

**EFFECTS OF ADOPTION OF TALENT BRAND NURTURING STRATEGY ON THE MANAGEMENT OF GOVERNMENT PARASTATALS IN KENYA****Choge James Kipruto**

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**ABSTRACT**

*A review of global good practice in countries with similar development challenges as Kenya identifies five roles for government parastatals in the national development effort. Government parastatals are important in promoting or accelerating economic growth and development and are critical to building the capability and technical capacity of the state in facilitating and/or promoting national development. The specific objective aimed at establishing the influence of adoption of talent brand nurturing strategy on management of government parastatals in Kenya. The population for this study was drawn from government parastatals with strategic functions in Kenya. Mixed method research approach and descriptive survey design were adopted in the current study. Self-administered questionnaire was used to collect primary data. The study also reviewed the previous evaluation reports, strategic plans, periodicals, and taskforce reports to obtain secondary data for analysis. SPSS was used in this study to generate results for interpretation. Multiple linear regression model was used as a tool for analysis and the results generated were presented qualitatively in form of graphs and percentages and quantitatively through tables. The current study tested the null hypotheses in that talent brand nurturing*

*strategy has no significant effect on the management of government parastatals in Kenya. The correlation analysis findings of the study showed a significant positive linkage between management of government parastatals and talent brand nurturing strategy at ( $\rho=0.436$ ). The study consistently found that there exist a strong interrelationship between the management and the predictor variable, talent brand nurturing strategy. The study recommends that government parastatals should adopt talent brand nurturing strategy to boost and enhance their management in order to retain the best talents and improve productivity and performance in the respective parastatals. The study aimed to help the academicians, policy makers, leaders, and managers in the government parastatals and private firms to make use of the competitive contemporary talent brand nurturing strategies to achieve desired strategic management objectives.*

**Key Words:** Human Capital, Management, Parastatal, Strategy, Strategic Management.

## INTRODUCTION

Talent brand nurturing strategy is a product from Human Capital. Human capital is regarded as the most stable platform in any organisation where meaningful strategic initiatives can be coined. According to Monaj (2013) human capital is a well employed human resource that is actively engaged in meaningful, worthwhile work and delivering some level of desired productivity. Human Capital is a question of factoring knowledge and application to physicality. A human capital strategy on the other hand can be said to be the organization's *modus operandi* that can be aligned to fit in with the mission and strategic goals of any organisation. HCS defines the talent, leadership, culture, and organisation to execute the business strategy. According to Galit and Toibi (2011), the aim of the strategy is to transform the element of human capital into a more tangible asset, to plan and to match up the personnel in the organisation to the strategic goals of the organisation. The concept of talent brand and management first emerged in 1998 in response to a published paper by McKinsey consulting in the USA entitled 'The War on Talent' (McKinsey, 2001). Talent is defined as natural or innate aptitudes or characteristics which are separate from learned knowledge or skills - for example, an innate talent for art or sport which can be further developed and enhanced with practice and learning. Nurturing of talents is the implementation of initiatives and strategies to harness the unique talents of individual employees and convert their talent potential into optimum organisation effective management and performance (CIPD, 2010). Avedon and Scholes (2010) suggests four levels of talent integration. The study opines that the initial stages the human capital system will consist of separate programmes and a strong emphasis on strategies. At level two, there will be evidence of a more strategic approach putting more emphasis on integrated, aligned processes and programmes. At

level three, the organisations business strategy will drive human capital system integration and alignment. At level four, there exists a talent brand initiatives within the organisation.

Organisations need to develop a strategic approach from talent brand that complements the organisation's values and aligns with key business strategic objectives so that staff can achieve their full potential and for the benefit of creating a strategic fit and thus gaining a competitive advantage (CIPD 2012). In reviewing the talent development and nurturing strategy literature, talent strategy is said to vary across two dimensions. One dimension focuses on whether an organisation is inclusive or exclusive (Iles, *et al.* 2010). Exclusive organisations put more emphasis on talent nurturing programs on relatively small numbers positions or talent. Inclusive organisations focus on a larger number of positions or talent. The second dimension considers whether an organisation focuses on positions or people. "Position" organisation focus resources on building capability for specific positions, while "people" organisations focus on nurturing individual talent (Iles, *et al.*, 2010).

In reviewing the talent development and nurturing strategy empirical literature, it has been observed that talent strategy varies across two dimensions. One dimension focuses on whether an organisation is inclusive or exclusive. Exclusive organisations put more emphasis on talent nurturing programs on relatively small numbers position planning or key talent. Inclusive organisations focus on a larger number of positions or talent. The second dimension considers whether an organisation focuses on positions or people. "Position" organisation focus resources on building capability for specific positions, while "people" organisations focus on nurturing individual talent and talent pooling (Iles, *et al.* 2010). In developing a talent pool, the term talent pool has been utilized to refer to the pool of high potential and high performing incumbents that the organisation can draw upon nurture to fill pivotal talent positions (Collings and Mellahi 2009). Having identified the pivotal talent positions within an organisation, the study argued that strategies should be put in pace to develop a talent pool to fill these pivotal positions in order to create a strategic fit.

An organisation's strategic choice among these quadrants leads to very different talent-based strategic decisions. Gathering data from more than thirty multinationals operating India, China, and Indonesia, the study found that organisations pursuing these strategies realized different results in areas such as leadership bench strength and turnover (Eyring and Eyring 2013). The study further found that more organisations followed key talent-based strategies than any other strategy in the four quadrants. According to them, these organisations designed their strategies for "A" players. For example, they devoted more effort to hiring and training MBAs, invested more in their key talent nurturing programs, and were more flexible in their compensation policies to retain top talent. As expected, these organisations had the highest percent of managers promoted from within the organisation.

On the other hand, organisations with a talent pooling strategy focus on developing a larger pool of talent to fuel their leadership pipeline. This approach has been promoted and the argument is that talent is not fixed. Instead, the study indicated that it takes time to develop expertise; a “B” player today may be an “A” player tomorrow and therefore there is a dire need for talent brand nurturing strategy (O’Reilly and Pfeffer 2010). Today more than ever, it’s critical for organisations to shift from a one-size-fits-all to a one-size-fits-one approach to their talent management strategies. Employers must not only tap into diversified talent pools, but must also rethink the needs of its entire workforce. Effective diversity management can be a competitive advantage where individuals are able to initiate behaviors to foster diversity, every day, and are supported and rewarded by the organization through its systems and processes. Since the New English Bible translates the Greek word talent into the word capital, this parable can be seen as one of the causes for scholars using the term human capital as synonymous to talent (Tansley, 2011). Approach to talent focuses on commitment, operationalized both as commitment to one's work, and to one's employing organisation. In the former meaning, talent is conceptualized as something intrinsic to a person that directs focus, attention, and dedication (Kamoche and Kavoo-Linge, 2011).

A final object approach to talent brand refers to the fit between an individual's talent and the context within which he or she works that is; the right place, the right position, and/or in the right time. The fit approach is essential to the desired overall organisation’s strategic goals as it emphasizes the importance of context, implying that the importance of talent nurturing strategy is relative rather than absolute, and objective rather than subjective (Garrow and Hirsh, 2008). It is said that in a given organizational setting, talent-based strategy should be defined and operationalized in light of the organisation's culture, environment that is industry, sector, labor market, and type of work (Pfeffer, 2001). The organizational context is critical since people can be expected to perform above or below their normal level depending on their immediate environment, the leadership they receive, and the team they work with, and strategies laid upon them (Iles, 2008). One key and fundamental observation is that individuals who shine in one context may struggle in another (Coulson-Thomas, 2012). Research on the transferability of star performance has demonstrated that talent, indeed, is not always transferable from one organizational context to another in some cases, but performance might even plummet when a so-called star performer changes organizations (Groysberg, et al. 2006). In developing a talent pool utilized the term talent pool to refer to the pool of high potential and high performing incumbents that the organization can draw upon going through strategic nurturing processes to fill pivotal talent positions (Collings and Mellahi 2009). While differing with use of the term pivotal talent pools to refer to the key roles within organisations which differentiate performance from management, the definition is consistent with most authors (Caplan, 2013, Pruis, 2011, Garavan, et al. 2007, Boudreau and Ramstad 2007). The framework of the study proposes that having identified the pivotal talent positions within an organisation, strategies should be put in

place to develop a talent pool to fill these pivotal positions in order to create a strategic fit within the organization (Collings & Mellahi, 2009).

Management involves characteristics of both art and science. While certain aspects of management make it a science, certainly others which involve application of skills make it an art. Every discipline of art is always backed by science which is basic knowledge of that art. Similarly, every discipline of science is complete only when it is used in practice for solving various kinds of problems. To reinforce this view, studies have demonstrated that management is a process of working with and through others to achieve organizational strategic objectives in ever changing business environment and central to this purpose is the effective and efficient use of limited but stable organizational talent-rich human capital (Stahl et al. 2007).

Parastatals in Kenya are organisations wholly owned or owned in part by the government of Kenya with both short and long term objectives in terms of public policy implementation and profit making. Thus, it is the citizens who are represented by the government that are shareholders in these entities. Accordingly, the Kenyan government has a responsibility to enhance the value of its assets through the efficient delivery of public services where the public socio-economic needs of its citizenry are required or through optimizing profits where profit motives are expected. The government of Kenya aims to be a globally competitive and prosperous middle income country (GOK, 2007), with a projected annual GDP growth rate of approximately 1%. Government Parastatals are envisioned as playing a crucial role in promoting and accelerating economic growth and development that will drive the social and economic transformation of Kenya towards the realization of vision 2030, in terms of implementation of flagship projects to help bring about transformation in Kenya. However, information contained in Taskforce Report on Parastatals Reforms (2013) shows that the output of government parastatals to GDP in nominal terms has been slightly increasing for instance from 10% in 2008/09 to an average of 11.84% in 2014/2015 based on the internally generated income. Employment and wage earnings in government parastatals have been declining in both absolute numbers and annual turnover. The management and performance of state parastatals in Kenya have been a matter of on-going concern in an environment of resource scarcity and mounting strategic needs. Parastatals in Kenya today are saddled with a wide range of objectives. They perform diverse functions spanning from manufacturing and commerce, financial intermediation and infrastructure development through service provision, regional development, environmental conservation to education and training as well as regulation of the economy.

However, concerns have been raised whether existing management prowess, skills and structures are adequate to develop long-term strategies for meeting these multiple obligations. A number of strategic, policy issues and challenges afflict parastatals in Kenya, including inadequate strategy formulation and implementation out of its assets leading to poor definition of mandates, conflicts in mandates, as well as fragmentation of mandates that facilitate the proliferation of poorly

resourced parastatals. It also affects the facilitative role of the state in ensuring effective human capital development that supports the national development effort. Most critically, there is the issue of poor management leading to the most coveted stable resource loss and burdening the public purse, including a multitude of human capital and institutional frameworks that generate multiple reporting and accountability lines, compounding the challenge of effectiveness of Boards and Chief Executive Officers. A number of CEOs have been weak and/or ineffective, leading to failure to provide strategic direction, facilitating their emasculation.

Effective human capital strategies are known to have effect in the management of government parastatals in Kenya. These strategic initiatives not only influence organization's management effectiveness and efficiency. Formulating sound human capital strategies also serves as a motivator for employees which tremendously benefit the organisation, as happy workforce will more likely produce more, thus enhancing the organisation's general performance, and staying loyal to the organisation (Collings & Mellahi, 2009). The relevance of adopting talent brand nurturing strategy on management cannot be over-emphasized since it has effect on the organizational climate.

#### **STATEMENT OF THE PROBLEM**

Lack of effective talent brand nurturing strategy has been cited as one of the reasons leading to the decline in the growth of the economy raised a number of important questions that should be considered by organizations when they engage in talent brand issues. (World Bank Report, 2008). A study on interaction between structural capital and human capital opines that the organisations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them (Kamunde, 2013). Talent brand has taken a new holistic approach of aligning individual skills with the needs of the organization in order to align these skills into the new world where competitive edge is about being smart, flexible and innovative. Organizations need to look at talent brand critically in order to meet the talent capability needs of the organization both at the present and moving into the future. From the preceding, and looking at today's trend, it is evident that the pace of change in our business environment presents fresh challenges daily. Hence, the dire need for adoption of talent brand nurturing strategy designed and tailored for the achievement of the strategic fit of the organisation has to be fashioned out such that it will not only help in retaining the market share controlled, but also, the overall organizational effective and efficient management.

On the other hand, a study on human capital, social capital and organizational performance argues that since definitions of talent brand are complex, ambiguous and incomplete, there can never be a one size fits all (Suzanne 2013). Understanding this ambiguity enables organizations to identify possible flaws in their approach to defining talent brands. Considering the distinct and separate notions of talent and management success, empowers organizations to ask more relevant questions around how human capital are encouraged to strategically leverage the talent brands in the organization into success. Moreover, the study argued that effective management results in better organizational performance and it is strongly influenced by human capital through the cognitive and strategic perspective. From the study of how human capital development strategies

influence performance in contingency perspective, it is clear that the higher the dynamism in the environment, the more the need for talent-based strategies and in particular strategy formulated out of human capital element to be considered to ascertain its effect on management (Stahl et al. 2014).

Existing studies in Kenya have only managed to address strategic planning practices and performance of state corporations and strategic management practices among commercial banks in Kenya (Kathama 2012; Kakunu 2012). In yet another related study, it has been further recommended that the organisations should consider adopting human capital strategies that fit into their overall objectives (Kakunu 2012). Because of the perceived benefits to performance management, the importance of aligning the relevant human capital strategies with management and organizational strategic goals has been underscored (Odhiambo and Waiganjo 2012). The study recommended that future studies should attempt to study the effects of compensation and other contemporary strategies on promoting of equity and alignment of responsibilities and qualifications in future. However, none of the aforesaid studies have attempted to assess the effects of adoption of talent brand nurturing strategies on the management of government parastatals in Kenya's economy. Presidential Taskforce on Parastatals Reforms (2013) cited the existence of weak human capital initiatives and institutional capacity to attract and retain the key skill sets and talents needed for effective management to drive performance to greater heights. The management and performance of state parastatals have been a matter of on-going concern in an environment of resource scarcity and mounting needs from the human capital element. A number of policy issues and challenges afflict parastatals in Kenya. The experience has been in some cases successful and in others not so. Putting the presidential Taskforce Report on Parastatals Reforms (2013) and the aforementioned studies into perspective, there is a dire need to ascertain the effects of adoption of talent brand nurturing strategy on management. This study therefore seeks to establish the effects of adoption of talent brand nurturing strategy on management of government parastatals in Kenya.

### **SPECIFIC OBJECTIVE**

The main objective of the study sought to establish the influence of adoption of talent brand nurturing strategy on the management of government parastatals in Kenya.

### **HYPOTHESIS OF THE STUDY**

In view of making inference of the study variables and how the predictor variable influences the response variable, the following hypothesis sought to guide the current study.

**H<sub>01</sub>:** Adoption of Talent Brand Nurturing Strategy has no significant influence on the management of government parastatals in Kenya

**H<sub>a1</sub>:** Adoption of Talent Brand Nurturing Strategy has significant influence on the management of government parastatals in Kenya

### **LITERATURE FRAMEWORK**

#### **Theoretical Framework**

In view of establishing the effects of adoption of talent brand nurturing strategy on management, the study focused on human capital theory.

## HUMAN CAPITAL THEORY

This study is also anchored on human capital theory. This theory views human capital as a form of resource that organisations can invest in and is of value to the organisation to the extent that it makes the organisation productive (Kessler and Lulfesmann, 2006). This theory assists future scholars in examining how organisations and individuals make decisions regarding investments in human capital (Tarique and Schuler 2010). In addition, investments related to attracting, developing, and mobilizing talent can be viewed as investments in the human capital of the organisation. Human capital theory can also be used to understand the decisions organisations make about how to staff their 'A' positions (Tarique and Schuler 2010). Talent nurturing is managing the supply, demand, enhancement and flow of talent through the human capital engine to keep various retention factors in balance (Pascal, 2008). According to this theory, there are key narratives to effective talent nurturing and includes development and integration of proactive talent brand nurturing strategy, Balance grassroots involvement in talent attraction and retention with management accountability. Human capital theory distinguishes between training in general-usage and organisation-specific skills. In one of the key seminal work, it was found that employers will not be willing to invest in general training when labor markets are competitive. However, they are willing to invest in specific human capital strategies because it cannot be transferred to outside firms (Becker 2004).

While the returns to specific training and mentoring can be realized only in an ongoing relationship with the training firm, specific talent and talent pooling strategies have a potential of increasing the productivity of a worker in many organizations besides those providing it. Human capital theory separately addresses these phenomena and draws two main conclusions. First, employers will share the returns and the cost of investments in organization-specific strategies with their specific human capital strategies. Second, in a competitive labor market organisations will not invest into general skills of their employees due to their inability to collect the returns from such investments. Therefore, workers will pay the full cost of general training. In today's rapidly moving, dynamic, uncertain and highly competitive global markets, the theory believes that firms worldwide are facing major decisions and challenges in global talent brand and retention strategy (Schuler, Jackson & Tarique, 2011; Scullion, *et al.*, 2010; Tarique & Schuler, 2010). For organisations across the globe, talent brand is increasing to be strategic importance (Tyman, *et al.*, 2010). Human capital theory further explains that effective talent nurturing enables the organisations to successfully acquire and retain essential talent. The second has to do with the extent to which these employees are engaged. In agreement to human capital theory talent brand strategy can be described as integral to engaging and developing employees in the organisation. The ability to effectively address both of these strategies has become a primary determinant of organizational success and in some cases even survival (Morton 2005).

Human capital signifies the combined intelligence and experience of staff as a source of competitive edge that cannot be initiated by rivals. He specifically indicates that effective human capital strategies are an organisation's source of competitive edge. The theory has, therefore, cross cutting significance in human capital strategies such as talent brand nurturing strategy are meant to help organisations gain a competitive advantage in a more competitive business environment (Torrington 2008).

## RESEARCH METHODOLOGY

This section sought to describe the research design. Research methodology was used in the current study to guide the research on the identified study variables. Against the backdrop of its importance, Industrial Research Institute (2010) indicated that research methodology helps the research to scientifically discover all the conceivable answers of given research queries to their logical conclusion.

## RESEARCH DESIGN

A research design can be described as the arrangement of all conditions that affect a research right from data collection to data analysis (Cooper & Schindler, 2008). The selection of a research design is normally dependent on the study's fortitude and approach (Saunders, *et al.*, 2009). The study employed descriptive survey design. In essence, descriptive survey design can be said to be a useful tool for describing the features of a population that has been earmarked for study and to provide answers to research questions (Shield et al. 2013). The study will equally adopt both the qualitative and quantitative approaches to establish the associations among the key study variables. Combinations of two approaches help in yielding data of the same kind (Teddle & Tashakkori, 2010). The study employed qualitative approach because it targets to achieve the insights of the situation about human capital strategies and the management aspect. The study also used both closed and open ended questions and content analysis to ensure the opinions from the respondents are well gathered for as described by (Cooper & Schindler, 2006). On the other hand, quantitative approach was used to quantify the hypothesized variables to determine the effects and relationship each independent variable has on dependent variable. This conforms to recommendations made by (Nicholas, 2011). In this study the sampling frame was the list of 194 management employees from 9 commercial government parastatals with strategic functions from where the sample of respondents was drawn.

## RESULTS

This section describes the methods that were used in attainment of the research objective and it sought to provide the results of the study performed to test the conceptual model and research hypothesis. The main objective of the current study to determine the effects of adoption of talent brand nurturing strategy on management of government parastatals in Kenya.

The main objective of study sought to establish the influence of adoption of talent brand nurturing strategy on the management of government parastatal in Kenya. To achieve this, the study adopted a 5-point Likert weighted scale and sought to know respondents' level of agreement on various statements relating to adoption of human capital strategies on the management of government parastatals in Kenya. The respondents were requested to indicate their level of agreement as follows; strongly disagree, disagree, neutral, agree and strongly agree. Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarise the study findings as shown in Table 1.1. Firstly, the respondents were requested to state their level of agreement on being aware of talent brand nurturing strategy. 44.9% agreed and 33.1% strongly agreed. 11% of the respondent were neutral, 7.6% disagreed while 3.4% strongly disagreed. Concerning 'investing significantly in skills, capabilities and experience development in the organisation of operation contributes to better management of the parastatal' there was a high level of agreement of the respondent of 85.7% as compared to 7.8% of the respondent who disagreed and only 6.7% remained neutral.

The respondents were also to either agree or disagree with ‘offering exceptional training to talented employees helps to strategically equip the workforce with innovative skills. 43.7% agreed, 42.9% strongly agreed while 8.4% neither agreed nor disagreed. However, 2.5% of the respondent disagreed and those who strongly disagreed were represented on 2.5%. About ‘top management support has helped the organisation build and maintain inimitable talent brand’, the respondents were lenient with the response where 31.9% strongly agreed, 31.1% agreed, 21% disagreed and 8.4% strongly disagreed, although 7.6% remained neutral.

The respondents were to also state their level of agreement on ‘the whole premise of building talent pools strongly affects the success of the organisation in the future. 49.2% strongly agreed, 26.3% agreed while 9.3% neither agreed nor disagreed. 9.3% disagreed and only 5.9% strongly disagreed. This shows there is a higher disparity between the respondent who agreed (75.5%) and those who disagreed (15.2%). 32.5% strongly agreed that the organisation has internal instrument of nurturing talents and has qualified candidates profiled-matched to strategically fill specific positions, 24.2% disagreed and 18.3% agreed. However, 17.5% remained neutral and only 7.5% of the respondent strongly disagreed. Finally, the respondent was to agree or disagree whether their organisation has invested on research and development programmes to nurture creativity and innovation. The response was as follows; 30% strongly agreed, followed by 24.2% who agreed. Those who disagreed were 22.5%, then 15% were neutral and just 8.3% strongly disagreed as shown in Table 1.

**Table 1: Talent Brand Nurturing Strategy on Management**

|   | Percentage of responses (n=123) |          |         |       |                | Mean | SD   |
|---|---------------------------------|----------|---------|-------|----------------|------|------|
|   | Strongly Disagree               | Disagree | Neutral | Agree | Strongly Agree |      |      |
| I am aware of talent brand nurturing strategy   | 3.4                             | 7.6      | 11      | 44.9  | 33.1           | 3.97 | 1.02 |
| Investing significantly in skills, capabilities and experience development in the organisation of operation contributes to better management of our parastatal. | 3.4                             | 4.2      | 6.7     | 33.6  | 52.1           | 4.27 | 1.03 |
| Offering exceptional training to talented employees helps to strategically equip the workforce with innovative skills   | 2.5                             | 2.5      | 8.4     | 43.7  | 42.9           | 4.22 | 0.94 |
| Top management support has helped the organisation build and maintain inimitable talent brand   | 8.4                             | 21       | 7.6     | 31.1  | 31.9           | 3.57 | 1.38 |
| The whole premise of building talent pools strongly affects the success of the organisation in the future   | 5.9                             | 9.3      | 9.3     | 26.3  | 49.2           | 4.04 | 1.25 |
| The organisation has internal instrument of nurturing talents and has qualified candidates profiled-matched to strategically fill specific positions            | 7.5                             | 24.2     | 17.5    | 18.3  | 32.5           | 3.44 | 1.38 |
| Our organisation has invested on research and   | 8.3                             | 22.5     | 15      | 24.2  | 30             | 3.45 | 1.37 |

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development programmes to nurture creativity and innovation

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### Inferential Analysis

In order to determine the impact talent brand nurturing strategy and dependent variable, that is, management of government parastatals, inferential analysis were conducted. The bivariate nature of both dependent variable and independent variables was sought. From the scholars point of view, a bivariate nature of two variables can be established by use of either correlation or regression analysis. Correlation analysis was used to establish the strength of the relationship between the dependent and independent variable whereas regression analysis was used to establish the nature of the relationship between the dependent variable and independent variable. For the purpose of the current study both correlation and regression analysis were used. Decision criteria on whether to reject or fail to reject the null hypothesis was based on 5% level of significance, that is, if the p value was less than 0.05, the null hypothesis would be rejected and if otherwise the null hypothesis would be accepted. In this current study, the p value was less than 0.05 which meant that talent brand nurturing strategy had significant influence on management

### Correlation Analysis

The study sought to find out the strength of the link between management and talent brand nurturing strategy. To conduct correlation analysis, Pearson's Product Moment (PPM) correlation was conducted since it is applicable when study variables are in ratio scale. Correlation coefficient (rho) was used by the study as the measure of the strength of the relationship between the study variables. The finding of the study showed a significant positive linkage between management of government parastatals and talent brand nurturing strategy at (rho=0.472). This implies that any unit increase of talent brand nurturing strategy would have and positive effect on management of government parastatals. The results of the correlation are as summarised in Table 2.

**Table 2: Correlation Matrix**

|                                 | Management | Talent Brand Nurturing Strategy |
|---------------------------------|------------|---------------------------------|
| Management                      | 1          |                                 |
| Talent Brand Nurturing Strategy | .472**     | 1                               |

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

Based on the model summary in Table 3, Coefficient of determination as indicated by R squared is 0.223 implying that 22.3% of the Management of Government Parastatals is explained by talent brand nurturing strategy while the other factors control the remaining proportion of 77.3%. The adjusted R square of 21.6% depicts that if management of government parastatals is excluded, talent brand nurturing strategy explains only 21.6%. The standard error of estimate (0.2216) shows the average deviation of the independent variables from the line of best fit.

**Table 3: Model Summary for Talent Brand Nurturing Strategy**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .472a | 0.223    | 0.216             | 0.2216                     |

a Predictors: (Constant), TBNS

b Dependent Variable: MGP

Table 4 shows the measure for goodness of fit for the model using one-way Analysis of Variance (ANOVA) since the p-value is less than the 0.05, then there is a significant change in the explanatory power ( $F = 34.679$  and  $p \text{ value} < 0.05$ ). ANOVA results indicated that the p-value of the F-statistic is equal to 0.000 which in essence is less than 0.05 level of significance. This clearly demonstrates that the estimator in the one parameter regression analysis is significantly not equal to zero. This implies that the predictor, Talent Brand Nurturing Strategy, has a significant influence on management in the parastatals.

**Table 4: Talent Brand Nurturing Strategy ANOVA**

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.  |
|-------|------------|----------------|-----|-------------|--------|-------|
| 1     | Regression | 1.703          | 1   | 1.703       | 34.679 | .000b |
|       | Residual   | 5.942          | 121 | 0.049       |        |       |
|       | Total      | 7.645          | 122 |             |        |       |

a Dependent Variable: MGP

b Predictor: (Constant), TBNS

**Key:**

**TBNS** Talent Brand Nurturing Strategy

**MGP** Management of Government Parastatals

From Table 4 regression equation can be written as:

$$\text{MGP} = 2.306 + 0.216 \text{ TBNS} \dots\dots\dots \text{Equation}$$

The regression as depicted in the equation shows that holding talent brand nurturing strategy at a constant zero, the management of government parastatals would be at 2.306, any unit increase in talent brand nurturing would lead to increase in the management of government parastatals by factors of 0.216. Again, since the p value is less than 0.05 means that talent brand nurturing has significant influence on management of government parastatals hence the null hypothesis is rejected and the alternative is accepted. There was a significant positive relationship  $r = 0.472$  and  $P \leq 0.05$ . Since the p-value was less than 0.05, it implies that a constant of 2.306 and TBNS at 0.216 are both significant at 95% level of confidence. This is in agreement with Green and Tull (2009) who opined that null hypothesis is only accepted if its p-value is greater 0.05 and if the p-value (Sig) is less than 0.05, then the alternative hypothesis should be accepted. The summary results are shown in Table 5.

**Table 5: Regression for Talent Brand Nurturing Strategy**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|
|       |            | B                           | Std. Error | Beta                      |        |       |
|       |            |                             |            |                           |        |       |
| 1     | (Constant) | 2.306                       | 0.11       |                           | 20.989 | 0.000 |
|       | TBNS       | 0.216                       | 0.037      | 0.472                     | 5.889  | 0.000 |

a Dependent Variable:  
MGP

Most respondents (78.1%) showed their solidarity to adoption of talent brand nurturing strategy that enabled retention of the workforce. Other important findings on the management of government parastatals that respondents showed an agreement was that adoption of talent brand nurturing strategy was expected to: retain key talents (77.9%), stakeholders' confidence and

satisfaction (84.5%) and increase productivity (80.4%) this implies that many organizations valued talent brand nurturing strategy hence the need to ensure it is adopted and implemented in the organization in order to improve management efficiency.

### Hypothesis Testing Analysis

#### **H<sub>01</sub>: Adoption of Talent Brand Nurturing Strategy has no significance influence on management of government parastatals in Kenya.**

Based on the regression analysis results of the study, adoption of talent brand nurturing strategy was proved to have a significant and positive relationship with the management of government parastatals. This led to a rejection of null hypothesis thereby supporting the alternative hypothesis at 5% level of significance. This meant that any unit increase in talent nurturing strategy had an added value to the management of government parastatals. This was in agreement with Level 5 Strategy Group (2014) which pointed out that branding of talents are considered an activity that involves the whole company more importantly how it works.

A study on talent branding at the University of Pecs revealed that one of the necessary feature for a company is to attract talents from the skilled employees using the strongest and the best marketing tools and strategies (Balogh 2012). This preposition categorically agrees with of most respondents of this study who support a parastatal that investing significantly in skills, capabilities and experience developed in the organization of operation contributes to better management. There were a large number of participants supporting opinion that when exceptional training is offered to talented employees, workforce is strategically equipped with innovative skills. In the same argument, it is worthy to note that a continued growth in specialization in all specific fields has been found to increase knowledge tremendously leading to innovation-oriented type of the organisation. Lack of the right skills is observed to be an endemic problem in today's dynamic business environments (Cannon and McGee 2011).

Majority of the respondents (63%) in the current study agreed that there is a need for top management to build and maintain an inimitable talent brand. A similar support in the study conducted by Collings and Mellahi, (2009) was recorded where those in top management were required to formulate strategies that would help develop a pool of talent that would fit with the organisation's broader strategic goals that would eventually create a strategic fit leading to better management. The success of the organisation has been found to be strongly affected by the whole premise of building talent pools as revealed and affirmed in this study. The findings are supported by previous studies especially the study on how great companies achieve extraordinary results with ordinary people. The study underscores the relevance of talent-based strategies and therefore organisations should strive to incorporate culture and environment under which it operates when nurturing talents (O'Reilly and Pfeffer 2011). Similarly, the positive effect of talent brand nurturing strategy on management is cemented by culture and the environment under which talents are bred are seen to be critical in determining whether the expected performance level of the management will be above or below the normal level.

The current study confirmed the need for organisation to consider investing in programs that will help nurture creativity and innovation as suggested by Eyring and Eyring (2013). Eyring and

Eyring study of multinational organisations observed that organisation investing in research and development of nurturing talents showed different results in numerous areas like leadership, turnover and employee retention which is in total agreement to the findings of the current study. CIPD (2012) suggestion of aligning talent brand nurturing strategy with overall business strategic goals received a support from the current study where majority of the respondents (50.5%) agreed (against 31.7% who opposed) to the internal instrument of nurturing talent having qualified candidates who are profiled-matched to strategically fill specific positions.

## CONCLUSIONS

The main objective of the study aimed at determining the effect of talent brand nurturing strategy on management of government parastatals. Talent brand nurturing strategy was assessed from the perspective of training, integration support from the top-management and internal talent pools on a 5-point Likert scale. Regression findings revealed that talent brand nurturing strategy had a significant effect on the management of government parastatals with a F-statistics of 34.679 and p-value of 0.000 which was less than 0.05 level. Talent brand nurturing strategy alone was found to explain 22.3% of the management of government parastatals. ANOVA showed that beta of talent brand nurturing strategy was 0.216 which was also confirmed to be significant. This implied that a unit increase in talent brand nurturing would result in an increase in management of government parastatals by 21.6%. Similar findings of a positive relationship were affirmed by findings from correlation analysis which indicated a weak positive and significant relationship ( $\rho=0.472$ ,  $p\text{-value}<0.01$ ).

After reviewing both theoretical and experimental literature the study consistently found out that there exists an interrelationship between the management and predictor variable, that is, talent brand nurturing strategy. The findings from this study led to rejection of the null hypothesis that stated no significant effect of talent brand nurturing strategy and management of government parastatals in Kenya. The importance of talent branding nurturing strategy was therefore statistically significant to the management of government parastatals. So, for parastatals willing to enhance their management need to implement strategy that will help nurture talents with the employees. Specifically, to experience this improvement, parastatals require: exceptional training of the talented employees, investment in skills, capabilities and experience, conducting research and development to nurture creativity and innovation, and strategically profiling candidates to specific positions as suggested by this study.

## RECOMMENDATIONS

Based upon the findings and conclusions of this study, the researcher recommends that parastatals in Kenya should adopt talent brand nurturing strategy as the findings shows that organization having this strategy in place are benefiting from innovative skills and inimitable talents branded employees who contribute immensely to the success of the organization management. This strategy has also been associated with developing creative and innovative ideas during when a worthy investment is made on research and development thus the organization is likely to benefit from the new ideas. Organisations should also consider the whole premise of building talent pools offer exceptional training to talented employees to help in strategic equipment of the workforce with innovative skills.

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