RELATIONSHIP BETWEEN TALENT MANAGEMENT PRACTICES AND SUCCESSION MANAGEMENT IN STATE OWNED CORPORATIONS IN KENYA: A CASE OF KENYA POWER

BY

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STUDENT’S DECLARATION
I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________ Date: __________________________

Catherine Gitamo (659083)

This research project has been presented for examination with my approval as the appointed supervisor

Signed: __________________________ Date: __________________________

Dr. James N. Karimi, PhD

Signed: __________________________ Date: __________________________

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ABSTRACT

Kenya Power lost nine of its top management team in 2018 through arrests. This created a leadership vacuum in the organization which could derail the organization in its path towards achievement of its objectives. However, with effective talent management strategies, it could effectively fill the leadership vacuum. The purpose of the study was to establish the relationship between talent management practices and succession management in state owned corporations in Kenya, a case of Kenya power. The study’s specific objectives sought to establish the effect of talent acquisition, talent development, talent retention and strategic talent review on succession management in state owned corporations in Kenya. This study applied a descriptive research design. The study population was all 298 management level employees at Kenya Power Headquarters in Nairobi. The sampling frame for this study was a list of all the management levels employees at Kenya Power Headquarters in Nairobi. This study used stratified random sampling technique. The sample size was 96. The study collected data using a semi-structured questionnaire. The draft questionnaire was subjected to a pilot test before it was regarded as appropriate for data collection. After development of the final questionnaire, permission was be sought from United States International University – Africa (USIU-A), National Council for Science Technology and Innovation (NACOSTI) and Kenya Power. The drop and pick method was used to administer the questionnaire. The study applied quantitative data analysis techniques which included descriptive statistics and inferential statistics. The analysis of data was conducted using Statistical Package for Social Sciences (SPSS). The outcome of the analysis was presented in form of tables and figures. The study results established that talent acquisition strategies applied at Kenya Power had a positive but insignificant relationship with succession management at the organization ($\beta = 0.132, t = 1.719, p = 0.092$). Further, findings established that talent development strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization ($\beta = 0.281, t = 3.310, p = 0.002$). Moreover, study findings indicated that talent retention strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization ($\beta = 0.183, t = 2.244, p = 0.029$). Further results showed that strategic talent review strategies applied at Kenya Power had positive but insignificant relationship with succession management at the organization ($\beta = 0.120, t = 1.376, p = 0.175$). The study recommends that Kenya Power should have mechanisms to seamlessly adjust their recruitment practices to the changes in the market. Moreover, Kenya Power should ensure that its talent development plan is closely aligned with the company’s strategic plan and overall business needs. Besides, Kenya Power should be more actively involved in the life and career ambitions of its employees by establishing employee development monitoring mechanisms. Lastly, strategic talent reviews should be conducted on all employee levels of Kenya Power, not just the top management level.
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DEDICATION

Special gratitude goes to my Husband and our two children. They have been a great source of encouragement and support throughout this journey.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study
Succession management is the process that involves identification of one or more successors for vital positions in the organization and developing them for enhanced organizational responsibilities through assigning them challenging tasks and other developmental mechanisms (Magasi, 2016). Succession management comprises of executive search, new talent recruitment, assessment of the recruits, onboarding the new recruits and effectively transitioning the new leaders in and the old leaders out. According to Ahad, Kousar and Ali (2015), the basis for successfully managing staffing shocks is succession management. This is because succession management ensures that the organization has a pipeline of potential leaders with the capability of filling any emerging leadership positions in the organization.

When an unforeseen occurrence such as a surprise resignation happens, it is difficult to kickstart a dormant succession system (Whitney, 2016). The reason behind this is that effective succession management encompasses more than just a planning process for a replacement. It also comprises of a wide-ranging employee development structure. When a company experiences a sudden leadership void, it is too late to start the process of development because effective development could take even years to deliver intended outcomes (Nyoni, 2019). Therefore, succession management should be connected in coherent and explicit ways to effectively manage the leadership talent of a company.

In United States (US), the attacks of September 11, 2001, led to the death of entire leadership of some of the companies that had their headquarters in the World Trade Centre (Kowalewski, Moretti & McGee, 2016). As many as 172 corporate heads and vice presidents were killed in the World Trade Centre attacks. This and other abrupt losses of top-level human capital, corporate knowledge and high-profile leadership can be devastating to organizations (Mercer, 2016). A lack of preparation can be costly to the organization both in the short-term and long-term. Whitney (2016) estimates that in the first year alone after an executive departs (for whatever reason), the expense of replacement and training the new individual averages $1 million. Moreover, this does not include the cost of critical mistakes that could be made when an organization is suddenly without trained leaders to take the helm.
Budhiraja and Pathak (2018) on a study on Indian family businesses assessed the process and challenges that influenced succession planning. The focus of the study was family owned businesses that were financially stable. Findings indicated that majority of the family owned businesses faced challenges during the transition period which jeopardized their stability and future. One of the biggest challenges is finding a suitable and competent family member. Another challenge was poor preparation of the selected family member to take leadership roles when the current leader left. This led to instances when the retired family members were recalled to active management before the successor is fully acclimatized with the organization’s leadership roles.

A study in Saudi Arabia by Stadler (2016) assessed the contribution of talent reviews towards effective succession management. The study established that identification, development and retention of likely successors for vital job responsibilities at various levels of the organization enabled the organization to cope better with exit of key leaders. Moreover, the study showed that talent development should focus on developing the leadership skills of potential successors and aligning their strategic thinking ability with the growth strategy of the organization. This enables the organization to have a well-developed pool of potential successors who can take the reigns of the company when the current leadership exits. This ensures stability and continuity of the organization.

In South Africa, Mhlongo and Harunavamwe (2017) observed that many businesses lacked a formal talent management system and talent strategy. These organizations tended to satisfy their leadership necessities on a reactionary basis. Such a haphazard succession process can derail the organizations direction and adversely affect the achievement of its objectives. Another study in the South African Qualifications Authority by Lowan and Chisoro (2016) established that most managers do not appreciate the need for succession management until a current leader leaves the organization. This leaves a leadership vacuum which becomes hard to fill on a short notice.
Locally, Ngeywo, Werunga, Biwott and Waliaula (2016) investigated the challenges influenced succession management in the coffee cooperative societies. Findings indicated that poor training, discrimination in promotions and lack of clear career progression negatively influenced succession management in the societies. Another study by Kiptoo, Kiplangat and Kidombo. (2016) on the Ministry of Water and Irrigation established the ministry had poor succession management practices. This was mostly evident in the successor development process and the involvement of the outgoing officers in the process.

Succession management in linked to the extent of talent management in the organization (Kowalewski et al., 2016). Talent management is principally about retaining the superior talent for succession into vital positions in the organization. Talent management primarily entails talent acquisition, talent development, strategic talent review and talent retention. Talent acquisition are the various methods and techniques for recruiting and selection of superior talent. Talent development entails advancing the attitudes and skills of the employees. As the organization continuously changes the business models, technologies and adopts new strategies, the organization needs to develop the knowledge of the employees to cope up with the changes (Mangusho, Murei, & Nelima, 2015). Further, Ahad, Kousar and Ali (2015) posit that strategic talent review is a systematic and efficient approach to assess alignment and quality of talent in the organization to establish whether the organization has the right people in the appropriate roles.

This study will focus on role played by talent management practices in succession management at Kenya Power. Kenya Power is a state-owned enterprise listed in the Nairobi Securities Exchange (NSE). Its key mandate is electricity distribution. In July 2018, the chief executive officer of Kenya Power and eight other key managers were arrested (Kenya Power, 2018). Arrest of many senior management team members of a corporation like Kenya Power is expected to create a leadership vacuum. The organization however, can effectively contain the situation depending on the effectiveness of its succession management. the questions that need to be answered is, was Kenya Power able to effectively deal with the leadership vacuum created after the arrest of its key management employees? What was the role of talent management in the process? This study seeks to provide answers to these questions by examining the
relationship between talent management practices and succession management in state owned corporations in Kenya, with a focus on Kenya Power.

Talent management is considered as one of most critical HR activities that creates a pool of trained employees who can fill key leadership roles key employees or leaders exit (Atoche, 2017). This enables the organization to be in a position to manage succession effectively. The process of talent management starts with acquisition of new talent, development of that talent, retaining that talent and conducting regular talents reviews to inform the changes and developments required in the entire talent management process (Delaney & Huselid, 2016). This enables the organization to ensure that it has an adequate and skilled talent pool to take up any future leadership roles in the organization. Talent management is geared towards recruiting, developing and retaining the right quality and quantity of talent that can take up vacant leadership positions (Stadler, 2016).

1.2 Statement of the Problem
Kenya Power lost nine of its top management team in 2018 through arrests (Kenya Power, 2018). This created a leadership vacuum in the organization which can derail the organization in its path towards achievement of its objectives. When a company loses its leader through retirement, resignation, dismissal or even death, it should have a ready pool of developed and skillful potential leaders ready to take the vacant leadership positions (Budhiraja & Pathak, 2018). However, Kowalewski et al. (2016) observe that many organizations are ill prepared with ready inhouse successors when a leadership position is left vacant. This is because most organizations lack the right talent management processes to acquire, develop and retain high performers who are internationally mobile and are more likely to change jobs.

Nyoni (2019) observes that most firms realize the importance of a potential successor when a leadership position falls vacant. Most managers are engrossed in the day to day operations of the organization, hoping that the high performing and effective leaders of the organization will not leave. Moreover, Delaney and Huselid (2016) posit that when a leader leaves, finding an appropriate replacement requires time to develop and adapt the new leader to the organization and the position. This is usually more challenging when a leader is sourced externally.
According to Mangusho, Murei and Nelima (2015), the risks of not having an effective succession management process include putting the organization at financial risk, loss of knowledge, internal power struggles, hiring mistakes and discontent amongst able and willing leadership candidates.

Currently, most of the key managers in the corporation are in an acting capacity (Kenya Power, 2019). There has not been a study conducted to establish whether Kenya Power effectively dealt with the leadership vacuum created. Achieng et al. (2014) on a study on Kenyan banks established that strategic talent identification and acquisition had an effect on the sustainability, succession management and competitive advantage of the banks. Kigo and Gachunga (2016) on another study on Kenyan insurance sector established that talent development enabled insurance companies to manage succession effectively. Hosen et al. (2018) found that commercial banks that engaged in talent retention bets practices were able to retain top talent that enhanced their leadership pipeline. The ability of the organization to cope with such an incident depends on its talent management practices and the effectiveness of its succession management process. This study hence sought to fill this knowledge gap by examining the relationship between talent management practices and succession management in state owned corporations in Kenya, a case of Kenya Power.

1.3 Purpose of the Study
The purpose of the study was to establish the relationship between talent management practices and succession management in state owned corporations in Kenya, a case of Kenya power

1.4 Specific Objectives
  i) To establish the effect of talent acquisition on succession management in state owned corporations in Kenya
  ii) To determine the effect of talent development on succession management in state owned corporations in Kenya
  iii) To investigate the effect of talent retention on succession management in state owned corporations in Kenya
iv) To establish the effect of strategic talent review on succession management in state owned corporations in Kenya

1.5 Importance of the Study
The study will provide evidence on the contribution of talent management towards effective succession management not only in Kenya Power, but also to their state-owned corporations and for profit organizations. Specifically, the study will provide empirical findings on the influence of talent acquisition, talent development, talent retention and strategic talent review on succession management in state owned corporations in Kenya. These findings will be important to managers, HR practitioners, policy makers, scholars, students and researchers.

Policy makers such as Ministry of Labour, Social Security and Services and Society for Human Resource Management can use the recommendations from the study in developing policies on talent management and succession management. HR practitioners and managers will get insights from the study findings on the implications of the different talent management practices on effective succession management. This can enable them enhance their practice.

The study findings will make valuable contributions to theory. It will provide evidence on how talent management can affect succession management in the context of state-owned corporations. Most of the studies have focused on for profit organizations and hence the study will provide important knowledge to scholars and students in human resource management.

Lastly, the study might face challenges which will require the researcher to devise effective strategies to counter them. These mitigation strategies will be important to future researchers who may face similar challenges in their studies. Additionally, the study will provide recommendations for future research. These recommendations may provide future researchers with research ideas in the human resource management subject area.

1.6 Scope of the Study
The study was delimited to the role of talent management on succession management of state-owned corporations. Kenya has many state-owned corporations distributed over the 20
ministries. The study was however, a case of Kenya Power. Kenya Power was selected for the study due to the leadership vacuum that was created in 2018 after the arrests of most of its top management staff. The population of the study was all the employees of Kenya Power. The study was limited to employees in the head office in Nairobi. On time scope, the study was conducted in the period between September 2019 – February 2020.

1.7 Definition of Terms

**Strategic talent review** – Assessment of the alignment and quality of available talent to establish whether the organization has the right people in the appropriate roles (Stadler, 2016). The metrics used in the study are frequency of talent reviews, collaboration between HR managers and line managers and follow-up on talent review meetings.

**Succession management** – The processes in the organization that ensure that the organization has an adequate pool of skilled employees ready to take any future leadership positions and meet the organization’s strategic objectives (Kowalewski et al., 2016). The metrics include percentage of internal hires compared to external hires for top management positions, quality and quantity of leadership pipeline, bench strength and quantity of potential leaders in the organization.

**Talent acquisition** - Process of discovering and obtaining trainable and skilled employees to meet the current and future needs of the organization (Ahad et al., 2015). Metrics include graduate recruitment programs and image of the organization as a preferred employer.

**Talent development** – Process of enhancing employee skills and competencies to advance their overall careers (Mercer, 2016). Metrics include mentorship, coaching and training programmes.

**Talent management** – Commitment by the organization recruit, hire, develop and retain the most gifted and skilled employees available in the job market (Whitney, 2016). Metrics include talent acquisition, development, retention and review.
Talent retention – Ability to retain the most skilled and knowledgeable employees with the organization for a long period of time (Ahad et al., 2015). Metrics include competitive compensation, career progression and employee recognition.

Practices – Activities, methods, processes or functions that are regularly or habitually conducted or performed (Delaney & Huselid, 2016).

State owned Corporations - A corporation created by the government to conduct commercial activities on behalf of the government (Privatization Commission, 2019).

1.8 Chapter Summary
This chapter has provided the introduction of the study. The contents of the chapter are background of the study and the statement of the problem. The purpose of the study and the specific objectives are also included in the chapter. Further, the chapter provides the importance of the study and the scope of the study. Lastly, the definition of key terms included in the study are presented in the chapter. The following chapter provides a review of literature pertinent to the study.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter provides literature pertinent to talent management practices and succession management. Included in the chapter is theoretical literature, empirical review and conceptual framework. The theoretical literature provides the theories and literature that relates to the relationship among the study variables. The empirical literature provides previous studies on the relationship between talent management practices and succession management that have been conducted globally, regionally and locally.

2.2 Talent Acquisition and Succession Management
The resource-based theory assumes that acquisition and control of valuable strategic resources enables the organization to be sustainable in the long-term and gain competitive advantages over its competitors in the market (Wernerfelt, 1984). A resource is considered valuable if it can enable the firm to design and implement strategies and engage in practices to capitalize on opportunities and effectively deal with threats. According to Atoche (2017), the capacities, knowledge and skills that are in employees of the firm is one of the valuable strategic resources. This indicates that acquiring talented employees provides the firm with a pipeline of employees which can take up any leadership vacancies that may arise in the future.

When an organization continually recruits top talent, it provides a pool of talent that can lead the company into the future. The firm would therefore be able to design and implement competitive strategies both in the short term and the long term. Such a firm would have potential leaders who are ready to lead the company when the current leaders leave the organization. As such, the company has the capacity to deal with any foreseeable or unforeseeable exit of its current leaders. Bowman and Ambrosini (2013) observe that an organization should always seek to acquire, shape, transform, build and combine the talents of its employees into a strategic resource to facilitate the firm sustainability and continuity.

The resource-based theory explains the expected influence of talent acquisition on succession management (Atoche, 2017). This study considers employees’ talent as a strategic resource that is rare and inimitable if well developed. When an organization engages in acquiring the best
talent, it creates a strategic resource that enables it to take advantage of opportunities and deal effectively with threats. Having an adequate pool of talented employees will enable the organization to deal with any unplanned exit of its current crop of leaders (Siew et al., 2017). An organization that engages in effective talent acquisition practices is expected to effectively deal with any leadership vacuum created by current leaders leaving the organization.

Talent acquisition entails attracting and employing talented individuals to meet the company's objectives and goals. For the process to be successful, Dave and Aine (2017) posit that the company needs to, confirm its employment objectives, come up with employment plan, implement the idea, and measure the employment results and critically analyze employee performance.

The ability of a bank to remain competitive depends on its ability to identify, recruit, develop and retain its talent. A study by Achieng et al. (2014) in the Kenya Commercial Bank on the impact of strategic talent identification and acquisition on sustainability, succession management and competitive advantage of the bank found that there is an increased level of talent identification and acquisition in the banking sector. In the study where more than 62 workers were interviewed and the results scientifically analyzed, there was an agreement among the workers that the banks that invested more on identifying and developing talents were able to effectively management succession and become more competitive in the market.

Companies must ensure continued identification and retention of employees. The critical step to this is through talent acquisition. In a research done by Kigo and Gachunga (2016) on Kenyan insurance sector, 210 employees from five companies participated in the study and responded to questionnaires. The study findings showed that talent acquisition was the most effective tool for employee retention as it scored a high correlation coefficient. This enabled the companies to effectively management any succession issues. On the other hand, succession planning scored a moderate correlation coefficient ($r = .424$). These findings implied that talent acquisition had a positive association with succession management. It was therefore opined that the success of an organization in succession management depends on its effectiveness in talent acquisition.
The effectiveness of the talent acquisition strategy benefits both the employee and the company involved.

Effective succession management can result in case talent acquisition and employee interaction are improved. Talent acquisition is vital as it helps identify top talent and also retain it. In Malaysia, 30 telecommunication employees were participated in a study. Respondents strongly agreed on strategies of talent acquisition with all aspects scoring at least a mean of 3.5 (Siew et al., 2017). It opined that new employees were properly given orientation as they were taken around company premises, introduced to company's core values, objectives, and aims, their talent was identified and nurtured and, right people were placed in the right job. The correlation between succession management and talent acquisition was 0.853 indicating that talent acquisition had a strong relationship with succession management. It was, therefore, concluded that talent acquisition had a direct positive impact on retaining employees and thus, the company need not spend resources in recruiting new employees to fill any future leadership vacancies.

In a research conducted by Mayoedi and Vesheghi (2016), the value of several intangible assets from records of Brookings consultative committee, from 1980 to 2010 were analyzed and interpreted. The findings confirmed that employee competence was influenced by the recruitment and induction practices of the company. Further, employee competence enabled a firm to better management exit of its key leadership employees. The findings indicated that when there is a shortage of talent in the organisation and this is not well addressed, the organization involved will face adverse consequences in trying to fill vacant positions in future. The study recommended that companies should focus on employing and retaining employees with skills so that the continuity and sustainability of the company is ensured. By doing that it will lead to an effective succession plan hence, the success of the company.

Talent acquisition plays a critical role in the possession and development of useful talents. In a Malaysian research involving 1413 bank employees, 342 employees responded to the questionnaires, and the findings indicated that talent acquisition is critical for succession management (Tajudin & Kamarudin, 2015). Talent management practises (TMP), in which talent acquisition was the critical factor, were found to be positively related to the employee
value proposition (EVP) and effectiveness of succession management. The study results suggested that improving on TMP value will significantly enhance the EVP and succession management. With this practice in order, succession management is positively influenced and successful.

On a study on commercial banks in Kenya, Chepkwony (2017) assessed the relationship between talent acquisition and succession planning. The study’s population was the existing 42 commercial banks. The findings from the study established that the commercial banks considered talent acquisition as a key aspect of positioning themselves effectively in the competitive banking industry. Moreover, the study established that talent acquisition enabled the commercial banks to recruit and induct the best talent from other institutions and institutions of higher learning. The talent acquisition practices that were mostly adopted by the commercial banks included attracting qualified and experienced individuals, creating a reputation as a best employer, and having strategies to head hunt and attract talent form learning institutions. The study findings further established that effective talent acquisition strategies were linked to effective succession planning.

According to Bugg (2019) most organizations understand that the quality of its products and service are dependent on the quality of the employees. This makes them appreciate the value of recruiting trainable and skilled personnel. In regard to libraries, Bugg noted that they are dedicating much financial resources, effort and time to seek, attract and recruit the right people. Many academic libraries in developed as well as developing countries are adopting innovative and effective strategies attract, recruit and hire skilled candidates. They do this by matching the responsibilities and roles of a library position with the available candidates in other libraries or in learning institutions. The talent acquisition strategies applied are expected to match the available candidates with the job. This enables the library to have adequate and quality talent to fit any new vacancies and responsibilities that may arise in the future. Libraries are continually seeking individuals to match the culture of the organization, and who are adaptive and flexible.

Talent acquisition metrics include strategic planning, employer branding, pipelining and enhancing candidate experience (Guthridge, Komm & Lawson, 2018). Strategic planning
entails having a strategic mission that considers talent acquisition as a strategic priority. This process should involve all employees. The talent strategy must align with the organizational strategy and should focus on acquiring talent for all levels including the lower, middle and top levels. Employer branding involves creating an organizational reputation as the best employer to attract the most sought-after candidates. Pipelining involves having talent communities that link the organization to prospective employees (Rudd & Williams, 2018). This can include having referral programs and keeping effective relationships and contact with past employees, interns, educational institutions and professional organizations. Enhancing candidate experience entails having a process that will help the selected candidate to have a fulfilling and holistic experience. This provides the candidate to understand the organization and fit to the organization. When organizations follow the best practices in talent acquisition, they are able to have an adequate and skilled pool that can fit into any new leadership vacancies that arise in the organization.

2.3 Talent Development and Succession Management

The knowledge-based theory (KBT) indicates how talent development can enable the organization to be at a better position to effectively manage succession. KBT assumes that knowhow, competencies, intellectual assets and knowledge are critical for the firm to be competitive (Hamel & Prahalad, 1994). Further, the theory suggests that when compared to material resources, knowledge resources are superior in the current information age. One key approach to developing the organization’s knowledge, is by developing and retaining its key and talented employees. Moreover, Klindžić and Galetić (2015) underscore the superiority of knowledge resources since they increase in value with increased usage, contrary to material resources.

Talent development is the nurturing of employee skills, competence and abilities. Companies have been known to provide necessary tools and resources to train and improve employee skills to benefit both the employee and the company (The Highlands, 2017). Employers do this in several ways, for instance, developing character and skills that can be emulated and appreciating and motivating their employees. Other include coaching the employees, introducing work-related challenges in real life situations, and emphasizing the importance of learning to their
employees (Lynnette, 2019). By doing so, they prepare their employees, to take over roles in case of exit or retirement or even when unfortunate incidences such as sickness and death occur.

When a company develops the capacities of its employees, it enhances its learning which enhances its capacity, tactics and processes. This makes the organization not only capable of taking advantage of opportunities, but also adept in dealing with risks (Ismail, Rose, Uli & Abdullah, 2017). One of the key risks of an organization is loss of its key leaders. When an organization loses its top leaders, it can be derailed and lose its strategic focus. This can weaken it and even spell its doom. One effective approach of dealing with succession risk is talent management. Effective talent development entails the organization developing potential leaders who have the capacity to effectively lead the organization in the absence of the current leaders (Teece, 2012). This will enable the firm to have continuity even when its current leaders leave.

Talent development is a useful tool for creating competent employees to lead the company in the future. In a research in the Bangladeshi commercial banking sector, Hosen et al. (2018) in a study on five banks interviewed eight employees. The findings were analyzed to determine talent development perception in Dutch Bangla Bank. From the results, there is a shortage of skilled employees in Bangladeshi despite it being a highly populated nation. Another study by Guthridge et al. (2018) opined that talents within the bank should be developed instead of going for external skills as it will be more cost effective. Further, Phillips (2018) established that organizations are challenged in filling leadership positions due to lack of potential leaders internally. Therefore, Day (2018) recommended talent development in the bank. In order to put such strategies in order, the study suggested that current, talented employees be mentored, enable knowledge transfer, and have mentoring and professional development programmes.

Talent development ensures employee retention hence saving the company the costs of looking for a replacement in case of a job exit. In a research done in Egypt by Hafez and Elsaid (2017), 105 top managerial employees responded to the provided questionnaires. From the findings, it was evident that employee training and professional development had a positive impact on succession management. Most of the respondents (70%) agreed that recognizing and nurturing
talent or even valuing talented employees makes them stay and hence this enables the company to effectively fill future leaderships vacancies.

Talent development aims at creating employees with high potential and capability of inheriting senior positions in the future. A research conducted in Del Monte Kenya by Mangusho, Murei and Nelima (2015), had 83 employees respond to questionnaires. From the results, 62% agreed that the job training was offered as well as mentorship/coaching opportunities. Further, 54% opined that job rotation was practiced, and 44% agreed that the organization offered cross training. Up to 50% of the respondents agreed that development strategies for the employees were in order, and 61% affirmed that the leadership training offered was of great value to the employees. Lastly, 50% opined that the organization created awareness to the employees, of the future business trends and opportunities, as well as needs and capacity of newly trained employees, for future preparation purposes. The study also established that talent development at the company was positively associated with effective succession management. The company mostly promoted from within rather than looking for top management from outside the company.

Talent development has benefitted a lot of firms in terms of a succession plan, and the health sector is not an exemption. In the Jordan healthcare sector, a research conducted by Irtame and Khadam (2016) sought to determine the impact of talent management strategies on the succession plans. Of the total administered questionnaires, 135 met the required completeness standards and were used in correlation and regression analysis. Talent management strategies scored a mean of 3.770, which is a high level of implementation. Succession planning approaches scored a mean of 3.730 mean, which also indicates a high implementation level. Talent development strategies, according to correlation analysis had a high association with succession management (r = 0.842, p ≤ 0.05). This was evidence that there is a strong relationship between talent development and succession management.

According to Day (2018), effective succession management encompasses not just finding a replacement but it also entails having an all-inclusive employee development system. Leadership capacity, leadership pipeline and leadership bench strength are all prevalent
descriptions of a situation when the organization has adequate and capable leaders to take up any top leadership position in the company and steer the company forward effectively. Further, Smith and Galbraith (2017) posit that the focus that an organization puts in developing its employees is critical to its ability to innovate, be flexible and compete effectively in the complex and dynamic global environment. Leadership development involves expanding of an employee’s capacity to be effective in current or future leadership processes and roles. This enables the organization to be better placed to replace its departing leaders.

Talent development, according to Hirsh (2019), engages enhancing the capacities of employees who have potential. This ensures that an organization will be able to meet its people needs in the future. Effective talent development should be tailored to provide additional value to the organization by enabling it to reduce succession risk, be competitive and sustainable. The training and development should be focussed on providing the recipients with track record and work experiences that they will require for higher future roles.

Though succession management and talent development are seen as separate processes, they are closely related. An organization cannot have an effective succession management plan if it fails to continually developing its talented and high performing employees (Whitney, 2016). This development should also incorporate mentoring and grooming them for future enhanced responsibilities. However, despite the extensive importance of talent development and succession management, Bugg (2019) reported that 51% of CEOs who participated in a survey by AICPA indicated that they did not have a formal succession plan. Incidentally, 77% of the CEOs indicated that they considered the training and development in their organization as ineffective. This according to Bugg (2019), portrayed that, failure to train employees for future roles in mind would result to poor succession management and ineffective development.

Employee development and learning are highly associated with succession planning. To have effective succession management in an organization, the firm needs to provide employees with opportunities for development and learning to prepare them for tomorrow’s challenges and leadership positions (UNC Executive Development, 2015). However, UNC Executive Development observes that less than 50% of organizations have formal succession plans in
place. These organization are always at a disadvantage when there are surprise departures from the organization. To ensure that an organization has an effective talent development program that contributes positively to succession management, the organization should involve all employees (Phillips, 2018). Further, the organization should be future oriented, develop talent development programs that interlinked with the company needs, implement learning programs that enhance succession planning, get top management support and have an evaluation process in place.

2.4 Talent Retention and Succession Management

Employee retention is the ability of an organization to keep its employees. Organizations do this by creating an environment that will result in employee job contentment. Several strategies such as being provided mentorship programs, conducive work environment, competitive pay, equity and employee engagement are applied. Other effective talent retention strategies are effective rewards and recognition systems, providing an environment with the work-life-balance and encouraging teamwork (Half, 2018). By applying such strategies, the turnover rate is reduced, hence the company's image is conserved, and the cost of recruitment and placement goes down.

The KBT is applicable in this study as talent retention is one of the most effective ways of ensuring that talented employees are retained for a long time in the organization. For knowledge to contribute towards organizational learning and succession management, it should undergo several stages. These include acquisition of trainable employees, developing them to have knowledge, improving the knowledge to become expertise and then ensuring that they are retained in the organization to take up any current or future leadership positions. When an organization has capable potential leaders, these potential leaders could fill any leadership void left by any planned or unplanned departure of current leaders. This will ensure that the organization will not be disrupted by the exit of the current leaders.

Talent retention strategies should be put in place for effective and smooth replacement process of exiting or retiring workers. In a study conducted in a Kenyan company, by Knott (2016), a group of 76 workers from both the managerial and nonmanagerial levels, were given
questionnaires and the results analyzed using statistical packaging social science (SPSS) software. The results on the Suraya Property Group Holdings, proved that talent retention strategies existed to a low extent. Of the total responses, 56% disagreed that the organization identified and prepared existing employees to take over from the employees who were leaving. Moreover, 51% disagreed that the company had effective retention strategies in place. These findings indicated that the company was ill prepared for succession management.

Another research was conducted by Lempaka (2018) in KCB in Kenya. From the investigation, it was discovered that there was a 99.2% relationship between employee retention and succession planning. However, the employees felt that succession policy was only maintained for top seats, and employee retention not guaranteed for talented employees. Rewarding employees was not practised for it to motivate the talented ones. As a result, a significant turnover was being experienced in the bank.

A study on five media houses in Kenya, where 3000 workers were approached to answer questionnaires. The analysis was carried out using SPSS. The study results indicated that employee retention practices were in place. The respondents were neutral on pay issues and felt like the media houses payment was meant to encourage retention. Employee expectations were met. The results also implied that practices such as a favourable environment and having a clear vision, mission, and values encouraged employees not to quit. The employees also were given leaves, assisted when needs arise, had flexible working hours and the companies observed an effective work-life balance. This ensured that the companies had a high employee retention rate, and this played a significant role in succession management (Salaman, 2014).

In a research conducted using 220 Pakistan employees in the manufacturing sector, data was collected using questionnaires. From the analysis, it was clear that the employees were satisfied leading to a high employee retention rate. The manufacturing companies implemented good talent retention practices such as providing opportunities for career progression, promotion from within, competitive pay and having performance-based reward structures. These practices led to high employee satisfaction, high retention rate and enabled the company to create and implement an effective succession management plan (Awan & Farhan, 2016).
In Ghana, Tetteh (2015) assessed the influence of employee retention on organizational effectiveness and succession planning. Additionally, the study explored the influence of employee development plans on the association between employee retention and succession planning and further on the association between organisational effectiveness and succession planning. The sample for the study was 188 respondents who were selected from four companies; two organizations from the public sector and two from the private in the Greater Accra Region. The study applied a quantitative design and applied structured questionnaires to collect data on organisational effectiveness, succession planning, employee retention and career development programs. The study findings indicated that employee retention positively and significantly influenced succession planning. Moreover, succession planning on the other hand was a significant predictor of organisational effectiveness and employee retention. The study results further established that employee development plans were a significant moderator on the association between employee retention and succession planning. Employee development plans were also a significant moderator on the association between organisational effectiveness and succession planning.

On a study on Kenya’s state-owned corporations, Kibui (2015) examined the effect of talent retention on succession planning. Kibui observed that employee retention and succession management problems were becoming vital employee management challenges of the future. Moreover, Kibui observed that Kenyan state corporations were functioning in extremely competitive environment due to the current uncertain, rapidly dynamic and very competitive global markets. A cross sectional design was used in the study and the population targeted in the study included all employees in all the 162 functional state corporations in Kenya in 2011. The HR managers and heads of departments in the state corporations were the target respondents in the study. The study sample of 385 was selected using stratified sampling. Data was collected using a self-administered questionnaire. The study results established that talent retention significantly and positively influenced succession planning. Moreover, the study results showed that performance management, employee engagement, competencies mapping and employee development had significant relationship with effectiveness of succession planning in the state corporations surveyed.
Succession planning has a strong association with the talent retention strategy. Johnson (2017) noted that talent retention and succession planning are essential areas of focus and concern for everyone in the organization from the board to human resource practitioners. This is because of the highly competitive labour market today that makes it challenging to find quality talent. The demographic shifts are escalating at a high rate and the qualified labour market continues to contract, thus necessitating organizations to consider development and retention of employees and succession planning as essential strategic priorities. The reason behind this is that there is a great level of generational diversity in the workforce which makes it critical for firms to establish a systematic and intentional strategy for the intrinsic strengths and differences of each generation (Johnson, 2017).

A study on the correlation between employee retention, succession planning and performance was conducted on selected livestock products based corporate firms in Kenya. Descriptive research design was utilized in the study. The study targeted a population of 300 firms that dealt in livestock products in Kenya. The study employed both simple random and stratified sampling methods in sample selection. The study sample size was 30 firms. The study findings revealed a significant positive association employee retention and succession management and also between employee retention and performance of the organizations surveyed. The conclusion from the stud was that organization that were observing best practices in retaining their employees were more effective in succession management and they performed better than their peers (Kamami, 2017).

A study by the Aberdeen Group (2019) assessed the association between talent retention and succession in the corporate workforce. The study sought to investigate the strategies that corporations of today are employing to retain their superior talent and ensure future leadership. Talent retention had become a key issue due to a potentially enhanced hiring climate, global sourcing for new employees, an aging workforce, changing demographics and changing business models. The study established that maintenance of highly talented employees, specifically through identifying, recruiting and retaining the required individuals they need to run their companies effectively is the prime concern weighing on the minds of human resource
practitioners of today. The study reported that 85% of HR practitioners viewed generating or maintaining the abilities of their organizations to compete for top talent as the single greatest challenge in human resource management. Moreover, the respondents indicated that companies must ensure that they can retain their employees long after recruiting them, since identifying top talent is not enough. Lastly, 77% of the executives surveyed indicated that talent retention was highly related with the ability of the organization to deal with succession management.

2.5 Strategic Talent Review and Succession Management

A strategic talent review is a process where the leaders in the organization discuss how employees fit in their future roles and their current performance. In the review meetings, the leaders determine the key positions which would result in disruption of operations if they are filled immediately (Hosen et al., 2018). The participants in the review should consider if the available talent could fill those positions. The review also provides the leaders with a chance to contemplate the future growth of the organization. This could assist them in discovering new positions that would require to be filled to attain the planned future business growth. There is a significant difference between employee performance review and a strategic talent review. During a strategic talent review, business leaders consider the future of the business, potential and performance, while in a performance review, managers only discuss performance with the employee.

In a study by Bush, Skiba and Li (2016) that involved 300 companies from 31 countries across the globe, the effect of talent review on succession management was investigated. Of the total cases, 275 were termed valid, and the results analyzed using regression and correlation analysis. The number of those agreeing that the company implemented high potential (HiPo) program, was 55%. The results of HiPo effectiveness on succession management showed a high correlation compared to the low correlation established from firms that did not use HiPo program. Moreover, there was a high percentage score on the significance of HiPo on a succession plan, on companies that implemented HiPo programs. The program also indicated a positive impact on financial performance on the HiPo program using organizations.
It is necessary to assess employees at a personal level to know their ambitions and identify their potentiality to nurture them in readiness for the assumption of more prominent roles in the future. Kowalewski et al. (2016). A study was conducted on a Swedish company whereby 56 representatives were interviewed and data analyzed using qualitative content analysis. The findings indicated that talent reviews were carried out regularly on employees by employees who had higher ranks than the reviewed employees (Bolander, Wer & Asplund, 2017). The main objective of the practice was for comparison and rating purposes. The performance was determined by gauging goal definition and, potentiality measured by the capability to expand the business. Exemplary performance was not enough as the review included an assessment of the employee character and interpersonal skills. All this were carried out with the aim of identifying potential future successors and establishing whether the company had the right quantity and quality of talent for its current and future. Talent review was considered as a significant process in the succession management process.

In a research conducted by Groves (2018) in the healthcare sector, the hypothesis that high potential employee practices positively influence succession planning was supported. Employees were surveyed, and results analyzed using correlation analysis. From the findings, it was established that high potential policies were implemented. The findings indicated that most of the healthcare sector firms conducted talent reviews regularly. From the results, 22% thought that the sector allowed employees to nominate themselves for suitable positions, concerned stakeholders were well informed of the high potential policy, 71% agreed that top potential employees were offered specialized training, and 53% agreed that employees were well positioned according to their potentiality. It indicated that talent assessment strategy was practiced. The involved healthcare firms had no problem with succession planning.

Strategic talent review is critical for employee retention in state owned corporations in Uganda. Employee retention, one the other hand, enables the corporations to retain top talent who can take up any current and future leadership positions. The research objectives were to ascertain the effect of talent review and evaluation on employee retention among other objectives. In order to meet these objectives, a mini-survey was carried out. This involved administering structured questionnaires through interviews to 88 respondents, including executive committee
members, senior managers, mid-level managers, branch managers and other support staff of National Social Security Fund (NSSF) Uganda. The data arising from these interviews were then analysed for any statistically significant effect using regression on SPSS. Results showed that strategic talent review affects employee retention. Further, the study established that employee retention affects succession management. When the organization frequently reviews its talent relative to projected strategic needs, it is able to fill that gap and hence be prepared for effective succession management, (Mugambwa, 2018)

Ongoing strategic talent review keeps a succession planning program meaningful, relevant and alive. Best practice recommends that talent reviews should be conducted by leaders every nine to 15 months and repeated when the company has substantial shifts in the business model or when the organization undergoes a major leadership change. Plans should be improved as role definitions, strategic priorities, goals, staffing and business needs change. Since there is no static business, succession planning should also not be static. This would hence mean that though the organization may have effective leadership acquisition, development and retention strategies, it may fail to have the right mix of leadership to fit the needs of the organization. This requires the organization to regularly review the available talent and take corrective action (Johnson, 2017).

An e-mail survey by Oracle (2018) established that talent review influences the power of the talent profile to deliver the most comprehensive, cohesive talent review and succession solution. This survey that focussed on 256 Fortune 500 companies in US indicated that talent review empowers HR professionals and executives to appraise individual talent, assess macro-organizational trends, develop a leadership pipeline, identify and lessen talent risk, assess talent and details such as potential and loss or risk. Additionally, talent pools and succession plans are an integral part of a continuous succession process that comprises of talent review meetings. Moreover, the study revealed that talent review allows the management to use formal data, such as past performance reviews, as well as informal data such as praise shared by peers to make informed talent decisions. This enables the organization to identify, assess and take action on its top talent to ensure the best talent is recognized, nurtured and effective retention programs designed and adopted to retain that talent.
The contribution of talent reviews towards effective succession management was investigated by Stadler (2016). The purpose of the study was to deliberate on succession management within the setting of talent management. The study also sought to provide a detailed reference to the role of strategic talent review in the recruitment, development and retention of potential successors for vital job roles at different levels in the organization. The study used a case study design on a sample of 59 executives to provide a deep insight into talent reviews in a Saudi Arabian mining company. The study examined that various succession management methods and emphasised on emerging best practice solutions in the sector. The main study results established that the leadership skills and strategic thinking ability were generally weak in the organization and thus not aligned with the growth strategy of the organization. This indicated weak talent review processes which did not contribute positively towards the companies’ succession management (Stadler, 2016).

Talent review requires effective interaction between the HR business partner and a group of business unit leaders. The group meets for a few days to exchange views and experiences regarding the talent they have and their business priorities, and thereby making future decisions (future staffing, organization changes, promotions, minimizing risk, succession plans and developmental priorities). The HR department devotes much effort and time to prepare for the meeting and even more resources to transform the decisions made in the meeting into action. For the HR department, this is a critical phase because talent decisions and business priorities go together to ensure that an optimality is achieved (Guthridge et al. (2018) The most critical value for talent review is to enable the organization bridge the gap between its business strategy and talent quality and quantity (Mercer, 2016). This enables the organization to ensure that it has the right talent for its current and future needs.

2.6 Chapter Summary
This chapter has provided the theoretical and empirical literature relevant to the study. The literature indicates the relationship between talent management practices of an organization (talent acquisition, talent development, talent retention and strategic talent review) and its effectiveness in the succession management process. The various theoretical and empirical literature reviewed relates to studies and scholarly work done globally, regionally and locally.
A critical review of the work has been done indicating the divergent and convergent areas and thus leading to the research gaps. The following chapter provides the methodology that was applied in the study.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that the study adopted. This entails a discussion of the procedures and methods that were used to conduct the study. The chapter includes the research design, population and sampling design. Additionally, the chapter provides a discussion of the methods of data collection and the procedures followed in the research. Moreover, the chapter provides the methods used in data analysis and the chapter summary.

3.2 Research Design

This study applied a descriptive research design. A descriptive research is applied to define a phenomenon, subject, entity, behavior or situation without influencing the study variables in any way. It is applied when an investigation seeks to answer the questions of how, when, what, where and who, in relation to the problem under investigation (Saunders, Lewis & Thornhill, 2015). In descriptive studies, quantifiable information is gathered and analyzed statistically to provide a description of the study subject or units (Creswell, 2013). Apart from providing a description of the population characteristics, descriptive study design can enable an assessment of the relationships that exist amongst study variables. This design was selected in this study as the study sought to establish the talent management practices that are applied at Kenya Power and relate those talent management practices to succession management.

Moreover, descriptive research design was selected due to its various merits. First, the research participants are observed in their natural environment without interfering with the normal behaviors and activities (Robson, 2012). It is therefore expected to provide a reliable account of talent management practices at Kenya Power and how they relate to succession management. Secondly, Coolican (2014) notes that the survey and the various data collection techniques available enables the study to gather rich and in-depth information. Additionally, the design allows a study of the unobservable practices and characteristics such as talent management practices and succession management.
3.3 Population and Sampling Design

3.3.1 Population
The study population was all middle and top-level management employees at Kenya Power Headquarters in Nairobi. There were 127 employees in middle and top-level management (Kenya Power, 2019). These management level employees were considered for this study since they are the ones who have the requisite information regarding talent management practices and succession management at Kenya Power. The study population is as indicated in Table 3.1.

<table>
<thead>
<tr>
<th>Division</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>15</td>
<td>11.8</td>
</tr>
<tr>
<td>Company Secretary</td>
<td>12</td>
<td>9.4</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>15</td>
<td>11.8</td>
</tr>
<tr>
<td>Customer Service</td>
<td>17</td>
<td>13.4</td>
</tr>
<tr>
<td>Network management</td>
<td>20</td>
<td>15.7</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>8</td>
<td>6.3</td>
</tr>
<tr>
<td>HR and Administration</td>
<td>17</td>
<td>13.4</td>
</tr>
<tr>
<td>ICT</td>
<td>13</td>
<td>10.2</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>10</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>127</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Kenya Power HR Division (2019)*

The distribution of the population per strata was based on the distribution of the target employees at Kenya Power. In selecting the members to participate in the study, the proportionate distribution of the population was applied.

3.3.2 Sampling Design
This section provides the sampling technique and procedures that were applied in the study. The section provides a discussion of the sampling frame, the sampling technique and the sample size.
3.3.2.1 Sampling Frame
The sampling frame for this study was a list of all the top and middle level management levels employees at Kenya Power Headquarters in Nairobi. This list includes the names of all these management level employees, their departments and their level of management. This list was procured from the Human Resources Department (Kenya Power, 2019). It was used to facilitate sampling in the study.

3.3.2.2 Sampling Technique
This study used multi stage sampling. In the first stage, purposive sampling was used to select only management level employees. This was used to select respondents who could provide relevant information for the study. In the second stage, stratified sampling technique was used to select proportionate number from the divisions. Babbie (2016) states that stratified random sampling is a sampling technique that involves dividing the whole population into sub-groups referred to as strata. These strata are created based on the shared characteristics or attributes of the population members. Saunders et al. (2015) indicates that the sampling technique is appropriate if the population members are not homogenous. In this study, the population includes employees from different management levels. It is hence appropriate to use the stratified random sampling technique to ensure that the selected sample is representative of the population.

3.3.2.3 Sample Size
The sample size for the study was selected using the Yamane formula as indicated in Robson (2012). The formula is;

\[ n = \frac{N}{1 + Ne^2} \]

In the formula, \( n \) is the size of the sample, \( N \) is the size of the population and \( e \) is the level of significance. The level of significance selected in this study is 0.05.

Using the formula, the sample size selected was 96. This was selected from the different strata as indicated in Table 3.2. The sample selected was proportionate to the distribution in the population.
Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Division</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Company Secretary</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Customer Service</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Network management</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>HR and Administration</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>ICT</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>127</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>

3.4 Research Procedures

The data was collected using a semi-structured questionnaire. This questionnaire was designed after a critical review of talent management practices and succession management. The questionnaire had six parts. The first part sought general information about the respondents and Kenya Power. The following four sections had questions regarding each of the independent variables (talent acquisition, talent development, talent retention and strategic talent review). These sections had questions structured using the 5-point Likert scale. The last section had questions on succession management at Kenya Power. These questions were also structured on a 5-point Likert scale.

The draft questionnaire was subjected to a pilot test before it was regarded as appropriate for data collection. The pilot test was conducted using 13 employees from Kenya Power (10% of the sample) who were not included in the main study. This pilot test was conducted to test the reliability of the questionnaire. To test reliability, the pilot tests results were used to test the internal consistency of the questionnaire using Cronbach alpha. Saunders et al. (2015) indicates that the Cronbach’s alpha is used to test internal consistency and reliability of the questionnaire. An item in the questionnaire should have a Cronbach’s alpha of 0.7 or above to be considered
reliable. If an item has an alpha that is below 0.7, it should be dropped. The results of the reliability test are presented in Table 3.3.

Table 3.3: Reliability of the Questionnaire

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent acquisition</td>
<td>10</td>
<td>0.803</td>
</tr>
<tr>
<td>Talent development</td>
<td>10</td>
<td>0.863</td>
</tr>
<tr>
<td>Talent retention</td>
<td>11</td>
<td>0.866</td>
</tr>
<tr>
<td>Strategic talent review</td>
<td>10</td>
<td>0.928</td>
</tr>
<tr>
<td>Succession management</td>
<td>9</td>
<td>0.813</td>
</tr>
</tbody>
</table>

The reliability test results indicated in Table 3.3 show that all the items had reliability scores of above the minimum acceptable limit of 0.7. the questionnaire was hence considered reliable. The questionnaire was also tested for validity. This test the appropriateness of the questionnaire to collect useful data to answer the research questions. Factor analysis was used to test for validity. Questions that had a coefficient of 0.4 and above were dropped. Recommendations for the pilot test were applied before the final questionnaire was designed.

After development of the final questionnaire, permission was sought from United States International University – Africa (USIU-A), National Council for Science Technology and Innovation (NACOSTI) and Kenya Power. After permission from the three organizations, the authorization letters were provided to the HR department to provide the sampling frame. This was then used to select the participants who were included in the sample. Random number tables were utilized in sampling. After sample selection, administration of questionnaires was conducted.

The drop-and-pick method was used for questionnaire administration. This involved locating the potential respondents, briefing them about the study, seeking their informed consent, and administering them with the questionnaire if they agreed to participate. A date was agreed with the potential respondents on when to collect the filled questionnaire. This process was repeated with every potential respondent until all the 96 questionnaires were administered. After
administration of all the questionnaires, the process of collecting them based on the agreed schedule commenced. Reminders were used for those who had not finished filling the questionnaire by the agreed time. All questionnaires collected were filed and safely kept.

3.5 Data Analysis Methods
The study applied quantitative data analysis techniques which included descriptive statistics and inferential statistics. The descriptive statistics used included means and measures of dispersion (standard deviation). These were applied to establish the relationship between talent management practices and succession management at Kenya Power. To determine the talent acquisition strategies applied by Kenya Power, means and standard deviations were used. These were also applied to determine the talent development, talent retention, and strategic talent review strategies by Kenya Power.

Inferential statistics applied included regression analysis. Regression analysis was applied to establish the effect of talent acquisition on succession management in state owned corporations in Kenya and to determine the effect of talent development on succession management in state owned corporations in Kenya. Besides, to investigate the effect of talent retention on succession management in state owned corporations in Kenya and to establish the effect of strategic talent review on succession management in state owned corporations in Kenya, regression analysis was also applied. This indicated both the strength of the relationship and the direction of the relationship. Regression analysis is also applied to establish the relationship between talent acquisition, talent development, talent retention and strategic talent review and succession management. The analysis of data was conducted using Statistical Package for Social Sciences (SPSS). Data was presented in tables and figures.

3.6 Chapter Summary
This chapter has presented the methodology that was applied to conduct the study. This includes the research design, population and sampling design. Additionally, the chapter has provided a discussion of the methods of data collection and the procedures followed in the research. Moreover, the chapter has provided the methods used in data analysis and presentation.

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CHAPTER FOUR: RESULTS AND FINDINGS

4.1 Introduction
This chapter provides the results and findings from the study. The purpose of the study was to evaluate the relationship between talent management practices and succession management at Kenya Power. The study targeted 96 management employees of Kenya Power from the headquarters of the organization in Nairobi. The study was conducted through a questionnaire survey where questionnaires were administered to the 96 selected participants. Those who filled and returned the questionnaires were 64. This was a response rate of 66.67%. This response rate was considered adequate. Babbie (2016) notes that any response rate above 50% in a paper-based questionnaire survey is adequate provided that effective sampling was conducted. This section provides the results from these 64 returned questionnaires. Analysis was through descriptive (means, frequencies and standard deviations) and inferential statistics (regression analysis). The presentation is in tables and figures.

4.2 Demographic Information
The study sought some demographic information from the respondents. This included information on age, highest level of education, professional qualifications of the respondents and the number of years that the respondents had worked for Kenya Power. Frequencies and percentages were used to analyze the responses. The results are presented hereunder.

4.2.1 Age of respondents
The study sought to establish the age of the respondents. This was sought to establish the most prevalent age group in the management team of the organization. The results are presented in Figure 4.1.
The study results presented in Figure 4.1 indicate that majority of the respondents (59%) were aged between 40 and 49 years ($N=64$). The respondents who were 50 years or above were 33% while those aged between 30 and 39 years were 14%. There was no respondent who was aged below 30 years. These findings suggest that most of middle and top-level management employees at Kenya Power were middle aged. The findings also indicate that there were very few young people in management levels at the company. However, this could be an indicator of long service or value that the organization places on long serving employees. Besides, having few young managers could also be due to the length of the journey to a managerial position.

**4.2.2 Highest Education Level of Respondents**

The study investigated the highest education level attained by the study participants. This was sought to indicate the education distribution of the middle and top level management employees which could be an indicator of competence and experience. The study results are presented in Figure 4.2.
The study results presented in Figure 4.2 show that 80% of the respondents had postgraduate level of education while 20% had undergraduate degrees (N = 64). These findings indicate that middle and top management level employees at Kenya Power had attained high education qualifications. This is an indication that the organization valued competence and professionalism. This also could imply that the organization attracted employ with high academic qualifications which makes an employee trainable. This hence means that the organization was effective at talent acquisition.

4.2.3 Respondent's Professional Qualifications

The study investigated whether the respondents had any professional qualifications. These included qualifications such as certified public accountancy (CPA), Certified human resource professional (CHRP), Association of Chartered Certified Accountants (ACCA), Chartered Institute of Marketing (CIM), East African Association of Engineers (EAAE), Chartered Institute of Management Accountants (CIMA), Chartered Financial Analyst (CFA) or
equivalent. These could be an indicator of talent development. The results are presented in Figure 4.3.

Figure 4.3: Respondents with Professional Qualifications

The study results in Figure 4.3 indicate that 87% of the study participants had professional qualifications and only 13% did not have any professional qualifications. These findings imply that the organization valued talent development. The findings suggest that the organization could have sponsored its management level employees to acquire professional qualifications or it may have encouraged the employees to pursue professional qualifications. These would make the management employees more skillful and knowledgeable.

4.2.4 Years of service in the Organization

The study enquired on the number of years the study participants had served at Kenya Power. Longevity of service to an organization could be an indicator of the organization to retain talent. The results of the analysis of the responses are presented in Figure 4.4.
The study results in Figure 4.4 show that 48% of the study respondents had served at Kenya Power for 16 years or more. Those who had served the organization for between 11 and 15 years were 21%, 16% had served Kenya Power for five to 10 years while a similar percentage had served the organization for less than five years. These findings indicate that more than 80% of the employees had served the organization for more than five years while 69% had served the organization for more than 10 years. These results portray that Kenya Power had been able to effectively retain its management level employees. This could be an indicator of effective talent retention strategies.
4.3 Talent Acquisition and Succession Management

The study investigated the talent acquisition strategies applied by Kenya Power. To determine the extent that the organization applied talent acquisition strategies, respondents were provided with several talent acquisition strategies and were required to indicate their level of agreement regarding how Kenya Power applied those strategies. The respondents were asked to rate on a five-point Likert scale (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree). The responses were analyzed using percentages, means and standard deviations (SD). The results are presented in Table 4.1.

Table 4.1: Talent Acquisition Strategies by Kenya Power

<table>
<thead>
<tr>
<th>Talent Acquisition Strategies</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Power engages in talent tracking to ensure top talent from competitors, institutes, universities and colleges are tracked and considered</td>
<td>13</td>
<td>50</td>
<td>21</td>
<td>16</td>
<td>0</td>
<td>2.40</td>
<td>.914</td>
</tr>
<tr>
<td>Kenya Power has tailored its appeal to a new breed of college and business school graduates</td>
<td>7</td>
<td>45</td>
<td>21</td>
<td>27</td>
<td>0</td>
<td>2.69</td>
<td>.951</td>
</tr>
<tr>
<td>Kenya Power has devised a graduate recruiting programme that addresses two of the highest priorities among young people: career mobility and social responsibility</td>
<td>10</td>
<td>21</td>
<td>31</td>
<td>38</td>
<td>0</td>
<td>2.98</td>
<td>1.000</td>
</tr>
<tr>
<td>Kenya Power's sense of purpose is an overwhelming differentiator in attracting top talent</td>
<td>5</td>
<td>16</td>
<td>34</td>
<td>42</td>
<td>3</td>
<td>3.23</td>
<td>.931</td>
</tr>
<tr>
<td>Kenya Power has successfully branded itself as an employer of choice in the country</td>
<td>3</td>
<td>13</td>
<td>16</td>
<td>57</td>
<td>11</td>
<td>3.60</td>
<td>.966</td>
</tr>
<tr>
<td>Kenya Power continually refreshes its systems, processes, and strategic initiatives which attracts top talent</td>
<td>10</td>
<td>29</td>
<td>36</td>
<td>23</td>
<td>3</td>
<td>2.81</td>
<td>1.006</td>
</tr>
<tr>
<td>Kenya Power uses competencies as the basis for hiring</td>
<td>3</td>
<td>24</td>
<td>24</td>
<td>47</td>
<td>2</td>
<td>3.59</td>
<td>.938</td>
</tr>
<tr>
<td>Kenya Power focuses on job-person fit in any hiring and recruitment process</td>
<td>3</td>
<td>29</td>
<td>36</td>
<td>29</td>
<td>3</td>
<td>3.00</td>
<td>.923</td>
</tr>
<tr>
<td>Kenya Power responds to short-term operational changes in the hiring process</td>
<td>5</td>
<td>23</td>
<td>33</td>
<td>38</td>
<td>2</td>
<td>3.08</td>
<td>.936</td>
</tr>
<tr>
<td>The recruitment approaches by Kenya Power adjusts seamlessly to changes in the market</td>
<td>8</td>
<td>48</td>
<td>21</td>
<td>23</td>
<td>0</td>
<td>2.49</td>
<td>.933</td>
</tr>
</tbody>
</table>
In interpreting the results, standard deviations below 1 show that most responses to the specific question were close to the mean. However, responses above 1 show that most responses to that question were dispersed away from the mean. Study results presented in Table 4.1 show that the respondents agreed that Kenya Power has successfully branded itself as an employer of choice in the country (mean = 3.60, std deviation = 0.966) and also agreed that Kenya Power uses competencies as the basis for hiring (mean = 3.59, std deviation = 0.938). These were statements which had means of between 3.5 and 4.5. These findings implied that Kenya Power had promoted the firm as a model employer to its desired target group that is seeks to attract, recruit and retain. The findings also suggest that Kenya Power based their recruitment on the capacity of the candidates to illustrate professional experience or skills.

The study results in Table 4.1 show that respondents were neutral (neither agreed nor disagreed) to various statements. These were statements which had means of between 2.5 and below 3.5. Specifically, the means indicate that respondents neither agreed nor disagreed to statements that Kenya Power’s sense of purpose is an overwhelming differentiator in attracting top talent (mean = 3.23, std deviation = 0.931), Kenya Power responds to short-term operational changes in the hiring process (mean = 3.08, std deviation = 0.936) and that Kenya Power focuses on job-person fit in any hiring and recruitment process (mean = 3.00, std deviation = 0.923). Further, respondents were neutral to the statements that Kenya Power has devised a graduate recruiting programme that addresses two of the highest priorities among young people: career mobility and social responsibility (mean = 2.98, std deviation = 1.000), Kenya Power continually refreshes its systems, processes, and strategic initiatives which attracts top talent (mean = 2.81, std deviation = 1.008) and that Kenya Power has tailored its appeal to a new breed of college and business school graduates (mean = 2.69, std deviation = 0.951). These findings suggest that some respondents were of the view that Kenya Power performed well in these talent acquisition practices but an equal number were of the view that Kenya Power performs poorly in these practices.

The study results show that respondents disagreed that the recruitment approaches by Kenya Power adjusts seamlessly to changes in the market (mean = 2.49, std deviation = 0.933) and also disagreed that Kenya Power engages in talent tracking to ensure top talent from
competitors, institutes, universities and colleges are tracked and considered (mean = 2.40, std deviation = 0.914). These study results presented in Table 4.1 suggest that Kenya Power does not regularly change its recruitment strategies to align with the changes in the external environment and the labour market. Moreover, the findings imply that Kenya Power does not engage in targeted recruitment approaches such as headhunting and optimized hiring.

4.4 Talent Development and Succession Management

The second objective of the study was to assess the influence of talent development on succession management at Kenya Power. The study investigated the talent development strategies applied by Kenya Power. To determine the extent that the organization applied talent development strategies, respondents were provided with several statements on talent development and were required to indicate their level of agreement regarding how Kenya Power applied those strategies. The rating was on a five-point Likert scale (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree). The responses were analyzed using percentages, means and standard deviations. The results are presented in Table 4.2.

The study results presented in Table 4.2 indicate that respondents agreed that Kenya Power has invested heavily in training of its employees (mean = 3.89, std deviation = 0.832), that employees at Kenya Power are given exposure to international learning programs (mean = 3.79, std deviation = 0.933) and agreed that Kenya Power provides offers cross-functional trainings for its employees (mean = 3.58, std deviation = 0.897). The results also show that respondents agreed that Kenya Power offers secondment and mobility opportunities to its employees (mean = 3.58, std deviation = 1.002) and also agreed that Kenya Power has championed organization-wide programs or projects, such as learning programs and mentorship programs (mean = 3.57, std deviation = 0.957). These findings suggest that Kenya Power had adopted and executed essential talent development strategies such as exposure to international learning programs, secondment, cross-functional trainings and investment and championing of organization wide training and mentorship.
Table 4.2: Talent Development Strategies by Kenya Power

<table>
<thead>
<tr>
<th>Talent Development Strategies</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Power offers secondment and mobility opportunities to its employees</td>
<td>5</td>
<td>20</td>
<td>23</td>
<td>47</td>
<td>5</td>
<td>3.58</td>
<td>1.002</td>
</tr>
<tr>
<td>Employees at Kenya Power are given exposure to international learning programs</td>
<td>5</td>
<td>5</td>
<td>11</td>
<td>64</td>
<td>15</td>
<td>3.79</td>
<td>.933</td>
</tr>
<tr>
<td>Kenya Power has championed organization-wide programs or projects e.g. learning programs and mentorship programs</td>
<td>2</td>
<td>16</td>
<td>16</td>
<td>54</td>
<td>12</td>
<td>3.57</td>
<td>.957</td>
</tr>
<tr>
<td>Kenya Power offers cross-functional trainings for its employees</td>
<td>3</td>
<td>10</td>
<td>21</td>
<td>58</td>
<td>8</td>
<td>3.58</td>
<td>.897</td>
</tr>
<tr>
<td>Kenya Power has invested heavily in training of its employees</td>
<td>2</td>
<td>7</td>
<td>11</td>
<td>63</td>
<td>18</td>
<td>3.89</td>
<td>.832</td>
</tr>
<tr>
<td>Kenya Power sets challenging goals to keep employees engaged</td>
<td>0</td>
<td>24</td>
<td>31</td>
<td>35</td>
<td>10</td>
<td>3.31</td>
<td>.951</td>
</tr>
<tr>
<td>Leaders at Kenya Power have long valued stretch assignments and they pay attention to developing direct reports as cornerstones of the firm’s talent philosophy</td>
<td>3</td>
<td>44</td>
<td>19</td>
<td>25</td>
<td>5</td>
<td>2.89</td>
<td>1.026</td>
</tr>
<tr>
<td>Kenya Power uses diverse tools and communication technology to foster dialogue on subjects such as boosting innovation and networking amongst the firm’s leaders</td>
<td>10</td>
<td>32</td>
<td>15</td>
<td>37</td>
<td>6</td>
<td>2.98</td>
<td>1.166</td>
</tr>
<tr>
<td>Kenya Power protects and promotes its culture and values of the firm by ensuring that leaders are assessed not only on their technical performance but also on how well they live by and teach the guiding principles</td>
<td>13</td>
<td>43</td>
<td>23</td>
<td>18</td>
<td>3</td>
<td>2.55</td>
<td>1.035</td>
</tr>
<tr>
<td>Kenya Power has a talent development plan that is closely aligned with the company’s strategic plan and overall business needs</td>
<td>12</td>
<td>34</td>
<td>36</td>
<td>16</td>
<td>2</td>
<td>2.62</td>
<td>.952</td>
</tr>
</tbody>
</table>

The study findings, however, show that respondents were neutral to most of the statements provided (Table 4.2). Specifically, respondents were neutral to the statements that Kenya Power sets challenging goals to keep employees engaged (mean = 3.31, std deviation = 0.951), Kenya Power uses diverse tools and communication technology to foster dialogue on subjects such as boosting innovation and networking amongst the firm’s leaders (mean = 2.98, std deviation = 1.166).
1.166) and were also neutral on the statement that leaders at Kenya Power have long valued stretch assignments and they pay attention to developing direct reports as cornerstones of the firm’s talent philosophy (mean = 2.89, std deviation = 1.026). The results also indicate that respondents were neutral to the statements that Kenya Power has a talent development plan that is closely aligned with the company’s strategic plan and overall business needs (mean = 2.89, std deviation = 1.026) and that Kenya Power protects and promotes its culture and values by ensuring that leaders are assessed not only on their technical performance but also on how well they live by and teach the guiding principles (mean = 2.89, std deviation = 1.026). These results suggest that while some respondents felt that Kenya Power had effectively adopted these talent development strategies and equal number of respondents were of a contrary view. This indicates that some of the respondents perceived some weaknesses relating to employee engagement, use of ICT to foster innovation and networking, use of stretch assignments and alignment of talent development plan to the company’s strategic plan and overall business needs.

4.5 Talent Retention and Succession Management

The study assessed the talent retention strategies applied by Kenya Power. To determine the extent that the organization applied talent retention strategies, respondents were provided with several talent retention strategies and were required to indicate their level of agreement regarding how Kenya Power applied those strategies. The respondents were asked to rate on a five-point Likert scale (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree). The responses were analyzed using percentages, means and standard deviations. The results are presented in Table 4.3.

Table 4.3 presents the results which show that on average, respondents agreed to some of the statements. These were statements which had means of above 3.5 but below 4.5. Respondents agreed that the compensation plan of Kenya Power is updated regularly (mean = 3.54, std deviation = 0.929), Kenya Power recognizes employees who perform according to their goals and objectives (mean = 3.53, std deviation = 0.995) and also agreed that managers at Kenya Power have a good relationship with employees (mean = 3.52, std deviation = 0.942). The findings further indicate that respondents agreed that Kenya Power has a policy that emphasizes health and wellness of employees (mean = 3.52, std deviation = 0.942), Kenya Power shows
appreciation to employees through its policy of promoting from within (mean = 3.51, std deviation = 0.924) and agreed that Kenya Power offers competitive compensation (mean = 3.51, std deviation = 1.006). These results suggest that Kenya Power practiced best practices in talent retention which included providing competitive pay, having an internal promotion policy, ensuring wellness and health of employees, employee recognition and regular update to compensation plan. These are strategies that could be instrumental in employee retention capacity of the organization.

**Table 4.3: Talent Retention Strategies by Kenya Power**

<table>
<thead>
<tr>
<th>Talent Retention Strategies</th>
<th>1 (%)</th>
<th>2()</th>
<th>3()%</th>
<th>4()</th>
<th>5()</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Power has visible differentiation in terms of compensation through recognition programs, stretch assignments and leadership programs</td>
<td>7</td>
<td>18</td>
<td>40</td>
<td>33</td>
<td>2</td>
<td>3.05</td>
<td>.928</td>
</tr>
<tr>
<td>Kenya Power has a think tank tasked with providing suggestions on how to address challenges of employee turnover facing the firm</td>
<td>24</td>
<td>41</td>
<td>25</td>
<td>8</td>
<td>2</td>
<td>2.21</td>
<td>.968</td>
</tr>
<tr>
<td>Kenya Power has unique personal development plan for each employee</td>
<td>25</td>
<td>52</td>
<td>18</td>
<td>5</td>
<td>0</td>
<td>2.03</td>
<td>.795</td>
</tr>
<tr>
<td>The pay at Kenya Power is commensurate with the effort and skills of employees (i.e., Kenya Power offers competitive compensation)</td>
<td>2</td>
<td>23</td>
<td>18</td>
<td>48</td>
<td>9</td>
<td>3.51</td>
<td>1.006</td>
</tr>
<tr>
<td>Kenya Power gives employees a sense of ownership and autonomy</td>
<td>2</td>
<td>35</td>
<td>21</td>
<td>35</td>
<td>7</td>
<td>3.10</td>
<td>1.020</td>
</tr>
<tr>
<td>Kenya Power recognizes employees who perform according to their goals and objectives</td>
<td>7</td>
<td>10</td>
<td>26</td>
<td>50</td>
<td>7</td>
<td>3.53</td>
<td>.995</td>
</tr>
<tr>
<td>Kenya Power is actively involved in the life and career ambitions of employees</td>
<td>8</td>
<td>49</td>
<td>28</td>
<td>15</td>
<td>0</td>
<td>2.49</td>
<td>.849</td>
</tr>
<tr>
<td>Kenya Power shows appreciation to employees through its policy of promoting from within</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>73</td>
<td>0</td>
<td>3.51</td>
<td>.924</td>
</tr>
<tr>
<td>Kenya Power has a policy that emphasizes health and wellness of employees</td>
<td>7</td>
<td>8</td>
<td>18</td>
<td>60</td>
<td>7</td>
<td>3.52</td>
<td>.976</td>
</tr>
<tr>
<td>The compensation plan of Kenya Power is updated regularly</td>
<td>5</td>
<td>11</td>
<td>33</td>
<td>46</td>
<td>5</td>
<td>3.54</td>
<td>.929</td>
</tr>
<tr>
<td>Managers at Kenya Power have a good relationship with employees</td>
<td>5</td>
<td>6</td>
<td>33</td>
<td>46</td>
<td>10</td>
<td>3.52</td>
<td>.942</td>
</tr>
</tbody>
</table>
The study results presented in Table 4.3 however, show that respondents were neutral to some of the statements provided. These were statements which have means of above 2.5 but below 3.5. Among these statements include the statements that Kenya Power gives employees a sense of ownership and autonomy (mean = 3.10, std deviation = 1.020), Kenya Power has visible differentiation in terms of compensation through recognition programs, stretch assignments and leadership programs (mean = 3.05, std deviation = 0.928). These findings indicate that there were some respondents who felt that Kenya Power was effective in these talent retention practices while others were of a divergent opinion.

The results show that respondents disagreed to some of the provided statements (Table 4.3). These were statements that had a mean of above 1.5 but below 2.5. Specifically, respondents disagreed that Kenya Power is actively involved in the life and career ambitions of employees (mean = 2.49, std deviation = 0.849), Kenya Power has a think tank tasked with providing suggestions on how to address challenges of employee turnover facing the firm (mean = 2.21, std deviation = 0.968) and also disagreed that Kenya Power has unique personal development plan for each employee (mean = 2.03, std deviation = 0.795). The implication of these findings is that Kenya Power does not have effective strategies for aligning personal development plans with employee career progression, does not effectively monitor and evaluate turnover and the company is not actively engaged in career ambitions and life of employees. These are critical aspects which could jeopardize talent retention at the company.

4.6 Strategic Talent Review and Succession Management

The study investigated the talent acquisition strategies applied by Kenya Power. To determine the extent that the organization applied talent acquisition strategies, respondents were provided with several talent acquisition strategies and were required to indicate their level of agreement regarding how Kenya Power applied those strategies. The respondents were asked to rate on a five-point Likert scale (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree). The responses were analyzed using percentages, means and standard deviations. The results are presented in Table 4.4.
Table 4.4: Strategic Talent Review by Kenya Power

<table>
<thead>
<tr>
<th>Strategic Talent Review</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and leaders at Kenya Power conducts regular talent review meetings</td>
<td>14</td>
<td>53</td>
<td>23</td>
<td>10</td>
<td>0</td>
<td>2.29</td>
<td>.838</td>
</tr>
<tr>
<td>Evaluation of talent is conducted at all levels at Kenya Power</td>
<td>19</td>
<td>52</td>
<td>21</td>
<td>8</td>
<td>0</td>
<td>2.19</td>
<td>.847</td>
</tr>
<tr>
<td>Talent reviews at Kenya Power are collaborative where leaders from other departments are allowed to contribute to employee reviews</td>
<td>24</td>
<td>33</td>
<td>24</td>
<td>19</td>
<td>0</td>
<td>2.38</td>
<td>1.057</td>
</tr>
<tr>
<td>Kenya Power uses reliable employee data and performance reviews in talent reviews</td>
<td>19</td>
<td>34</td>
<td>26</td>
<td>21</td>
<td>0</td>
<td>2.49</td>
<td>1.037</td>
</tr>
<tr>
<td>Kenya Power leverages technology to support talent review efforts to enhance efficiency in the process</td>
<td>22</td>
<td>26</td>
<td>35</td>
<td>17</td>
<td>0</td>
<td>2.47</td>
<td>1.030</td>
</tr>
<tr>
<td>Kenya Power’s current and future business strategies are key factors that influence talent review process</td>
<td>10</td>
<td>29</td>
<td>31</td>
<td>26</td>
<td>4</td>
<td>2.83</td>
<td>1.045</td>
</tr>
<tr>
<td>Managers at Kenya Power are expected to understand in depth the employees’ behaviours, strengths, weaknesses and next development steps without accessing their profiles</td>
<td>5</td>
<td>36</td>
<td>26</td>
<td>33</td>
<td>0</td>
<td>2.86</td>
<td>.945</td>
</tr>
<tr>
<td>HR and line managers at Kenya Power collaborate in talent reviews</td>
<td>12</td>
<td>32</td>
<td>28</td>
<td>28</td>
<td>0</td>
<td>2.72</td>
<td>1.013</td>
</tr>
<tr>
<td>At Kenya Power, there is always follow-up on the decisions made during talent reviews</td>
<td>23</td>
<td>32</td>
<td>35</td>
<td>10</td>
<td>0</td>
<td>2.33</td>
<td>.951</td>
</tr>
<tr>
<td>Talent reviews at Kenya Power are always associated with performance reviews</td>
<td>23</td>
<td>33</td>
<td>17</td>
<td>25</td>
<td>2</td>
<td>2.49</td>
<td>1.151</td>
</tr>
</tbody>
</table>

The study results on strategic talent review by Kenya Power show that on average, respondents were either neutral or disagreed with the statements (Table 4.4). The statements which the respondents were neutral to included the statements that managers at Kenya Power are expected to understand in-depth the employees’ behaviours, strengths, weaknesses and next development steps without accessing their profiles (mean = 2.86, std deviation = 0.945) and that Kenya Power’s current and future business strategies are key factors that influence talent review process (mean = 2.83, std deviation = 1.045). These study results suggest that though some respondents were of the view that managers had in-depth understanding of employees and talent
review at Kenya Power was influenced by current and future business needs, there were an equal number of respondents who had contrary views.

Results in Table 4.4 indicate that respondents disagreed with most of the statements on strategic talent review. These were statements which had means of above 1.5 but below 2.5. The results indicate that respondents disagreed that talent reviews at Kenya Power are always associated with performance reviews (mean = 2.49, std deviation = 1.151), Kenya Power uses reliable employee data and performance reviews in talent reviews (mean = 2.49, std deviation = 1.037) and also disagreed that Kenya Power leverages technology to support talent review efforts to enhance efficiency in the process (mean = 2.47, std deviation = 1.030). Study results further indicate that respondents disagreed that talent reviews at Kenya Power are collaborative where leaders from other departments are allowed to contribute to employee reviews (mean = 2.38, std deviation = 1.037) and that there is always follow-up on the decisions made during talent reviews (mean = 2.33, std deviation = 0.951). Moreover, respondents disagreed that managers and leaders at Kenya Power conduct regular talent review meetings (mean = 2.29, std deviation = 0.838) and disagreed that evaluation of talent is conducted at all levels at Kenya Power (mean = 2.19, std deviation = 0.847). These findings imply that Kenya Power has been ineffective in most aspects of strategic talent review. Most importantly, the findings suggest that Kenya Power was not effective in aligning talent reviews with performance reviews, use of reliable employee data in talent reviews, use of ICT to support talent review and was also ineffective in enhancing collaboration between departmental leaders in talent reviews. Moreover, the findings suggest that there were no regular talent review meetings and talent review was not conducted at all levels at Kenya Power. These deficiencies in talent review could adversely affect talent development.

4.7 Succession Management at Kenya Power
The study’s dependent variable was succession management. To determine nature of succession management at Kenya Power, respondents were provided with several statements on succession management and were required to indicate their level of agreement regarding how those statements applied to Kenya Power. The respondents were asked to rate the statements on a five-point Likert scale (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 =
Agree 5 = Strongly agree). The responses were analyzed using percentages, means and standard deviations. The results are presented in Table 4.5.

**Table 4.5: Succession Management at Kenya Power**

<table>
<thead>
<tr>
<th>Succession management</th>
<th>1 (%)</th>
<th>2 (%)</th>
<th>3 (%)</th>
<th>4 (%)</th>
<th>5 (%)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>In filling senior positions, Kenya Power hires more internal hires compared to external hires</td>
<td>2</td>
<td>0</td>
<td>5</td>
<td>72</td>
<td>21</td>
<td>4.10</td>
<td>.640</td>
</tr>
<tr>
<td>Kenya Power has a high bench strength readiness (Skilled and knowledgeable employees ready to take top leadership positions in the company)</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>68</td>
<td>14</td>
<td>3.82</td>
<td>.889</td>
</tr>
<tr>
<td>The numbers of potentials in the talent pool has increased in the recent past at Kenya Power</td>
<td>0</td>
<td>21</td>
<td>24</td>
<td>45</td>
<td>10</td>
<td>3.45</td>
<td>.940</td>
</tr>
<tr>
<td>Kenya Power has many identified successors who have actually been appointed into top management positions in the past</td>
<td>5</td>
<td>21</td>
<td>29</td>
<td>35</td>
<td>10</td>
<td>3.24</td>
<td>1.065</td>
</tr>
<tr>
<td>Each key top management position in Kenya Power has at least two qualified potential successors</td>
<td>9</td>
<td>31</td>
<td>32</td>
<td>21</td>
<td>7</td>
<td>2.86</td>
<td>1.076</td>
</tr>
<tr>
<td>Most of the managers who have been employed from within at Kenya Power have performed well in their new management roles</td>
<td>4</td>
<td>5</td>
<td>23</td>
<td>59</td>
<td>9</td>
<td>3.65</td>
<td>.855</td>
</tr>
<tr>
<td>Top managers hired from within take less time to be fully operational than those hired externally</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>57</td>
<td>29</td>
<td>4.07</td>
<td>.856</td>
</tr>
<tr>
<td>Kenya Power has a high pipeline utilization (percentage of time it uses an internal candidate to fill a vacant managerial vacancy)</td>
<td>2</td>
<td>10</td>
<td>19</td>
<td>59</td>
<td>10</td>
<td>3.66</td>
<td>.870</td>
</tr>
<tr>
<td>There is very low turnover of new internal hires after they take new top management roles</td>
<td>2</td>
<td>3</td>
<td>14</td>
<td>57</td>
<td>24</td>
<td>3.98</td>
<td>.827</td>
</tr>
</tbody>
</table>

The study results in Table 4.5 reveal that respondents agreed that in filling senior positions, Kenya Power hires more internal hires compared to external hires (mean = 4.10, std deviation = 0.640), top managers hired from within take less time to be fully operational than those hired externally (mean = 4.07, std deviation = 0.856) and also agreed that there is very low turnover of new internal hires after they take new top management roles (mean = 3.98, std deviation = 0.827). Moreover, findings show that respondents agreed that Kenya Power has a high number
of skilled and knowledgeable employees ready to take top leadership positions in the company (mean = 3.82, std deviation = 0.889), the company has a high pipeline utilization (mean = 3.66, std deviation = 0.870) and also agree that most of the managers who have been employed from within at Kenya Power have performed well in their new management roles (mean = 3.65, std deviation = 0.889). These findings imply that Kenya Power has internally developed employees who have the capacity to take up current and future leadership positions and that the company mostly uses an internal candidate to fill a vacant managerial vacancy. Besides, the findings suggest that internal hires develop a better employee-job fit than external hires. These findings suggest that Kenya Power has effective succession management.

The study results, however, show that respondents were neutral to some of the statements (table 4.5). Specifically, the findings indicate that respondents were neutral to the statements that the numbers of potentials in the talent pool has increased in the recent past at Kenya Power (mean = 3.45, std deviation = 0.940), Kenya Power has many identified successors who have actually been appointed into top management positions in the past (mean = 3.24, std deviation = 1.065) and were also neutral to the statement that each key top management position in Kenya Power has at least two qualified potential successors (mean = 2.86, std deviation = 1.076). The implication of these findings is that though Kenya Power may have effective succession management regarding capacity of potential leaders, the number of potentials in the talent pool may not be adequate for potential leadership positions.

4.8 Regression Analysis

The study’s objectives were to establish the relationship between talent acquisition, talent development, talent retention, strategic talent review and succession management in state owned corporations in Kenya. To attain these objectives, regression analysis was used. The data was prepared for regression by aggregating all the items that appertained to each variable and getting the weighted average. This was also done for the dependent variable. This provided the study with a single measure for each variable. These were used for the regression model with results as presented in Table 4.6, 4.7 and 4.8. Table 4.7 provides results of the regression summary.
The results in Table 4.6 show that the model had a moderate explanatory power. The correlation coefficient of the model indicated a strong relationship between talent acquisition, talent development, talent retention, strategic talent review and succession management ($r = 0.731$). Moreover, the study results indicate that talent acquisition, talent development, talent retention and strategic talent review at Kenya Power explained 53.4\% of succession management in the organization ($r^2 = 0.534$ or 53.4\%). These findings imply that the model had a moderate explanatory power.

The analysis of variance (ANOVA) of the model was assessed. This was done to establish the model fit and evaluate whether talent acquisition, talent development, talent retention and strategic talent review had a significant influence on succession management. The study results are presented in Table 4.7.

### Table 4.7: Analysis of Variance

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.065</td>
<td>4</td>
<td>2.266</td>
<td>11.274</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>11.908</td>
<td>59</td>
<td>.201</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16.973</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Succession Management

b. Predictors: (Constant), Strategic Talent Review, Talent Development, Talent Acquisition, Talent Retention

The study results presented in Table 4.7 show that the model was a good fit ($F = 11.274$, $p < 0.05$). This indicates that the four variables considered in the study (talent acquisition, talent development, talent retention and strategic talent review) could be applied as predictors of succession management at Kenya Power. The model was a good fit for the data and hence regression analysis could be applied to establish the relationship between the four variables and succession management.
The study hence regressed the four independent variables (talent acquisition, talent development, talent retention and strategic talent review) against succession management. The results provide the regression coefficients, t statistics and the significance levels. These results are presented in Table 4.8.

Table 4.8: Effect of Talent Management Strategies on Succession Management

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.604</td>
<td>.327</td>
<td>7.963</td>
</tr>
<tr>
<td>Talent Acquisition</td>
<td>.132</td>
<td>.077</td>
<td>.226</td>
</tr>
<tr>
<td>Talent Development</td>
<td>.281</td>
<td>.085</td>
<td>.461</td>
</tr>
<tr>
<td>Talent Retention</td>
<td>.183</td>
<td>.082</td>
<td>.314</td>
</tr>
<tr>
<td>Strategic Talent Review</td>
<td>.120</td>
<td>.087</td>
<td>.175</td>
</tr>
<tr>
<td><strong>a. Dependent Variable: Succession Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study results in Table 4.8 show that talent acquisition strategies applied at Kenya Power had a positive but insignificant relationship with succession management at the organization ($\beta = 0.132$, $t = 1.719$, $p = 0.092$). These findings indicate that the talent acquisition strategies applied at Kenya Power did not enable the organization’s succession management. Through talent acquisition strategies are expected to have a relationship with the organization’s succession management, the talent management strategies at Kenya Power are not regularly changed to respond to the changes in the external environment and the labour market. Moreover, Kenya Power fails to engage in targeted recruitment approaches which could trace talented and trainable individuals in institutions and other organizations. These could explain why talent acquisition fails to have a relationship with succession management at the organization.

The study established that talent development strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization ($\beta = 0.281$, $t = 3.310$, $p = 0.002$). This study finding indicates that the applied the talent development strategies significantly related with succession management at Kenya Power. Since Kenya Power had adopted and executed essential talent development strategies such as exposure to international
learning programs, secondment, cross-functional trainings and investment and championing of organization wide training and mentorship, these strategies had enabled the organization to prepare for succession management.

Results presented in Table 4.8 indicate that talent retention strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization ($\beta = 0.183$, $t = 2.244$, $p = 0.029$). These findings show that the talent retention strategies applied by Kenya Power such as competitive pay, having an internal promotion policy, ensuring wellness and health of employees, employee recognition and regular update to compensation plan had significantly associated with the succession management of the organization.

Lastly, the study established that strategic talent review strategies applied at Kenya Power had positive but insignificant relationship with succession management at the organization ($\beta = 0.120$, $t = 1.376$, $p = 0.175$). These findings indicate that the strategic talent review strategies at Kenya Power were not instrumental and not associated with succession management in the organization. This could be explained by the previous findings in this study which indicated that Kenya Power did not have effective strategic talent review practices. For instance, Kenya Power was viewed by respondents to be ineffective in aligning talent reviews with performance reviews, use of reliable employee data in talent reviews, use of ICT to support talent review and was also ineffective in enhancing collaboration between departmental leaders in talent reviews. Moreover, the findings indicated that there were no regular talent review meetings and talent review was not conducted at all levels at Kenya Power. These weaknesses in strategic talent review could explain why strategic talent review had no significant relationship with succession management in the organization.

4.6 Chapter Summary
This chapter has provided results and findings of the study. Provided in the chapter is the response rate which was 66.67%. The demographic information of the respondents is also provided in the chapter which includes information on age of the respondents, their highest level of education, their professional qualifications and their length of service at Kenya Power. The chapter further provides descriptive statistics of the collected data which includes percentages,
means and standard deviations according to the objectives of the study. Moreover, the chapter provides the regression analysis which enables the study to attain its research objectives by establishing the relationship among talent acquisition, talent development, talent retention, strategic talent review and succession management. The following chapter provides the discussion, conclusions and recommendations.
CHAPTER FIVE
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter provides a discussion of the study results, conclusions and recommendations that have been made in the study. First, the chapter provides a synopsis of the study results regarding all the study objectives. Moreover, the chapter provides a brief overview of the study purpose, research objectives, and a summary of the research methodology. The chapter further provides a discussion of the results which provides an interpretation of the study results in relation to the theoretical and empirical review. Lastly, the chapter provides the study conclusion and recommendations.

5.2 Summary
The purpose of this study was to establish the relationship between talent management practices and succession management in state owned corporations in Kenya, a case of Kenya Power. The study’s specific objectives sought to establish the relationship between talent acquisition, talent development, talent retention and strategic talent review and succession management in state owned corporations in Kenya. This study applied a descriptive research design. The study population was all 127 top and middle level management employees at Kenya Power Headquarters in Nairobi. The sampling frame for this study was a list of all the top and middle level management employees at Kenya Power Headquarters in Nairobi. This study used stratified random sampling technique and selected a sample of 96. The study collected data using a semi-structured questionnaire where the drop and pick method was used to administer the questionnaire. The analysis of data was conducted using SPSS. The study applied quantitative data analysis techniques which included descriptive statistics (frequencies, percentages, means and standard deviations) and inferential statistics (regression analysis).

Study results indicate that talent acquisition strategies applied at Kenya Power had a positive but insignificant relationship with succession management at the organization. These findings indicate that the talent acquisition strategies applied at Kenya Power did not enable the organization’s succession management. Though talent acquisition strategies are expected to have a relationship with the organization’s succession management, the talent management
strategies at Kenya Power are not regularly changed to respond to the changes in the external environment and the labour market. Moreover, Kenya Power fails to engage in targeted recruitment approaches which could trace talented and trainable individuals in institutions and other organizations. This could explain why talent acquisition fails to have a relationship with succession management at the organization.

The study results established that talent development strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization. These study findings indicate that the applied talent development strategies significantly related with succession management at Kenya Power. Moreover, the study findings indicated that Kenya Power had adopted and executed essential talent development strategies such as exposure to international learning programs, secondment, cross-functional trainings and investment and championing of organization wide training and mentorship. Since Kenya Power had adopted and executed essential talent development strategies such as exposure to international learning programs, secondment, cross-functional trainings and investment and championing of organization wide training and mentorship, these strategies had enabled the organization to prepare for succession management.

Study findings indicated that talent retention strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization. These findings show that Kenya Power practiced best practices in talent retention which included providing competitive pay, having an internal promotion policy, ensuring wellness and health of employees, employee recognition and regular update to compensation plan. These are strategies that could be instrumental in employee retention capacity of the organization and hence being critical in influencing succession management at the organization.

Lastly, the study established that strategic talent review strategies applied at Kenya Power had positive but insignificant relationship with succession management at the organization. These findings indicate that the strategic talent review strategies at Kenya Power were not instrumental and not associated with succession management in the organization. This could be explained by the other study findings in this study that indicated that Kenya Power did not have effective
strategic talent review practices. For instance, Kenya Power was viewed by respondents to be ineffective in aligning talent reviews with performance reviews, use of reliable employee data in talent reviews, use of ICT to support talent review and was also ineffective in enhancing collaboration between departmental leaders in talent reviews.

5.3 Discussion
This section provides a discussion of the major study findings. The section is organized into four sections based on the objectives of the study. These are sections on effect of talent acquisition, talent development, talent retention and strategic talent review on succession management in state owned corporations in Kenya. The major results for these specific objectives are interpreted and discussed based on the review of literature. The subsections are presented hereunder.

5.3.1 Effect of talent acquisition on succession management
Study results indicate that talent acquisition strategies applied at Kenya Power had a positive but insignificant relationship with succession management at the organization. These study findings do not support the resource-based theory that assumes that acquisition and control of valuable strategic resources enables the organization to be sustainable in the long-term and gain competitive advantages over its competitors in the market (Wernerfelt, 1984). However, this could be explained by the key weaknesses that were established regarding talent acquisition strategies at Kenya Power. Moreover, the study findings contradict the findings by Atoche (2017), that the capacities, knowledge and skills that are in employees of the firm is one of the valuable strategic resources. This indicates that acquiring talented employees provides the firm with a pipeline of employees which can take up any leadership vacancies that may arise in the future. However, Kenya Power did not fully utilize its talent acquisition properly since it failed to engage in targeted recruitment approaches which could trace talented and trainable individuals in institutions and other organizations. Other studies which have findings that contradict the findings of this study include Tajudin and Kamarudin (2015), Kigo and Gachunga (2016) and Chepkwony (2017). However, the study findings supported the findings by Mayoedi and Vesheghi (2016) that when there is a shortage of talent in the organisation and this is not
well addressed, the organization involved could face adverse consequences in trying to fill vacant positions in future.

The study findings indicate that the talent acquisition strategies applied at Kenya Power did not play a critical role in the organization’s succession management. These results do not support previous findings by Bowman and Ambrosini (2013) that an organization should always seek to acquire, shape, transform, build and combine the talents of its employees into a strategic resource to facilitate the firm sustainability and continuity. Moreover, Siew et al. (2017) had established that having an adequate pool of talented employees will enable the organization to deal with any unplanned exit of its current crop of leaders. Besides, Achieng et al. (2014) had established that banks that invested more on identifying and developing talents were able to effectively manage succession and become more competitive in the market. The explanation why Kenya Power’s talent acquisition strategies failed to contribute to succession management as indicated by these previous studies could be due to the weaknesses or inefficiencies in the adopted talent acquisition strategies. Such material inefficiencies were observed in lack of regular update to recruitment practices, poor integration of talent recruitment with external environment and the labour market and lack of targeted talent attraction.

5.3.2 Effect of talent development on succession management

The study results established that talent development strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization. These findings support the knowledge-based theory (KBT) by Hamel and Prahalad (1994) which indicates that talent development can enable the organization to be at a better position to effectively manage succession. This is under the assumption that knowhow, competencies, intellectual assets and knowledge are critical for the firm to be competitive. The study’s findings also support the findings by Ismail et al. (2017) that when a company develops the capacities of its employees, it enhances its learning which enhances its capacity, tactics and processes. This makes the organization not only capable of taking advantage of opportunities, but also adept in dealing with risks that come with loss of its leaders. Moreover, the study supports the findings by Teece (2012) that effective talent development entails the organization developing potential leaders who have the capacity to effectively lead the organization in the absence of the
current leaders. Kenya Power had engaged in effective talent development strategies such as exposure to international learning programs, secondment, cross-functional trainings and investment and championing of organization wide training and mentorship. This could explain the significant relationship between Talent development strategies adopted and succession management.

There are other studies with similar findings to the findings in this study on the positive association between talent development strategies and succession management. These include studies such as Mangusho et al. (2015), Irtame and Khadam (2016), Hafez and Elsaid (2017), Smith and Galbraith (2017) and Day (2018). However, the findings of the study on the positive relationship between talent development contradicts the findings by Hosen et al. (2018) who established that Dutch Bangla Bank was challenged in filling leadership positions due to lack of potential leaders internally. This was due to poor talent development strategies by the bank. This is unlike Kenya Power which had invested and championed organization wide training and mentorship for enhanced talent development.

5.3.3 Effect of talent retention on succession management

Study findings indicated that talent retention strategies applied at Kenya Power had a positive and significant relationship with succession management at the organization. These findings concur with the findings by Half (2018) that several talent retention strategies such as being provided mentorship programs, conducive work environment, competitive pay, equity and employee engagement are applied to enable the organization to handle succession management effectively. Moreover, Lempaka (2018) on a study on KCB in Kenya, established that there was a significant relationship between employee retention and succession planning. Other studies with similar findings include (Salaman, 2014), Tetteh (2015), Kibui (2015), Awan and Farhan (2016) and Johnson (2017). the presence of effective talent retention strategies such as having an internal promotion policy and ensuring wellness and health of employees played a critical role in succession management at the organization.

The findings from this study that talent retention strategies had a positive association with succession management contradicts the findings by Knott (2016). The results on the Suraya
Property Group Holdings by Knott (2016), established that talent retention strategies existed to a low extent and thus the company was ill prepared for succession management. This contradicts the findings from this study which indicated that Kenya Power practiced best practices in talent retention which included providing competitive pay, having an internal promotion policy, ensuring wellness and health of employees, employee recognition and regular update to compensation plan. Kamami (2017) had indicated that organization that observe best practices in retaining their employees are more effective in succession management than their peers.

5.3.4 Effect of strategic talent review on succession management

The study established that strategic talent review strategies applied at Kenya Power had positive but insignificant relationship with succession management at the organization. This contradicts the findings by Hosen et al. (2018) who indicated that the review gives the leaders an opportunity to consider the company’s future growth and discover new positions that need to be filled to advance future business improvement for effective succession management. The findings also disagree with the findings by Bush et al. (2016) that use of HiPo effectiveness on succession management showed a high correlation compared to the low correlation established from firms that did not use HiPo program. This could explain why Kenya Power’s strategic talent review had no significant relationship with succession management due to its low application of HiPo program. The study findings also contradict the findings by Groves (2018) that firms which applied high potential policies had no problem with succession planning. Other studies with contradicting findings include Oracle (2018), Mugambwa (2018) and (Johnson, 2017).

The study findings indicate that the strategic talent review strategies at Kenya Power were not instrumental and not associated with succession management in the organization. This supports the previous findings by Stadler (2016) that organizations with weak talent review processes do not contribute positively towards the companies’ succession management. This could be explained by the findings in this study that indicated that Kenya Power did not have effective strategic talent review practices. For instance, Kenya Power was viewed by respondents to be ineffective in aligning talent reviews with performance reviews, use of reliable employee data
in talent reviews, use of ICT to support talent review and was also ineffective in enhancing collaboration between departmental leaders in talent reviews.

5.4 Conclusions
This section provides major conclusions that were made in the study. These conclusions are based on the study findings on each of the study’s specific objectives. The conclusions are provided hereunder.

5.4.1 Effect of talent acquisition on succession management
The study concludes that talent acquisition did not play an essential role in succession management at Kenya Power. This is despite the critical role that talent acquisition plays in ensuring that the organization attracts and recruits top latent available in the labour market. Key aspects which could have contributed to talent acquisition playing a peripheral role in succession management could be the lack of regular review of talent acquisition strategies at Kenya Power, lack of alignment of talent acquisition strategies with the labour market and external environment and failure to engage in targeted recruitment approaches which could trace talented and trainable individuals in learning institutions and other organizations.

5.4.2 Effect of talent development on succession management
The study concludes that talent development strategies applied at Kenya Power played a critical role in succession management at the organization. The applied talent development strategies were essential in succession management at Kenya Power. Key talent development strategies that played a critical role in succession management included investment and championing of organization wide training and mentorship and exposure to international learning programs, secondment and cross-functional trainings.

5.4.3 Effect of talent retention on succession management
Talent retention strategies adopted by Kenya Power were essential for succession management at the organization. The study further concludes that Kenya Power adopted best practices in talent retention which played a critical role in the organization’s succession management. These included strategies such as having an internal promotion policy, providing competitive
remuneration, ensuring health and wellness of employees, employee recognition and regular update to compensation plan. These strategies were instrumental in the capacity of the organization to retain talented employees and thus playing a critical role in succession management at the organization.

5.4.4 Effect of strategic talent review on succession management

Strategic talent review strategies applied at Kenya Power did not play an essential role in succession management at the organization. This is against the expectation that strategic talent review should play a significant role in succession management for the organization. Factors which could have contributed to this include lack of alignment of talent reviews with performance reviews, use of unreliable employee data in talent reviews, limited use of ICT to support talent review and limited collaboration between departmental leaders in talent reviews.

5.5 Recommendations

This section provides recommendations for policy, improvements, practice and also recommendations for further studies. First, recommendations for improvement are provides based on the weak areas established in the study. These provide areas that management and policy makers at Kenya Power can focus on, to improve talent management strategies and succession management in the organization. Lastly, recommendations are provided for further studies based on the limitations and weaknesses established in this study.

5.5.1 Recommendations for Improvement

The recommendations made for improvement are provided so that Kenya Power can act on the weak areas in talent management strategies and succession management that were established in the study. These recommendations are provided in subsections based on the study’s four research objectives.

5.5.1.1 Effect of talent acquisition on succession management

The study established that talent acquisition at Kenya Power had a positive but insignificant relationship with succession management. This was explained by several weaknesses in talent acquisition strategies at Kenya Power. To address these weaknesses, it is recommended that
Kenya Power should have mechanisms to seamlessly adjust their recruitment practices to the changes in the market. Moreover, Kenya Power should continually engage in talent tracking to ensure top talent from competitors, institutes, universities and colleges are tracked and considered for integration into the talent pipeline of the organization.

**5.5.1.2 Effect of talent development on succession management**
The study determined that talent development strategies at Kenya Power had a significant positive relationship with succession management. However, despite this positive relationship, there were some weaknesses that were identified in the study relating to the existing talent development strategies at Kenya Power. It is hence recommended that Kenya Power should always set challenging goals to keep employees engaged and thereby play a positive role in developing their skills and knowledge. Besides, Kenya Power should employ diverse tools and communication technology to foster innovation and knowledge amongst its employees. Moreover, Kenya Power should ensure that its talent development plan is closely aligned with the company’s strategic plan and overall business needs.

**5.5.1.3 Effect of talent retention on succession management**
Talent retention was indicated to have a positive and significant relationship with succession management at Kenya Power. However, the study identified key weaknesses regarding the organization’s involvement in the lives of its employees and development personal developments plans are unique for each employee. Therefore, it is recommended that Kenya Power should be more actively involved in the life and career ambitions of its employees by establishing employee development monitoring mechanisms. Moreover, Kenya Power should have a think tank tasked with providing suggestions on how to address challenges of employee turnover facing the firm and devise unique personal development plans suited for the unique needs of every employee.

**5.5.1.4 Effect of strategic talent review on succession management**
Regarding improvements required for strategic talent review at Kenya Power, the study makes the following recommendations. First, Kenya Power should always link their talent reviews with performance reviews to provide more meaning for areas that need knowledge and skills
improvement. Secondly, Kenya Power should always use reliable employee data and performance reviews in talent reviews. Further, to ensure effective strategic talent review, Kenya Power should leverage technology to enhance efficiency in the process. Moreover, the organization should ensure collaboration between managers from different departments. Besides, there should always be follow-up on the decisions made during talent reviews to ensure that actions items are acted upon. Furthermore, strategic talent review should be conducted on all employee levels of the organization, not just the top management level.

5.5.2 Recommendations for Further Studies
This study focussed on establishing the relationship between talent management practices and succession management in state owned corporations in Kenya with a focus on Kenya power. Based on the limitations and weaknesses of the current study, suggestions are provided for further research on the subject area. First, the study suggests that future studies on relationship between talent management strategies and succession management should focus on other state corporations in the country. This is because the findings in this study cannot be generalized to other state corporations since this was a case study which has limited generalizability.

The study also suggests that future studies on the subject area should focus on all employees in the organization to reduce any information or selection bias. This study focussed only on management level employees who could be biased on the way they report on talent management strategies and succession management in the organization mostly due to the role they play in those aspects. A study involving all management and non-management employees would provide a balanced perspective on talent management practices and succession management.

This study used structured questionnaires to collect data. Though use of structured questionnaires provides the study with numerous advantages, it also presents some limitations such as inability to provide an explanation to the findings. To address this limitation, it is recommended that future research on relationship between talent management strategies and succession management should involve qualitative data collection techniques such as key informant interviews or focus group discussions. These qualitative data collection methods could provide deeper insights and provide explanations of the established relationships.
Lastly, the study recommends further research to be focussed on small and medium enterprises, especially the family owned businesses. This is because family owned businesses are mostly affected by succession management when the founder or one generation of business leaders pass on. Moreover, family businesses have the propensity to rely on family members to run the business and thus overlooking key talent management strategies that are critical for succession management and business continuity. Such a study would provide findings that could be critical for reforming talent management strategies and succession management in family owned businesses.
REFERENCES


APPENDICES

Appendix I: Questionnaire to Employees of Kenya Power

This questionnaire is aimed at seeking information about talent management and succession management at this firm. You have been selected to participate in the study.

Please answer the questions by ticking or filling in the space provided.

SECTION A: GENERAL INFORMATION

1. Please indicate your age in years
   - Below 30 [ ]
   - 30 – 39 [ ]
   - 40 – 49 [ ]
   - 50 and over [ ]

2. What is your highest level of education?
   - Secondary School [ ]
   - Bachelor’s degree [ ]
   - Postgraduate [ ]

3. Do you have any professional qualifications (e.g. CPA, CHRP, ACCA, CIMA, CFA or equivalent?)
   - Yes [ ]
   - No [ ]

4. Indicate the number of years you have worked in this company.
   - Below 5 years [ ]
   - 5 – 10 years [ ]
   - 11 – 15 years [ ]
   - 16 and above [ ]
 SECTION B: TALENT ACQUISITION AT KENYA POWER

1. For the statements listed below on talent acquisition, please indicate your level of agreement to the statements regarding Kenya Power. Use the following rating: 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree

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<tr>
<th>Statement</th>
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<tbody>
<tr>
<td>Kenya Power engages in talent tracking to ensure top talent from competitors, institutes, universities and colleges are tracked and considered</td>
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<tr>
<td>Kenya Power has tailored its appeal to a new breed of college and business school graduates</td>
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<td>Kenya Power has devised a graduate recruiting programme that addresses two of the highest priorities among young people: career mobility and social responsibility</td>
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<td>Kenya Power’s sense of purpose is an overwhelming differentiator in attracting top talent</td>
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<td>Kenya Power has successfully branded itself as an employer of choice in the country</td>
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<td>Kenya Power continually refreshes its systems, processes, and strategic initiatives which attracts top talent</td>
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<tr>
<td>Kenya Power uses competencies as the basis for hiring</td>
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<tr>
<td>Kenya Power focuses on job-person fit in any hiring and recruitment process</td>
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<tr>
<td>Kenya Power responds to short-term operational changes in the hiring process</td>
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<tr>
<td>The recruitment approaches by Kenya Power adjusts seamlessly to changes in the market</td>
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**SECTION C: TALENT DEVELOPMENT AT KENYA POWER**

1. For the statements listed below on talent development, please indicate your level of agreement to the statements regarding Kenya Power. Use the following rating: 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree)

<table>
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<tr>
<td>Kenya Power offers secondment and mobility opportunities to its employees</td>
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<tr>
<td>Employees at Kenya Power are given exposure to international learning programs</td>
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<td>Kenya Power has championed organization-wide programs or projects e.g. learning programs and mentorship programs</td>
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<td>Kenya Power provides cross-functional trainings for its employees</td>
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<tr>
<td>Kenya Power has invested heavily in training of its employees</td>
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<td>Kenya Power sets challenging goals to keep employees engaged</td>
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<td>Leaders at Kenya Power have long valued stretch assignments and they pay attention to developing direct reports as cornerstones of the firm’s talent philosophy</td>
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<td>Kenya Power uses diverse tools and communication technology to foster dialogue on subjects such as boosting innovation and networking amongst the firm’s leaders</td>
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<td>Kenya Power protects and promotes its culture and values of the firm by ensuring that leaders are assessed not only on their technical performance but also on how well they live by and teach the guiding principles</td>
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<td>Kenya Power has a talent development plan that is closely aligned with the company’s strategic plan and overall business needs</td>
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**SECTION D: TALENT RETENTION AT KENYA POWER**

1. For the statements listed below on talent retention, please indicate your level of agreement to the statements regarding the status at Kenya Power. Use the following rating: 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree.

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<tr>
<td>Kenya Power has visible differentiation in terms of compensation through recognition programs, stretch assignments and leadership programs</td>
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<td>Kenya Power has a think tank tasked with providing suggestions on how to address challenges of employee turnover facing the firm</td>
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<td>Kenya Power has unique personal development plan for each employee</td>
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<td>The pay at Kenya Power is commensurate with the effort and skills of employees (i.e., Kenya Power offers competitive compensation)</td>
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<td>Kenya Power gives employees a sense of ownership and autonomy</td>
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<td>Kenya Power recognizes employees who perform according to their goals and objectives</td>
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<td>Kenya Power is actively involved in the life and career ambitions of employees</td>
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<td>Kenya Power shows appreciation to employees through its policy of promoting from within</td>
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<td>Kenya Power has a policy that emphasizes health and wellness of employees</td>
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<td>The compensation plan of Kenya Power is updated regularly</td>
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<td>Managers at Kenya Power have a good relationship with employees</td>
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SECTION E: STRATEGIC TALENT REVIEW AT KENYA POWER

1. For the statements listed below on strategic talent review, kindly indicate your level of agreement to the statements in the context of Kenya Power. Use the following rating: 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree)

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<tr>
<td>Managers and leaders at Kenya Power conducts regular talent review meetings</td>
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<td>Evaluation of talent is conducted at all levels at Kenya Power</td>
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<td>Talent reviews at Kenya Power are collaborative where leaders from other departments are allowed to contribute to employee reviews</td>
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<td>Kenya Power uses reliable employee data and performance reviews in talent reviews</td>
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<td>Kenya Power leverages technology to support talent review efforts to enhance efficiency in the process</td>
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<td>Kenya Power’s current and future business strategies are key factors that influence talent review process</td>
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<td>Managers at Kenya Power are expected to understand in depth the employees’ behaviors, strengths, weaknesses and next development steps without accessing their profiles</td>
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<tr>
<td>HR and line managers at Kenya Power collaborate in talent reviews</td>
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<td>At Kenya Power, there is always follow-up on the decisions made during talent reviews</td>
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<td>Talent reviews at Kenya Power are always associated with performance reviews</td>
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SECTION F: SUCCESSION MANAGEMENT AT KENYA POWER

1. Indicate your agreement to the statements listed in the table below regarding effectiveness of succession management at Kenya Power. Rate the listed aspects of succession management based on the following rating scale (1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree)

<table>
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<tr>
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<tr>
<td>In filling senior positions, Kenya Power hires more internal hires compared to external hires</td>
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<td>Kenya Power has a high bench strength readiness (Skilled and knowledgeable employees ready to take top leadership positions in the company)</td>
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<td>The numbers of potentials in the talent pool has increased in the recent past at Kenya Power</td>
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<tr>
<td>Kenya Power has many identified successors who have actually been appointed into top management positions in the past</td>
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<tr>
<td>Each key top management position in Kenya Power has at least two qualified potential successors</td>
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<tr>
<td>Most of the managers who have been employed from within at Kenya Power have performed well in their new management roles</td>
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<td>Top managers hired from within take less time to be fully operational than those hired externally</td>
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<tr>
<td>Kenya Power has a high pipeline utilization (percentage of time it uses an internal candidate to fill a vacant managerial vacancy)</td>
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<td>There is very low turnover of new internal hires after they take new top management roles</td>
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Thank you for your input
Appendix II: Data Collection Authorization Letter

13 December, 2019

To whom it may concern

RESEARCH PROJECT BY CATHERINE WAMBUI GITAMO- STUDENT ID: 659083

The bearer of this letter is a student at the United States International University-Africa pursuing a Master of Science in Management and Organizational Development (MOD).

As part of the program, she is required to undertake a research project on “Relationship Between Talent Management Practices and Succession Management in State Owned Corporations Kenya: A Case Study of Kenya Power PLC.” This requires her to collect data and information from various relevant institutions.

Kindly allow her access to data, information and contact with respondents who can complete her questionnaires. I assure you that the information provided will be treated with the utmost confidentiality.

Should you have any queries regarding the student research please feel free to contact me on my email, tocokoch@usi.ac.ke phone, +254 730 116 168

Yours sincerely

[Signature]

Dr. Timothy Okoch
DEPARTMENT CHAIR,
CHANDARIA SCHOOL OF BUSINESS

:TO/mn
Appendix III: Research Permit

This is to certify that Ms. Catherine Gitamo of United States International University Africa, has been licensed to conduct research in Nairobi on the topic: RELATIONSHIP BETWEEN TALENT MANAGEMENT PRACTICES AND SUCCESSION MANAGEMENT IN STATE OWNED CORPORATIONS IN KENYA - A STUDY OF KENYA POWER for the period ending 24/January/2021.

License No: NACOSTI/P/28/3583

Ref No: 859066

Applicant Identification Number

Date of Issue: 24/January/2020

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