention in the ministries. It is also recommended that organizations need to increase their investment in talent development and use varied talent development strategies for various categories of their employees. The study established that talent development efforts are not rewarded as some respondents indicated that on completion of their training they do not get a pay rise or promotion in their jobs. It is therefore recommended that ministries establish reward schemes to make talent development appealing, appreciate the efforts of their employees and enhance employee loyalty which will translate into knowledge retention. It was also evident there is top management committed total talent development and knowledge retention but the study recommends that it should be improved and communicated to all employees as need continued assurance that their ministries value their development. The conclusion from the study is that government ministries will be more effective in knowledge retention by spending more resources on training and development of their employees as this will make them more productive, competitive and loyal to their employer.

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