INFLUENCE OF TALENT MANAGEMENT ON SUSTAINABILITY OF FAMILY OWNED SMALL ENTERPRISES IN KENYA

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ABSTRACT
The study aimed at finding out the relationship between talent management and sustainability of the family owned small business enterprises in Kenya. Family owned enterprises play a key role in economic development through employment creation and availing of products and services to the end users. Some major family owned businesses in Kenya include the Tuskys Supermarkets, Bidco ltd, Brookside dairy ltd among others. The firms have significantly transformed the face of corporate sector with massive expansion across the country and in East Africa. However, despite the merit that surrounds the family owned businesses, their performance has been at the threat of decline with many of them ending up closing their doors as a result of increased mismanagement as well as succession chaos. These challenges, combined with the normal business environment challenges posse a big threat to the firms’ sustainability. On the other hand, human resource management practices have been argued to be the central enablers of firm performance and sustainability. Through well-tailored employee management practices and ensuring that the human capital is well taken care of, competitiveness of a firm is enhanced. However, there has been little research on the relationship between human resource management practices and sustainability of family owned businesses hence the subject of the study. The study adopted descriptive research design which involves both qualitative and quantitative research methodologies. The design was considered appropriate based on its ability to give more generalized results and enhance the practicability of the variables. The study targeted family owned small business enterprises in Nairobi County which are approximately 16285. Nairobi was chosen since over 90% of the FBEs are located in the area and therefore can act as a representative of Kenya. Stratified random sampling was applied to come up with a study sample of 375 respondents who were obtained from the FBEs in Nairobi County and grouped in manufacturing, trading and service sectors. Questionnaires were used to collect data from the respondents. The data was afterwards be analysed using SPSS software and presented in form of tables, figures and graphs. The study established that talent management significantly and positively enhanced
sustainability of family owned enterprises in Kenya. The study recommended that managers of family owned enterprises should embrace talent management to promote performance of the enterprises.

1.0 INTRODUCTION

1.1 Background of the Study

Human resource management practices is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future, and encourage individual advancement (Rothwell, 2000; and Sandhya & Kumar, 2011). The process ensures that superior employees are recruited and prepared to fill senior key roles within the company. Their leadership skills, knowledge and abilities are developed to prepare them for advancement or promotion into challenging roles. Tettey (2016) states that Human resource management practices process is most effective when it is done in a systematic effort that is deliberately planned and is driven by a written, organization-wide statement of purpose and a policy. There are several views that endorse the value of Human resource management practices in today’s modern organization. Senior leaders are keenly aware that “the continued sustainability of the organization depends on having the right people in the right places at the right time (Waleed, 2011).

At a global level, Human resource management practices in the recent past has received more attention not only as a concern for the management of human resources, but also as institutional strategic management component for ensuring performance and growth. In one of the recent surveys by Rothwell (2000), top corporate companies revealed that the main reasons for having Human resource management practices programmes are attributed to the challenge to maintain a pool of potential successors. According to Ruthwell (2005), Human resource management practices and employee satisfaction form part of action HR planning which is concerned with staffing and both have a direct impact on reducing staff turnover.

Regionally, several scholars have provided various outlooks of Human resource management practices. In Nigeria for instance, Manzoor (2012) explained the need for Human resource management practices among small manufacturing firms in Lagos and stated that most of the firms relied on few experts who are required to give instructions to the other workers on how and what to do. In Kenya, scant literature is available on Human resource management practices. Kabera (2012) established that Human resource management practices in Kenya are perceived as a measure of promoting managerial knowledge among the employees so as to make them more responsible and capable to run the business. In most cases, organizations especially the NGOs have taken measures to introduce several employees to their direct business as an attempt of making them aware of what is needed at the top levels so as to minimize changes in the managerial strategies.

Family owned businesses play a key role in the economic development of most countries from across the globe thus their sustainability cannot be overlooked. In an international perspective, in Canada for instance, sustainability of family owned businesses has been found to be a paramount determinant of the country’s economy which starts from the dimension of job creation to provision of goods and services to the end users (Mishra & El-Osta, 2015). However, Mishra and El-Osta (2015) noted that among the major challenges that face the family owned enterprises in the country is the increased employee turnover and other human capital related prospects.
Globally, two thirds of all enterprises are said to be family owned and/or managed (Phillips, 2012). Kochachathu (2011) holds the view that family is an inseparable term in family business because essential family functions determine the business functions and vice versa. According to Abouzaid (2011), in Spain, 75% of the businesses are family-owned and contribute to 65% of the country’s GDP on average and in Latin America family businesses contribute to about 60% of the aggregate GDP. Some of the best performing family businesses across the globe include; Salvatore Ferragamo, Benetton, and Fiat Group in Italy; L’Oreal, Carrefour Group, LVMH, and Michelin in France; Samsung, Hyundai Motor, and LG Group in South Korea; BMW, and Siemens in Germany; Kikkoman, and Ito-Yokado in Japan; and Ford Motors Co, and Wal-Mart Stores in the United States. According to Shivaraj and Vijayakumara (2015) in a textile industry that is very critical to the South African economy, most of the firms in this sector are family owned and they have critically played a role in enhancing development and growth of the economy. In Kenya, family owned businesses constitute up to 60% of the businesses, and accounts for over 50% of all people employed in the country every year (Kimunge & Were, 2014; and Nduati, 2016).

1.2 Statement of the Problem
Family owned enterprises in Kenya play a very important role in the economy through provision of employment and contribution to the GDP. However, despite their significance in the economy, sustainability of family owned enterprises has been a challenge over a long period of time with many of the firms not surviving under more than one generation (RoK, 2017; and Kirema, 2016). On average, the lifespan of family owned enterprises has been argued to be only 3 generations with 12% of the enterprises making it to that far (Kwenin, 2013). According to Neville (2011), over 40% of family owned enterprises collapse after the exit of the initiators with most of them ending up in disputes and misunderstanding among the family members. Data available from the Ministry of trade (2016), several companies including Tuskys Limited and Jacaranda hotel Limited have faced succession wrangles among the siblings over the succession of the businesses (Association of Family Business Enterprises (AFBE), 2015). Such disputes have eventually landed in law courts leading the family businesses in chaotic situations.

Empirical studies from across the globe have found lack of Human resource management practices especially planning and mentoring to be among the causes of organizational underperformance (Lynn, 2011; Robert, Matthew & Sonfield, 2012; and Giambatista, 2014). In his study Lynn (2011) established that most of the state corporations in the country faced performance and sustainability issues after exit of directors due to unpreparedness and succession of other employees. Other studies however, have argued that there is little or no link between Human resource management practices and firm sustainability. For instance, Huang (2011) in his study on relationship between Human resource management practices and sustainability of foreign firms in North-East of China, argued that lack of Human resource management practices did not contribute to firm unsustainability but firms failed to sustain themselves out of other factors such as competency and management strategies, competition and poor production methods.

Based on the information from the background it is revealed that human resource management practices can be viewed as important aspects in ensuring firm sustainability. However, it is not clear whether human resource management practices contribute to sustainability of family owned businesses since no study has focused on this study. Also, there are conflicting arguments on the relationship between Human resource management practices and firm sustainability with some studies arguing there is a relationship others arguing there is no relationship. The current study therefore aimed at establishing the influence of talent management on sustainability of family owned enterprises in Kenya.
1.3 Objective of the Study

The aim of the study was to find out the relationship between talent management and sustainability of family owned small enterprises in Kenya.

1.4 Research Hypotheses

H\(_{A1}\): Talent management has a positive relationship with sustainability of family owned small enterprises in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Competency Models (CM) of Human resource management practices

Competency-based approach in human resource management is completed during the past thirty years through the competency which surrounds knowledge, skills, abilities, traits and behaviours to allow a person to perform a task in a particular job (Hughes, 2009). Competency Models (CM) is a framework that identifies a combination of the skills, knowledge and behaviours and for these models to be considered useful, the competencies must comply with the job activities of individuals (Kacmar, et al., 2006). CM is also used as a basis for strategic workforce planning and all talent management activities; but does not provide the instruction for effective leadership, and is an attempt to capture the experiences, taught, and experienced leaders’ knowledge to provide a framework for the interests of organization and the others (Hollenbeck, 2006). Getting a picture of the skills and competencies in the organization, informs us about strengths and gaps.

According to Mapesela and Strydom (2014) CMs can be used as criteria for following items: designing training programs; recruitment, selection, and assessment; coaching, counselling, and monitoring; development of career and succession plans (Miller, Erickson & Yust, 2011). As specified, CMs were developed as a basis for Human resource management practices. Without these models, organizations rarely will be able to proceed beyond the simple approach of replacement.

These models offer a plan to create the required competencies in the present and future and provide a norm or standard for measuring individual reformation requirements. These models are very important when the organization is committed to improve talent pools, because these models offer the standard for all individuals who may be evaluated (Rothwell, 2005). Rothwell (2005) categorized the general CM for human resources experts into three groups. One of the earliest models has been inspired from the School of Business Administration in University of Michigan. This model includes business qualifications, change management, and human resources activities. Another model which was developed by the Mc Ber Company for human resources managers includes three fields: objective management and practical management; interpersonal management and people management; and analytical reasoning. This model prescriptively defines and describes competencies and expected behaviors for senior-level leaders of human resources. This model prescribes five groups of competencies: objective management and practical management; functional and organizational management; influence management; business knowledge; and technical skills of human resources (Muhammad, 2010).
One study showed that in order to identify leadership CM, these items should be taken into consideration: responsibilities at every level of leadership should be defined and competencies associated with these responsibilities must be identified. Then, the most important competencies should be distinguished and the levels of required competencies for a successful implementation must be identified (Richards, 2011). In the latest CMs of modern organizations, job-related competencies or capabilities based on behavior are considered. But there is no unique CM that can be useful for all organizations (Muhammad, 2010), because the reviews indicate that 7 to 9 percent of overall competency is usually required for a particular job and for a presentation in CM for each organization (Hollenbeck, 2006). Therefore, each organization must utilize modelling techniques to identify its unique competencies. Modelling the competencies offers an accurate way to identify characteristics related to job performance instead of traditional analysis of job. This model can provide valuable information for key posts and talented staffs.

2.2 Conceptual Framework

![Conceptual Framework](image)

Independent Variable

Talent Management
- Talent shows
- Informational interviews
- Mentoring

Sustainability of Family Owned Small Enterprises
- Initial capital invested
- Sales turnover
- Number of employees
- Re-investments

Dependent Variable

2.2.1 Talent Management

Armstrong (2013) refers to talent management as the process of identifying, developing, recruiting and deploying the talented people in an organization. Talent management is presented as a Human resource management practice, forecasting on fast tracking career opportunities of high potential employees (CIPD 2006). Armstrong (2013) lists several career management practices as formal mentoring, career counselling, performance appraisal, assessment centres, Human resource management practices, retirement preparation, career workshop amongst others. Earle (2013) argues that a person’s individual thinking about careers is influenced by ageing. As one matures, thoughts of career progression are affected by psychological feelings of recognition for status, opportunities for growth and need for self-actualization. Johnson, Griffith and Griffin (2010) contend that good managers therefore should encourage and couch the middle aged potential employees so as to ensure a business enterprise is well managed.

2.2.2 Sustainability of Family Owned Enterprises

Firm sustainability can be narrowly thought of not only as the management of environmental, social, and governance issues, but more broadly as a business approach or paradigm that seeks to enhance long-term shareholder value by addressing opportunities and managing the associated risks that derive from the economic, environmental and social developments facing the modern corporation (Mensah, 2014). At the heart of current corporate
sustainability movement, is the claim that it increases long-term shareholder value i.e., maximizes stock price. It is hypothesized that the companies which are ranked as the leaders in sustainability should demonstrate superior financial performance coupled with favourable risk/return profiles. It is posited that firm sustainability leaders should be able to achieve superior financial performance by focusing their sustainability strategies to develop sustainability products and services by successfully either avoiding or decreasing key sustainability costs and risks to the firm.

2.3 Empirical Review

2.3.1 Talent Management

Studies across the globe have focused on talent management and organizational sustainability and/or performance. For instance, Newman, Thanacoody and Hui (2011) conducted a study on effects of talent management on performance of non-governmental organizations in Turkey. The study aimed at finding out the role of employee talent identification, modification and adoption on performance of NGOs in Turkey. The scholars adopted an experimental research design and had a sample of 230 respondents. Deckop et al. (2016) established that talent management helped the organizations to identify the employees that were capable of providing key skills in the organizational operations thus working hard to retain them. Through talent management, organizations are able to attain a full reliable workforce which is more productive and functional thus promoting organizational performance (Newman et al., 2011).

Rich, Lepine and Crawford (2010) did a study on relationship between talent management and firm sustainability. The study focused on establishing the impacts of grooming young talents among SMEs in South Korea. The study adopted a case study research design and had a sample of 109 SMEs. Rich et al. (2010) found that talent management among SMEs promoted the sustainability of the firms by promoting the ability of managerial skills to be surpassed across the employees thus making the firms capable of retaining their performance levels. According to Rich et al. (2010) SMEs’ sustainability is dependent on the capabilities and skills possessed by the entrepreneurs. Through talent management, the entrepreneurs are able to develop new talents amongst their employees thus enhancing the sustainability.

Elsewhere, Kibui (2015) did a study on the influence of talent management on employee performance. Kibui (2015) focused on state corporations in Kenya and their ability to manage employee talent for enhanced performance and commitment. The study used a descriptive research design and had a sample of 180 respondents. The study found that most of the state corporations in Kenya did not practice employee talent management and this affected the performance of the employees since most of them felt that their talents are not well utilized. According to Kibui (2015), management of talents among employees increases their usability to the organization since more skills are identified and used for organizational advantage.

2.3.2 Sustainability of Family Owned Businesses

A number of studies have focused on the sustainability of family owned business across the globe. For instance, Darren (2013) did a study on the sustainability of the family owned businesses in a global perspective. The study adopted a survey design and had a sample of 114 respondents. The findings established that most of the family owned businesses enhanced their performance through integrated investments and expansion the firm branches.
According to Darren (2013) family owned businesses depend on the efforts made by the family members who are mainly the directors of the businesses to invest more and build stronger foundations to have the businesses sustained for a longer period of time.

Elsewhere, Shilder (2010) did a study on the factors influencing sustainability of family owned enterprises. The study aimed at establishing the role of succession planning, stakeholder involvement, and family issue management. The study adopted a descriptive survey research design and had a sample of 215 respondents. Shilder (2010) established that among the major factors that enhanced sustainability of family owned enterprises was the succession planning whereby the founder of the firm identified the successor and ensured that proper measures are carried out to make him or her capable of carrying on with the business.

2.4 Research Gaps

Taneja, Taneja and Gupta (2014) did a study on the relationship between human resource management practices and performance of organizations in Pakistan. The scholars adopted secondary data and established that human resource management practices such as employee training and development and employee rewarding enhanced organizational performance through increased employee commitment and productivity. The study however focused on non-governmental organizations in Pakistan. The current study will focus on small family owned businesses in Kenya. Taneja et al. (2014) utilized secondary data to make conclusions and recommendations for the study. The current study will adopt both primary and secondary data to make the conclusions and recommendations.

A study by Dauda and Mohammed (2012) on the human resource management practices and organizational performance among government owned corporations established that human resource management practices such as job satisfaction and training and development enhanced the organizational performance through a better engaged and committed workforce. The study however focused on the government corporations unlike the current study that will focus on small family owned businesses. Dauda and Mohammed (2012) focused on organizations in Dubai unlike the current study that will focus on the Small family owned businesses in Kenya. The study was also conducted in close to five years ago where much has happened with changes in technology and awareness among the employees thus there is need for a study to be conducted so as to update the study incorporating these changes.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

A descriptive research design was used in this study. The research design was both quantitative and qualitative with the aim of determining the relationship between the Human resource management practices (independent variables) and sustainability of family owned enterprises (dependent variables).

3.2 Research Philosophy

The study employed a positivist research philosophy since it deals with quantitative data which is precise and therefore can be easily compared thus generating reliable evidence from the responses collected through use of questionnaires (Bryman, 2011).
3.3 Target Population

The target population of this study comprised of the family owned businesses in Nairobi Kenya. According to Mulei (2015), there are 23273 registered family owned enterprises in Nairobi County. The firms consist of manufacturing, services and trading (AFBE, 2016). The study specifically targeted the owners or managers of these firms. The table below shows the distribution of the target population as highlighted by AFBE (2016) and Migera (2014).

3.4 Sampling

The study used Kothari (2004) formulae to determine the sample size as shown below;

\[ n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2(N - 1) + z^2 \cdot p \cdot q} \]

Where:
- \( n \) = sample size
- \( N \) is the total population
- \( e^2 \) = acceptable error (the precision level at 0.05)
- \( p \) = the proportion in the target population that assumes the characteristics being sought. In this study, a = 50:50 basis is assumed which is a probability of 50 percent (0.5).
- \( q \) = The balance from \( p \) to add up to 100 percent. That is 1-\( P \) (1 - 0.5), which in this case is 100 - 50 percent (0.5)
- \( z^2 \) = number of standard deviation units of the sampling distribution corresponding to the desired confidence level of 95% which is 1.96.

Kura (2012) recommended that if there are no estimates in the target population assumed to have interest, 50% should be used as the proportion of the target population with characteristics being measured. At 95% confidence level and a 5% level of significance, the sample size (n) will be as follows:

\[ n = \frac{(1.96*1.96)*(0.5*0.5)*23273}{(0.05*0.05)*23273 + (1.96*1.96*0.5*0.5)} \]
\[ n = 375 \]

3.5 Data collection Instruments

During this research, primary data was used for this study and was collected using questionnaires. The questionnaires included both closed and open ended questions.

3.6 Data collection procedures

The study used the primary data that was collected using questionnaires. The questionnaires were administered individually by the researcher to all respondents. Care and control was exercised to ensure that most of the questionnaires issued to the respondents are received. The questionnaires were administered using a drop and pick later method to the sampled respondents.

3.7 Data Analysis and Presentation

After data collection data analysis was done. This process is important as it makes data sensible. Data analysis tool used is dependent on the type of data to be analysed depending on whether the data is qualitative or quantitative.
The regression model was adopted to establish the relationship between dependent and the independent variables as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \varepsilon \]

Where:
- \( Y \) = Sustainability of family owned enterprises
- \( \beta_0 \) = Constant Term
- \( \beta_1 \) = Beta coefficient
- \( X_1 \) = Talent management
- \( \varepsilon \) = Error term

### 4.0 FINDINGS

#### 4.1 Response rate

The study sought to find out the rate at which the targeted respondents participated in the study. This would therefore help to determine whether the study attained a reliable number of respondents to make conclusions and recommendations. The study had a sample of 375 respondents who were surveyed using a structured questionnaire. A response rate of 78.93% (296 respondents) was achieved and the data used for analysis. This therefore makes the collected data relevant for making conclusions and recommendations since according to Creswell (2005) and Kingslay (2012) a response rate of 30-60% in a study is adequate for making conclusions and recommendations. The non-response was 21.07% which means only 79 respondents did not give back their questionnaires for analysis. The response rate and non-response rate are as shown in table 4.1 where they are presented in form of the nature of the enterprise.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample size</th>
<th>Response</th>
<th>Non-Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>149</td>
<td>113</td>
<td>75.84</td>
</tr>
<tr>
<td>Trade</td>
<td>172</td>
<td>134</td>
<td>77.91</td>
</tr>
<tr>
<td>Service Firms</td>
<td>54</td>
<td>49</td>
<td>90.74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>375</strong></td>
<td><strong>296</strong></td>
<td><strong>78.93</strong></td>
</tr>
</tbody>
</table>

#### 4.2 Talent Management

The study sought to find out the respondents’ views on the talent management among their firms based on the specific measures of talent management which included; talent shows, informational interviews and mentoring.

##### 4.2.1 Frequency of Embracing Talent Management Aspects

The views of the respondents on their embrace of talent management aspects were sought in the study. The findings as shown on table 4.2 revealed that a majority of the respondents frequently made and kept positive relationships with the employees as was shown by 80% and identifying and separating employees based on their abilities as was shown by 70%. In addition, 32% of the respondents frequently recruited talented employees whereas 10% of the respondents never and identified and separated employees based on their abilities. Recruitment of talented employees had a mean of 2.33 and a standard deviation of 1.04, identification and separation of employees based on their abilities had a mean of 2.15 and a standard deviation of 0.98 whereas making and keeping positive relationships with the
employees had a mean of 1.77 and a standard deviation of 1.01. The findings imply that many family-owned enterprises were focused in recruiting talented employees and identifying the best talents as indicated by Johnson, et al. (2010) that many enterprises find it worthy to recruit the best talents and do their best to retain them although in many cases they are not aware of the right dimension to keep so as to retain the best talents.

Table 4.2: Aspects of Talent Management

<table>
<thead>
<tr>
<th>Aspect of Talent Management</th>
<th>Frequently</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Not at all</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment of talented employees</td>
<td>62%</td>
<td>20%</td>
<td>10%</td>
<td>8%</td>
<td>2.33</td>
<td>1.04</td>
</tr>
<tr>
<td>Identification and separation of employees based on their abilities</td>
<td>70%</td>
<td>14%</td>
<td>6%</td>
<td>10%</td>
<td>2.16</td>
<td>0.98</td>
</tr>
<tr>
<td>Making and keeping positive relationships with the employees</td>
<td>80%</td>
<td>10%</td>
<td>10%</td>
<td>0%</td>
<td>1.77</td>
<td>1.01</td>
</tr>
</tbody>
</table>

4.2.2 Frequency of holding talent showing seminars

The respondents’ views were sought on the frequency at which they held talent shows and other seminars to showcase talents in their firms. The findings as presented on figure 4.1 revealed that majority of the businesses held talent showing seminars on an annual basis as was shown by 42%. A further 28% of the businesses held talent showing seminars twice a year whereas 14% held talent showing seminars on a monthly basis whilst 8% held talent showing seminars on a weekly basis. The findings compare with those by Kyndt, et al. (2009) who established that most of the businesses fail to retain their employees due to lack of frequent talent identification showcases whereby they are unable to identify the best talents that they need to retain. In our case, the talent shows were mainly held once a year and others did not even hold the talent shows at all. This means that the firms face the threat of failing to identify the best employees and thus working their best to retain them.

Figure 4.1: Frequency of holding talent showing seminars

4.2.3 Criteria used to identify talents among Employees

The respondents’ views were sought on the criteria that they used to identify the talents among the employees. The findings as shown on table 4.2 revealed that most respondents used roles played by employees as the main criteria when identifying talents amongst employees as was shown by 66%. On the other hand, the findings showed that 25% of the
respondents employed roles use of case scenarios as the criteria when identifying talents amongst employees. The findings further had it that 9% of the respondents used setting up of assessment centres as the criteria of identifying talents amongst employees. The findings compared to those by Ramllall (2013) who established that among the major criteria that best identified the best talents among the employees for the purpose of retaining them was using case scenario and focusing on the roles that the employees played.

**Table 4.2: Identifying talents among employees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roles played by the employees</td>
<td>186</td>
<td>66%</td>
</tr>
<tr>
<td>Use of case scenarios</td>
<td>80</td>
<td>25%</td>
</tr>
<tr>
<td>Putting up assessment centres</td>
<td>30</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### 4.2.4 Factors considered when developing talents among employees

When one wants to develop talents among the employees, there are the key aspects that have to be taken into consideration for the purpose of making the process successful and resourceful. It is against this background that the study sought to find out the factors that the respondents considered when developing talents among their employees. The findings as shown in figure 4.2 revealed that a majority of the respondents considered aspirations of the individual when developing talents among employees as was shown by 38%, while 26% considered organizational opportunities and expectations when developing talents among employees. On the other hand, 20% and 16% of the respondents considered age of existing directors and organizational history respectively when developing talents among employees. According to Robert, Matthew and Sonfield (2012) when developing talents among the employees for the purpose of promoting and rewarding them or any other purpose, it is always necessary to consider the aspirations of the employees, history of the organizations as well as available opportunities in the organization for the said employee.

![Figure 4.2: Factors considered when developing talents among employees](image)

### 4.2.5 New Talents Identified

The study sought to find out the new talents identified as a result of talent identification process among the employees. The findings as shown in figure 4.3 revealed that majority of the businesses had identified 4-6 new talents in the last 5 years as was shown by 32%
whereas 24% and 20% of the businesses had identified 1-3 and 11-15 new talents in the last respectively. The findings concurred with those by Tibelius (2010) that many talents are identified when employee analysis and talent shows are held frequently. This means that the more an organization holds talent identification platforms, the more they are likely to identify bigger number of talents.

![Figure 4.3: Number of new talents identified among employees in the last five years](image)

### 4.2.6 Talent Management and Sustainability of Family Owned Enterprises

The respondents’ views on the relationship between talent management and sustainability of family owned enterprises were sought in the study. The findings as shown in table 4.3 revealed that 52% of the respondents highly related talent management and sustainability of family owned enterprises, 26.9% moderately related, 7.8% said the duo was lowly related whereas 13.5% indicated that talent management was not related to human

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>154</td>
<td>52%</td>
</tr>
<tr>
<td>Moderate</td>
<td>79</td>
<td>26.9%</td>
</tr>
<tr>
<td>Low</td>
<td>23</td>
<td>7.8%</td>
</tr>
<tr>
<td>Not at all</td>
<td>40</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### 4.3 Sustainability of family owned small enterprises

The aim of the study was to find out the role of human resource management practices on sustainability of family owned enterprises in Kenya. The key theme in the study was therefore the sustainability of the family owned enterprises. The study therefore sought to find out the respondents’ views on the sustainability of these enterprises based on the key measures of sustainability which included; sales turnover, number of employees and capital reinvestment.

#### 4.3.1 Re-investment

The respondents’ views were sought on whether they invested back the capital raised from the firms. The findings as presented on figure 4.4 revealed that most businesses frequently
reinvested as was shown by 48%. On the other hand, 26% of the respondents occasionally reinvested while 14% reinvested sometimes. Moreover, 10% of the respondents indicated that they rarely reinvested their capital back into the businesses. The findings imply that as much as the majority of the respondents invested their capital back into the business, there rate at which they invested was still below the mark.

![Figure 4.4: Re-investment](image)

**4.3.2 Number of years the business has been in operation**

The study sought to find out the number of years that the businesses had been in operation so as to establish their probability of getting sustained in future. The results as indicated on table 4.4 showed that most of the businesses had been in operation for 7-10 years as was shown by 34%. 26% of the businesses had been in operation for 3 to 5 years while 17% had been in operation for 5 to 7 years. Only 4% of the businesses had been in operation for more than 11 years.

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 years</td>
<td>60</td>
<td>19</td>
</tr>
<tr>
<td>3-5 years</td>
<td>82</td>
<td>26</td>
</tr>
<tr>
<td>5-7 years</td>
<td>54</td>
<td>17</td>
</tr>
<tr>
<td>7-10 years</td>
<td>86</td>
<td>34</td>
</tr>
<tr>
<td>Above 11 years</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**4.4 Inferential Statistics on Talent Management**

**Hₐ₁: Talent management has a positive relationship with sustainability of family owned small enterprises in Kenya**

The study sought to find out the statistical relationship between talent management and sustainability of family owned enterprises in Kenya. This was in an attempt to test for the first alternative hypothesis of the first study. The model for the variable was \( Y = \beta_0 + \beta_1 X_1 + \epsilon \). The model summary is as presented on table 4.5 which revealed that the coefficient of determination (\( R^2 \)) shows the degree of association between talent management and sustainability of family owned businesses in Kenya. The R value was 0.762 and the \( R^2 \) was
0.578. This means that there is a goodness of fit for the model in the study and therefore its applicable for conclusions and recommendations in the study.

**Table 4.5: Model Summary (Talent Management)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.762</td>
<td>.580</td>
<td>.578</td>
<td>.51006</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Talent Management

ANOVA analysis was also conducted in the study. The output is as presented in table 4.6 and it revealed that the P-value for the model was 0.000 which is lower than the standard P-value of 0.05 thus implying that the model was statistically significant.

**Table 4.6: ANOVA (Talent Management)**

<table>
<thead>
<tr>
<th>Model</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>105.576</td>
<td>1</td>
<td>105.576</td>
<td>405.816</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>76.486</td>
<td>294</td>
<td>.260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>182.062</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainability of Family owned enterprises
b. Predictors: (Constant), Talent management

Further, the regression coefficients were sought and the results presented as shown in table 4.7. The results revealed that the coefficient of talent management was 0.657 which means that a unit change in talent management can explain up to 65.7% of sustainability of family owned enterprises. The p-value for the variable was 0.000 which is lower than the standard p-value of 0.05 implying that talent management is significantly and positively related to sustainability of family owned enterprises.

**Table 4.7: Regression Coefficients (Talent Management)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
<td></td>
<td></td>
<td>11.980</td>
</tr>
<tr>
<td>Talent Management</td>
<td>.657</td>
<td>.033</td>
<td>.762</td>
<td>20.145</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Talent Management

**CONCLUSION**

The study concluded that talent management is an important aspect in sustainability of family owned small enterprises in Kenya. Through talent management, organizations are able to attain a full reliable workforce which is more productive and functional thus promoting organizational performance. SMEs’ sustainability is dependent on the capabilities and skills possessed by the entrepreneurs. Through talent management, the entrepreneurs are able to develop new talents amongst their employees thus enhancing the sustainability.
RECOMMENDATIONS

The study recommended that the management of the family businesses and other small enterprises should embrace talent management among their employees as a way of promoting their sustainability. Well management talents were found to be essential in pushing forward the agenda and goals of the businesses thus making them able to cope with modern market constraints. The businesses should ensure that they hold frequent talent shows as well as conducting informational interviews and mentoring young employees to showcase their abilities and support them to grow such abilities.

REFERENCES


