Effect of Talent Attraction on Organization Performance in Companies Listed in Nairobi Securities Exchange in Kenya

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Abstract: *The study sought to determine the effects of talent attraction on organizational performance in companies listed in the Nairobi Security Exchange (NSE) in Kenya. Descriptive, qualitative and quantitative study designs were used and stratified simple random sampling technique was employed to enable select the respondents from the ten stratums of NSE listed companies. The target population was 534 top managers of NSE listed companies. A sample size of 224 respondents was picked from the ten stratum of the NSE listed companies. Questionnaires were the main instruments of data collection and the NSE handbook (2013) was the main source of the secondary data. Research findings indicated talent attraction as a component of talent management had a positive and significant influence on the organizational performance.*

Keywords: Effect, Talent Attraction , Organization Performance, Listed companies

1. Introduction

Talent Attracting includes policies and practices that recruit and select talented individuals. In the context of this study, this definition was used to imply to the ability of companies listed in the NSE to attract the right talent [1]. The components of talent attraction are recruitment and selection, employer branding, employee value proposition and employer of choice [2]. Recruitment and selection requires that organizations use various methods or techniques of selecting the right talent that reflects the culture and value of that particular organization [2].The recruitment of members of talent pool is the first task of talent management strategy. The talent pools is a group of employees with special traits and are source of future senior executives [3].The sources of talented employees can be internal or external. The best way to create a talent pool is the internal sources since the employees have already the knowledge of how business processes work and can be incorporated directly into the new position and the morale of workforce uplifted[4].However, if the organization want to introduce radical changes or to renew the culture, external sources are the best [3]. Managers should realize that recruiting and developing talented staff is of importance to the success of their business objectives and hence implied that it is important for the managers to seek employees with competences and abilities that will contribute significantly to their teams.

2. Literature Review

To be able to hire the right talented employees for organization success, talent search matrix is very important as it shows different combinations of qualitative and quantitative element of the potential employee. This matrix allows recruiters to focus on the characteristics that are required on the job that has to be done[4] The talent matrix elements to shape the image of the employee needed includes experience ,profile ,qualification, expertise, potential and qualification which can be summarized to experience, profile and qualification. Expertise, potential and qualification are important to the future development of the person who the organization is seeking [4]

Employer branding includes development of an organization's image, good enough to attract employees. In order to attract the best, organizational branding is a useful strategy, the organizations that manages its corporate brands effectively, will gain advantage in the highly competitive global market place [5].Without the good brand image, it will be difficult to attract the right talents [6]Top rated companies have one characteristic in common that is they give clear and consistent messages about themselves and that translates into a strong pull on talents[7]. Employee value proposition is characterized by the potential employee's perception of the value of an organization seeking to recruit him. The employee's measure value proposition based on the challenge the job posses, work environment, training opportunities, flexibility and reputation of the organization [8]. Organizations need to evaluate what they offer to already existing and the new talents and what they expect in return from the view point of the both employer and the employee, this value proposition has to offer fair value exchange .Value proposition is reflected in the organizations image, reputation, mission and records [9]

[10] argued that employers have no choice but to brand themselves as employers of choice. This implies that the companies must have a good image in terms of employee working conditions and rewards. [11], relates talent attraction to successful talent management hence good organization performance.

For this reason, in order for talent management to be successful, then they have to ensure that they have a 'talent pool' where they can draw their workforce from when need arises.

In the study [12] which intended to develop an employer brand model that would enhance talent attraction and retention, the research paradigm adopted in the study was non empirical and a model building approach. A total of 129 manuscripts were reviewed by means of key words to identify data of relevance. Research findings indicated that employers who first established target group needs were able to attract talented employees. Further findings indicated that communication of employer brand message was also an important determinant of whether the right job seekers would be attracted to the organization.

[13] survey of 100 businesses involved in engineering, finance, government, IT, manufacturing and telecommunication sector, findings indicated that the major components of talent attraction included salary packages, benefits, company culture, recruitment styles, staff turnover, work-life balance, and social networking. The support and active involvement of line managers is very critical at the stage of talent attraction, as in all the other stages of talent management [14]This is because; line managers interact with employees on a daily basis and therefore the relationship between line managers and employees determined the duration the employees stay in the organization or the input they make at the work place. This implies that line managers are directly involved in the creation of an employer brand.

[15] study examined the relative influence of five reward elements on individual attraction, motivation and retention to an organization. Using policy-capturing analysis, the study tested these propositions by surveying three cohorts of professional accounting college students at stages ranging from pre-consulting to post-hire. Findings revealed that development and career opportunities were most important to attracting talented employees to all the big certified public accounting firms in the United States.

A potential employee is motivated to apply for a job at a certain organization due to the job and organization's characteristics [16]This implies that information provided to applicants during recruitment, including rewards, is critical because applicants make inferences about specific job aspects based on largely, the facts that they are given. Moreover, compensation attracts employee on different ways [17] Besides pay, employee benefits also play a key role in attraction of talent [18]The authors observed that companies with flexible benefits are able to fill open positions quicker than those without flexibility suggesting that the benefits offered do indeed affect attraction of applicants to the job. In addition, the way an organization is able to balance between work-life and family life, makes the organization more attractive to particular applicants, as some people have a very salient family identity and will look for an organization that supports their life outside work.

3. Theory on Talent Attraction

Maslow need hierarchy theory was used to expound on concept talent attraction and is based on the assumption that, human needs can be classified into five categories as follows; at the bottom is the physiological needs which are fundamental and must be satisfied before all other needs. [18] noted that an organization can help individuals satisfy their needs by providing good pay, proper working conditions and other benefits. In the context of this study, the researcher argued that Maslow's theory could be used by firms listed in the NSE to attract employees through favourable working conditions as supported by [19] who observed that organizations could provide basic needs through fair wages and safe working conditions.

Once the physiological needs are satisfied ,safety needs become significant .This needs consists of physical safety or protection against fire ,accident and economic securities against unemployment .An organization can influence safety needs by providing job security, pension plans, Insurance plans, safe and healthy working conditions, [20]. It was deduced that employees could be attracted to organizations that satisfied their safety needs by having job benefits such as pension plans and safe working conditions. Next in the hierarchy is the social needs; man is a social being, therefore he has a need to belong and to be accepted by others. Social needs include need for love and affection, association with and acceptance by various social groups [18]. It could therefore be inferred that employees were attracted to work for an organization that satisfied their social needs by having good work – life balance as well as having good social net-working [13].

Self esteem involve how others see us at work and can be enhanced by working for an organization with good employer brand and allowing employees to gain qualification at work. In addition, employees would be attracted to work for organizations that give them room to grow to their full potential thus realizing self actualization [19].

4. Methodology

4.1 Results

A. Talent Attraction
The objective of the study was to establish how talent attraction affects organizational performance.

4.1 Descriptive Results

Table 4.3: Talent attraction

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
We ensure employee Job security in order to attract the right talents	3.70%	3.70%	0.00%	72.8%	19.80%
My company is actively involved; in communication and implementation of employer branding	5.60%	3.70%	4.90%	69.8%	16.00%
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees	3.10%	0.60%	0.60%	82.1%	13.60%
This company's good working conditions and fair wages has enabled it to attract the right talents	1.90%	4.30%	3.10%	59.3%	31.50%
In this company, we support employee training and career progression	5.60%	6.80%	7.40%	46.3%	34.00%
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees	3.70%	3.10%	2.50%	64.8%	25.90%

a) Assurance of Employees Job Security

The study sought to establish whether there was assurance of employee job security in NSE listed companies in order to attract the right talents. Job security in a company was a key determinant of talent attraction. Results in table 4.3 shows that majority of the respondents 93% agreed with the statement that the listed companies ensured employee good Job security in order to attract the right talents while 7% of the respondent disagreed with the statement.

The findings agreed with those of [20] who through his explanation of Maslow's motivation theory asserted that an organization can influence safety needs by providing job security, pension plans, insurance plans, safe and healthy working conditions. The findings also agree with those of [16] who concluded that a potential employee is motivated to apply for a job at a certain organization due to the job and organization's characteristics. The findings also agree with [13] whose findings indicated that the major components of talent attraction included salary packages, staff turnover among others. The findings imply that NSE listed companies are actively ensuring employee job security and this may have contributed positively to talent attraction and organization performance.

b) Communication and implementation of Employer Branding

The study sought to establish the extent to which the NSE listed companies were actively involved in communication and implementation of company brand. Active involvement of company in communication and implementation of branding is crucial for talent attraction. Results in table 4.3 shows that 86% of the respondents agreed that their company was actively involved in communication and implementation of employer branding. Results also revealed that 9.3% disagreed while 4.9% could not make up their minds on the statement.

Findings agree with those in [5] who noted that talent attraction will be measured by communication and implementation of employer branding. The findings also concur with those in [2] who noted that the components of talent attraction included employer branding. The findings imply that NSE listed companies are actively involved in communication and implementation of employer branding and this may have contributed positively to talent attraction. The findings also imply that the active involvement in communication and implementation of employer branding may have contributed positively to talent attraction and the organization performance of the NSE listed companies.

c) Work-Life Balance

The study sought to establish the extent to which work-life balance as well as social networking facilities in the company was a motivating factor to employees. Work-life balance facility in a company was crucial for talent attraction. Results in table 4.3 shows that majority of the respondents 96% agreed with the statement that work-life balance as well as social networking facilities in the company was a motivating factor to their employees. Result also revealed that 4% of the respondent disagreed with the statement.

The findings concur with those of [13]) who did a survey of 100 businesses involved in engineering, finance, government, IT, manufacturing and telecommunication sector, findings indicated that the major components of talent attraction included work-life balance, social networking, salary packages, benefits, company culture, recruitment styles and staff turnover. The findings imply that by NSE listed companies having work-life balance and social networking facilities may have contributed positively to talent attraction. The findings also imply that work life balance and social networking facilities may have contributed positively to organization performance in the NSE listed companies.

d) Company's Good Working Conditions and Fair Wages

The study sought to establish the extent to which good working conditions and fair wages had enabled companies to attract the right talents. Good working condition and fair wages in a company are determinants of talent attraction. Results in table 4.3 shows that 91% agreed that the company's good working conditions and fair wages had enabled it to attract the right talents. Results also reveal that 6.2% disagreed while 3.1% neither agreed nor disagreed with the statement.

The findings agreed with those in [18] who noted that an organization can help individuals satisfy their needs by providing good pay, proper working conditions and other benefits. Findings also agreed with those in [19] who observed that organizations could provide basic needs through fair wages and safe working conditions. The findings imply that firms listed in the NSE attract employees through good working conditions and this may have contributed positively to talent attraction .The findings also imply that favourable working conditions and fair wages may have contributed positively to organization performance.

e) Employee Training and Career Progression

The study sought to establish the extent to which the company, supported employee training and career progression. Employee training and career progression in a company is crucial for talent attraction. Results in table 4.3 shows that majority of the respondents 80% agreed with the statements that their company supported employee training and career progression while 12.4% of the respondents disagreed with the statement while 7.4% were neutral of the statement.

The findings concurred with those in[8] who noted that the employee's measure value proposition based on training opportunities, flexibility and reputation of the organization. It also agreed with those of [15] which revealed that development and career opportunities were most important to attracting talented employees to all the big certified public accounting firms in the United States. The findings imply that listed companies are actively involved in employee training and career progression and this may have contributed positively to talent attraction. The findings also imply that training opportunities and career progression may have contributed positively to organization performance.

f) Company Valued Talent Search Matrix

The study sought to establish the extent to which the company valued talent search matrix. The matrix used during selection in order to get experienced, qualified, expertise, potential and qualified employees is important for talent attraction .Results in table 4.3 shows that 91% of the respondents agreed with the statements that the company valued talent search matrix during selection in order to get experienced, qualified, and expertise employees, results also revealed that 7% of the respondent disagreed with the same statements and 2% neither agreed or disagreed with the statement.

The findings agreed with those of [4] who noted that talent search matrix allows recruiters to focus on the characteristics that are required on the job that has to be done. The talent matrix elements to shape the image of the employee needed includes experience, profile, qualification, expertise and potential which can be summarized to experience, profile and qualification. Expertise, potential and qualification are important to the future development of the person who the

organization is seeking. The findings imply that NSE listed companies' valued talent search matrix and this may have contributed positively to talent attraction. The findings also imply that the matrix used during selection in order to get experienced, qualified, expertise, potential and qualified employees may have contributed positively to organization performance.

Table 4.4: Talent attraction Analysis Component Matrix

Statement	Component
We ensure employee Job security in order to attract the right talents	0.918
My company is actively involved in communication and implementation of employer branding	0.909
Work-life balance as well as social networking facilities in this company is a motivating factor to our employees	0.788
This company's good working conditions and fair wages has enabled it to attract the right talents	0.569
In this company, we support employee training and career progression	0.483
This company values talent search matrix during selection in order to get experienced, qualified, expertise, potential and qualified employees	0.462

Table 4.4 shows the factor analysis results for statements regarding talent attraction effects on organization performance and six statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

Table 4.5: Talent attraction Cronbach alpha

Cronbach's Alpha	N of Items
0.769	6

Table 4.5 shows Cronbach alpha values for talent attraction. From these findings it can be concluded that the construct measured had adequate reliability for the subsequent stages of analysis since the Cronbach Alpha values was greater than 0.7[21].

4.2 Quantitative Results

Table 4.6: Relationship between Talent attraction and Organizational Performance

Variable		Organizational Performance	Talent Attraction
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Talent Attraction	Pearson Correlation	0.275	1
	Sig. (2-tailed)	0.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 4.6 displays the results of correlation test analysis between the dependent variable (organization performance) and the independent variable talent attraction. Results on table 4.6 show that acceptance of organization performance was positively correlated with talent attraction. This reveals that any positive change in talent attraction on organizational performance led to increased acceptance of organizational performance.

Table 4.7: Model Summary for Talent Attraction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.275[a]	.076	.070	3.62233
a. Predictors: (Constant), TALENT ATTRACTION				

Regression analysis was conducted to empirically determine whether talent attraction was a significant determinant of organization performance in NSE listed companies. Regression results in table 4.7 indicate the goodness of fit for the regression between organization performance and talent attraction was satisfactory. An R squared of 0.076 indicates that 7.6% of the variances in the acceptance of talent attraction by NSE listed companies are explained by the variances in the organization performance. The correlation coefficient of 27.5% indicates that the combined effect of the predictor variables have a moderate and positive correlation with organization performance. The model summary results are in agreement with [22]. study that touched on attracting talents, developing talents, retaining talents and succession planning in MNCs in Malaysia.

Table 4.8: ANOVA for Talent attraction

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	171.904	1	171.904	13.101	0.000
Residual	2099.403	160	13.121		
Total	2271.307	161			

The overall model significance was presented in table 4.8. An F statistic of 13.101 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that there was a very low probability that the statement "overall model was insignificant" was true and it was therefore possible to conclude that the statement was untrue.

Table 4.9: Regression Coefficient for Talent attraction

Variable	Beta	Std. Error	t	Sig.
Constant	12.96	1.237	10.474	0.000
Talent attraction	0.349	0.096	3.62	0.000

Table 4.9 displays the regression coefficients of the independent variable (talent attraction). The results reveal that talent attraction is statistically significant in explaining organization performance of listed companies. This concurs with [22] study that found a positive and significant relationship between talent attraction and success in multinational organizations in Malaysia. The regression results were used to test the null hypothesis "H0: There is no significant effect between talent attraction and organizational performance in companies listed in the NSE." The null hypothesis was rejected at (0.05) significance level. This implied that there was a relationship between talent attraction and organizational performance in companies listed in the NSE.

4.3 Talent Attraction Qualitative Results

The respondents were requested to indicate how else talent attraction affected organization performance. The respondents were reflected in the following quotations; "Having proper recruitment policy is crucial for success of the company", "Poaching /head hunting talented employees improves organization performance ", "good employee allowances given by our company has helped us attract committed workforce"," Proper selection of talented employees has helped us in getting the right people who do the right job and that improves performance" "Location, infrastructure and other good conditions and facilities of a company has helped our company to attract better employees hence improving performance.

The findings implied that there could be other components of talent attraction influencing organization performance .The findings are consistent with those of [23] who asserted that if a firm wanted to be successful, it must have invested in talent management of their workers to obtain some conditions in the company like good business environment. The finding also concurs with those of [2], who asserted that recruitment and selection required that organizations use various methods or techniques of selecting the right talent that reflects the culture and value of an organization.

5. Recommendations

The study recommends that organizations should offer favourable working conditions to their employees as the best talented employees who contribute to good organization performance, will be attracted to work for an organizations that they think will be more able to satisfy their needs by providing job security , good pay package and career progression .

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