THE EFFECT OF STRATEGIC TALENT MANAGEMENT ON COMPETITIVE ADVANTAGE AMONG COMMERCIAL BANKS IN NAKURU TOWN

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A Research Project Submitted to the Graduate School in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration of Egerton University

EGERTON

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DECLARATION AND RECOMMENDATION

This research project is my original work and has not been submitted for the award of a diploma or degree in this or any other institution.

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This research project has been submitted with our approval as University supervisors.

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DEDICATION

I would like to dedicate this work to my parents for their encouragement during my studies. Their boundless love and support were with me throughout the study.

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This study would not have been possible without the energy, moral support, vast knowledge, abundance of ideas and time devoted by the individuals I had the privilege of working with. I wish to thank my friends and colleagues at work for the valuable support and feedback I have received throughout the project. My thanks go out to my supervisors Mr. Odida and Dr Njanja, from whom I learnt a lot about strategic management. Their enthusiasm for the subject and excellent teaching abilities initially attracted me to the strategic management field.

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Big thanks to my husband Ben, daughters Charllote and Precious for their moral and financial support. May you be blessed.

ABSTRACT

Effective Strategic Talent Management is becoming increasingly important in the creation of organizations' competitive advantage. STM is conceived as the activities and processes that lead to identification of key positions which contribute to the organization's competitive advantage. This study sought to determine strategies employed by commercial banks in Nakuru town to acquire, reward and develop their talents on the one hand and the effects of these strategic talent management activities on competitive advantage. The specific objectives included, determining the relationship between talent acquisition strategies, talent development programs and reward management strategies on competitive advantage among commercial banks in Nakuru town. Purposive sampling method was used to select 62 respondents from the selected banks. Data was collected by use of a structured questionnaire and analyzed using both descriptive and inferential statistics (correlation and regression analysis). The findings were presented in percentages, tables, pie charts and graphs. The study established that Talent management had been incorporated in the firm's corporate strategy to a larger extent especially in aspects such as company growth, company vision, performance management, career planning, training and development and recruitment and selection; Level of talent acquisition was found to be high whereas the level of talent training and development as well as reward system was moderate in the organizations; The overall level of competitive advantage was moderate and competitive advantage in the sampled organizations was significantly influenced by the talent identification and acquisition in the respective organizations. This study recommended effective application of talent management in order to achieve measurable improvement in the organizational competitive advantage; more efforts to be done especially in the talent training as well as the rewards system in the banks and strengthen particular aspects such as talent management and development in the banks.

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LIST OF ABBREVIATIONS AND ACRONYMS

STM: Strategic Talent Management

RBV: Resource Based View

CBK: Central Bank of Kenya

UN: United Nations

SPSS: Statistical Package for Social Scientists

SCA: Sustainable Competitive Advantage

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Strategic Management of talent is such a critical driver of corporate performance; it has become more and more important in the last few decades. Several key events have influenced this new reality. It began with the onset of the Information Age in the 1980s (Michaels, E., Handfield-Jones, H., & Axelrod, B.2001). Consequently, the importance of intangibles such as intellectual capital, brands, and talent, progressed beyond the importance of tangibles such as capital, factories, and machines. As we move towards a more knowledge-based economy, the value of highly talented people continues to multiply. With it, the demand for high-caliber managerial talent also grows. Organizations need managers who can meet today's challenges, especially those who value and develop talent. The prevalence of corporate downsizing in the 1980s, followed by a swell in job opportunities in the 1990s, resulted in employee job-hopping being more common than staying loyal to one, and only one, organization. It is the case now that having only one company on one's resume is often viewed as unfavorable and instead, multiple companies on a resume has become more and more acceptable, and oftentimes a sign of upward mobility. More often, managers are passively seeking jobs, not by searching the Internet or want ads, but by keeping their eyes and ears open for the next opportunity (Michaels, et al., 2001).

These trends mean that the power has shifted from the organization to the individual, even in down-economic cycles, so that STM is a critical source of competitive advantage for organizations (Michaels, et al., 2001). Individuals are demanding more challenging work and opportunities to develop their skills and abilities, and to be compensated for their high performance. Employee survey results identified four issues related to Talent Management in which gaps exist between what the organization provides and what employees' managers provide. These include knowing and providing employees with training and development opportunities, providing resources and rewards to employees in order to excel at their jobs, knowing and managing employees' career expectations, and serving as a mentor to guide employee careers (Lewis, B.O. 2000a). Because talented individuals are able to essentially write their own employment contract, decline unattractive employment offers, or leave organizations because of lack of developmental opportunities or work challenges, organizations must do whatever it takes to attract and retain top talent. One challenge is for organizations to strengthen their talent base fast enough to stay ahead of their competition.

Hence, for decades, many corporate leaders have declared that "people are the most important asset". In the last decade more and more executives are making this statement and they are making it with greater frequency. In fact, there are a number of reasons to believe that people are increasing in their strategic importance and that corporations should act as though they are one of their most important assets or their most important asset. The changing demographics of the labor market, competition and employee demands for work–life balance have created a so-called 'war for talent'. In this 'war', successful organizations look to improve their strategies, policies and practices for the attraction, development, deployment and retention of talent vital for their business needs Axelrod, B.,Handfield-Jones,H.and Michaels,E. (2002). They therefore have to aim to understand the capabilities needed in their organization and determine the actual or potential talents required of employees. The management of talent is acknowledged as a great challenge for organizations and the topic is gaining popularity across all industries. With high turnover, multicultural workforces and massive growth, hospitality companies are gradually making talent management a top priority. Much is written on ownership, and there is no doubt that talent management is a process that needs to be embedded in organizational structures.

1.1.1 Strategic talent management

STM is conceived as the activities and processes that lead to identification of key positions which contribute to the organization's competitive advantage. Although STM as a concept gained prominence in the last two decades, Schein (1997) argues that the connection between organizational talent and organizational effectiveness has been established since the 1970's. While the ideas presented by Schein (1997) have added much breath with regard to the historical foundation of STM, he has not articulated issues that are at the core of STM. It is this void that scholarly writings of Collings and Mellahi (2009) fill.

While looking at strategies employed by organizations in realizing the core business of STM , Collings and Mellahi (2009) single out three main talent management activities which in their opinions are geared towards achieving adequate, reliable and competent talent in organizations. These activities and processes are mentioned as recruitment and selection, development and training, and retention and succession planning. The reason why STM has become such an important activity in contemporary management is found in the works of scholars such as (Ingham, 2006; Ashton and Morton, 2005 and McGee, 2006) who confirmed that talent management strategies are key in creating competitive advantage in organizations.
STM has also been linked to specific performance parameters in organizations. Studies focusing on organizations' performance in the context of financial performance have concluded that organizations that apply STM practices demonstrate significantly higher financial performance compared to their industry's peers, for example regarding sales revenue and productivity (Axelrod, Handfield-Jones, & Welsh, 2001). From a non-financial perspective, studies point out the positive impact on talent engagement (DiRomualdo et al., 2009; Gandossy & Kao, 2004). Additionally, on the talent-level side, companies with established STM capabilities achieve improved quality, speed and skills, higher innovative ability and higher job satisfaction among talent if they are guaranteed career and development paths (Gandossy & Kao, 2004; Tansley et al., 2007). Similarly studies that examine the impact of STM on corporate performance have reported a significant increase in operational excellence and superior market success (Ashton & Morton, 2005; DiRomualdo et al., 2009). From the foregoing, it is clear that STM is imperative in competitive advantage. The concern, however, is on effective STM that yields competitive advantage to a firm. Most TM processes and systems fall within the domain of human resource management and line management. The integration of these management systems and their alignment with the STM has also been linked to specific performance parameters in organizations. Studies focusing on organizations' performance in the context of financial performance have concluded that organizations

that apply STM practices demonstrate significantly higher financial performance compared to their industry's peers, for example regarding sales revenue and productivity (Axelrod, Handfield-Jones, & Welsh, 2001). From a non-financial perspective, studies point out the positive impact on talent engagement (DiRomualdo et al., 2009; Gandossy & Kao, 2004). Additionally, on the talent-level side, companies with established STM capabilities achieve improved quality, speed and skills, higher innovative ability and higher job satisfaction among talent if they are guaranteed career and development paths (Gandossy & Kao, 2004; Tansley et al., 2007). Similarly studies that examine the impact of STM on corporate performance have reported a significant increase in operational excellence and superior market success (Ashton & Morton, 2005; DiRomualdo et al., 2009). From the foregoing, it is clear that STM is imperative in competitive advantage. The concern, however, is on effective STM that yields competitive advantage to a firm.

1.1.2 Competitive advantage

Competitive advantage is at the heart of a firm's performance in competitive markets. After several decades of vigorous expansion and prosperity, however, many firms lost sight of competitive advantage in their scramble for growth and pursuit of diversification. Today the importance of competitive advantage could hardly be greater. Firms throughout the world face slower growth as well as domestic and global competition. Pproducts can be quickly duplicated and services cheaply emulated but innovation, execution, and knowledge cannot. The collective talent of an organization is its prime source of its ability to effectively compete and win. In the new economy, competition is global, capital is abundant, products are developed quickly and cheaply, and people are willing to change jobs often. In this kind of environment smart, committed, experienced people who are technologically literate, globally astute, and operationally agile are the new competitive advantage. The issue of what contributes to competitive advantage has seen, within the strategy literature, a shift in emphasis away from external positioning in the industry and the relative balance of competitive forces, towards an acknowledgement that internal resources be viewed as crucial to sustained effectiveness (Wright et al 2001).

The work of Penrose (1959) represents the beginning of the resource-based view (RBV) of the firm later articulated by Rumelt (1984), Barney (1991, 1996) and Dierickx and Cool (1989). The RBV established that Human capital and performance are important for an organization in building a valuable set of resources and bundling them together in unique and dynamic ways to develop firm success. Competitive advantage is dependent not, as traditionally assumed, on such bases as natural resources, technology, or economies of scale, since these are increasingly easy to imitate. Rather, competitive advantage is, according to the RBV, dependent on the valuable, rare, and hard-to-imitate resources that reside within an organization. Human capital in a real sense is an 'invisible asset' (Itami 1987). If the types and levels of skills are not equally distributed, such that some firms can acquire the talent they need and others cannot, then ceteris paribus that form of human capital can be a source of sustained competitive advantage' (Snell et al 1996:65). This talent goes up; the supply of it will be going down. As a result, an unprecedented shift is occurring. Organizations are increasingly recognizing the need to radically change the role of their TM function.

1.1.3 Banking industry in kenya

STM and its added value have still not been accurately stated more so in the banking sector. The banking industry in Kenya is traceable to the 1890s, when the National Bank of India opened an outlet in Mombasa in 1892. The bank was later in the 1960s acquired by the government of Kenya and renamed the Kenya Commercial bank. There were just about five commercial banks in the first decade of Kenya's independence namely Kenya Commercial Bank, Barclays Bank, National Bank of Kenya and Standard Chartered Bank. At present there are about 44 banks countrywide representing about 1000% growth over the last 50 or so years. Commercial banks in Kenya had about 11,881, 114 account holders, with total customer deposits of about Kshs. 1,236, 549 million as of the year 2010. At the same time commercial banks in the country had advanced and loaned about Kshs. 876, 357 million to Kenyans. The commercial banking sector employs about 28,000 staff in the country (CBK, 2011).

While banking services was initially restricted to Nairobi city, recent years has witnessed rapid expansion of banking services in the country to other towns, Nakuru town being one of them. About 26 commercial banks have since opened branches in Nakuru town, with Kenya commercial bank, Family Bank, Equity bank and Barclays bank each having at least two branches in Nakuru town. Most recently, Central Bank of Kenya opened a branch in the town further demonstrating the significance of Nakuru town to the banking industry. Nakuru town besides being noted to grow at the rate of 13% per year, the UN-HABITAT observed that it is the fastest growing town in Eastern and Central Africa. Nakuru town is a transitory town to Western Kenya, Uganda and Tanzania on one side and Nairobi city, Coast and Tanzania on the other side. The town is a cosmopolitan municipality hosting various races and ethnic groups of Kenya. The town has also within its vicinity some of the leading tourist attraction sites.

It is clear that Nakuru town by virtue of its strategic location and proximity to some of the world class tourist destination, and being one of the fastest growing towns in Eastern African region, it is bound to be also one of the leading investment destinations. It is out of this potential that many banks have considered it for their business expansions. But it should be observed that the potential of Nakuru town presents both an opportunity and threat to business competition more so among banks. The ability of any bank to overcome the threats posed by their competitors lies in their ability to fend off competition. While banks like any other organization may overcome competition through a variety of means, the study focused on the use of STM by commercial banks in Nakuru town to gain competitive advantage. The focus on STM is motivated by the fact that organizations' talent is continuously being recognized as the most important asset in business performance. But talent can only make meaningful contributions to successful firm performance when they are aligned to organizations' strategic interests.

1.2 Statement of the Problem

Since McKinsey's proclamation of the War for Talent in 1998 the specific management of talent has been widely seen as a solution for the strategic human resource challenges in today's labour market. Although a review of the literature shows that talent management is a growing field, the effectiveness of talent management and its added value in the banking industry have still not been accurately stated. Moreover, on the one hand, research dealings with talent management strategies and banks competitiveness is quite lacking, and the question of the right talent management strategy for the right impact on organizational competitiveness has not yet been answered. This research study is therefore aimed at filling this research gap by focusing on the effect of STM on the competitiveness of the banking sector in Kenya.

1.3 Purpose of the Study

The purpose of this study is to evaluate the extent to which Strategic Talent Management has created competitiveness in the banking sector.

1.4 Research Objectives

The general objective of the study was to analyze the effect of STM on competitive advantage among commercial banks in Nakuru town, Kenya. However, the study was guided by the following specific objectives:

i. To establish the Talent Development programs and their contributions to competitive advantage among commercial banks in Nakuru town.
ii. To establish the extent to which reward management strategies adopted by banking institutions affect their competitive advantage positions.
iii. To determine the relationship between talent acquisition strategies and competitive advantage among commercial banks in Nakuru town.

1.5 Research Questions

(i) How has talent development programs contributed to competitive advantage among commercial banks in Nakuru?
(ii) To what extent has reward management strategies influenced competitive advantage in commercial banks?

(iii)What is the effect of talent acquisition strategies on competitive advantage among commercial banks in Nakuru town.

1.6 Significance of the Study

The results of this study will be useful to a number of practicing managers, strategy scholars, academic practitioners and researchers in the field of strategy. To business practitioners, the results would be helpful in addressing whether STM is supported by the corporate strategy and how organizations bear change management when it comes to talents and also how they maintain knowledge management. This research is also useful in expanding the frontiers in the Resource based view that forms important theoretical underpinnings in the realm of strategy field. Findings of this study may add to knowledge and understanding of the subject of STM and its application by commercial banks. Furthermore, this study is significant because it may allow for identification of the concept and framework of STM that takes into account the nature of work and environment of commercial banks.

1.7 Scope and Limitations of the Study

1.7.1 Scope of the study

The study covered commercial banks in Nakuru town. The study was confined to talent of commercial banks in Nakuru town as primary respondents, with records on Strategic Talent Management held in these banks as secondary sources. Talent management strategies relating such as recruitment, reward and development of talent in the commercial banks in Nakuru town were the main focus of the study. Recruitment methods, selection strategies as well as placement policies were the main variables under talent acquisition strategies under consideration in the study. Reward strategies covered both financial and non-financial rewards systems. Talent development covered both on the job and off the job development programs and their influence on competitive advantage among commercial banks in Nakuru town.

1.7.2 Limitation of the study

This study was limited to commercial banks in Nakuru Municipality. Other microfinance institutions which operate like banks were not included in the study. It aimed at establishing the effect of STM on competitive advantage in banks. There may be other factors that influence competitiveness in banks that were not included. This implies that the result of this study can only be generalized with caution to the rest of banks in the country.

1.8 Assumptions of the Study

It was assumed that the respondents would give their frank feelings to the questions posed to them.

1.9 Definition of Terms

Strategic Talent Management: This refers to a set of competency-based human resource management practices aimed at getting the best out of its high-value people and ensuring that right people are in place to do a particular job. This is achieved through recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs. In this study, strategic talent management will be understood in the context of talent acquisition, reward and development.

Strategy: Strategy is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.

Reward management strategies: This is an approach which provides a fair and consistent basis for rewarding and motivating employees. It enables organizations to recognize and reward according to job size, performance, contribution, skills and competence and market value.

Talent Acquisition Strategies: These are activities that pay more attention to creating the right people for the right jobs in an organization. It entails, creating a sufficient size pool of quality candidates so that the organization has a good number of quality candidates from which to select a finalist, using job related screening and assessment instruments to better screen out unqualified candidates and top grade the short list.

Talent development strategies: It is the process of changing an organization, its employees, its stakeholders and groups of people within it using planned and unplanned learning in order to achieve and maintain a competitive advantage for the organization.

Competitive Advantage: competitive advantage exists when a firm is able to deliver the same benefits as competitors but at a lower cost or deliver benefits that exceed those of competing products thus it helps accompany to create superior value for its customers and superior profits for itself.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

In this chapter the study presents a review of literature, theoretical and conceptual frameworks for the study. The chapter begins with a general overview of STM and competitive advantage. Human resource-based theory and balance scorecard theory were adopted as the theoretical framework and their relevance to the study explored. The section concludes by presenting a conceptual framework, which has largely been modeled along literature reviewed and theoretical framework.

2.2 Strategic Talent Management

STM is core to the vitality of the business to meet and exceed current as well as future business strategies and goals. Framework of talent management proactively anticipates and meets business talent demand which is necessary to successfully execute the business strategy. It insights into the business strategy, then accordingly develops as well as retains prior talent and attracting new talent to cope with the strategic needs in order to get best utilization out of tools and processes to deliver talent management solutions.

The concept of talent management was derived from World War II (Cappelli, 2008), however its strategic importance has been realized when McKinsey consultants group claimed the human resource as "War for Talent" in late 1990's (Scullion & Collings, 2010). This war for talent was prompted by the realization that talent shortages were increasingly becoming one of the biggest human resource concerns for multinational corporations, thus the organizations interested in maximizing productivity and effectiveness adopted systematic and rigorous approaches for attracting, selection, development and retention of talented key employees (Huselid.M.A.,Beatty.R.W &Becker.B.E 2005).To gain competitive advantage, the demand for human capital drives talent management. Talent management strategies focus on five primary areas: attracting, selecting, engaging, developing and retaining employees, which can be grouped as talent acquisition, development and reward.

Finding and retaining the right person possessing exactly aligned talent is not adequate for stepping in accomplishing a firm with competitive edge in market. A firm may also possess the right configurations, procedures, systems and practices in place (Lawler, 2008). In order to acquire the competitive advantage and adjoin the business requirements, firms need to reckon, select and groom talent through training and developing their work force in such a way that ultimately supports in achieving the organizational goals and out lays the clear career path line to the employees. Organizations must be interactive and discuss their talent management programs strategically with their work groups.

2.2.1 Strategic talent acquisition

STM begins with identification and acquisition of organizations' personnel. Organizations have their approaches of identifying appropriate talent. Some organizations consider recruitment of talent as one of the most significant process in managing talent. Such organizations believe in a concept of great input-great outcome (Lewis & Heckman, 2006). While organizations accord recruitment of talent an important status it is not clear how they source for talent that meet human resource of their organizations.

(Lewis & Heckman 2006), identifies campus recruitment as one of the ways leading companies in Thailand source for talent. He noted that this exercise was supervised by the highest decision bodies in the companies such as the board of directors. This he argues is not only meant to demonstrate the level of importance attached to recruitment but also that the expertise of board members help in identifying key qualities and skills that fit into organizations' business strategy. Indeed even the study agrees that the degree of importance of recruitment may be determined by among others the level of involvement organizations top management. While looking at recruitment strategies in Swiss industrial sector, Senge (2006) reported that most of the companies recruited talent who can be developed and prepared for future human resource of the companies. But he argues that the successful recruitment and subsequent retention of such talent depends on the extent to which the exercise is aligned to a firm's strategy. The undertaken study concedes that talent acquisition policies should follow from organizations' strategic interests if the relevance of the skills being sourced were to be useful to the firm's short and long terms goals.

The success of tapping appropriate talent according to Muchinsky (2000) depends on the selection practices adopted by a firm. According to him selection practices that are not merit-based and have poor reliability and validity are a liability to an organization and can even expose the company to discrimination claims. He concludes that poor selection decisions can result in further recruitment costs, training and orientation costs, burnout, lost opportunity, reduced profit, loss of competitive advantage, impaired image and reputation. It is quite clear that recruitment if not well handled may actually lower a firm's competitiveness. This implies that at all times companies must employ selection criteria that yield reliable and valid information, which can then be used to guide in the selection of the right talent.

Interviews are used in the selection of talent in many organizations. An interview panel is not only viewed as a selection method but the most important long-range human resource planning particularly in succession planning. Top management representatives usually attend an interview panel officially in order to evaluate a person fitting with an organization both physical and mental characteristics. Although interviews are extensively used in the selection of talent in many organizations, scholars such as (Nankervis, Compton, & Baird, 2005) maintain that aptitude test should be used to complement for a good result to be realized.

2.2.2 Reward management strategies

Rewards and recognition of talent's exceptional performance are said to be helpful in both competitive advantage and improvement of performance (Inskeep & Hall, 2008). Talent feel valued when their performance is acknowledged. But this acknowledgement may assume monetary or non monetary dimensions. While some talent may value monetary more than non monetary recognition, others may on the contrary prefer the latter than the former. The varying nature of human talent tastes with regard to recognition of their performance implies that organizations must endeavor to establish the kind of perception talent have towards reward strategies in the organization. The undertaken study believes that it would be futile for organizations to appear to impose rewards on talent as this may fail to realize the intended goal.

The ever changing talent tastes with regard to reward appear to have influenced Lazarova and Tarique (2005), in their observation that investment in human capital requires careful planning. Although Lazarova and Tarique (2005) have not been candid on what should go into the planning while investing in human capital, the undertaken study consider periodic appraisal of reward systems and strategies as among the major components of the aforementioned planning. The study holds that designing effective programs, which include both monetary and non monetary incentives, requires an understanding of the organization's accumulated knowledge base and of what motivates talent to come to work, to be productive and develop expertise. Several reward and recognition models are adopted by organizations including traditional compensation packages, executive compensation, flexible compensation, perks, and informal and formal recognition. Otherwise continuous development of reward systems that fails to meet talent' expectation may demoralize and lower performance at best but at worst may prompt talent' departure.

Corporate Leadership Council (2004) warns that failure by organizations to appropriately reward key knowledge holders results not only in them eventually leaving the firm but also absenteeism, disruptive office politics, disengagement, and poor productivity. It is clear that effective reward systems may forestall not underperformance at individual level but also the entire organization. By linking poor reward systems to disruptive behaviors such as tardiness, absenteeism, and unproductive rumors and politics, Corporate Leadership Council (2004) appears to emphasize that organizations stand to lose a lot if they fail to design effective and satisfactory rewards.

Cheese and Thormas (2008) provide evidence which shows that a combination of monetary and non-monetary incentives have been used by some organizations to enhance talent' performance and retention. They reported that organizations that used a combination of monetary and none monetary incentives reported work satisfaction of about 82% compared to 45% that used only either monetary or none monetary incentives. Exceptional performances were also marked in firms that conducted annual salary surveys not only of their firms but also of their competitors. In doing this, organizations aimed at ascertaining the level of talent satisfaction of reward systems and also understanding reward structures of their competitors.

2.2.3 Talent training and development strategies

The significance of talent development in organizations is reinforced by the fact that high quality leadership development programs and formal succession management programs results in superior business results (Bernthal & Wellins, 2006). There have been arguments that effective career development programs are not only important in improving talent' skills and preparing them to emerging organizational challenges but also in gaining talent' commitment to the organization. In other words it is argued that career development programs should aim at enhancing talent's ability to manage current and future responsibilities.

In addition, increasingly tight labour markets make succession management a business imperative and put pressure on organizations to identify and accelerate the development of future leaders from within (Busine & Watt, 2005). Given this pressure, the enduring organization needs to have an effective succession management policy in place, with a particular focus on the continuity of key specialists and leaders (Stone, 2002). Under the STM category, the two most imperative business strategies that are used to build up and maintain talent are leadership development and succession planning. Succession planning involves preparing for the organization's next senior team, developing a talent pool for internal recruitment of strategic talent management by cross skilling talent, and/or ensuring the organization is future proofed with respect to availability of skills (Hills, 2009).

In the STM context, succession planning focuses on how the organization plans to replace key knowledge holders and how to ensure that high potential successors have been prepared to fill these key roles (Lengnick-Hall & Andrade, 2008). Succession planning that involves continually recruiting, training and promoting talent is not only necessary to prevent a brain drain of corporate knowledge, but is also important in identifying required competencies and communicating needed skills (Jones, 2008). Tailored development opportunities for key talent are recognized as essential for motivation and retention of these people, and in a skills short market, developing current staff is a more cost effective and efficient means of maintaining internal talent pools. Career development opportunities also have a significant impact on job satisfaction and effective commitment, or engagement, to an organization which both contribute directly to the retention of productive talent (Beames, 2001).

Internal talent development needs to offer both key talent (high potentials) as well as core contributors (effective/satisfactory performers) opportunities for growth in order to maintain operational efficiency and productivity. High potential and core contributors require different development experiences and these should be tailored accordingly for maximum return. Committed leaders are required to reinforce such a focus on both groups given their competing business priorities (Corporate Leadership Council, 2005).

STM needs to continue to train and develop high performers for potential new roles, identify their knowledge gaps, and implement initiatives to enhance their competencies and ensure their retention (Cairns, 2009). Hills (2009) suggest five strategies for effective succession planning: The first strategy is aligning succession planning with business strategy; secondly assessing leadership potential based on the 3Cs of fit – competence, connection and culture; thirdly involving talent in the succession planning process; fourthly using a mix of experience, outside or executive coaching and formal learning experiences in talent development and; lastly drawing from a wider net of potential successors. For some, talent recognition of their knowledge activities may take the form of providing career development programs that match the individual's career aspirations (Lazarova & Tarique, 2005).

In talent training and development, companies generally divide development programs into two types: in house and institutional training and development. The largest company prefers to use both programs, whilst medium and small size firms more prefer an in-house program than another one because budget limitation. Most organizations prefer in house approach which is more flexible and cost saving.

Promotion from within is extensively used in all interviewed companies. Whether Thai or multinational companies, all talent are generally identified as talent or high potential based on assignments both individual and team. Identifying talent makes companies effectively manage talent classified in each level. A good example is talent identification in SCG which classifies talent or high potential talent into 4 levels: (1) STAR – High Performance and High Potential; (2) Youngster – High Potential but low Performance; (3) Performer – High Performance but low potential; and (4) Need Improvement – Low Performance and Low potential (Ashton, 2005).

2.3 Motivation and Potential Benefits of Strategic Talent Management

Success of organization is based upon the STM in today's competitive marketplace. STM is about the processes, systems and strategies and their implementation of those unified strategies which are designed to enhance the productivity of the workplace by developing the improved processes for attracting, development, utilization and retention of skilled people matches with the current and upcoming business needs. It is widely accepted that human resources adds value to the organizations. The most suitable way to attain competitive advantage for organization is to keep human resource as a strategic business partner in such a way that it improves the business performance. It is possible by managing the talent effectively, associates it with the change management and adaptability of employees that is how they respond to change. It not only considers the influencing strategy of the organization but at the same time contributes with some value addition which impacts effectiveness (Lawler, 2008).

STM is striking for numerous reasons. Executives consider the value of talent and its implication in organization and in this context they focus on organizational core need such as workforce development for the upcoming challenges and talent management makes it more enhanced while the left over individuals have liberty to choose their careers (Lawler, 2008).

2.4 Strategic Talent Management in the Banking industry

According to Mishra & Goyal (2006) the entry of foreign banks, has changed the dominant position that the local banks had. The entry of new foreign banks has led to entire banking sector becoming more competitive. The increase in competition has also led to higher attrition rates among the employee base of domestic banks. Furthermore, salaries of the employees with local experience are increasing as foreign banks offer their recruits share options and generous bonus (Mishra & Goyal, 2006).

Technology has enabled greater access to information and is forcing banks to move "at the speed of business." Adding to these challenges is the fact that an increasing number of organizations are expanding globally, but in reality banks often neglect talent management. A 35 percent attrition rate for tellers and a 5-10 percent attrition rate for other functions are not uncommon. Banks of all sizes are simply bleeding staff. It takes at least six months to a year to train employees, and by the time they settle into their roles, they quit and the bank has to start all over again. While banks like any other organization may overcome competition through a variety of means STM is one of them.

Kenyan banking industry has created a more complex and dynamic environment in which most firms must learn to compete effectively to achieve sustainable growth. Workforces around the world have become larger, increasingly diverse, more educated, and more mobile (Briscoe, Schuler & Claus, 2009; Friedman, 2005). The environment has not only changed the way business is conducted, it has also created the need for organizations to manage their workforces in a global context. As a consequence, the notion of a "global workforce" has received extensive discussion recently (Briscoe, Schuler & Claus, 2009; Collings, Scullion & Dowling, 2009; Scullion & Collings, 2006). One of the major topics of this discussion has been around STM. Regardless of economic and workforce conditions, however, organizations large and small, public and private, have come to the realization that in order to gain and sustain a global competitive advantage they must manage their workforces effectively. And to do so they must confront the reality of Global Talent Management and its many challenges and develop human resource management activities to meet those challenges (Collings & Mellahi, 2009).

While practitioners face more challenges in their efforts to manage talent effectively (Tarique & Schuler, 2010), academic research in this field has been increasing at a slower rate (Lewis & Heckman, 2006). Despite increasing studies on the subject, there is lack of clarity concerning the definition and core practices of talent management (Farndale *et al.*, 2010; Lewis & Heckman, 2006; Mellahi & Collings, 2010).

2.5 Competitive Advantage

Competitive advantage is a key issue for top executives in organizations around the world. With an abundance of jobs available, it is a candidate's market and employers must compete to attract and hold the talent they need to fulfill their organizational objectives (Herman, 2005; HCI, 2005). STM broadly encompasses a set of unifying strategies or processes that enhance the output of a work place by deploying systems and processes for attracting, development, retention and utilization of required skills and abilities of work force and their aptitude matched with the current and upcoming business needs (Perrin, 2003). It is clear here that the broad goal of STM is to provide organizations with skills and expertise that meets its present and future needs. The need to have relevant and adequate talent in organizations has been necessitated by competition for markets and human resources. While not all organizations, industries and professions experience a lack of skills, organizations are already competing for talent. But even where human resource is abundant in the labor market, suitable and appropriate human resource that satisfies an organization's current and future labor demands may be hard to come by. It is this uncertainty of finding appropriate human resources at the right time and numbers that make competitive advantage management an inevitable activity in contemporary organizations.

While contributing on the STM debate, Romans, Frost & Ford (2006) posit that organizations' success is greatly enhanced when proper STM structures and programs are instituted. Bersin (2007) adds that STM is inevitable more so in a competitive market environment. The fact that a firms' successful performance is largely dependent on talent makes STM not only an important activity in the organization but also a mandatory exercise.

The development of STM structures and programs in the opinion of some scholars is not sufficient in realizing suitable talent for an organization (Kates, 2006). While Kates (2006) believes that STM programs are important, he maintains that full realization of suitable talent is only possible when they are used appropriately over a reasonable period of time. Kates (2006) has raised doubt on the implementation of STM programs, which he appears to suggest are sometimes done wrongly thus robbing a firm an opportunity to develop, support and maintain the right talent. The study concedes that development of STM programs and subsequent implementation of the same are vital in nurturing a strong, competent and dependent workforce.

More evidence on the link between talents' skills and organizational performance is found in (Towers 2002). In a series of studies done in a number of companies, the two scholars found exceptionally high performance in organizations with STM programs, with those without STM programs reporting inferior performance. They thus concluded that talent' knowledge, skills and competencies are an important competitive weapon. In their recommendation, Towers (2002) advised that talent needs to be maximized and recognized as one of the discrete source of organizational competitive advantage through its management. From the foregoing, STM is a prerequisite for organizations if only to gain competitive advantage.

With regard to the relationship between customer satisfaction and talent management , Kontoghiorghes and Frangou (2009) argue that STM with a focus on retaining talent leads to higher customer satisfaction. Customer satisfaction is achieved through competitive advantage during a long-term client-talent relationship. In a related study, WRDI (2005) observed that Competitive advantage is essential to high levels of quality, customer service and operational efficiency. Both Kontoghiorghes and Frangou (2009), and WRDI (2005) are convinced that competitive advantage is critical in customer growth and retention of customers due to sustained and long-term relationship between customers and particulars talent.

A study by Huselid (1995) for example revealed a relationship between talent management practices and talent turnover and gross rate of return on assets. He concluded that STM practices could help create a source of competitive advantage, particularly if they are aligned with the firm's competitive strategy. These studies empirically demonstrated that STM practices could have a profound impact on both accounting and market based measures of performance. In a related study, Koch and McGrath (1996), found that STM practices were related to labour productivity in a sample of business units, and that there was a marked relationship in capital intensive organizations. These findings suggested that firms that develop effective systems for acquiring talent develop a stock of talent that cannot be easily imitated; and it is this imitablity of talent that affords such firms an edge over their competitors.

More evidence on the relationship between STM and competitive advantage is found in the works of (Youndt & Snell, 2001). While focusing on the link between specific talent management practices- intensive/extensive staffing, competitive pay, intensive/extensive training and promotion from within- Youndt and Snell (2001) found that firms with clear, consistent and strategic policies reported higher talent productivity and firms' overall performance.

Ingham (2006), Ashton and Morton (2005) and McGee (2006) have noted that over the years effective and efficient management of land and capital as factors of production has been dependant on labour. But it was until the last two and a half decades that talent was recognized as the most valued asset of the firm. This realization they hold led to the emergence of organizational talent as the focal point of firms' competition unlike in the past when land and capital were considered the main drivers of business competition. The growing recognition that quality talent is an impetus to a firms' competitive advantage is also shared by Bryan & Weiss (2006) when they observed that competitive advantage of most companies on global market lies in their ability to create a profit driven not only by cost efficiency, but by the ideas and intellectual know-how, the network and knowledge-based environment. Most recently Cappelli (2008) asserted that STM is one of the primary management tools for 21st century human assets management. While these scholars have ably argued on the new thinking that led to recognition of STM as an integral activity in organizations, they have offered no empirical evidence to show that STM significantly relates to organizations' competitive advantage.

2.6 Theories

2.6.1 Resource-based theory

The resource-based view stipulates that in strategic management the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Barney, 1986, 1991). The theory addresses the central issue of how superior performance can be attained relative to other firms in the same market and posits that superior performance results from acquiring and exploiting unique resources of the firm. The theory dates back to 1957 when Selznick mentioned the term organization's distinctive competence. Resource based theorists such as Barney (1991), Grant (1991) and Peteraf (1993) contend that the assets and resources owned by companies may explain the differences in performance. Resources may be tangible or intangible and are harnessed into strengths and weaknesses by companies and in so doing lead to competitive advantage. According to resource-based theorists, firms can achieve sustainable competitive advantage from such resources as strategic planning (Powell 1992) management skills (Castanis & Helft 1991), tacit knowledge (Polanyi, 1962, 1966), capital, employment of skilled personnel (Wernerfelt, 1984) among others.

In Barney (1991), firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, and others controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness. Barney (1991) further argued that to have the potential to generate competitive advantage, a firm resource must have four attributes: (a) it must be valuable, in the sense that it exploits opportunities and/or neutralizes threats in a firm's environment; (b) it must be rare among a firm's current and potential competition; (c) it must be imperfectly imitable; and (d) there cannot be strategically equivalent substitutes for this resource.

Fahy (2000) has reasoned that through its insights into the nature of competitive advantage, the RBV of the firm has already made an important contribution to the field of strategic management. The RBV, which has benefited from the rigor of its economic origins, greatly enhances our understanding of the nature and determinants of sustainable competitive advantage (SCA). It helps to explain why some resources are more advantage-generating than others and also why resource asymmetries and consequent competitive advantages persist even in conditions of open competition.

Since the early 1980s, researchers have been developing and defining resource- based concepts, and seeking to relate how resources can give rise to firm competitive advantage. Wernerfelt (1984) suggested that evaluating firms in terms of their resources can lead to insights that differ from the traditional perspective. A firm's resources are defined as tangible and intangible assets which are tied semi-permanently to the firm. In an analogy to entry barriers, Wernerfelt (1995) examined the relationship between resources and profitability in terms of resource position barriers, proposing that a first mover advantage is an attractive resource that should yield high returns in markets where the resource in question dominates. Moreover, in an analogy to the growth-share matrix, a resource-product matrix was used as a way to examine the balance between the exploitation of existing resources and the development of new ones. Though Wernerfelt's (1984) article was rather abstract, it opened a new ground for later researchers on which to build (Wernerfelt, 1995).

Commercial banks form an industry in which competitive advantage is generally acknowledged to be difficult, if not impossible, to obtain. Banks use a variety of human resource practices to create value for employees and to convert that value to customer and shareholder uses. STM practices play a role in the ultimate capture of value as they must be aligned with an organization's competitive positioning, technology, and environment if value created through an organization's people is to be captured by the firm.

These internal resources can be classified according to the classic typology proposed by Barney (1991) into four fundamental categories: physical, human, social and organizational capital. Human capital refers to individual employees' knowledge, skills and abilities. First, because talents are a source of competitive advantage, they must give value to the firm when strategically managed. Resources are valuable insofar that they allow the firm to conceive or implement strategies that improve their efficiency and efficacy. This criterion means that job demand and offer are heterogeneous, that is, firms offer jobs that need different types of skills and individuals show differences in their skill types and levels. Thus, there is a variance in the value that individual contributions have for the firm, and, therefore, suitable talent can give value to the firm. Second, resources must be rare in order to form a competitive advantage source. In the STM context, this characteristic depends on the job pool's Heterogeneity. If types and levels of skills are not distributed in a normal way, then some firms will be able to get the talent they need, whereas others will not. This form of human capital means a source of competitive advantage. Moreover, the rareness criterion is also in connection with the concept of resource specificity and labor mobility. Third, in order for a resource to become a source of competitive advantage, it must be inimitable. Banks can obtain talents in the market or develop it internally.

2.6.2 Balanced scorecard

The Balanced Scorecard emphasizes the importance of measuring business performance from the perspective of strategic implementation, rather than relying solely on financial results (Kaplan & Norton, 1996). They argue that senior managers tend to pay far too much attention to the financial dimensions of performance and not enough attention to the driving forces behind those results. Financial measures are lagging an indicator that is backward looking. They are designed to rectify or change past results. Performance drivers on the other hand are within the control of the management in the present and the Balanced Scorecard methodology encourages management to look at these leading indicators as well. By specifying the important process measures, assessing them, and communicating the firm's performance based on these criteria to the employees, the managers can ensure that the entire organization participates actively in the strategy implementation process. It is a unifying tool in strategy implementation (ibid). The Balanced Scorecard identifies four key perspectives that directly and completely define strategy measurement and analysis. They include the financial perspective, the customer perspective (for example. customer loyalty and satisfaction), the internal processes perspective (process quality and process cycle time) and finally learning and growth perspective (employee skills) that is the leading indicator. Implementation of Balanced Scorecard in banks and financial institutions is a very tricky thing as there is huge temptation to focus on financial indicators only. As known, banks, mortgage and insurance companies, credit unions and other financial institutions work with money to make more money. So, it is very easy to disregard non-financial indicators that, however, have a direct impact on financial performance of the above mentioned organizations.

The last several decades saw a sharp increase in the number of commercial banks and financial institutions which caused a very tough competition in this market. The traditional performance management systems turned out to be quite ineffective since very often they failed to meet specific requirements of financial organizations. As already said above, excessive focus on financial indicators forced banks management turn the blind eye to the numerous indicators representing overall organization performance. The problem is that financial indicators show what has already happened to the bank or insurance company while it is very important to plan ahead and know what will happen in future. This is where nonfinancial indicators can help. And that is why Balanced Scorecard system has turned out to be a more effective tool to measure business performance of financial organizations and communicate operational management with strategic vision.

2.7 Conceptual Framework

A conceptual framework is a collection of concepts or models from literature which forms a research study. It relates a study to existing ideas or principles. The conceptual framework for the study is modeled along resource based theory and balanced scorecard as well as literature reviewed. Resource based theory holds that pursuit of organizational objectives requires certain resources with certain attributes. These resources must be valuable, rare imperfectly imitable and cannot be strategically substituted. In the context of this study, these resources are conceived to mean talents. Only properly motivated employees would give the best work results. Balanced Scorecard should be used to offer additional motivation for employees who manage to fulfill tasks and implement goals at their workplaces. Employees should be continuously learning and developing themselves in order to be more competitive.

According to this framework; STM constitutes the independent variables which are assessed through various elements. The specific measurable independent variables include talent acquisition, talent development and reward. On the other hand competitive advantage is perceived to be the dependent variable assessed in terms of indicators such strong customer base, organizations reputation, employee turnover, increased revenue and committed employees. In this framework, the external environment of an organization is considered essential in determining the attainment of organizational competitiveness. It is perceived that banks are systems such that if a small modification different from that which will otherwise occur impressed upon a system, a reaction will at once occur to restore a state of equilibrium. Scholars believe that organizations should have competent and selfless members and have formalized system of managing their affairs. Members in the study were the talents. Organizations also interact with their external environment and that external factors affect their operations (Taylor, 1911). Banks for instance, have members sourced from the wider labor market, whose actions are in turn affected by value systems and other factors from the larger society. In this study the environmental factors include organizational policies, culture and profitability. The conceptual framework for this study is illustrated in the figure 1 below.

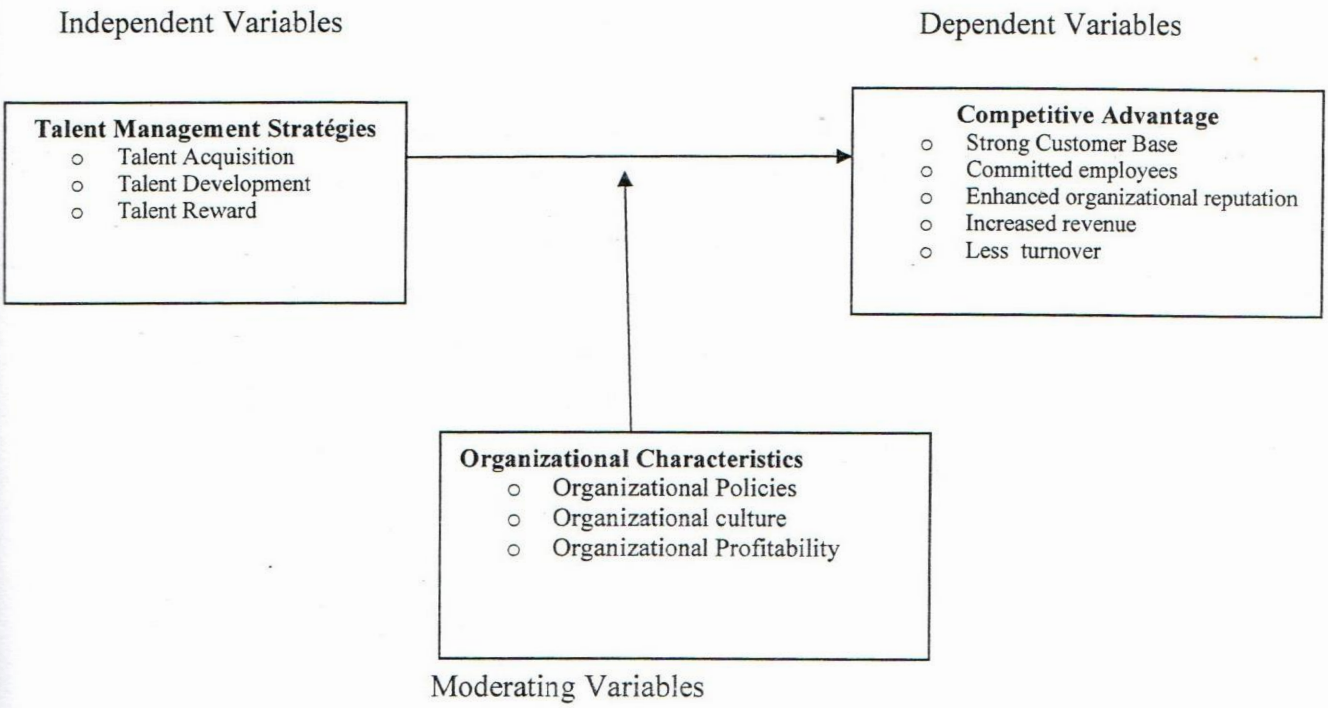

Figure 1: Relationship between Strategic Talent Management and Competitive advantage.

Source: Adopted from Nahapiet & Ghoshal (1998)

As shown in figure 1, strategies adopted by banks in acquiring, rewarding and developing their talent have a bearing on their ability to gain competitive advantage. It is assumed further that banks strategize on how to recruit, select and place their talent. Talent that is recruited and selected competitively and inducted using elaborate and effective placement program will not only have the relevant competence but also stand to feel more satisfied with their jobs in addition to having confidence in their organization (Towers, 2002). Such talents are likely to remain in an organization for a reasonably longer period of time thus allowing the organization to build competence around them leading to competitive advantage. On the contrary talent acquisition strategy that is shrouded in mystery, not competitively done may result in talent that bears allegiance to specific individuals that helped them secure the job opportunity. Such talents may not enjoy the confidence of the entire organizations and their continued stay in the organization may be at the behest of the godfather. They may not be committed to the organization besides being unable to competently handle their jurisdiction. The result of this situation may be low motivation and job dissatisfaction leading to competitive disadvantage.

The study maintains that strategies employed to reward talent may also bear on the ability of an organization to achieve competitive advantage. So that reward strategies that value both financial and non financial rewards, skills and talent's performance may help in achieving job satisfaction among talent. Highly motivated talent may not only lead to higher output and performance but are also likely to remain in the organizations for a relatively longer period of time, a situation that affords an organization opportunity to develop certain competencies around them leading to competitive advantage (Kontoghiorghes & Frangou, 2009). On the other hand reward systems that fail to appreciate work dynamics may only serve to lower talent' morale thus precipitating high labour turnover, leading to non achievement of competitive advantage.

Every talent would wish to work in an organization with clear systems and structures of career development and growth. It is maintained here that talent development strategies should aim at recognizing potential talent by assigning them tasks that expose them to higher managerial roles (Senge, 2006). This will prepare them well enough in advance for such roles. Additionally, talent must be offered training and development opportunities either on or off the job. Talent should also be considered for promotion where they meet the requisite qualifications. All these should be done on merit. Furthermore, because no organization works in a vacuum, several control variables were included in the model to capture other organizational and environmental forces that are related to both the adoption of STM policies and competitive advantage (Delaney& Huselid, 1996).

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Research Design

The research design of the study should stem from the research question. As De vous (2001) "the function of a research design is to ensure that the evidence obtained enables us to answer the initial question. This study aimed to examine the effects of STM on competitive banks in Nakuru town. The research was therefore based on a correlational survey method and a cross-sectional design. The design involves the collection of data on more than one case, at a single point in time (Bryman, 2004).Data was collected from heads of three departments namely service, operation and general management from all the 26 commercial banks in Nakuru. This study makes the results statistical inference widely applicable to a wider population; this is because the wider the samplings' scope of coverage the more likely it is for it to be a true representation of the general case (Shuttleworth, 2009). According to Mugenda and Mugenda (1999) a survey attempts to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. This study involved a survey and variables such as talent acquisition, talent development and reward experience were studied to explore their effect on competitive advantage in banks.

3.2 Location of Study

The study was conducted in Nakuru Municipality. It is located around 156 km Northwest of Nairobi, 650km from Mombasa and 182km from Kisumu. Nakuru Municipality covers an area of 290 km^2 and has four locations and five sub locations. Nakuru is a cosmopolitan municipality hosting various races and ethnic groups of Kenya. Most of the municipality's income comes from wholesale and retail businesses, banking services, educational services, tourism and even the informal sectors. Other sources of income include restaurant, hotel and bar services and manufacturing ventures. Recently, the transport sector including public service vehicle sector, bicycle and motor cycle has become an income generating sector to thousands of residents.

Nakuru town has 26 commercial banks, with banks such as Kenya Commercial Bank, Equity bank, Family bank and Barclays having an average of branches in the town. Lately, Central bank also opened a branch in Nakuru town, thus underscoring the importance of the town to the business community (CBK, 2011).

3.3 Target Population

The population of study was drawn from all commercial banks with branches in Nakuru Town. There are 44 registered commercial banks in the whole country (Kenya Bankers Association List, 2011), mostly constituting branches in various towns. According to the same list there are 26 banks in Nakuru. While all banks with branches in Nakuru town were targeted, the study considered talent of these banks as its primary target. These talents were heads of three key departments in the banks namely service, operations and general management. This is because they are most knowledgeable persons at branch levels regarding issues related to talent management strategies.

3.4 Sampling Design

Sampling is linked with the external validity, generalisability of research findings, considered high in probability samples which allow results to be generalised from the sample to the sample population (Robson,2002).Purposive sampling method was used to select heads of departments namely operations, service and general management from each of the participating commercial banks. This study focuses on the particular area under study Purposive sampling allows the researcher to select cases that are likely to be information rich with respect to the study Borg and Galla (1999). This is a deliberately non- random method of selecting participants for research which allows individuals to be selected because they have knowledge relevant to the research (Bowling, 2002). Three respondents from each of the 26 banks were interviewed. This therefore means that a sample of 78 respondents was targeted for the study. According to (Mutai 2001; Young, 2001) a good sample must be representative of the universe therefore it should be adequate in size.

3.5 Data Collection

Questionnaire design is one step in the process that ultimately leads to generating answers to research questions of interest. To differentiate the STM implementation levels in the targeted firms, For the purpose of this study, a closed - end questionnaire was designed with questions on employee's demographic profile and specific talent management initiatives. A five-point Likert Scale was employed; the study used a self-administered questionnaire to gather information from the respondents. Using a list of response categories ranging from strongly agree to strongly disagree. The questionnaire was pretested with five employees in different commercial banks to iron out any procedural difficulties. Data of every question was analyzed qualitatively to identify key themes, and the results from the qualitative aspect presented elsewhere. The data collection procedures in this research involved making initial contact with company executives to obtain consent for participation. The study questionnaire (See Appendix 1) was delivered to the respondents and it was estimated that a respondents was likely to take approximately 10 – 20 minutes to respond to the questions and the purpose of the survey was explained to the customer to reduce bias in their responses. The design of the questionnaire was based on a multiple-item measurement scale STM .It looked into the relationship between strategic talent management and competitive advantage of banks. Secondary data regarding talent management and banks was collected from journals and internet.

3.6 Validity and Reliability

Validity refers to the extent to which the instrument collects data that is meant to collect. It is the degree to which results obtained from the analysis of data actually represent the phenomenon under study (Locke, 2007). In this study, ensuring validity of the data collected involved going through the questionnaires in relation to the set objectives and making sure that they contain all information that enabled it to answer these objectives.

Reliability measures the degree to which a research instrument yields consistent results or data after repeated trials. To ensure reliability, the questionnaire was pre-tested on a few selected respondents from few banks. The purpose of the pre-test was to refine the instrument so that respondents had no problems in answering the questions, and in reporting and recording data (Saunders et al., 2000: Babbie, 1990). Pretesting also involves evaluation of other attributes, namely, precision and accuracy These attributes are critical to developing a questionnaire whose results are reproducible and that provides the researcher with a good measurement of the phenomenon or phenomena of interest. In addition, it helped in obtaining an overall assessment to the questions of validity of the data that had been collected. In this study, a reliability co-efficient (alpha value) of 0.7 was assumed to reflect the acceptable reliability. The Alpha value ranges from zero to one and indicates the reliability of an instrument. The more the Alpha value is closer to one, the more reliable the instrument.

3.7 Data Analysis and Presentation

After administering the research instruments and collection of data, the data was processed and analyzed to facilitate addressing the research objectives. The data was coded and the nominal variables were given unique numbers to allow entry into the statistical package. A cord book which shows list of how the codes were devised was kept. After coding the data was keyed in to SPSS window package. Data on the respondent's bio data was analyzed using descriptive statistics such as statistical mean and percentile values. The questionnaires with closed-ended items based on a Likert scale had a magnitude ranging from Strongly Agree (SA) to Strongly Disagree (SD). Effect of Strategic Talent Management on competitive advantage was tested statistically using Pearson Moments Correlation. This helps to look for the relationship between interval variables Saunders, et al., (2007) Relationships between STM and competitive advantage in commercial banks were determined at an alpha level of $p< 0.05$. In order to determine the effect of talent management strategies on competitive advantage regression analysis was done. It helped in understanding the statistical dependence of STM and competitive advantage. The data was analyzed with the help of the Statistical Package for Social Sciences (SPSS) computer program (version 12.0). The computer programme is considered friendly, simple and easy to conduct analysis. **Table 1** presents a summary of the study objectives.

Table 1: Summary of Analysis of Study Objectives

Research Objectives and Hypothesis	Independent Variables	Dependent Variables	Statistical Analysis
To determine the relationship between talent acquisition strategies and competitive advantage among commercial banks	Talent Acquisition	Competitive Advantage	Pearson product Moments Correlation
To examine the talent development programs and their contributions to competitive advantage among commercial banks	Talent Development	Competitive Advantage	Pearson product Moments Correlation
To establish whether reward management strategies adopted bear on competitive advantage among commercial banks	Reward Management	Competitive Advantage	Pearson product Moments Correlation
To determine the effect of STM on competitive advantage in commercial banks	Talent acquisition, talent development and reward management	Competitive advantage	Regression analysis

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings and discussion of the results with reference to the specific research objectives. The general objective of the study was to analyze the effect of strategic talent management on competitive advantage among commercial banks in Nakuru town, Kenya. . Specifically, the study was guided by the following objectives: To examine the talent training and development programs and their contributions to competitive advantage among commercial banks; to establish whether reward management strategies adopted bear on competitive advantage among commercial banks and finally to determine the relationship between talent acquisition strategies and competitive advantage among commercial banks.

4.2 Description of the Study Respondents

In this section, the analysis focused upon the background information of the selected Commercial banks in Kenya. Such a profile is important since it helps to unravel the factors, which influence competitive advantage of the organizations. The description included: Organization's year of establishment, duration in operation, number of employees, respondents' designation, gender, age, education level and market of operation.

4.2.1 Organizations year of establishment and duration in operation

According to study findings (Figure 2), the oldest commercial bank was established in 1896 while the most recent organization was established in the year 2008. Study findings (Figure 2) further showed that the organizations had been in operation for an average period of 35 years. The shortest serving organization was found to have been in operation for only 2 years whereas the longest serving was 114 years old. In addition, the distribution indicates that 32.6% had operated for 16-30 years, 25.5% (1-5 years), 17.7% (31-45 years), 8.1% each had operated for (46-60) years and (91-105) years respectively 4.8% (71-90 years) while 3.2% had operated for (106-115) years.

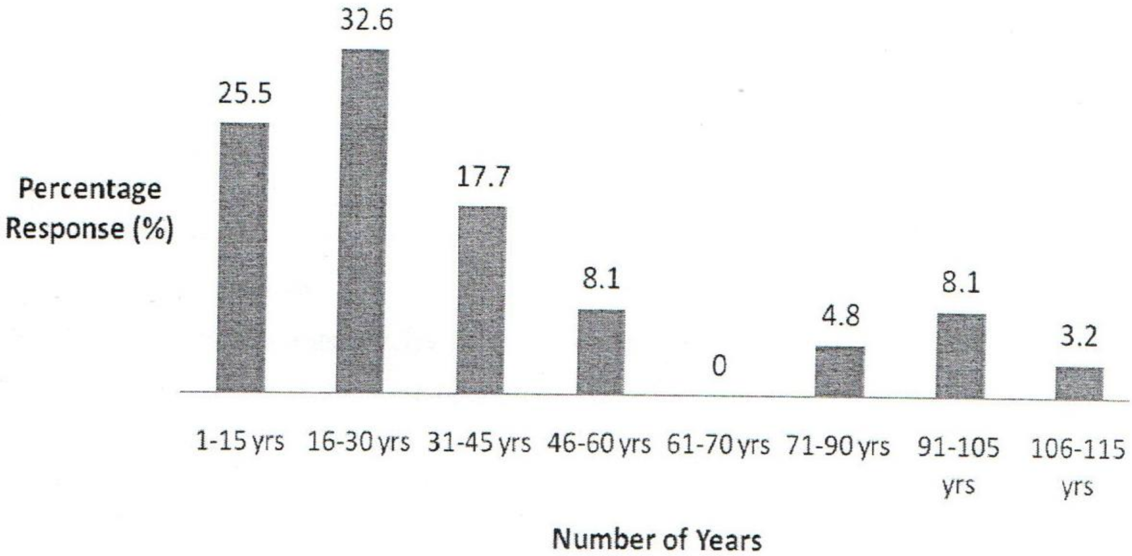

Figure 2. Duration of Organization after Establishment

Source: Research Data

Duration of organization can also be referred to as age, it is used to capture any founding values of the organization (Delaney & Huselid, 1996). Age is calculated as the difference of year of survey minus the founding year of the organization. The Findings clearly indicate that most of the banks have been in existence for more the 16 years. This shows that most banks are familiar with the competition within the banking sector and that they have put in place clear policies and strategies to face competition challenges in the market. Duration of existence is also used to capture size and scale effects, since large organizations may be more likely than small ones to have well-developed talent management strategies (Huselid, 1995; McNabb & Whitfield, 2001; Youndt et al., 1996).

4.2.2 Respondent's position/designation at the workplace.

The study assessed the composition of the study respondents by their job designation.

Table 2 . Respondent's Position/Designation

Designation	Frequency	Percent
Branch Manager	25	40.3
Operational Manager	16	25.9
Service Manager	21	33.8
Total	**62**	**100.0**

Source: Research Data

According to study findings, 40.3% of respondents were branch managers, 33% were service managers, while 25.9% were operations manager, (Table 2),

4.2.3 Distribution of the respondent by gender

In (Figure 3), out of the total 62 study respondents, 68% were male whereas 32% were female respondents. This data showed that majority of respondents were males. This implies that banks have achieved minimum requirement of gender parity as far as talent management is concerned. It is believed that finance related jobs are dominated by men, which is a fact but of late women are also rising to occupy those posts.

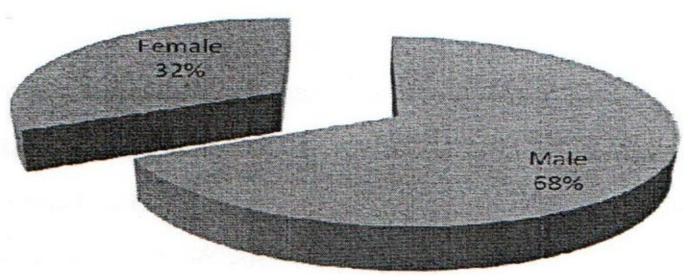

Figure 3. Respondents' Gender

Source: Research Data

4.2.4 Number of employees in the organization

Results presented in (Table 3), shows that the number of employees ranged from less than 250 to 5000. In addition, the distribution indicates that 32.3% had (500-1000) employees, 21% (250-500) employees, 12.9% (2501-3000) employees, 11.3% (1001-1500) employees, 9.7% (1501-2000) employees, 4.8% (2001-2500) employees, 3.2%

(3001-3500) employees whereas 1.6% each had (3501-4000), (4001-4500) and (4501-5000) employees, respectively.

Table 3. Number of Employees in the Organization

Number	Frequency	Percent
250-500	13	21.0
501-1000	20	32.3
1001-1500	7	11.3
1501-2000	6	9.7
2001-2500	3	4.8
2501-3000	8	12.9
3001-3500	2	3.2
3501-4000	1	1.6
4001-4500	1	1.6
4501-5000	1	1.6
Total	**62**	**100.0**

4.2.5 Respondents' age

The study findings (Figure 4) established that 51.6% of respondents were aged between 31and 40 years, 33.9% were aged 41-50 years, 9.7% were aged 26-30 years, 3.2% were aged over 51 years whereas only 1.6% were aged 18-25 years. These findings show that a significant proportion of the respondents are aged between 31-40 years. This implies that most of the management staff is in their optimum age where there is a lot of dynamism in talent which can be used for the benefit of the organizations.

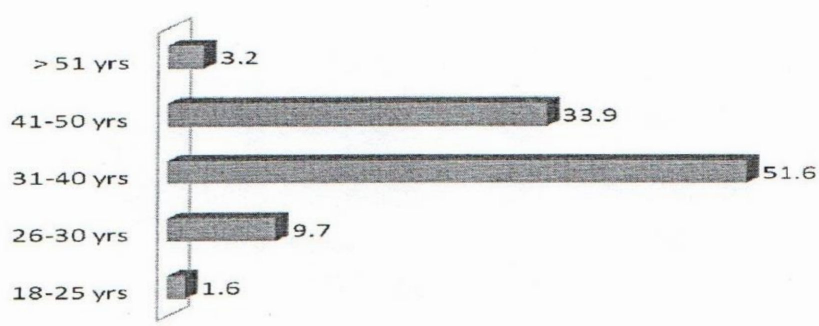

Figure 4. Respondents' Age

Source: Research Data

4.2.6 Number of years of service in the organization

According to research data (Table 4) 59.7% of the respondents had 1-3 years of working experience, 24.2% had worked for 4-6 years, 6.5% had worked for 10-12 years, 4.8% had worked for 15-20 years, and 3.2% had worked for 21-30 years while 1.6% had worked for 13-15 years. This implies that majority of the management staffs have served for a shorter period due to high talent mobility.

Table 4: Years of Service in the Organization

Period	Frequency	Percent
1-3 yrs	37	59.7
4-6 yrs	15	24.2
10-12 yrs	4	6.5
13-15 yrs	1	1.6
15-20 yrs	3	4.8
21-30 yrs	2	3.2
Total	**62**	**100.0**

Source: Research Data

4.2.7 Organizations' markets of operation

Study results (Figure 5) on markets of operation by organizations reveal that 60% of organizations were national, 21% were international, 8% were regional while only 2% operated locally. This implies that the management cadre has a global talent management outlook.

Figure 5. Markets of Operation by the Organizations

Source: Research Data

4.3 Talent Training and Development and Competitive Advantage

The first objective of the study sought to examine talent training and development programs and their contribution towards competitive advantage in commercial banks.The respondents were asked to indicate the extent to which they disagree or agree with various aspects of talent training and development in their respective organizations. Some of these aspects include self organized trainings, organized trainings by banks, selection and promotion. The five-point Likert scale with strongly agree, moderately agree, neutral, moderately disagree and strongly agree was used. The results are presented in the Table 5.

Table 5. Level of Talent Management, Training and Development

Statement	Percentage Responses (%)				
	Strongly Disagree	**Disagree**	**Un-decided**	**Agree**	**Strongly Agree**
There are several employees who attend self organized training and development activity	0.0	9.7	3.2	45.2	41.9
Employees attend organized trainings and development activities organized by the organization more often	11.3	40.3	6.5	29.0	12.9
The company organizes for training and development activities for new employees	0.0	3.2	11.3	69.4	16.1
Training and development activities attended by employees are always relevant	0.0	16.1	21.0	53.2	9.7
Training and development workshops attended by employees have improved the ease with which they undertake their responsibilities	0.0	17.7	21.0	46.8	14.5
Persons facilitating trainings and development activities are normally competent and qualified.	0.0	8.1	40.3	32.3	19.4
The organization constraints employees to attend trainings and development activities.	17.7	4.8	0.0	24.2	53.2
Selection for promotion is based on personal relationships and network ties	4.8	1.6	1.6	32.3	59.7
Promotion is based on past performance	9.7	29.0	9.7	35.5	16.1
Promotion is based on range of experience	12.9	45.2	4.8	24.2	12.9
Promotion is based on successful completion of training course or education.	58.1	25.8	1.6	6.5	8.1

Source: Research Data

The study findings (Table 5) revealed that 87.1% of the respondents generally agreed that there are several employees who attended self organized training and development activity, 9.7% generally disagreed while 3.2% were undecided. This implies that banks staff have embarked on self sponsored trainings because of competition of talents in the banking industry.

Also, 51.6% of the respondents generally disagreed that employees attended trainings and development activities organized by the organization more often, 41.9% generally agreed while 6.5% were undecided. This implies that banks do not commit substantial amount of resources in training of staff. These results are contrary to the CIPD 2005 learning and development survey reports which conclude that well-designed talent management development activities can have a positive impact on an organization's bottom line and that 'developing high-potential individuals should attend trainings more frequently to update their skills. Training and development may convey a message to employees that it is in the best interest of the organization to have them stay longer in the firm.

In addition, 85.5% of the respondents generally agreed that the company organized for training and development activities for new employees, 3.2% generally disagreed while 11.3% were undecided. Recruitment and selection may highlight individuals who require little training on arrival into the firm (Steffy and Maurer 1988). This implies that banks invest in training new employees because they are considered more productive and are assets in driving competitiveness. The study findings further revealed that 62.9% of the respondents agreed that training and development activities attended by employees were always relevant, 16.1% generally disagreed while 21% were undecided. This implies that banks prepare their employees for the dynamism and competition in the banking sector.

It is also evident that 61.3% of the respondents generally agreed that training and development workshops attended by employees have improved the ease with which they undertake their responsibilities, 17.1% generally disagreed while 21% were undecided. Further, 42.7% of the respondents generally agreed that persons facilitating trainings and development activities are normally competent and qualified, 8.1% generally disagreed while 40.3% were undecided. Survey data indicate that 77.4% of the respondents generally agreed that the organization constrained employees to attend trainings and development activities while 22.5% generally disagreed. This implies that banks do not create time for staff self development.

According to survey data, 92% of respondents generally disagreed that selection for promotion was based on personal relationships and network ties 6.4% generally disagreed while 1.6% were undecided. In addition, 51.6% of the respondents generally agreed that many promotion was based on past performance, 29.7% disagreed whereas 9.7% were undecided. This implies that promotion policies in place are widely acceptable and based on meritocracy and that providing internal promotion opportunities may instill a sense of fairness and justice among the employees and make them feel that they are more secure. According to Pfeffer (1995), an emphasis on promotion from within a company will provide a sense of fairness and justice among the employees

Further, study findings indicate that 58.1% of the respondents generally disagreed that promotion is based on range of experience, 37.1% agreed while 4.8% were undecided. This implies that experience alone does not contribute to promotion. Study findings also revealed that 83.9% of the respondents generally disagreed that promotion was based on successful completion of training course or education, 14.5% generally agreed while 1.6% were undecided. This implies that successful completion of training does not automatically warrant for a promotion.

With respect to overall level of talent training and development, survey data (Figure 6) shows that 75.8% of the respondents reported “moderate”, 12.9% reported “high” and only 11,3% reported “low”. The study findings indicate that level of talent training and development in the organizations is generally moderate.

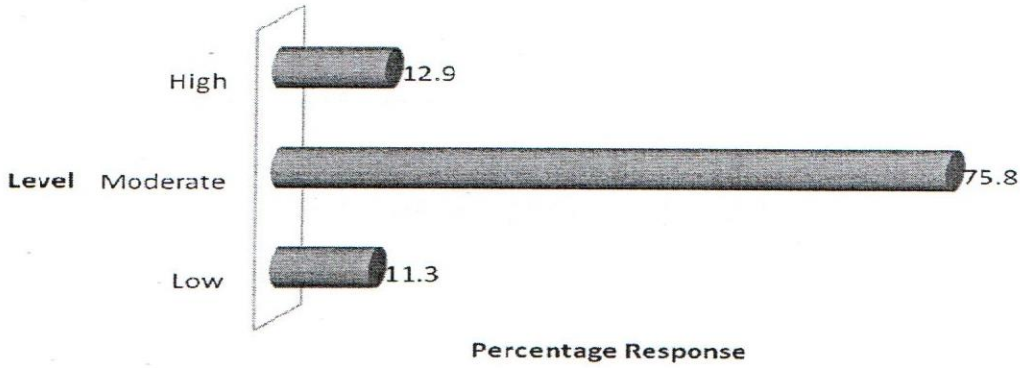

Figure 6. Overall Level of Talent development and Training

Source: Research Data

4.4 Reward System and Competitive Advantage

The respondents were asked to indicate the extent to which they disagree or agree with various aspects of reward system in their respective organizations. The five-point Likert scale with strongly agree, moderately agree, neutral, moderately disagree and strongly agree was used. The results are presented in the Table 6.

Table 6. Level of Reward System in Organizations

Statement					**Mean**	
	Strongly Disagree	**Disagree**	**Un-decided**	**Agree**	**Strongly Agree**	
The organization offers a variety of rewards both financial and non financial	16.1	30.6	6.5	25.8	21.1	**3.048**
The monthly pay is often reviewed upward	19.4	43.5	9.7	22.6	4.8	**2.500**
The organization currently offers sufficient remuneration to employees	17.7	38.7	32.3	9.7	1.6	**2.387**
Benefits offered by the organization are very competitive in the market	25.8	37.1	21.0	12.9	3.2	**2.307**

Source: Research Data

The study results (Table 6) revealed that 46.9% of the respondents generally agreed that the organization offered a variety of rewards both financial and non financial, 46.7% generally disagreed while 6.5% were undecided. Furthermore, 62.9% of the respondents generally disagreed that the monthly pay is often reviewed upward, 27.4% generally agreed while 9.7% were undecided. In addition, 56.4% of the respondents generally disagreed that the organization currently offered sufficient remuneration to employees, 11.3% agreed while 32.2% were undecided.

Also, study findings show that 62.9% of the respondents generally agreed that benefits offered by the organization are very competitive in the market, 16.1% agreed while 21% were undecided. This implies that the reward system within the banking sectors is good enough for the retention of the talents developed and overall employee productivity. With respect to overall level of reward system, survey data (Figure 7) shows that 55% of the respondents reported "moderate", 31% reported "low" and only 14% reported "high". The study findings indicate that level of reward system in the banking sector is generally moderate.

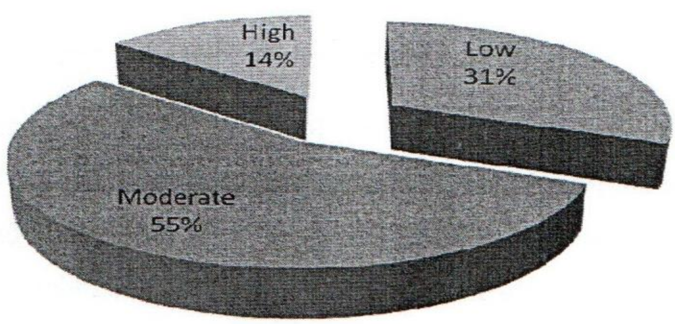

Figure 7. Overall Level of Reward System

Source: Research Data

4.5 Talent Identification and Acquisition

Objective three sought to determine the relationship between talent acquisition strategies and competitive advantage in banks. To achieve this objective, the respondents were asked whether the organization have talent pools, recruit fresh graduates from college and if positions are heir inherited by certain employees. They indicated the extent to which they disagree or agree with various aspects of talent identification and acquisition in their respective organizations. The five-point Likert scale with strongly agree, moderately agree, undecided, moderately disagree and strongly agree was used. The results are presented in the Table 7.

Table 7. Effect of Talent Identification and Acquisition on Competitive Advantage

Statement	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	Mean
Heir- Inherited positions by certain employees	8.1	9.7	4.8	22.6	54.8	**4.065**
Talent pool – Different talent pool for the various leadership positions	3.2	24.2	12.9	37.1	22.6	**3.516**
Reactionary- Reactions after resignation or attrition from other banks	0.0	3.2	9.7	33.9	53.2	**4.371**
Fresh graduates from college	0.0	1.6	3.2	50.0	45.2	**4.371**

Source: Research Data

The study findings revealed that 77.4% of the respondents generally agreed that talent identification and acquisition was heir-inherited positions by certain employees, 17.8% generally disagreed while 4.8% were undecided. This is in contrary to the study carried out by(Gunter K. Stahl,2007)who found out that companies recruit the best talent and then places them into positions rather than trying to recruit specific people for specific positions. Most banks have the fundamental aspects of talent acquisition firmly in place.

Furthermore, 59.7% of the respondents generally agreed that talent identification and acquisition was via talent pool for the various leadership positions, 27.4% generally disagreed while 12.9% were undecided. This implies that talent pool is an increasingly popular and effective recruiting strategy in banks and it is commonly used to recruit managerial positions. The findings support the work of (Geppert & Matten 2006) that banks increasingly understand the use of talent pools. Talent management is beyond succession planning. Rather, it is about developing pools of skills, giving employees the opportunity to widen the scope of their expertise and experience while at the same time providing organizations with the talent they need in order to grow and evolve. Therefore, STM practices of the organization can lead to competitive advantage through developing a unique and valuable human pool (Delery, 1998

In addition, 87.1% of the respondents generally agreed that talent identification and acquisition was reactionary after resignation or attrition from other banks, 3.2% disagreed while 9.7% were undecided. While all organizations look to recruit talented individuals, (CIPD's 2006) many build collections of talent before or after recruitment. This implies that banks don't have clear policies on hiring and maintaining potential talents. Talent banks operate where an organization identifies and attracts potential recruits before they're required, as candidates often emerge who are clearly desirable and interested in the organization but there may not be a suitable current opening. By periodically engaging with these candidates (especially if there's a niche position requiring special skills) and informing them when appropriate opportunities arise, companies save time and expense in future searches. Take internal mobility, for example. When seeking to fill a critical position in a global organization, a manager can now quickly identify a pool of candidates by assessing consolidated system data concerning an employee's performance reviews, individual development plans, certifications, education and compensation—for greater insight and visibility. If that supporting technology is not in place, manual staffing (or succession planning) can be both arduous and less effective.

Also, study outcome show that 95.9% of the respondents generally agreed that talent identification and acquisition was from fresh graduates 1.6% disagreed while 3.2% were undecided. This implies that banks prefer fresh graduates whom they can easily manage in terms of compensation and also flexibility. Fresh graduates are also preferred because they have enough time to utilize their talents and they are at their prime age where productivity is high.

On the basis of the statistical means (Table 7), talent identification and acquisition approaches were ranked in order of magnitude as follows: Fresh graduates from college (4.371), Reactionary- Reactions after resignation or attrition from other banks (4.371) Heir-inherited positions by certain employees (4.065) and Talent pool (3.516). With regard to overall talent acquisition, survey data (Figure 5) shows that 58% of the respondents reported "high", 35% reported "moderate" and only 7% reported "low". The study findings indicate that talent acquisition influenced competitive advantage to a greater extent in the banks.

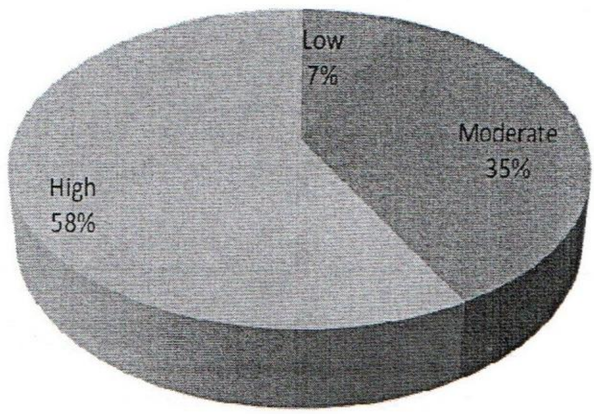

Figure 8. Overall level of Talent Acquisition

Source: Research Data

4.6 Talent Management Practices and Corporate Strategy in the Organizations

The study sought to assess the application of talent management practices in the corporate strategy among the organizations. In this regard, the five point likert scale with strongly agree, moderately agree, undecided, moderately disagree and strongly agree was used. The results are presented in the Table 8.

Table 8. Talent Management Practices and Corporate Strategy in the Organizations

Statement	Percentage Responses %					Mean
	Strongly Disagree	Disagree	Un-decided	Agree	Strongly Agree	
Company Vision	00	11.3	14.5	59.7	14.2	**3.774**
Performance Management	3.2	9.7	22.6	40.3	24.2	**3.726**
Training and Development	4.8	24.2	24.2	37.1	9.7	**3.226**
Career Planning	6.5	21.0	19.4	41.9	11.3	**3.307**
Recruitment and Selection	17.1	17.1	17.1	43.5	43.5	**2.968**
Company growth	0.0	1.6	11.3	67.7	19.4	**4.048**
Management Development Programs	14.5	35.5	12.9	32.3	4.8	**2.774**
Compensation	24.2	48.4	12.9	11.3	3.2	**2.209**

Source: Research Data

The study findings (Table 8) revealed that 73.9% of the respondents generally agreed that talent management and development was incorporated in the company vision, 11.3% generally disagreed while 4.5% were undecided. These findings indicate that most banks Talent Management are aimed at supporting their overall business strategy. Furthermore, 64.5% generally agreed that talent management and development was incorporated in the performance management of the organization 12.9% generally disagreed while 22.6% were undecided. This implies that most banks are measuring performance based on talent management and development practices and it is clearly stated in the organizations corporate strategy.

Study findings further indicate that 46.8% generally agreed that talent management and development was incorporated in the training and development of the organization 29% generally disagreed while 24.2% were undecided In this regard, most banks commonly invest in training and development of talents as a strategy to have an edge. The findings also show that 53.2% generally agreed that talent management and development was incorporated in the career planning by the organization 27.5% generally disagreed while

19.4% were undecided.

According to study findings, 48.7% generally agreed that talent management and development was incorporated in the recruitment and selection by the organization 34.2% generally disagreed while 17.1% were undecided. In addition, 87.1% generally agreed that talent management and development was incorporated in the company growth strategy by the organization 1.6% generally disagreed while 11.3% were undecided. Study findings also reveal that 50% generally disagreed that talent management and development was incorporated in the management development programs by the organization 37.1% generally agreed while 12.9% were undecided. This suggests that most banks do not have a talent development oriented culture which makes employees aware of their own responsibility for their development this could hinder talent mobility within the organization.

Finally, study findings revealed that only 72.6% generally disagreed that talent management and development was incorporated in the compensation programs by the organization 14.5% generally agreed while 12.9% were undecided. This implies that Strategic Talent Management in most banks does not highly consider compensation of their employees. Competitive compensation is of course essential to attract and retain top talent. On the basis of the statistical means (Table 5), various extent to which talent management had been incorporated in corporate strategy were ranked in order of magnitude: Company growth (M=4.048), Company Vision (M=3.774) Performance Management (M=3.726), Career Planning (M=3.307), Training and Development (M=3.226), Recruitment and Selection (M=2.968), Management Development Programs (M=2.774) and Compensation (M=2.209), These findings imply that Strategic Talent Management had been incorporated in corporate strategy to a larger extent especially in aspects such as company growth, company vision, performance management, career planning, training and development and recruitment and selection.

4.6.1 Linkage of talent management approaches to organizations competitiveness

The study sought to describe the talent management approaches adopted by the organizations. In this regard, the five point likert scale with strongly agree, moderately agree, undecided, moderately disagree and strongly agree was used. The results are presented in the Table 9.

Table 9. Talent Management Approaches

	Percentage Responses (%)					
	Strongly Disagree	**Disagree**	**Un-decided**	**Agre e**	**Strongly Agree**	
Linked to strategy	3.2	8.1	6.5	66.1	16.6	**3.839**
Used to improve organizational performance	1.6	9.7	11.3	51.6	25.8	**3.903**
Supported by senior management	9.7	25.8	17.7	25.8	21.0	**3.903**
Changes in response to changing business plan	1.6	17.7	22.6	48.4	9.7	**3.226**
Development included	8.1	35.5	19.4	29.0	8.1	**3.468**
To fill future jobs	8.1	30.6	19.4	23.3	9.7	**2.936**
Involve CEO	4.8	24.2	24.2	32.3	14.5	**3.048**
Contains time frame	9.7	38.7	17.7	22.6	11.3	**3.274**
Open and transparent process of sharing talent related information	29.0	40.3	9.7	14.5	6.5	**2.871**
Use objective assessment of employee competence	41.9	33.9	6.5	12.9	4.8	**2.290**
Shares ownership across all levels of management	32.3	40.3	8.1	14.5	4.8	**2.048**
Rewards managers for development of staff	40.3	33.9	9.7	14.5	1.6	**2.194**
Considers employee career wishes	22.6	50.0	11.3	11.3	4.8	**2.032**
Consists of defined requirements for employee competency	12.9	53.2	14.5	14.5	4.8	**2.258**
Used to fill existing jobs	16.1	21.0	30.6	27.4	4.8	**2.452**
Relies on Human Resource staff	11.3	24.2	29.0	30.6	4.8	**2.839**
Involve line managers	21.0	30.6	12.9	29.0	6.5	**2.936**
Relies on a computerized tracking system	21.0	32.3	12.9	33.9	0.0	**2.597**

Source: Research Data

The results in (Table 9) show that 82.7% of the respondents generally agreed that the talent management and development was linked to strategy, 6.5% were undecided and

11.3% generally disagreed. Further, 77.4% of the respondents generally agreed that talent management and development was used to improve organizational performance, 11.3% were undecided while 11.3% generally disagreed.

In addition, 46.8% of the respondents generally agreed that talent management and development was supported by senior management, 17.7% were undecided while 35.5% generally disagreed. The study findings also revealed that 58.1% of the respondents generally agreed that talent management and development changed in response to changing business plan, 22.6% were undecided whereas 19.3% generally disagreed.

According to the study findings 37.1% of the respondents generally agreed that talent management and was development oriented, 19.4% were undecided while 38.7% generally disagreed. Survey data further indicates that 33% of the respondents agreed that talent management and development was used to fill future jobs, 19.4% were undecided while 38.7% generally disagreed. Further, 46.8% of the respondents generally agreed that talent management and development involved CEO of the organization, 24.2% were undecided and 29% generally disagreed.

Further, 33.9% of the respondents generally agreed that talent management and development contained a timeframe, 17.7% were undecided and 48.3% generally disagreed.

Additionally, 21% of the respondents generally agreed that talent management and development had open and transparent process of sharing talent related information, 9.7% were undecided and 69.3% generally disagreed. The Study findings further show that 75.8% of the respondents generally disagreed that the talent management and development used objective assessment of employee competence, 6.5% were undecided whereas 17.7% generally agreed. Also, 72.6% of the respondents generally disagreed that the talent management and development shared ownership across all levels of management, 8.1% were undecided whereas 19.3% generally agreed.

In addition, 74.2% of the respondents generally disagreed that the talent management and development considered employee career wishes, 9.7% were undecided whereas 16.1% generally agreed. The study findings also revealed that 72.6% of the respondents generally disagreed that the talent management and development rewarded managers for development of staff, 11.3% were undecided whereas 19.3% generally agreed. This implies that most banks do not recognize the effort of managers on employee development. According to the study findings 76.1% of the respondents generally disagreed that the talent management and development consisted of defined requirements for employee competency, 14.5% were undecided whereas 19.3% generally agreed.

Survey data further indicates that 37.1% of the respondents generally disagreed that the talent management and development used to fill existing jobs, 30.6% were undecided whereas 32.2% generally agreed. Further, 35.5% of the respondents generally agreed that talent management and development relied on human resource staff of the organization, 12.9% were undecided and 35.5% generally disagreed. Additionally, 35.5% of the respondents generally agreed that talent management and development involved line managers, 12.9% were undecided and 51.6% generally disagreed. Finally 33.9% of the respondents generally agreed that talent management and development relied on a computerized tracking system, 12.9% were neutral and 53.3% generally disagreed.

On the basis of the statistical means (Table 9), various attributes of talent management approaches adopted by organizations were ranked in order of magnitude: Used to improve organizational performance (M=3.903), Supported by senior management (M=3.903), Linked to strategy (M=3.839), Development included (M=3.468), Contains time frame (M=3.274), Changes in response to changing business plan (M=3.226), Involve CEO (M=3.048), To fill future jobs (M=2.936), Involve line managers (M=2.936), Open and transparent process of sharing talent related information (M=2.871), Relies on Human Resource staff (M=2.839), Relies on a computerized tracking system (M=2.597), Used to fill existing jobs (M=2.452), Rewards managers for development of staff (M=2.194), Shares ownership across all levels of management (M=2.048) and Considers employee career wishes (M=2.032). These findings imply that talent management approaches could be generally described mainly as follows: Used to improve organizational performance, Supported by senior management, Linked to strategy, Development included, Contains time frame, Changes in response to changing business plan and involved CEO.

4.6.2 Level of competitive advantage among organizations

The respondents were asked to indicate the extent to which they disagree or agree with various aspects of competitive advantage in their respective organizations. The five-point Likert scale with strongly agree, moderately agree, neutral, moderately disagree and strongly agree was used. The results are presented in the Table 10.

Table 10. Level of competitive advantage

Statement	Percentage Responses (%)					Mean
	Strongly Disagree	Disagre e	Un-decided	Agree	Strongly Agree	
Desire to improve business results / revenue	1.6	6.5	4.8	36.5	30.6	**4.081**
Growth in business requiring better management of talent	1.6	4.8	3.2	43.5	46.8	**4.290**
Need for greater diversity in management	1.6	9.7	25.8	33.9	29.0	**3.790**
Anticipated changes in skills of future leaders	4.8	24.2	14.5	30.6	25.8	**3.484**
Company growth	1.6	1.6	6.5	48.4	41.9	**4.274**
Increased customer base	1.6	6.5	3.2	33.9	54.8	**4.339**
To develop committed employees	8.1	30.6	8.1	33.9	19.4	**3.258**
Enhanced organizational reputation	3.2	3.2	9.7	56.5	24.7	**4.016**
Need to increase retention of internal talent and reduce labour turnover	8.1	29.0	16.1	35.5	11.3	**3.129**

Source: Research Data

The Study findings (Table 10 m show that 67.1% of the respondents generally agreed that talent Strategic Talent Management improved business results and revenue, 8.1% disagreed while 4.8% were undecided. Further, 90.3% of the respondents generally agreed that Strategic Talent Management led to growth in business requiring better management of talent, 6.4% disagreed while 3.2% were undecided. This implies that good talent management leads to greater productivity, and even faster revenue growth in banks.

Further 62.9% of the respondents generally agreed that Strategic Talent Management led to greater diversity in management, 11.5% disagreed while 25.8% were undecided. In addition, 56.4% of the respondents generally disagreed that Strategic Talent Management resulted in changes in skills of future leaders, 29% agreed while 14.5% were decided. The study also revealed that 90.3% of the respondents generally agreed that Strategic Talent Management led to company growth, 3.2% disagreed while 6.5% were decided. In addition 88.7% of the respondents generally agreed that Strategic Talent Management increased customer base, 8.1% disagreed while 3.2% were undecided. Further, 53.3% of the respondents generally agreed that STM developed committed employees, 38.7% disagreed while 8.1% were decided.

The study also found that, 81.2% of the respondents generally agreed that Strategic Talent Management enhanced organizational reputation, 6.4% disagreed while 9.7% were undecided. Finally, 46.8% of the respondents generally agreed that Strategic Talent Management increased retention of internal talent and reduce labour turnover, 37.1% disagreed while 16.1% were undecided. According to study findings (Figure 8), 57% of the respondents reported that the overall level of commitment competitive advantage among the organizations was generally moderate (61.3%), 22.6% reported "high" and only 16.1% reported "low". On the basis of these findings, the overall level of competitive advantage was generally moderate.

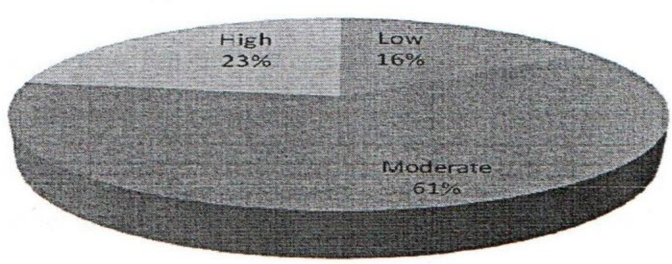

Figure 8. Overall Level of Competitive Advantage among Organizations

Source: Research Data

4.6.3 The relationship between talent management approaches and competitive advantage

The study sought to determine the effect of talent approaches and competitive advantage. The overall index score of various aspects of talent management (talent identification and acquisition, talent training and development and, reward system) were correlated with overall index scores of competitive advantage (dependent variable) as shown in Table 11.

Table 11 . The Effect of Talent Management Approaches on Competitive Advantage

	Competitive Advantage index	Talent acquisition index	Talent training and development index	Reward index
Competitive Advantage index	1.000	-.312(*)	-.061	-.171
	.	.014	.639	.187
	61	61	61	61
Talent acquisition index	+.312(*)	1.000	-.244	.172
	.014	.	.056	.180
	61	62	62	62
Talent Training and development index	+.061	-.244	1.000	.021
	.639	.056	.	.873
	61	62	62	62
Reward System index	+.171	.172	.021	1.000
	.187	.180	.873	.
	61	62	62	62

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

Source: Research Data

Table 10 shows the correlation analysis on the relationship between talent management and competitive advantage at 0.05 significant levels. The results show that talent acquisition significantly affect competitive advantage (r = 0.312*). This implies that the more talent acquisition is applied by the organizations, the more it influences the competitive advantage, and therefore banks need to put in place mechanisms of acquiring the required personnel in order to achieve competitive advantage. This may mean that commercial banks try to identify talented candidates such that only competent people get into the organization. The focus in recruiting and selection process is the critical dimension of a candidate's ability to learn (Paul & Anantharaman, 2003; Wynekoop & Waltz, 2000), and organizations see recruiting as an effective way to achieve competitive advantage of sustained competitive advantage (Marchington & Grugulis,2000).

Study results further indicated that talent training and development is not significantly correlated to competitive advantage (r =0. 061 Ns). This implies that although talent training was positively correlated to competitive advantage it does not significantly influence the competitive advantage this is contrary to some recent studies which shows the importance of training and development. According to (Green, 1993). Lack of training is related to low competitiveness and training is positively related to business performance. Training and development may convey a message to employees that it is in the best interest of the organization to have employees stay longer in the firm. There is little doubt that there has been a growing recognition of the importance of training and development as a source of competitive advantage as employers introduce more skills-specific forms of training and experience continuing skills shortages in some areas (Boxall, 1996; Marchington & Grugulis, 2000; Pfeffer, 1998). The fact that training enhances organizational competitiveness is consistent With prior studies (Bartel, 1994; Black & Lynch, 1996; Huselid,1995; Paul & Anantharaman, 2003)

Finally, correlation analysis indicates that reward system does not significantly influence competitive advantage (r =0.171Ns). This implies that although reward system was positively correlated to competitive advantage it does not significantly influence the competitive advantage. This is in contrary to the work of Huselid (1995) who found that investments in STM activities such as incentive compensation resulted to greater productivity and increased organizational competitiveness through their impact on employee skill development and motivation.

4.6.4 The influence of strategic talent management on competitive advantage

In order to determine the influence of the independent variables (Strategic Talent management) on the dependent variables (competitive advantage), regression analysis was done. In this regard, the independent variables such as Talent Acquisition, Talent development and training and Reward system were regressed on the dependent variable competitive advantage. The results of the regression analysis were presented in the below tables

Table 12 : Regression Analysis

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.775	.688		5.483	.000
	Talent Acquisition	.094	.051	.239	-1.826	.073
	Talent development and training	.086	.059	.190	-1.464	.149
	Reward system	.053	.042	.160	-1.262	.212

a Dependent Variable: Talent mgt outcome index

On the basis of the Beta and significant values (Table 12 above), elements of Strategic Talent management namely; Talent recruitment and acquisition (β =0.239, P=0.073), Talent development and training (β =0.190, P=0.149) and Reward system (β =0.160, P=0.212), were found not to significantly influence competitive advantage in commercial banks since (P> 0.01). This means the three independent variables did not contribute significantly to the model and thus the null hypothesis that Talent management strategies do not significantly influence competitive advantage in the commercial banks in kenya was not rejected.

Table 13: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**			
					R Square Change	**F Change**	**df1**	**Sig. F Change**
1	.328(a)	.107	.060	.59475	.107	2.288	3	.088

a Predictors: (Constant), Reward system, Talent development and training, Talent Acquisition

According to the regression summary model (Table 13), the co-efficient of determination

(R) indicated a value of 0.328 and $R^2 = 0.107$ or 10.7%. These findings confirm that the observed change in competitive advantage attributed to the elements of STM (Talent recruitment and acquisition, talent development and training and reward system was 10.7% while the remaining percentage could be explained by other factors such as the intervening factors.

4.7 Discussion of Study Findings

The first objective examined talent training and development programs and their contribution towards competitive advantage. This study concluded that there was no significant relationship between talent training and development strategies and competitive advantage though it had an influence. This is in contrary to some researches done earlier which found that by having a good strategy in talent development to the employees this can make the business have great positive developments that would take it to the next level. This is because employee development encourages employees to be more engaged and this makes the work place to have a high performance. (Grieves 2003). According to the study 87.1% agreed that there are several employees who attend self organized trainings. This is a personal initiative taken by bank staff to develop and prepare them for more challenging roles and even promotion. On the other hand 83.9% disagreed that promotion was based on successful completion of training course or education and 92% of the respondents agreed that selection was based on personal relationships and network ties in the banks. An effective STM system should have a clear promotion structure in place since this is a procedure that should encourage employees and facilitate their development. Therefore there is great need for the organizations to concentrate on development of its employees competencies with regard to the organizations business goals. This can be institutionalized by the use of the organizational talent management policies (Armstrong 2000).

The second objective was to establish whether reward management strategies adopted by banks bear on competitive advantage. The study concluded that there was no significant relationship between reward management strategies and competitive advantage though reward system in banks was generally low. The above study revealed that 62% agreed that banks offer benefits which are competitive in the market. This supports the work of (Armstrong 2000) who found that in the competitive business today there is a demand that companies should offer competitive benefits both financial and non-financial to their employees' .Instead of signaling through lavish financial rewards that people work mostly for such as money, pfeffer and sutton(2006) suggest that organizations should offer adequate financial inducements but emphasize on other benefits, such as learning and growth opportunities, a great corporate culture and an inspiring purpose if they want to attract and retain the right people. The study further concluded that monthly pay is rarely reviewed upwards in the banking sector. This supports the work of (yeung 2007) who recommends that companies where people commonly jump ship for a minimal salary increase should resist the financial arms race and instead offer long term career development opportunities and a unique value proposition that binds employees emotionally to the mission and goals of the company.

The third objective was to determine the effect of talent acquisition strategies on competitive advantage in commercial banks. The study concluded that competitive advantage was significantly influenced by the talent identification and acquisition in banks and that most banks are using talent pools for identification of leadership positions. It further found that banks recruit fresh graduates (4.371), and recruitment after attrition from other banks and resignation was also found to be high (4.371). These findings support the results of Huselid (1995), which support the notion that talent acquisition strategies are positively related to competitive advantage. Furthermore, the study also found that certain positions were heir inherited by certain employees. This is a practice that can demoralize some employees and therefore banks should put in place right initiatives and clear structures of talent acquisition and identification.

The overall objective was to establish the effect of Strategic Talent Management on competitive advantage. A regression analysis based on the findings found out that talent recruitment and acquisition had a value of (β =0.239, talent development and training (β =0.190, and Reward system (β =0.160.These variables were found not to significantly influence banks competitiveness .These results contradicts other researches done earlier which found out that good talent management strategies lead to greater productivity, and even faster revenue growth which translates to competitive advantage in the organization .According to (Woodruffe, 2003) there is the competitive perspective of talent management strategies when looked from default perspective it is also seen in the professional services firms where they generally adopt the competitive approach because their business proposition is based on the talents of their people.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The purpose of this study was to determine the effect of Strategic Talent Management on competitive advantage in commercial banks. This chapter presents a summary of the findings and conclusions of the study with a view to highlighting findings that are most relevant to policy decisions. The chapter also presents recommendations and recommendations for further study.

5.1 Summary of Findings

On the basis of the data analyzed according to responses to research objectives the following were the major findings of the study:

5.1.1 Talent training and development and competitive advantage

The first objective sought to examine talent training and development programs and their contribution towards competitive advantage in commercial banks. The study findings revealed that 87.1% agreed that most bank employees are attending self organized training and development activities and that 61.3% admitted that training and development workshops attended by employees have improved the ease with which they undertake their responsibilities. It also emerged that organizations constrain employees to attend training and development activities. In addition 85.5% of the respondents agreed that the company organized for training and development activities for new employees. With respect to overall level of training and development, it was found to be moderate with 75.8%.

5.1.2 Reward system and competitive advantage

The second objective was to establish the extent to which reward management strategies adopted by banking institutions affect their competitive advantage .The study found that 46.9% of the respondents agreed that banks offer a variety of rewards both financial and non-financial; moreover 62.9 % agreed that monthly pay is often reviewed upward. The findings also revealed that 11.3% agreed that banks offer sufficient remuneration to employees. In addition 62.9% agreed that benefits offered by banks are competitive. The overall level of reward system was found to be moderate with 31%.

5.1.3 Talent identification and acquisition strategies and competitive advantage

The third objective was to determine the relationship between talent acquisition strategies and competitive advantage among commercial banks in Nakuru town. The findings revealed that 77.4% of the respondents agreed that talent identification and acquisition was heir- inherited, it also found that 59.7% agreed that talent identification was via talent pool .In addition 87.1% agreed that talent acquisition and identification was reactionary after resignation or attrition from other banks.

5.1.4 Relationship between talent management strategies and competitive advantage

The study also sought to establish the extent to which the various talent management strategies affect competitive advantage. The correlation analysis found that talent training and development is not significantly correlated to competitive advantage ($r=0.061$).The analysis also indicated that reward system does not significantly influence competitive advantage ($r=0.171$) and finally there was a relationship between talent acquisition and competitive advantage ($r=0.312$).Further analysis by regression on how the elements influence competitive advantage was carried out and the three independent variables did not contribute significantly to competitive advantage. On the basis of the Beta and significant values elements of Strategic Talent management namely; Talent recruitment and acquisition ($\beta=0.239$, $P=0.073$), Talent development and training ($\beta=0.190$, $P=0.149$) and Reward system ($\beta=0.160$, $P=0.212$).

5.2 Conclusion

This study concluded that there was no significant relationship between talent training and development strategies and competitive advantage though it had an influence. Although investment in training and development is important, the findings suggest that training and development programs are not enough to drive competition one could be well trained but is unproductive. Talent development programmes should combine both on the job and personal initiatives. They should be supported on a daily basis by the banks to ensure that employees can face both local and global competition. Organizations should look inside the organization before looking outside (make, rather than buy), through learning and development initiatives like trainings and coaching. The heavy emphasis on development programs is consistent with the promote from within policy which encourages training and skill development and helps companies retain talents. The study found that promotions are based on ability and not on experience and that it is not based on successful completion of a course or training. This indicates that ones ability is very important and employees should utilize their abilities and expose them well. Employees often cite career development as one of two top job satisfiers, along with compensation. Employees want to be challenged and developed. If they're not, they will become less productive or perhaps even leave

To establish whether reward management strategies adopted by banks bear on competitive advantage. The study concluded that there was no significant relationship between reward management strategies and competitive advantage though reward system in banks was generally low. This could be due to the fact that reward management programmes require a lot of investment and since banks mind on their costs probably they spend less on these programmes and also the working environment can also influence productivity of individuals. For example there can be an adequate reward system in place but if the working environment is not conducive then this could hinder performance. The study also found that banks offer both financial and non financial rewards which are very key in organizations though there is no clear policy when it comes to pay reviews. Financial rewards such as money could be a driver of job satisfaction and therefore pay reviews should be looked into to see if there is a relationship between the reviews and competitive advantage.

In respect to the effect of talent acquisition strategies on competitive advantage in commercial banks, the study concluded that effective talent identification and acquisition can create competitiveness in the banking sector. The continuous process of developing a talent pool is an upcoming best practice in banks. This provides a good ground for leadership development and succession planning. Furthermore, considering that recruitment construct in this study refers to the effectiveness of the recruitment process and not just to the existence or extensiveness of this process, the important conclusion here is that effective recruitment is positively related to banks competitive advantage.

Generally, the study concluded that talent management had been incorporated in corporate strategy to a larger extent especially in aspects such as company growth, company vision, performance management, career planning, training and development and recruitment and selection. Furthermore, talent management approaches could be generally described mainly as used to improve organizational performance, supported by senior management, linked to strategy, development oriented, contained time frame, changed in response to changing business plan and involved CEO. It is also vital to note that some of the aspects of talent management and development are yet to be fully achieved in the organizations. Talent management should be explicitly linked with overall strategic planning and deliver the quantity and quality of leaders the company will need in the future to achieve its goals. The mandate is clear: for organizations to succeed in today's rapidly changing and increasingly competitive market place, intense focus must be applied to aligning human capital with corporate strategy and objectives. It starts with recruiting and retaining talented people and continues by sustaining the knowledge and competencies across the entire workforce. With rapidly changing skill sets and job requirements, this becomes an increasingly difficult challenge for organizations.

5.3 Recommendations

Based on the above findings and conclusions, this study made the following recommendations which aimed at improving Strategic Talent Management in organizations. This study recommends the need to strengthen these particular aspects as well as other elements of corporate strategy in the banks. This study also recommends the need to make talent management strategies a top priority of the corporate strategy given the increasingly challenging global business environment. The future of talent management will need to evolve from where it is today to become a more systematic business process. The study shows that most organizations are still struggling to systematize and integrate their talent management processes.

The study also concluded that the overall level of application of talent management and development especially in terms of talent training and development and reward system was generally moderate except talent acquisition which was high. Consequently, this study recommends effective application of talent management in order to achieve measurable improvement in the organizational competitive advantage. The study recommends banks to seriously invest in talent training and development programmes and also support that staffs who have organized for self sponsored trainings.

It is also apparently clear from the study findings, that only talent identification and acquisition was found to significantly influence competitive advantage among the banks. In this respect this study recommends that banks should invest more on acquiring the right talents since it is a key contributor to achieving competitive advantage.

The study advances the following specific recommendations: Banks need to align their talent management system to their specific business requirements and to their overall corporate strategy. Talent management can not be on its own. it should explicitly linked with overall strategic planning. Talent acquisition is seen as key in creating competitive advantage in the bank; a lot of investment should be channeled towards that programme. There is need for banks to develop strong talent pools. Banks should also have proper pay review structures in place Banks should explore how the entire bank market feels and establish the underlying needs, frustrations and concerns that bank staff currently have especially when it comes to promotions upon completion of a course or training, finally Since time constraint emerged as a challenge, banks should create time for their staff in order to attend trainings. This can be achieved by introducing working in shifts

5.4 Suggestions for Future Research

Future research should improve on the limitations of this research effort. For instance, future researchers should attempt to replicate this study and address the sampling bias and test the validity of the scales. Future research may also investigate other factors that influence competitive advantage of organizations. Specifically: a similar research should be repeated in the same area to find out if indeed training and development and reward systems do not significantly contribute to competitive advantage in banks. A replica of the same study should be done in other commercial banks outside Nakuru Municipality to find out if the results will be similar. The study was also limited to departmental managers, therefore there is need to carry out another research focusing on corporate managers. A study should be carried out to examine the extent to which banks have aligned talent management practices to their corporate strategies.

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APPENDIX I: QUESTIONNAIRE

Section A: Organization Profile

1. Name of the Organization ....
2. Year of Organization's Establishment..
3. Number of employees in the organization:.......................................
4. Position/Title of the Respondent: ....
5. Gender of the Respondent: Male Female
6. Age of the respondent 18-25 26-30 31-40 41-50 50 and above
7. Highest Educational level of the Respondent:
8. No. of years in organization: ....
9. State the markets in which your organization is currently operating in
   - ☐ International
   - ☐ Regional
   - ☐ National
   - ☐ Local

SECTION A: TALENT ACQUISITION

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The company approaches to Talent acquisition may be described as:

No	Statement	1	2	3	4	5
1	Heir- Inherited positions by certain employees					
2	Talent pool – Different talent pool for the various leadership positions					
3	Reactionary- Reactions after resignation or attrition from other banks					
4.	Fresh graduates from college					

SECTION B: TALENT MANAGEMENT TRAINING AND DEVELOPMENT

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The level of sophistication of the Talent Management training and development system within our organization may be described as:

No	Statement	1	2	3	4	5
1	There are several employees who attend self organized training and development activity					
2	Employees attend organized trainings and development activities organized by the organization more often					
3	The company organizes for training and development activities for new employees					
4	Training and development activities attended by employees are always relevant					
5	Training and development workshops attended by employees have improved the ease with which they undertake their responsibilities					
6	Persons facilitating trainings and development activities are normally competent and qualified.					
7	The organization constraints employees to attend trainings and development activities.					
8	Selection for promotion is based on personal relationships and network ties					
9	Promotion is based on past performance					
10	Promotion is based on range of experience					
	Promotion is based on successful completion of training course or education.					

SECTION C: REWARD SYSTEM

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The Company's approach towards reward system in your organization can be described as

No.	Statement	1	2	3	4	5
1	The organization offers a variety of rewards both financial and non financial					
2	The monthly pay is often reviewed upward					
3	The organization currently offers sufficient remuneration to employees					
4	Benefits offered by the organization are very competitive in the market					

SECTION D: COMPETITIVE ADVANTAGE

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

Strategic Talent Management is used in our organization for the following (reasons)………..

No	Statement	1	2	3	4	5
1	Desire to improve business results / revenue					
2	Growth in business requiring better management of talent					
3	Need for greater diversity in management					
4	Anticipated changes in skills of future leaders					
5	Company growth					
6	Increased customer base					
7	To develop committed employees					
8	Enhanced organizational reputation					

9	Need to increase retention of internal talent and reduce labour turnover					

SECTION E: ALLIGNMENT OF STRATEGIC TALENT MANAGEMENT TO BUSINESS STRATEGY

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The Talent Management practices within our organization are linked to the Corporate Strategy of the organization in terms of:

No	Statement	1	2	3	4	5
1	**Company Vision**					
2	Performance Management					
3	Training and Development					
4	Career Planning					
5	Recruitment and Selection					
6	Company growth					
7	Management Development Programs					
8	Compensation					

SECTION E: PURPOSE OF STRATEGIC TALENT MANAGEMENT

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The approach to our organization's Strategic Talent Management may be described as………..

No	Statement	**1**	**2**	**3**	**4**	**5**
1	Linked to strategy					
2	Used to improve organizational performance					

3	Supported by seniour management					
4	Changes in response to changing business plan					
5	Development included					
6	To fill future jobs					
7	Involve CEO					
8	Contains time frame					
9	Open and transparent process of sharing talent related information					
10	Use objective assessment of employee competence					
11	Shares ownership across all levels of management					
12	Rewards managers for development of staff					
13	Considers employee career wishes					
14	Consists of defined requirements for employee competency					
15	Used to fill existing jobs					
16	Relies on Human Resource staff					
17	Involve line managers					
18	Relies on a computerized tracking system					

SECTION F: ALLIGNMENT OF STRATEGIC TALENT MANAGEMENT TO

BUSINESS STRATEGY

Please indicate the extent to which you agree/disagree with the following statements by placing a cross (X) in the appropriate box. Use the scale below to tick appropriately in the table below:

1- Strongly disagree; 2 – Disagree; 3 – Undecided; 4 – Agree and

5 - Strongly agree

The Talent Management practices within our organization are linked to the Corporate Strategy of the organization in terms of:

No	Statement	**1**	**2**	**3**	**4**	**5**
1	Company Vision					
2	Performance Management					
3	Training and Development					
4	Career Planning					
5	Recruitment and Selection					
6	Company growth					
7	Management Development Programs					
8	Compensation					

APPENDIX II: LIST OF COMMERCIAL BANKS IN NAKURU AS AT SEPTEMBER 2011

Co-operative Bank of Kenya

CFC Bank

Kenya Commercial Bank

Bank of Africa

Credit Bank

Post Bank

Transnational Bank

Chase Bank

ABC bank

Barclays Bank of Kenya

Standard Chartered Bank

National Bank of Kenya

Family Bank

Commercial Bank of Africa

Diamond trust Bank

Eco- Bank

Consolidated bank
K-rep bank

First community

Oriental Bank

Bank of Baroda

Equity Bank

Fina Bank

Dubai Bank

NIC bank

I & M Bank

APPENDIX III: STUDY SAMPLE

NAME OF ORGANIZATION	FREQUENCY	PERCENT
STANDARD CHARTERED	3	4.8
ABC BANK	2	3.2
BANK OF AFRICA	2	3.2
BANK OF BARODA	3	4.8
BARCLAYS BANK	3	4.8
COMMERCIAL BANK OF AFRICA	3	4.8
CFC STANBIC	3	4.8
CHASE BANK	3	4.8
CONSOLIDATED BANK	2	3.2
COOPERATIVE BANK	2	3.2
CREDIT BANK	3	4.8
DIAMOND TRUST BANK	2	3.2
DUBAI BANK	2	3.2
ECO BANK	3	4.8
EQUITY BANK	3	4.8
FAMILY BANK	2	3.2
FINA BANK	3	4.8
FIRST COMMUNITY BANK	2	3.2
I & M BANK	2	3.2
K-REP BANK	2	3.2
KENYA COMMERCIAL BANK	2	3.2
NATIONAL BANK	2	3.2
NIC BANK	1	1.6
ORIENTAL BANK	2	3.2
POST BANK	2	3.2
TRANSNATIONAL BANK	3	4.8
TOTAL	**62**	**100.0**

APPENDIX IV: ORGANIZATION'S YEAR OF ESTABLISHMENT

Year	Frequency	Percent
1896	2	3.2
1910	3	4.8
1911	2	3.2
1922	3	4.8
1952	2	3.2
1953	2	3.2
1955	1	1.6
1965	2	3.2
1968	2	3.2
1974	2	3.2
1982	4	6.5
1984	9	14.5
1986	3	4.8
1989	1	1.6
1990	1	1.6
1992	2	3.2
1995	3	4.8
1996	3	4.8
1999	2	3.2
2001	3	4.8
2002	2	3.2
2005	3	4.8
2007	2	3.2
2008	3	4.8
Total	62	100.0

APPENDIX V: CORRELATIONS MATRIX

Variables	Statistics	Competitive Advantage index	Talent acquisition Index	Talent Training & Development index	Talent Reward index
Competitive Advantage index	Pearson Correlation	1	.312(*)	.061	.171
	Sig. (2-tailed)	.	.014	.639	.187
	N	61	61	61	61
Talent Acquisition Index	Pearson Correlation	.312(*)	1	-.241	.172
	Sig. (2-tailed)	.014	.	.056	.180
	N	61	62	62	62
Talent development Index	Pearson Correlation	.061	-.244	1	.021
	Sig. (2-tailed)	.639	.056	.	.873
	N	61	62	62	62
Talent Reward Index	Pearson Correlation	.177	.172	.021	1
	Sig. (2-tailed)	.187	.180	.873	.
	N	61	62	62	62

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

** Correlation is significant at the 0.01 level (2-tailed).