

Relationship Between Talent Management and Employee Retention in Selected Referral Hospitals in Kenya

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Abstract

Employee retention is a major concern in an organization since it ensures an organization has in place strategies that are meant to keep an employee in an organization for the longest period possible. This paper sought to determine the relationship between talent management and employee retention in selected referral hospitals in Kenya. It was anchored on the human capital theory. The paper adopted a descriptive research design and targeted 107 respondents comprising human resource managers, and section heads from selected referral hospitals in Kenya. Census was done since the target population was manageable. Findings indicated that talent management and employee retention were positively and significantly related. The implication is that improving talent management would significantly improve employee retention in selected referral hospitals in Kenya. The recommendations were that employee coaching and mentorship programs should be implemented in referral hospitals that do not have them since they promote employee retention. Referral hospitals should also foster active collaboration across all areas within the company, according to the findings. They should also ensure that their organization offers employees a career path.

Keywords: *Talent management, employee retention, referral hospitals*

1.0 Introduction

Globally, companies strive to remain on top of the game in terms of performance and competition. This notwithstanding, employee retention has been considered an enabler over time in the achievement of outstanding performance in organizations. As a result, firms will go to any length to keep high-performing staff for as long as possible to avoid the costs and stress of acquiring new personnel. Employee retention is therefore a function of the human resource; it is aimed at ensuring that the organization does not lose employees; if they leave the organization, it is considered an asset to the organization (Okwakpam, 2019).

Through talent management, organizations can be able to develop unique competencies that would help them outperform their rivals in the market and help boost organizational performance and achieve employee retention. Talent management is a very key ingredient in realizing the achievement of organizational goals which in turn translates to organizational success. Talent management, therefore, is the effort to improve the identified capabilities of employees and put measures meant to grow their talents (Gothard & Austin, 2013). When talents are grown it means there is monitoring and evaluation in the organization and that

employee development is evident since it is talented employees that drive the organization to achieve its maximum potential. Every organization long to have very talented employees since they act as role models and in any case, they are a major component in nurturing the upcoming young talents as a strategy for employee retention and organizational success (Gothard & Austin, 2013).

In third-world countries, the health care system encounters various predicaments; one of the main problems encountered is human resource retention. The system is consistently fragile and this makes it difficult for it to render effectual service when they are highly required. It is believed that brain drain has played a major role in making the situation complicated and even worsening it (Oyelere et al., 2017). The accessibility of physicians in Africa is considered to be worse than compared in several regions of the globe. The lack of access to health workers is the main reason why people cannot be in a position to receive sufficient healthcare (Chankova et al., 2008). According to Anderson et al. (2004), when a health organization is not able to retain its health workers, the bottom line of the organization will be influenced negatively. A reduced patient care, patient loss, higher staff costs, greater nurse turnover, and increased medical staff turnover will all have an influence on patient care, increased number of accidents, and absenteeism (Glass et al., 1993).

The Kenyan health sector encounters several predicaments with human resources, predominantly a general shortage of workers in crucial areas. This situation is aggravated by the increased number of trained workers in the health sector migrating to work abroad. The workers who are left to work in Kenya are unequally distributed in the rural and urban regions (Dambisya, 2017). The pace of healthcare management and staff retention is likely to be complicated by the decentralization of healthcare in Kenya. As a result of the delegated government, the Kenya Health Policy 2012-2030 can guide the health sector in identifying and establishing obligatory obligations to meet the government's health goals. This strategy is in line with Kenya's Vision 2030, Constitution, and global health targets, such as the Millennium Development Goals (MMS & MPHS, 2012). The main directives of the new Ministry of Health (MOH), according to the policy paper, are to promote national policies, provide technical assistance at all levels, monetize health care status and standards, provide recommendations on health rates, and conduct administrative and management research.

The Kenya Health Policy 2012-2030 called for the creation of a district health department whose mission would be to establish and leverage the institutional and managerial structures that would be responsible for benchmarking and overseeing the implementation of county health policies and services. Political calls for the formation of a county health surveillance team were made in addition to the County health councils. These will assist to avail executive and applied supervision structures in all the counties to harmonize the conveyance of health services through the health facilities in every county.

It has been revealed that despite the extensive public finances that were used to train the healthcare workers in Kenya and the abundance of infections, an increased number of workers is still seen migrating from the country. These disclosures gave rise to the researcher seeing the essence of practically investigating the role of talent management in the retention of the healthcare workers in selected referral hospitals in Kenya.

1.1 Statement of the Problem

Health practitioners are critically essential in the successful operation of the health systems. The system expects that the workers were in a position to stick to a company for a substantial

amount of time as they provide services to the needy citizens of their country in matters affecting their health (WHO, 2016).

Employee turnover is regarded to be a factor that extensively influences the health care systems. The practical studies that have been carried out indicate that the healthcare system of Kenya encounters several predicaments in the human resource sector. Predominantly, it encounters the problem of insufficient workers in crucial areas; this situation is made worse by the increased number of healthcare-trained workers that migrate to work abroad. Brain drains or brain waste causes Kenyans to lose 20 medical workers monthly on average (Ndetei et al., 2018). The current rate of emigration of doctors from Kenya is 51%, most of the doctors migrate to the United Kingdom; the rate of emigration of nurses is estimated to be at 8% (WHO, 2020). The health workers that remain in the country are unequally distributed in the rural and urban regions. Kenya's chances of achieving the Millennium Development Goals on health and Kenya Vision 2030 may be harmed if the current pattern of misusing Kenya's valuable human resources for health and other professionals continues.

Studies have linked human resource management practices to employee retention. However, studies such as Wu et al. (2016) presented a contextual gap because they were done in other countries that have a different environment from Kenya. Nyambura and Kamara (2017) found that staff retention in public universities was positively correlated with professional training, development, and mentorship. Nonetheless, the study focused on the education and production sectors, which are different from the health sector. This paper sought to determine the relationship between talent management and employee retention in selected referral hospitals in Kenya.

2.0 Theoretical Framework

The paper was anchored on the human capital theory. The intangible assets in a company, which constitute human capital, play a significant role in the organization's overall success. Organizations can accumulate wealth in the form of human capital through acquired skills, talent management, staff retention, and employee training (Gary & Mincer, 2011). Every organization must ensure that it has unique human resources in terms of skills and competencies, which means that competitors cannot easily imitate, thus resulting in a competitive advantage. Human capital assets are difficult to duplicate or purchase, which means that success is possible when an organization can retain employees with unique skills and competencies. This also suggests that it is every organization's responsibility to pay close attention to its human resource demands and to provide good working conditions and motivation, which leads to efficiency, effectiveness, and engagement, and thus has an impact on the organization's overall performance. Furthermore, having the proper resources necessitates having the right human resources to achieve optimal resource utilization.

Human capital theory, according to Gary and Mincer (2011), is the sum of available organizational competencies, people traits that create intrinsic and measurable economic value, knowledge available in organizations over time, and organizational social factors. He went on to say that the theory of human capital is a mathematical representation of what people can give to the economy. Culture contributes to an organization's success in terms of human capital, social structure, symbolic capital, and long-term economic capital. Organizations use employee training, career development, talent development, and retention tactics to ensure they have the right human resources to be recognized as organizational assets.

The question of how people can be turned into capital assets and subsequently considered a key aspect of the company's success aroused interest in management accounting (Crook et al.,

2014). Hence, it leads to a situation where organizational success is predicted by objective decisions versus future preferences and expectations of current outcomes. Human resources can be achieved through, among other things, ongoing training, talent management, leadership development, and employee benefits, which vary from organization to organization.

This theory is important for this research because organizations can control the supply and demand of human capital. Organizations will also be able to detect present and potential talent gaps, as well as where to focus their efforts if they need to be filled. This theory also aids in identifying the type of human capital that secures the organization's long-term existence while boosting the utility of services gathered as a result of the organization's human capital availability. The human capital theory thus supported the link between talent management and employee retention.

2.1 Empirical Review

Talent management is widely recognized as necessary in a highly competitive and dynamic environment to guarantee that accessible skills are not lost, since they are the backbone for organizational survival and success while also giving a competitive advantage (Abdul-Kareem, 2016). Furthermore, according to Kehinde (2016), there has been an increase in organizational failure in terms of talent management, which has come from poor planning, which has a beneficial impact on staff acquisition and development.

Wu et al. (2016) did a study on the benefits accrued from the existing management practices across industries and concluded that the process of talent management starts from the recruitment time moving on to workforce alignment, people development, and giving constant feedback to the involved parties within the organization to ensure success. Talent management is not uniform across all the organizations but it takes the preferred within the different organizations which fits every organization best. This means that every organization goes for the practice in terms of management which they believe will give them maximum benefit in terms of achieving organizational success.

Muthina (2018) defines talent management as “organizational initiatives to improve and sustain employees' distinctive abilities to meet employee and organizational goals. Talent development encompasses not just the human body's leadership role in the company, but also the individual's distinctiveness (Njoroge, 2017). This study is backed up by Kabiru et al. (2018), who claims that a fundamental issue for state-owned firms and most state institutions, notably in Kenya, is their capacity to put in place the proper talent development efforts to assure a long-term workforce.

Njoroge (2017) conducted a study on people management strategies in Kenyan commercial state enterprises, concluding that human capital was the most important factor in achieving organizational success. If an organization has very talented employees it has a competitive advantage over an organization that is always recruiting or that which has a high turnover as the culture is not well established within the organization thus challenging in achieving organizational success. He observed that talent management was very beneficial to organizations in terms of performance where performance was poor in the public sector since they lay low emphasis on talent management as compared to the private sector which put more emphasis on the same.

3.0 Research Methodology

The research adopted a descriptive research design. The instrument for the data collection process was a questionnaire. The target population was 107 respondents comprising human

resource managers and section heads from selected referral hospitals in Kenya. Since the target population was small, the researcher conducted a census in which the complete population was examined. Data were analyzed using descriptive and inferential statistics. The findings were presented in tables.

4.0 Results and Discussion

This section presents results on descriptive statistics, correlation, and regression analysis.

4.1 Descriptive statistics on Talent Management

Descriptive results for talent management are presented in Table 1.

Table 1: Talent Management

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
Upcoming talents are recognized in my organization	6.90%	9.20%	26.40%	26.4%	31.00%	3.66	1.21
Proper talent selection is done	6.90%	9.20%	19.50%	40.2%	24.10%	3.66	1.15
Talent monitoring is always done in the organization	5.70%	6.90%	16.10%	40.2%	31.00%	3.84	1.12
Talent is continually evaluated in my organization	9.20%	10.30%	14.90%	35.6%	29.90%	3.67	1.26
Average						3.71	1.19

As indicated in Table 1, the majority of respondents, 57.4 percent, agreed with the assertion that future talents are recognized in the organization. The majority of respondents (64.3 percent) agreed with the premise that proper talent selection is carried out. According to the data, the majority of respondents (71.2 percent) stated that talent monitoring is done regularly in the organization. The data also found that the majority of respondents (65.5 percent) agreed with the statement that talent in the workplace is constantly evaluated. The average mean of the responses was 3.71, showing that most of the statements concerning talent management were supported by the majority of respondents. The responses, on the other hand, did not deviate significantly from the mean, as demonstrated by a standard deviation of 1.19. This implied that the respondents appreciated the importance of talent management as a human resource practice and therefore expected to enhance employee retention.

4.2 Descriptive statistics on Employee Retention

Descriptive results for employee retention are presented in Table 2.

Table 2: Employee Retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
In my company there is a high employee turnover	4.60%	4.60	12.6	21.8	56.30%	4.21	1.12
In my organization there is a low employee turnover	8.00%	5.70	8.00	26.4	51.70%	4.08	1.25
Average						4.15	1.19

The findings in Table 2 indicate that the majority of respondents agreed with the statements that their firm has a high staff turnover rate, with 78.1 percent agreeing. The findings also found that 78.1 percent of respondents agreed with the assertions that their company had a low

personnel turnover rate. The average mean of the responses was 4.15, suggesting that most of the assertions about employee retention were agreed upon by the majority of the respondents. The responses, on the other hand, did not deviate from the mean, as demonstrated by the 1.19 standard deviation. This implied that the respondents acknowledged that the concept of employee retention was critical and therefore, required attention.

4.3 Correlation Analysis

The correlation between talent management and employee retention is presented in Table 3.

Table 3: Correlation Results

		Employee retention	Talent management
Employee retention	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Talent management	Pearson Correlation	.720**	1.000
	Sig. (2-tailed)	.000	

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

As indicated in Table 3, employee retention exhibited a substantial positive linear relationship with talent management ($r = 0.750$, $p < .05$). The findings corroborated Alice (2016)'s assertion that talent development has a major impact on employee retention in Kenyan firms.

4.4 Regression Analysis

The effect of the predictor variable (talent management) on the dependent variable (employee retention) was analyzed using regression analysis. Model summary results are presented in Table 4.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720a	0.518	0.512	0.6756

a Predictors: (Constant), Talent Management

Results in Table 4 indicate that talent management explains 51.8% ($R^2 = .518$) of the total variations in employee retention in selected referral hospitals in Kenya. These results confirm the output of the correlation in Table 3 that a positive and significant relationship exists between talent management and employee retention. The results are validated by the ANOVA results in Table 5.

Table 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.652	1	41.652	91.244	.000b
	Residual	38.802	85	0.456		
	Total	80.454	86			

a Dependent Variable: Employee Retention

b Predictors: (Constant), Talent Management

The results in Table 5 reveal an F statistic of 91.244 and a reported P-value of 0.000. The P-value is less than the alpha value ($P < .05$), therefore, the proposed model is statistically significant (good fit) in predicting the dependent variable. This implies that talent management is a good predictor of employee retention.

Table 6: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.295	0.307		4.22	.000
Talent Management	0.752	0.079	0.72	9.552	.000

a Dependent Variable: Employee Retention

Employee retention and talent management have a positive and substantial link ($\beta=0.752$, $p < .05$), according to regression coefficients. This implied that a unit improvement in talent management would enhance employee retention by 0.752 units. The findings agreed with Wu, Nurhadi, and Zahro (2016) who argued that every organization goes for the practice in terms of management which they believe will give them maximum benefit in terms of achieving organizational success.

5.0 Conclusion

This paper concludes that there is a positive and significant relationship between talent management and employee retention. The study also concluded that upcoming talents are recognized in referral hospitals. In addition, proper talent selection and talent monitoring are being done in most referral hospitals in Kenya. Further, talent is continually evaluated in most referral hospitals in the organization.

6.0 Recommendations

Employee coaching and mentorship programs should be implemented in referral hospitals that do not have them since they promote employee retention. Referral hospitals should also foster active collaboration across all areas within the company, according to the findings. They should also ensure that their organization offers employees a career path.

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