

**THE INFLUENCE OF TRAINING AND DEVELOPMENT ON
ORGANIZATIONAL PERFORMANCE IN EDUCATION BASED STATE
COOPERATION IN KENYA**

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Abstract

The importance of talent management in Education Based State Corporations in Kenya is ensuring that the corporations are future oriented and that means that they have to have competent skills in place for them to be able to grow and perform in the future that is increasingly competitive and unpredictable, but not to wait for future challenges before attempting to solve them through deliberate talent management programmes. The specific objective of this study was to establish the influence of training and development on organizational performance in Education Based State Corporations. The target population comprised of Senior Managers of the four selected education-based State Corporations; this group has been chosen because talent management and organizational performance decisions are made at these levels. The study population was 180 respondents. The respondents were the Departmental and Divisional Heads, and Human Resource Managers in the Education Based State Corporations. For data analysis, descriptive and inferential statistics were used. The SPSS Version 27 software was used for data analysis for this study descriptive survey was used as the research design. Data was presented in the form of figures, charts and tables. A self-administered questionnaire was used as the main method of collecting data. The findings revealed that R squared was 0.616 and an adjusted R squared of 0.606 showing that training and development explained 61.6% of the variations in organizational performance.

The regression coefficient results revealed that training and development had a positive but insignificant influence on organizational performance in education based state corporations in Kenya ($\beta = .020, p = .612 > .05$).

Key Words: *Development, Organizational Performance and Training*

1.1 Introduction

In March 2016, the Government of Kenya acted to change the Kenya National Examinations Council, and restore its credibility. This was after years of seemingly unending examination leakages reported all over the country. These leakages happened both at the primary and secondary examinations levels. The government decided to send home the entire Board of the Kenya National Examinations Council with immediate effect and nine of its top officials including the Chief Executive were arrested immediately (Njuguna, 2016). In 2018, a report of ROK by Kenya ICT Action Network established that the Kenya Broadcasting Corporation (KBC) had lost 410 highly skilled and talented employees to the local and international competitors between 2005 and 2016 (Kimani, 2019).

Talent management is critical in addressing the current low standards that have been witnessed in some of these education based state corporations for the last five or so years the logic behind talent management is based on the fact that business is run by people, they are the ones who create value by using corporate assets to create products and services that people need. The implication here is that the better the people an organization has the better it was performing and this is the rationale behind talent management to attract, develop, and utilize the best brains to get superior business results (Tonga, 2007). In order to redeem the public sector from poor performance and mismanagement, the Kenya Government initiated reform programmes, which targeted both the civil service and state corporations. The reforms recommended the re-organization and restructuring of all the state owned enterprises to make them competitive and generate revenue.

Talent Management in Education Based State Corporations is important in that for these organizations to be able to perform and deliver their mandates they must enhance their efforts to properly harness talented employees in their organizations. Failure to do so would rob them of the ability to be productive, effective and competitive. This is what has not been happening in these Education Based State Corporations. The importance of talent management in Education Based State Corporations in Kenya is ensuring that the corporations are future oriented and that means that they have to have competent skills in place for them to be able to grow and perform in the future that is increasingly competitive and unpredictable, but not to wait for future challenges before attempting to solve them through deliberate talent management programmes (Nana, 2013). Past reviews on talent management in Kenya on organizational performance did not touch on talent management but on other human resource practices. The loss of talented staff and failure to be competitive does not reflect well on organizations which the Government has heavily invested in terms of manpower and other critical resources. This study sought to fill the existing research gap

and provide a better understanding through empirical evidence of the influence of training and development on organizational performance in education-based state corporations.

1.2 Objective of the Study

To determine the influence of training and development on employee performance in education-based state corporations in Kenya.

1.3 Research Hypotheses

There is significant effect of training and development on employee performance in education-based state corporations in Kenya.

2.1 Theoretical Review

A theoretical framework is a collection of interrelated ideas based on theories. It attempts to clarify why things are the way they are based on theories. It is a general assumption about nature and phenomenon (Tromp, 2006). A theory goes beyond mere supposition, guesswork, or hearsay. A theory is defined as a framework of explaining phenomena by stating constructs and the laws that inter-relate these constructs to each other. A construct is a concept, abstraction or idea drawn from the abstract (Mugenda, 2011).

Talent Management has evolved over the past decade or so and various scholars have attempted to define and explain talent management using various models. Some of the theories that have been propounded by different scholars are the Resource-based View, Human Capital Theory, Organizational Support Theory, Built-to-Change Theory, Fiedler's Contingency Model and Vroom's Expectancy Theory.

The Human Capital theory emerged during the 1776 when Adam Smith wrote his famous treatise, *The Wealth of Nations*. Human Capital theory as cited in Sparrow and Markan, 2015, suggested that the costs related with the development and retention of talent employees should be considered as investments for the benefit of the organization. Wilson (2015) also emphasized on the human capital theory to explicate talent management in organizations. The theory suggested that investment is the main driver for the process of the organization which includes the correlation between inputs and outputs. According to the researchers the correlation between input and output leads to organizational performance.

Accordingly, Human Capital Theory (HCT) in terms of financial review, emphasized talent management as an investment that gained high returns for shareholders. In other words, HCT focused on the organization's investment in talent employee development and training. This perspective reveals that organizations may improve productivity if they invest in talent through education, training and reward management systems. The strategic goal of talent management is supported by expert knowledge which is the most important measure of capital that affects competitive positioning (Wilson, 2015). This theory supports the variable training and development in the study.

2.1 Empirical Review

Talent Management and organizational performance are issues, which are becoming quite critical in today's organizational operations. State Corporations are organizations formed and owned by the government to provide services to the citizens. Education Based State Corporations are operating today in an environment of high competition and public expectations, particularly since the New Kenya Constitution of 2010, which gave citizens to demand their rights to good service from public organizations.

Business Management Review of 2013 reported that Kenya faces the challenge of inadequate talent. The challenges include hiring, retaining and motivating professional talent. As an example, early retirement and attrition leads to lack of qualified staff since there are no qualified personnel to fill these positions (Kagwiria, 2014). State owned Corporations in Kenya have been faced with a number of challenges which include low staff morale and motivation which have been major problems facing Kenyan State Corporations leading to loss of qualified personnel (Tetty, 2006). Despite these challenges, State owned Corporations still have to play a major role in the production and creation of wealth in Kenya, which are crucial in enhancing national development (Wario, 2012). The most critical problems are hiring, retaining, training and motivation of professional talent in a situation where there is already critical shortage of human talent. These problems affect all kinds of areas whether professional or non-professional. That being the case, talent management becomes more critical to ensure the competitiveness of an organization in the short and long term (Athanne, 2012).

In his study of staff retention strategies in Kenya, Murungi states that a good number of state corporations in Kenya are faced with the challenge of staff retention caused by movement of staff to organizations that are receptive to change. In Kenya, a good number of state corporations have not upheld the concept of talent management and therefore face many challenges related to recruitment and retention of talented staff. The increasing customer expectations, corporate obligations and responsibilities necessitate a continuous review of the services being offered by state corporations to meet the ever changing user needs. This therefore calls for the development of talent management programmes in order to help in recruitment, retention, promotion, training and rewarding of talented staff that could play a significant role in the process of improvement of quality of public service delivery (Murungi, 2012).

Skilled employees are the basis of an organization's success. Training is the systematic approach to affecting individual's knowledge, skills, and attitudes in order to improve individual, team, and organizational effectiveness (Harzing & Pinnington, 2015), while Development can be defined as systematic efforts affecting individual's knowledge or skills for purposes of personal growth or future jobs and or roles (Harzing & Pinnington, 2015). Organizations need to develop talent for the following reasons (i) to compete effectively in a complex and dynamic environment to sustainable growth, (ii) to develop leaders for tomorrow from within an organization, (iii) to maximize employee performance as a unique source of competitive advantage, and (iv) to

empower employees so as to cut down on high turnover rates and reduce the cost of constantly hiring new people to train.

In training and development organizations have to ensure opportunities exist both internally and externally for employees to be empowered to produce and become effective. Trained and well-equipped employees are a definite asset to an organization. The organizations have to put in place incentives for people to train. The Human Resource Managers have to continually liaise with respective departmental heads to ensure that constant and regular training needs analysis are done so as to capture the gaps in performance and address them through immediate or planned training programmes. Some organizations do this exercise quarterly, biannually and others annually. Depending on budgetary provisions in the organizations, this should be done as often as possible. A robust training programme should keep both employees and their supervisors on their toes for development opportunities.

Along with training and development, organizations should also have in place a vibrant career counseling section. This could be housed at the Human Resource Department or a completely independent office established to deal with career guidance and counseling. This however should be done in collaboration with heads of departments and divisions. An organization can only compete successfully with the support of highly skilled employees.

2.3 Conceptual Framework

Conceptual framework explores the relationship between the independent and dependent variables. (Tonga, 2007). The conceptual Framework hereunder illustrates the perceived link between the independent variable (training and development) and the dependent variable (organizational performance). The variables considered to influence organizational performance in this study were attaining of targets, productivity, competitive advantage, and job satisfaction (Tonga, 2007). The independent variable component was training and development (Armstrong, 2011). This relationship is presented in the conceptual Framework in Figure 2.1.

Independent Variables

Dependent Variable

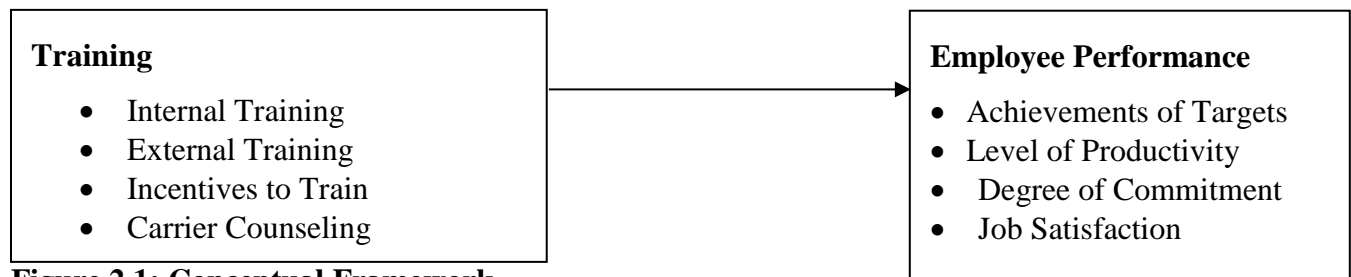


Figure 2.1: Conceptual Framework

3.1 Results and Discussion

This section discusses the research findings based on the objectives and hypothesis of the study.

Factor analysis was carried out on the statements of training and development. According to Tabachinick and Fidell (2007), variables with factor loading values greater than 0.5 are considered good. Factor loading for training and development are presented in Table 3.1. The results show that all the statements on training and development had factor loading values greater than 0.5 and therefore they were accepted and thus no sub variable was dropped. The highest item was the training and development programme in the organization has been effective” had factor loading of 0.635 and the lowest item that “the organization provides both short and long term development programmes” with a measure of 0.557. All the 7 items were therefore retained and a further analysis was done on them.

Table 3.1: Results for Training and Development

Statement	Factor Loading
The organization has an internal training programme in place.	0.598
The organization has an external training programme in place	0.561
There are training incentives to those who wish to train	0.592
The organization has a well-known Career Counseling programme in place	0.621
The HR Department regularly carries out a Training Needs Analysis (TNA).	0.585
The organization provides both short and long term development programmes	0.557
The training and development programme in the organization has been effective	0.635

3.2 Training and Development on Organizational Performance

The objective of the study was to determine the influence of training and development on organizational performance in education based state corporations in Kenya. The Likert scale used for the purposes of rating the statements were: *HD =Highly Disagree D= Disagree, NC=No Comment, A=Agree and HA= Highly Agree*. The descriptive statistics results on training and development are presented in Table 3.2. Based on the results, the respondents differed on response that the organization has an internal training programme in place by a standard deviation of 0.663 but on average majority (mean =3.98~4.00) agreed. This was accounted by majority of about 79.4% who agreed that organization has an internal training programme in place. Moreover, majority 72.5% of the respondents agreed that the organization has an external training programme in place. It was important to note that there are training incentives to those who wish to train since

majority (mean =3.61≈4.00) agreed. In addition, majority 70% agreed that the organization has a well-known Career Counseling programme in place in the organization while 69.1% agreed that the HR department regularly carries out a Training Needs Analysis (TNA).

Moreover, the findings revealed that majority 76.9 % agreed that the organization provides both short and long term development programmes. Though, the respondents differed on the statement that the training and development programme in the organization has been effective by standard deviation of 0.773 majority had agreed on the same (mean =3.76≈4.00). Overall majority (mean = 3.787, standard deviation = 1.161) of the respondents agreed that training and development had effect on organization performance at state based corporations in Kenya.

Table 3.2. Descriptive Statistics on Training and Development

Statement	HD	D	NC	A	HA	Mean	Std. Dev.
The organization has an internal training programme in place.	1.3%	4.4%	2.5%	79.4%	12.5%	3.98	0.663
The organization has an external training programme in place	1.3%	6.9%	10%	72.5%	9.4%	4.00	2.498
There are training incentives to those who wish to train	0.6%	4%	11.9%	73.1%	10%	3.61	0.897
The organization has a well-known Career Counseling programme in place	4.4%	10%	10.6%	70%	5%	3.45	0.976
The HR Department regularly carries out a Training Needs Analysis (TNA).	5%	15.6%	13.1%	69.1%	4.4%	3.90	0.720
The organization provides both short- and long-term development programmes	2.5%	3.1%	6.9%	76.9%	10.6%	3.81	0.833
The training and development programme in the organization has been effective	3.8%	5.0%	8.1%	72.5%	10.6%	3.76	0.773
Average						3.787	1.161

3.3 Correlation Matrix

Table 3.3: Correlation Matrix

		Organization Performance	Training and Development
Organization Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Training and Development	Pearson Correlation	.476**	1.000
	Sig. (2-tailed)	0.000	
	Sig. (2-tailed)	0.000	0.000

The correlation analysis results show that training and development is positively and significantly associated with organizational performance ($r=0.476, p<0.05$). These correlation analysis results imply that the various aspects of talent management used in this study such as training and development positively influences performance of education based state corporations in Kenya.

3.4 Regression Results

Table 3.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476 ^a	.226	.221	.453

Predictors: (Constant), Training

Table 3.4 shows the model based on the regression model summary, the coefficient of determination of (R squared) was 0.226 shows that 22.6 % of the variation in organizational performance in education based state corporations in Kenya can be explained by training and development. The adjusted R squared of 0.221 depicts that all training and development in exclusion of the constant variable explained the variation in organizational performance by 22.1%, the remaining percentage can be explained by other factors excluded from the model. The $R=0.476$ shows that there is a positive relationship between organizational performance and training and development. The standard error of estimate (0.453) shows the average deviation of the independent variables from the line of best fit.

Table 3.3. ANOVA of Training and Development

Model	Sum of Squares	df	Mean Square	F	Sig.
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	Regression	9.478	1	9.478	46.181	.000 ^b
1	Residual	32.428	158	.205		
	Total	41.906	159			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Training and Development

The Anova results show that the model was statistically significant in explaining the influence of training and development on organizational performance in education based state corporations in Kenya and it is indicated by a p- value of $0.000 < 0.05$.

Table 3.4. Coefficient of Training and Development

Model		Unstandardized Coefficients		Standardized t	Sig.
		B	Std. Error	Beta	
1	(Constant)	2.828	.167	16.940	.000
	Training and Development	.295	.043	.476	.000

a. Dependent Variable: Organization Performance

The regression coefficient results show that there is a positive and statistically significant relationship between training and development and organizational performance ($\beta = .295, p = .000 < .05$). This implies that a unit change in training and development leads to an improvement in organizational performance by 0.295 units. The regression analysis results above are in agreement with the findings of a study by Harzing and Pinnington (2015) which indicated that trained and well equipped employees are a definite asset to an organization and that in training and development organizations have to ensure opportunities exist both internally and externally for employees to be empowered to produce and become effective.

Table 3.5. Regression of Coefficients

Model	Unstandardized Coefficients		Standardized T Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	0.756	0.215	3.519	0.001
Training and Development	0.020	0.039	0.032	0.612

a. Dependent Variable: Organization Performance

The regression model therefore became;

$$Y = 0.756 + 0.020X_1$$

Where:

Y = Organizational Performance

X₁ = Training and Development

3.5 Summary of Hypothesis

Hypotheses were tested using multiple linear regression analysis as represented in Table 3.5.

Ha: There is significant influence of training on organizational performance in education-based state corporations in Kenya.

The hypothesis was tested by using a multiple linear regression and determined using p-value and t-statistic. The acceptance/rejection criteria were that, if the p-value is less than 0.05, H_{a2} is not rejected; however, if p>0.05, then H_{a2} is rejected and null hypothesis adopted. So the alternative hypothesis was that there is significant influence of training and development on organizational performance in education based state corporations in Kenya. Results show that the p-value =0.612> 0.05. This was also supported by a calculated t-statistic of 0.508 which was less than the critical t-statistic of 1.96. The alternative hypothesis was therefore rejected and the conclusion was that there is significant influence of training and development on organizational performance in education based state corporations in Kenya.

4.1 Conclusion of the Study

From the analysis of the data, the following specific conclusions were made based on the results of the tests done on the variable under study.

5.1 Recommendation

After the study carried out in the four Education Based State Corporations in Kenya, the study makes the following recommendations for each of the organizations.

Kenya National Examinations Council

At the Kenya National Examinations the respondents concurred positively with all the statements on training and development. The only issue the respondents seemed to have about training and development at KNEC was the inadequate training and development budget. With the Government capping of the training budget at 2% of the recurrent budget, this figure seemed to be low when it comes to the development of human capital. Indeed, since all the Education Based State Corporations are guided by the Government directive of 2% of the recurrent budget, this plea applies to all other State Corporations

Kenya Institute of Curriculum Development

At the Kenya Institute of Curriculum Development, the respondents concurred positively with all the statements on training and development. The only issue the respondents seemed to have about training and development at KICD was the inadequate training and development budget. With the Government capping of the training budget at 2% of the total recurrent budget, this figure seemed to be low when it comes to the development of human capital. A push for higher percentage is therefore recommended.

Kenya Literature Bureau

At the Kenya Literature Bureau the respondents concurred positively with all the statements on training and development. The only issue the respondents seemed to have picked up about training and development at KLB was the inadequate training and development budget. With the Government capping of the training budget at 2% of the recurrent budget, this figure seemed to be low when it comes to the training and development of human capital.

The Jomo Kenyatta Foundation

At the Jomo Kenyatta Foundation the respondents concurred positively with all the statements on training and development. The only issue the respondents seemed to have about training and development at JKF was the inadequate training and development budget. With the Government capping of the training budget at 2% of the total recurrent budget, this figure seemed to be rather low when it comes to the development of critical human capital.

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