EFFECTS OF SUCCESSION PLANNING ON ORGANIZATIONAL PERFORMANCE OF FAMILY OWNED BUSINESSES IN THE HORTICULTURE INDUSTRY: A CASE STUDY OF MARA FARMING LIMITED

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OCTOBER, 2017
DECLARATION

This proposal is my original work and has not been presented for a degree in any other University

Signature…………………………… Date .................................

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BML/9/00271/3/2014

This proposal has been submitted for examination with my approval as University Supervisor.

Signature…………………………… Date .................................

David Kanyanjua

The Management University of Africa
DEDICATION

I dedicate this work to my fiancé John Adala for his constant support and source of knowledge and encouragement. I will be forever grateful to him for sacrificing his resources and sharing his expertise from time to time.
ACKNOWLEDGEMENT

I acknowledge the Almighty God for guiding me as I carry out my studies. I am grateful to my supervisor David Kanyanjua for providing me with basic knowledge that has been beneficial to this study and his unwavering support and guidance throughout this period, and the Staff and Management of The Management University of Africa and especially the library staff for their dedication and support during my search for relevant literature for my proposal. May God bless them.
ABSTRACT

Succession planning 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. Succession planning’s main objectives can be described as; to improve job filling for key positions through active development of longer-term successors through ensuring their careers progress, and making sure that they get the range of work experiences they need for the future. The study sought to analyze the effects of succession planning on organizational performance of family owned businesses in horticulture industry. The specific objectives of this study include how training and development, talent retention, talent recruitment and compensation management affect performance of Mara Farming Ltd. The target population consisted of senior management, middle level management and supervisors, based on the technical nature of the study only this category of employees were best placed to assist in the study. The researcher used stratified sampling procedure to select samples that were representative of the entire population, a total of 38 which is 50% of the target population. The data collected from the respondent was analyzed and presented using tables, pie-charts, graphs as well as qualitative and quantitative tabulation of data to ease understanding and interpretation of results. Majority of the respondents agreed that training and development affect organization’s performance. Training leads to high morale and lowers cost of production by eliminating risks. Compensation management is key to an organization. Employees place a great value on different rewards given to them by their employers. The type of research that was used here is descriptive design where the data collection process was conducted through questionnaires. The study includes a targeted population of 38 individuals. The findings of the study were as follows: 95% of the respondents, a total of 32 respondents out of 34 agreed that training and development have a great influence on performance and it was concluded that there is a great influence of training and development on performance. The study found out and concluded that recruiting talent affects performance of the organization from 91% of the respondents due to the provision of large pool of qualified applicants paired with a reliable and valid selection. Also from the study findings it was concluded that talent retention greatly impacts organizational performance from 82% of the respondents who agreed that indeed it has a great impact since it reduces high turnover which negatively affect employment relationships, morale and workplace safety. Lastly from the study findings it was concluded that compensation management has a great influence on performance, this was backed up by 97% of the respondents due to the fact that compensation management helps attract and retain a high caliber of people, employees are attracted and retained if the organization offers a competitive pay rate. These findings demonstrated that succession planning strategy can be used to mobilize and manage staff in order to enhance performance of the horticultural industry organizations in Kenya. To achieve all this the researcher recommends that companies develop a proper retention strategy, enhance their compensation system in order to attract and retain key talent and employ new recruitment sources such as networking websites, job websites, professional publications and campus recruitment which will improve the attraction of staff because the employable age group makes more use of the internet more than conventional media.
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LIST OF ACRONYMS AND ABBREVIATIONS

HR: Human Resource
EOC: Employer of Choice
OPERATIONAL DEFINITION OF TERMS

Succession planning: This is the amount of effort an organization puts to ensure that there are no interruptions in the most vital posts in an organization.

Talent Recruitment: The process at which employers retrieve and attract applicants who are capable of performing in the required position.

Training: Steps carried out to see an employee’s progress and competence through learning sessions.

Compensation management: Everything an organization may offer to its worker for their time and talent.

Talent Retention: This is where an organization has the capability of retaining its employees.
CHAPTER ONE

INTRODUCTION

1.0. Introduction

Here, we are provided with the history, the statement of the problem, the objectives of the study, the research questions and the scope.

1.1. Background of the study

Succession planning can be described as the organization’s effort towards ensuring that there is continuation in leadership, retention and development of intellectual capital for future use. This process ensures that there is stability and tenure among personnel. It also ensures that there is a continued effective performance by the organization (Rothwell, 2005). Succession planning, despite involving the replacement of key management positions, it also involves talent management. Here, the management will have to do a selection of the most favorable candidates and placing efforts to nature their talents.

According to Rothwell (2001), as cited by Henderson (2011) an operative succession plan is one that is driven by the overall objectives as well as policies that are written. This process would enunciate better communication for individuals’ career path, better plans for development and creation of an understandable system for the human resource fraternity. Jusko (2005) as cited by Henderson (2011) reported that more than a half of the company heads were probably going to step down in years to come. 39% of them claimed to have someone that would take over from them in them in mind while forty five percent claimed that that had no one in mind that would take over from them. Many organizations have not implemented a succession plan according to forecast done by the
Society of Human Resource Management. The absence of strategy on matters concerning succession planning may bring about difficulty in sustaining proper leadership. However, the process of succession is mostly seen at the top of every institution (Henderson, 2011).

Be it a public organization or a private organization, it is important that any of them to acquire and sustain a workforce that is high in quality not at one specific time but at different times and at all times. This makes many organizations be under much pressure to ensure that they sustain an impressive unit of employees. When looked at a global level, we find out that succession planning has become a key concentration in organizations in the Human Resource department and also institutionally where it is part of the strategy enforced to ensure good performance and the continuous growth of the organization. Rothwell (2010), observed that the reason behind enforcing succession planning in cooperate companies is to make sure that there is maintenance of a pool of successors who are potentially able to achieve success in the organization. According to Collins & Porass (1994) as cited by Caldwell (2007) companies with visions develop great leaders, by developing cultures that ensure their workers have similar ideas, same values and habits across the entire organization. Organizations that are able to manage their succession planning properly know that this process has to start early enough. Potential candidates are looked for and the organization starts to groom them early enough to whatever level that deems fit them. The process could be risky; in that the employee would not guarantee staying in the organization after being investment in, but it may prove to be worthwhile since employing someone from outside may mean that they would take quite some time to get to understand the operations of an
organization which is seconded by Flender (2008), who claimed that the sacrifice may not be worthwhile especially at this given point in time where there is stiff competition amongst organizations. The manager may expose this potential successor to situations, introducing them to the board or even taking them through a thorough mentorship process (Kowalewski, Moretti, & Gee, 2011).

In a survey that was conducted in 2004 among 711 HR managers, 80% of them agreed to the fact that it was important for an organization to have a succession planning although only half of them had such a place ready. Talyor & MCgraw, (2004) previous survey indicated reluctance by executives on setting a succession plan. This may be because they fear not having control of the business, or they may not be ready for life after they retire.

A study carried out by Cembrowski (1997) as cited by (Darvish & Temelei, 2014) on succession planning models that included plans on administrative training, transfer of personnel, training of employees, rotation of jobs, mobility of occupations mission of payment and career coaching showed that these methods were frequently used in universities to nurture potential leaders.

A total of 39% of South African family enterprises are expected to experience a generational transfer in the next five years, with 32% of them expected to hand over the business to another member of the family. There seem to be generational gap problems in South African family business. The difference in values and the views of economic opportunities between generations often create barriers to the transition process (Maas, 2010).

In Kenya, a recent study carried out by Christian Organizations and Nongovernmental organizations made a conclusion indicating that management of succession has become
very popular. It stated that reasons such as sudden death of an employee, resignation and promotion of employees makes an institution shed its best workforce at one point in time. A good succession management however, will be able to think ahead so that in such circumstances, it will get the organization well covered. (Christian Organization Research and Advisory Trust of Africa, (2010). Non-governmental organizations in Kenya are at this present age filling up management top leadership positions. Hislop (2005), went over realized that there were concerns which are related to succession that are heavily featured in industries that are business related or where they are non-business related. However, it was found that a portion of businesses lack adequate plans for succession.

Many companies in Kenya that are family owned may suffer from the founders’ syndrome although few of them may have plans on how to make the business grow. The founders trap may eventually turn into a family trap in a situation where a fellow family member takes control of the business without looking for competence and experience. Generally, 3 out of 10 companies may have chances of survival up to the second generation whereas 16% may proceed to the third generation. (Kuratko, 1995). Accordingly, Ward (2004) gives an estimation stating that nearly half of family owned businesses may be unable to proceed to the next generation due to unreliable succession. Klein (2000) claims that family businesses may head to failure because of the fight for power and internal disagreements that may occur between family members. He further attributes it to family members refusing to hand over their management roles and to relinquish control and power in the businesses. In families that achieve success in its survival in three or four generations usually have complexity in their structures, their mode of agreement, and their accountability in terms of managing their net worth. (Jaffe
& Lane, 2004). Watts and Yucker (2004) observe that families are reluctant to look at this matter. It is very important for families to comprehend the structuring options of wealth that may be available requiring advice from a legal expert. Younger members of the family should also be involved early enough for them to get to understand the goals that were set before them. This may also help them not to dilute the family ideologies with others that they may have acquired from outside (Jarret & Tan, 2015)

1.1.1 Profile of the organization-Mara Farming Ltd
Mara Farming Limited was started in October 2013 with all its operations of production and packaging of fresh vegetables and Fruits. The company is a family business and the Main Production is in Kenya & Tanzania. Mara Farming receives produce from own firms one in Naivasha and another in Narok. To meet their customer demand and also promote development in local communities there are other projects for outgrowers which includes 2 Largescale, 12 medium scale and 22 small scale groups involving over 850 farmers. Mara farming has employed 300 employees in the processing unit and 400 in their own farms. The company exports an average of 45 tonnes a week to markets spread in Europe, UK and Scandinavian countries.

1.2. Statement of the Problem
Organizations are increasingly acknowledging the critical role of succession planning prior to exit of executives, few have plans in place to guide them through the process and as a result decline in organizational performance. Mara Farming Ltd has very few people with any experience of when and how succession should be dealt with. The main problem affecting Mara Farming is the process of handing over control and of the firm. Operating
as a family business, it’s almost inevitable that any of such business should at least pass ownership to the family members, Mara Farming, being one example. Although many owners of a company may have the desire to see that their off-springs inherit their businesses, they may later come to a realization that they do not possess the required skills needed to take over the business and maintain its performance. Therefore, in such a situation, the owners of the business may go an extra mile to employ an external party to take charge of the business. This move by the outgoing management may not be taken well by the rest of the family as the new management may come up with strategies that may differ with their expectations. This creates conflict. This study presents to me a great opportunity to exercise my skills and contribute knowledge to the organization and in return assist the company to create succession planning structures that will enhance the organization’s performance.

Mara Farming Ltd is lacking well-structured policies on succession planning. It needs to create formal procedures which will see to it the identification and retaining of worthy workforce within the organization to maintain the organization’s performance.

1.3. Objectives of the study

1.3.1 General Objectives

The purpose of the study is to analyze the effects of succession planning on organizational performance of family owned businesses in horticulture industry.

1.3.2 Specific Objectives

The specific objectives of the study were;
i. To find out how training and development has an effect on performance of Mara Farming Ltd.

ii. To determine the extent to which recruitment affects the performance of Mara Farming Ltd.

iii. To assess how talent retention affects the performance of Mara Farming Ltd.

iv. To find out how compensation management affects performance at Mara Farming Ltd.

1.4. Research questions

The following research questions guided the study:

i. In what way does training and development affect the performance of Mara Farming Ltd?

ii. To what extent does talent recruitment affect the performance of Mara Farming Ltd?

iii. How does talent retention affect the performance of Mara Farming Ltd?

iv. How does compensation management affect the performance of Mara Farming Ltd?

1.5. Significance of the study

1.5.1. Mara Farming Limited

The study will benefit the horticulture industry more so those that are family owned to gain insight on how to improve their performance and the survival of their business in the long run.
1.6. Scope of the study

The study mainly focuses on the impact of succession planning on organization performance of family owned businesses in the horticulture industry, Mara Farming limited which was used as a case study. The organization has a total staff of 700 employees in both Kenya and Tanzania at different management levels. The study took three months commencing from the month of June-August 2017. The researcher will get respondents from senior and middle level managers from the headquarters of Mara farming Limited at Sameer Industrial Park, Road C, Off Enterprise Road.

1.7 Chapter Summary

This chapter displays the background of succession planning and different perspectives in Kenya and across the globe. The study aims to attempt to explain how succession planning is vital and its effect on performance when looking at the organization in general. The following four variables are deemed important since they affect organization’s performance: training and development, talent recruitment, talent retention and compensation management. It further gives the justification of the study whereby it talks of whom these findings will be of help to. Finally, the scope of the study has also been given.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This part gives background information to the researcher that aids them in deeper understanding of the topic of study. It focuses on theoretical literature review, the empirical literature review; it also shows the gap in research, conceptual framework operationalization of variables and summary of the research.

2.1 Theoretical Literature Review

There are different theories identifying own paradigm and concept on family owned business. They include; Game theory of succession planning and leadership model succession planning.

2.1.1 Game Theory of Succession Planning

Game theory is concerned with interdependent decisions. Game theory studies mathematical models about conflict and cooperation among decision makers who are rational and intelligent. Problems which are encountered involve participants who hold personal objectives that are at per with a similar system and resources that are shared among the system. In this theory, problems are referred to as ‘games’ as participants are referred to as ‘players’. Matters that require interdependent decisions appear in many situations and thus they require strategized thinking and careful planning in order to meet the outlined objectives. (Watts & Tucker, 2004). This theory is an extension of interdependent decisions whereby the evaluated options are functions related to the choices of the player. Family succession in leadership is usually challenging and thus
game theory comes into fill the gap by giving room for interdependent choices that are arrived at by rational thinkers concerning the leadership of the firm.

2.1.2 Leadership Model Succession Theory

In this model of succession, there is a proposal that suggests that in order to make sure that there is proper succession in leadership; the company should make sure that there is redundancy in the structure of management. This will see to it that succession of leadership is covered and ensures that successors of retiring employees are mentioned before the dismissal of the outgoing leaders. The company should also mentor potential candidates under the wing of incumbent leaders. To prevent conflicts that may arise during this process, they should ensure that there is a swift transformation in leadership without hitches and questions. (Ibrahim Soufani, & lam ,2001). Planned succession of leadership in an organization will promote continued operation of businesses even if its founders are no longer actively involved in its operation.

2.2. Empirical Literature Review

2.2.1. Training and Development and organizational performance

Khan, Khan and Khan (2011) conducted a research so as to assess whether employee performance is affected by training and develop, training design, style of delivery and also on the job training. Besides the use of literature review, a hypothesis was formulated to guide the study through the literature review that was provided. The findings of the study showed a concrete relation between the two variables. It indicated that training and development the design used in training and the delivery style for these training was a great catalyst for performance of an organization. The research also indicated the
importance of training and development to employees as it enables them conduct their day-to-day roles in a more qualified manner. It is also important to indicate that the research talked of its importance going a long way as training will enable an organization beat the tough, competitive and challenging times that we are in (Khan, Khan, & Khan, 2011).

Chinomnoso (2014), conducted a study to find out whether performance of an organization is affected by training and development of the employees at a bottling company in Nigeria. The research was conducted through the administration of questionnaires to the respondents who were actually the staff of 7UP Company. The variables in this study included; training design, training delivery, employee perception as well as employee training. Findings of the study showed the extent to which the unsystematic approach of the training of the staff immensely affected the performance of staff of the organization. The result showed a positive coexistence between the dependent and independent variables. The results further indicated that training alone did not create a huge impact on the performance of the staff but the mode of delivery of this training actually did. The study finally concluded that the right employees being subject to training programs would significantly enhance the performance of the organization (Chinomnso, 2014).

Eric (2012) wanted to find out whether training and development affected the performance of employees at Accra polytechnic in Ghana, using questionnaires as their mode of data collection. According to the findings of this study, the institution indicated lack of support from the management especially on issues concerning the enhancement and development of employees. However, the respondents showed that there was a
positive impact on training for employees at the polytechnic. The researcher further gave suggestions to the polytechnic on how to be a world class institution by instilling a training and development culture on its employees in order to strengthen their competency level (Eric, 2012).

### 2.2.2 Talent Recruitment and organizational performance

Omollo, Oginda and Oso (2012) wanted to assess whether recruitment and selection affected the performance of SMEs. Variables used for the study included, sourcing, attraction of employees and screening collectively and their effect on SMEs in Kisumu. The findings of the results indicated that recruitment and selection of employees had an enormous effect on the overall execution of these firms. These researchers also noticed that a better recruitment and selection procedure would be able to guarantee better performance for organizations. This being the case, the study emphasized that good recruitment of staff should be done for the best interest of the organization in line with its overall objectives (Omollo, Oginda, & Oso, 2012).

Heynes conducted an analysis on the influence of recruitment and selection at the provincial government of the Western Cape in South Africa. The study’s intention was to ascertain the importance of selection as well as recruitment to the department of Economic Development and Tourism of the same docket. The study firstly noticed a high level of dissatisfaction on the same in this particular department as they were not contented with how this procedure was being conducted. The study finally concluded by showing a positive relation between recruitment and selection recommending to the organization to improve on the same to enhance productivity of the institution. Also, it
was recommended that a toolkit should be brought in place so as to provide proper guidance on recruitment and selection process management (Heynes).

Adu-Darkor (2014), wanted to identify the practices of employee recruitment. In his study, he intended to find out first which recruitment practices existed for constructors within the region of Ashanti, and getting to point out the challenges encountered hence drawing some conclusions as well as recommendations on the same. Through the administration of questionnaires, data was collected from different contractors. The results indicated that most contractors used the newspapers as a medium of selection alongside other modes which had a low percentage compared to it such as internal recruitment, use of labor offices, referrals from other employees and the likes. The study identified quite a number of challenges that could be a hindrance to the implementation of an effective employee recruitment process. These factors poor HR planning, job analysis that was ineffective, level of competence, recruitment cost as well as poor working conditions for workers. The study indicated that recruitment procedure was a very important factor towards the overall performance on the same and employers should be very careful will this process. The study also recommended that profiles should reflect the process of recruitment and selection (Adu-Darkor, 2014).

2.2.3. Talent Retention and organizational performance

Maliku (2014), sought to inquire about the impact of Employee Retention on performance of organizations. The study used structured questionnaires to collect data from employees of National oil. From the study, a summary was done and it was realized that there was a number of practices which enhanced the performance of employees through retention. The study also indicated 80% of the respondents recorded that retention strategies in the organization were moderately applied. And by this, employees were not willing to give their all at their jobs which answered the question why there was
a high level of employee turnover at National oil and also the low market share experience by the same organization. The study finally recommended that there should be an improvement when it came to practices pertaining employee retention in organizations for it surely affected the performance of employees and that if the organization (Maliku, 2014)

A study was carried out by Mote (2014), so as to find out the impact of turnover of employees on performance. The following objectives guided the study; the causes of employee turnover, impact of employee turnover and strategies being used to retain employees at Barclays Bank of Tanzania. Questionnaires were used to collect data for the study, where employees of the bank were randomly selected to fill these questionnaires. The results of the study gave a clear indication that remuneration was the primary reason for the employees at this bank not staying at their job. Also, poor relations among staff indicated an alarming reason for employee turnover. The findings therefore indicated that there was an actual relation between retention of employees and performance of the recommending that Barclays Bank should come up with opportunities for advancement of careers of employees, pay them competitively and involve them in decision making so as to retain them for a longer period of time (Mote, 2014).

Domfeh (2012) conducted a study along the Ashanti region banks to assess the relation between employee retention and performance. The study aimed at identifying the reasons behind high employee turnover and also to find various strategies that could have been used to retain employees at the rural banks in that region. Questionnaires were used to collect data from respondents whose banks were randomly selected purposively targeting the HR managers of these banks. According to the study, the HR managers retained their
employees through competitive salary packages, guarantee of job security, interesting job opportunities and the opportunity to train and develop themselves. From the findings, most employees had intentions of leaving their jobs for various reasons. It was finally derived that there was a positive relation between employee retention and performance. This is because employee retention prevented loss of organization knowledge, prevented disruption of customers from accessing quality services and also prevented the organization from incurring costs related to employee turnover. The study further recommended that these banks should apply proactive retention strategies in order to retain their staff (Domfeh, 2012).

2.2.4. Compensation and Rewards Management and organization performance

Njanja, Maina, Kibet and Njagi (2013) did research about effects of reward on performance of Employees specifically on cash bonus in relation to the performance of these employees. Correlation design of research was applied were employees in the management docket were targeted and expected to answer questionnaires that were administered to them. The findings of the research indicated that there was a negative existence between cash bonuses and the performance of employees. So, the researchers recommended that there should actually put more emphasis on intrinsic motivation factors as compared to the intrinsic ones because the reward system was satisfactory according to the employees who participated in this study (Njanja, Maina, Kibet, & Njagi, 2013).

Chijioke and Chinedu (2015), conducted a research so as to identify whether there was an existing relationship between reward and performance of employees specifically focusing on the intrinsic and extrinsic difference, relation between both the intrinsic and extrinsic
factors of motivation on performance of employees. Questionnaires were given to bankers so as to be able to collect data which were later analyzed so as to deduce findings of the results. The outcome showed a significant relation between the performance of employees and reward. Also, the results also indicated that that there was a positive relation between extrinsic and intrinsic reward towards the performance of employees (Chijioke & Chinedu, 2015).

A study carried out by Sajuyigbe, Olaoye and Adeyami (2013), sort to find out the impact of reward on the overall performance of employees in companies that manufacture goods in Ibadan Nigeria. The researchers collected first hand data using questionnaires that were structured and employees were purposively selected to to fill in the questionnaires which were then analyzed. From the study, the results indicated that there was a positive relation between reward and performance the findings then later gave room for recommendations to the management that they should build up a mode of commitment to the employees by rewarding them accordingly so as to achieve the objectives of the organizations (Sajiyigbe, Olaoye, & Adeyemi, 2013)

2.3. Summary and Research Gaps

From the above empirical study, it is right to conclude that there’s positive relation between employees’ training and development and the performance of employees. Employees that undergo training for their jobs are prone to performing well in their respective area of work. This applies to both technical as well as non-technical jobs. Also, from this study, we can conclude that recruitment of talented and well qualified workers would enhance the performance of an organization. Unlike an employee who has no vast experience on a particular subject, talented employees are easier to train because
they tend to have an idea of what is going on and they may only need to polish a little bit on what they are not conversant with. Retention of talent is also an important factor on the performance of employees. Retaining an individual that is knowledgeable preserves the knowledge of an organization and also enhances an organization’s competitive advantage. Employees that are well compensated and rewarded may have better performance than those who don’t. However, each and every manager should be able to identify which type of reward suits which employee because one man’s meat could be poisonous to the other.

A lot has been done on employee and organization performance with time. However, not so much has been done regarding talent retention as well as talent recruitment relation to performance management within an organization. A lot has to be done regarding this area because it’s not only about just any employee but being able to recruit and retain the most competent workers that will help the organization meet its objectives.
2.4. Conceptual Framework

The framework was drawn from the literature review. There will be four independent variables which will be taken into consideration in this study namely, Training and Development, Talent Recruitment, Talent Retention and Compensation Management. Below is a figure describing the conceptual framework.

**Figure 2.4 Conceptual Framework**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training &amp; Development</td>
<td>Organization performance</td>
</tr>
<tr>
<td>Talent recruitment</td>
<td></td>
</tr>
<tr>
<td>Talent retention</td>
<td></td>
</tr>
<tr>
<td>Compensation management</td>
<td></td>
</tr>
</tbody>
</table>
2.5 Operationalization of Variables

2.5.1 Training and developing talents

Many of organizations educate their staff for the technical and management training in high levels. Succession program implementation, like all similar plans and programs, require some preparations and backgrounds in related organization. Some of these programs due to lack of these backgrounds and preparations fail or not achieve the desired outcomes and achievements.

2.5.2 Talent recruitment

These goals are pursuing in the domain of employing talented people: selecting the most and best appropriate people through the test, conforming employee’s conditions in terms of occupation achieving conditions and conforming job conditions with job applicants’ conditions.

2.5.3 Talent retention

Though talent retention can drain an organization’s resources, it is important that the leaders should come up with strategies that will assist them in the retention of employees at the same time keeping them motivated. Strategies that can be employed by an organization to assure employee retention include: making sure that workers have a balance between their jobs and outside life, giving rewards where an employee deserves, and having compensation packages that an employee can request during a needful situation.
2.5.4 Compensation management

In compensation management, the employer has the mandate to provide certain benefits to employees that are in monetary and non-monetary form. Such compensations may include payment done for overtime work and giving employees bonuses at specific times. Benefits can extend to privileges such as giving an employee a company owned car and housing. An organization that constantly maintains proper compensation management will in turn have motivated workers who will then increase and maintain the effectiveness of the organization.

2.6 Chapter Summary

The chapter started by reviewing literature on succession planning, its definition according to various authors and its importance in modern day organizations. Secondly the researcher reviewed literature on training and development, its importance in relation to organizational performance as well as the need to carefully design training programs that bridge the gap between actual performance and expected performance. The chapter also defined recruitment; it also brought out literature on the importance of recruiting in enabling organization keep a competitive edge and the implications of unfair recruitment. The chapter also went on to define retention, the strategies used in organizations for retention and the benefits of employee retention to the organization. Finally the chapter reviewed the definition of compensation management and why compensation management was key in enhancing organizational performance.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This part highlights the design of research that was used, the population target, how sampling was done and the sample size obtained, instruments that were necessary during the study. Reliability and validity of the instruments was stated. Procedures that was used in data collection was outlined and concerns of analysis of data and ethical considerations addressed.

3.1. Research Design

In this study, the research design used is descriptive design using this design, the researcher was able to make a summary of the research and organize data in a more meaningful manner. Mugenda and Mugenda (2003) indicated that descriptive research is used to find out the possibility of an outcome of behavioral pattern, characters, values and attitudes of a specimen in question. To ensure that the process of gathering information is effective, the researcher employed qualitative and quantitative methods for data collection.

3.2. Target Population

Mugenda & Mugenda, (2003), explained that a population is the whole group consisting of cases with similar characteristics which attract a researcher to observe those characteristics. In this study, the target population consists of senior managers, middle level managers and supervisors at the processing unit and firms of Mara farming and is illustrated in the table below.
Table 3.1: Distribution of target population

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers</td>
<td>23</td>
<td>31</td>
</tr>
<tr>
<td>Middle level Managers</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Supervisors</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3. Sample and sampling technique

Sampling is a key process when conducting a research whereby representatives from the entire universe are picked using a suitable method in order to serve as a representative of the whole. (Kothari & Grag, 2014) gave out a description on sampling saying that they are the various techniques that a researcher would employ when he wants to selects items from the population. In this study, stratified random sampling was used as it was seen as the most suitable method for selecting the representatives. From the process of sampling, a researcher obtains a sample which can be referred to the smaller group from the population which was used during the research to represent the whole group. Out of 75 individuals, 38 was used in this study.

Table 3.2: Distribution of sample population

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers</td>
<td>23</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>Middle level Managers</td>
<td>30</td>
<td>15</td>
<td>39</td>
</tr>
<tr>
<td>Supervisors</td>
<td>22</td>
<td>11</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>38</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
3.4 Data Collection Instruments

Data collection is a process that requires a researcher to gather information from sources such as primary sources or secondary sources. The information given by the respondents in this study was collected through questionnaires which was both open ended as well as close ended questions.

3.5 Pilot Study

This is the initial study that serves as a tester of the actual study. Such studies are carried out for various reasons including: to ensure that the questions asked during the survey are relevant, to make sure that the research is conducted to relevant populations and to refine the research.

According to Connelly (2008), extant literature suggests that a pilot study sample should be 10% of the sample projected for the larger parent study.

Pilot study was carried at Mara Farming Ltd. Six questionnaires were administered to the respondents to test whether they questions are easy for them to understand then proper corrections was done where necessary before the actual study was conducted. The six respondents were guaranteed anonymity and confidentiality of the shared information.

3.5.1 Validity of Research

A research is valid if it measures what it was purposed to measure. The instruments to be used in a research must fulfill the quality of relevance to the objectives of the research. Validity of instruments will be determined by giving the proposal to an expert and research supervisor so as to see if each item in the instrument used is relevant and will be enable the researcher meet his goal and rate each item according to their relevancy.
3.5.2 Reliability of Research

Reliability accounts for whether there is consistency in the outcome of a study. A research conducted will achieve maximum reliability if the findings obtained from different respondents are consistent, producing results that are free from random errors. Internal consistency was used. This technique uses single instruments administered to a group of people at the same period.

3.6. Data Collection Procedure

These are strategized procedures that are used in research that allow a researcher to obtain information concerning their study from the small group of cases obtained from the population. Questionnaires with both closed and open ended questions were administered to selected respondents, whose consent was sought prior to administering. Information validation, probing issues and credibility testing were carried out in the field to verify information.

3.7. Data Analysis and Presentation

The gathered information from respondents may not make sense to a reader. For this reason, data needs to be organized into meaningful presentations for easier reference. Analysis of data may be done through quantitative or qualitative means. The analyzed data may be presented in charts and graphs and tables where applicable.

3.8 Ethical Considerations

Ethics of a research looks at whether a study was conducted appropriately putting in consideration the interest and security of the respondent. It includes rights that are subjected to the informant with respect to the study.
3.8.1 Voluntary Participation

Participating in a research should not be mandatory at any given time. The researcher asked permission from the individuals to participate in the research. Some individuals agreed, while others denied.

3.8.2 Informed Consent

Every respondent that had agreed to take part in the study was given information as to why the study was conducted. The researcher took time to explain to the respondents what the concerns of the research were. This enabled the respondents have an idea of how meaningful their participation was.

3.8.3 Confidentiality

The information given by the respondent is delicate. This makes the researcher have the mandate to provide assurance to the subjects that the information they provide will not under any circumstance be used for other studies apart from the one they are contributing to. This results to confidence built by respondents to the researcher thus they may participate giving true responses.

3.8.4 Anonymity

This involves keeping the identity of the respondent not known. Many people who participate in a research may not be comfortable when their identity is matched with the information they gave. The researcher adopted a way of returning questionnaires that did not reveal the identity of respondents.
3.9. Chapter Summary

In this section, we are taken through the processes involved in conducting the research. It clearly outlines the decisions made about how the key features of a research—the sampling process and obtaining a sample—made the entire study a success. It also states strategies that were used in order to make sure that data was presented in a meaningful way.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.0. Introduction

This chapter comprises of data analysis, findings and interpretation. Results are presented in tables and diagrams. The analyzed data was arranged under themes that reflect the research objectives.

4.1. Presentation of research findings

This section consists of all the findings from the study.

4.1.1 Response Rate

Of the 38 questionnaires issued, the researcher collected 34 properly filled questionnaires representing an overall successful response rate of 89% as indicated in Table 4.1. Both Mugenda and Mugenda (2003) and Kothari (2004) were of the opinion that a response rate of 50% is adequate for a descriptive study and would be acceptable for purposes of analysis and publishing. Therefore, the study found the 89% response rate to be sufficient for the research findings and interpretation as shown in figure 4.1 below.

Table 4.1: Table showing the response rate of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>34</td>
<td>89</td>
</tr>
<tr>
<td>No response</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100</td>
</tr>
</tbody>
</table>
4.1.2 Demographic Characteristics

This section consists of information that describes basic characteristics such as gender of the respondents, level of education of the respondents, experience in the organization and position in the organization.

4.1.2.1 Gender of the Respondents

The respondents were asked to indicate their gender. A greater percentage of the respondents were male who represented 61% of the sample while 39% were female. This implies that slightly more of the people working in Nairobi County Central Business District are male.
Table 4.2 Table Showing the Gender Distribution of the Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>23</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.2 Diagram showing the gender distribution of respondents
4.1.2.2 Staff Ranking

The respondents were asked to indicate their positions. Results in figure 4.3 revealed that of 21% the respondents were in the middle management level, 74% of the respondents indicated that they were in subordinate positions and 5% were top management. This implies that most of the respondents in this study were in lower tire jobs. This can be supported by the results of the level of education and experience. This is also an indicator of the real situation whereby many people working in senior positions normally have busy schedules which hinders their participation in such a study.

**Table 4.3 Table showing the ranking of staff**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Middle management</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>Support management</td>
<td>28</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Figure 4.3 Diagram Showing Staff Ranking**
4.1.2.3 Educational Level

The respondents were asked to state their level of education. Results in Figure 4.4 show that a 60% of the respondents had attained education up to university level, 20% had attained education up to diploma level, 18% had attained education up to tertiary level, 2% of the respondents had attained education up to post graduate level.

Table 4.4 Table showing the education level of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Diploma</td>
<td>18</td>
<td>48</td>
</tr>
<tr>
<td>Degree</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>Post graduate</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.4 Diagram showing the educational level of respondents
4.1.2.4 Work Duration

Respondents were asked to indicate on the questionnaire the number of years that they had worked in the organization. 78% of the respondents indicated that they had worked between 0-5 years, 17% of the respondents indicated that they had worked between 6-10 years, 3% of the population indicated that they had worked between 11-15 years, 1% of the population indicated they had worked between 16-20 years and 1% also indicated that they had worked for over 20 years. Figure 4.5 and table 4.5 give a clear distribution of this data.

**Table 4.5 Table Showing the Work Duration of Respondents**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 1 year</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>1-2 years</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>2-3 years</td>
<td>11</td>
<td>29</td>
</tr>
<tr>
<td>3-4 years</td>
<td>15</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>100</td>
</tr>
</tbody>
</table>

**Figure 4.5 Diagram Showing the Work Duration of Respondents**
4.1.3 Descriptive Statistics

4.1.3.1 Training and Development

This section consists of the questions asked to the respondents regarding training and development.

Table 4.6 Training and Development

<table>
<thead>
<tr>
<th>Section 2: Training and development Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My company identifies the employees who need learning and development</td>
<td>0</td>
<td>0</td>
<td>12%</td>
<td>18%</td>
<td>70%</td>
</tr>
<tr>
<td>2. There is Coaching by the line managers in this company to ensure continuity and hence improved productivity</td>
<td>0</td>
<td>12%</td>
<td>18%</td>
<td>29%</td>
<td>41%</td>
</tr>
</tbody>
</table>
3. Leadership skills developments are taken very seriously and business skill development is valued

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>0</td>
<td>0</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

4. Training and development is key in ensuring improved organizational performance in Mara Farming.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>12%</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>12%</td>
<td>4</td>
</tr>
</tbody>
</table>

4.1.3.1.1 My company identifies the employees who need learning and development

The researcher sought to find out if the company identifies the employees who need learning and development. 24 respondents (70%) strongly agreed that employees with learning and development needs are identified, while 6 respondents (18%) agreed with only 4 respondents (12%) being neutral.

4.1.3.1.2 There is Coaching by the line managers in this company to ensure continuity and hence improved productivity

Majority of employees agreed that there is coaching by line managers. 14 of the respondents who made up 41% strongly agreed and 29% (10) agreed, with 12% (4) of the respondents disagreeing to there being coaching.

4.1.3.1.3 Leadership skills developments are taken very seriously and business skill development is valued

Most of the respondents 82% which is 28 respondents, strongly agreed that leadership skill developments are taken seriously and business skills valued in the organization.

4.1.3.1.4 Training and development is key in ensuring improved organizational performance in Mara Farming.
A good number representing 88% of the respondents strongly agreed that training and development is key in ensuring improved organizational performance with 12% (4) agreeing to the same. This showed that all the respondents viewed training as key in ensuring organizational success.

4.1.3.2 Talent Recruitment

Table 4.7 Talent Recruitment

<table>
<thead>
<tr>
<th>Section 3: Talent Recruitment</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Recruitment is important in attracting talent which helps in overall improved organizational performance.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3%</td>
<td>97%</td>
</tr>
<tr>
<td>2. We have internal recruitment policy that helps to raise the loyalty and morale of our employees hence increased productivity</td>
<td>29%</td>
<td>0</td>
<td>56%</td>
<td>0</td>
<td>15%</td>
</tr>
<tr>
<td>3. The company's good working conditions and fair wages has enabled it to attract the right talents</td>
<td>0</td>
<td>0</td>
<td>12%</td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>8. My organization strives to build a good brand image to attract key talented employees who can lead to improved organizational performance</td>
<td>0</td>
<td>0</td>
<td>6%</td>
<td>35%</td>
<td>59%</td>
</tr>
</tbody>
</table>
4.1.3.2.1. Recruitment is important in attracting talent which helps in overall improved organizational performance.

Majority of the respondents representing 97% of the total strongly agreed that recruitment is important in attracting key talent to the organization; they all tend to believe that talent is attracted at the point of entry to the organization.

4.1.3.2.2. We have internal recruitment policy that helps to raise the loyalty and morale of our employees hence increased productivity

The respondents were not too sure of there being an internal recruitment policy, a total of 56% (19) respondents. 29% (10) respondents and 15 % (5) respondents disagreed and strongly disagreed respectively that there was any internal recruitment policy that helps raise loyalty and morale of employees.

4.1.3.2.3. The company's good working conditions and fair wages has enabled it to attract the right talents

Exactly half of the respondents strongly agreed that the company’s good working condition and fair wages enabled it to attract the right talents, 38%, 13 respondents agreed strongly of the same with only 12% not being sure.

4.1.3.2.4. My organization strives to build a good brand image to attract key talented employees who can lead to improved organizational performance.

Twenty respondents strongly agreed that their organization strives to build a good brand image in order to attract key talented employees who can lead to improved organizational performance.
### 4.1.3.3 Talent Retention

#### Table 4.8 Talent Retention

<table>
<thead>
<tr>
<th>Section 4: Talent Retention</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Retaining key talent has helped enhance organizational performance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>10. The company has invested in retaining key personnel in order to improve organizational performance.</td>
<td>0</td>
<td>27%</td>
<td>41%</td>
<td>0</td>
<td>32%</td>
</tr>
<tr>
<td>11. Employee retention strategies have enabled the organization to retain key personnel and enabled the organization improve overall performance.</td>
<td>0</td>
<td>0</td>
<td>24%</td>
<td>35%</td>
<td>41%</td>
</tr>
<tr>
<td>12. In-house training programs always bond employees and have contributed to retaining key talent in my organization.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26%</td>
<td>74%</td>
</tr>
</tbody>
</table>

### 4.1.3.3.1 Retaining key talent has helped enhance organizational performance

Approximately 68% of the respondents, a total number of 23 and 32%, 11 respondents all strongly agreed and agreed respectively that retaining key talent has helped enhance organizational performance.
4.1.3.3.2. The company has invested in retaining key personnel in order to improve organizational performance.

About 32% of the respondents (11) strongly believe that the company has done little in investing in retaining key personnel as well as another 27% (9) who have disagreed. Majority of the respondents 41%, 14 respondents were neutral and neither agreed nor disagreed that the company had invested in retaining talent.

4.1.3.3.3. Employee retention strategies have enabled the organization to retain key personnel and enabled the organization improves overall performance.

Fourteen respondents representing 41% and twelve respondents representing 35% strongly agreed and agreed respectively that retention strategies have enabled the organization retain key personnel with only 24%, 8 respondents responding to neutral, meaning they were not too sure.

4.1.3.3.4. In-house training programs always bond employees and have contributed to retaining key talent in my organization.

The respondents who strongly agreed that the in-house training programs bonded employees to the company and enabled the organization retain key talent as a result of this move were 74%, a total number of 25. In essences all employees agreed that the training program helped to retain key personnel in the organization including 26% who agreed to that effect.
4.1.3.4. Compensation Management

Table 4.9. Compensation Management

<table>
<thead>
<tr>
<th>Section 5: Compensation management</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Compensation has a direct influence on the overall organization’s performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Bonuses and incentives are benefits given to all employees based on their performance in my organization</td>
<td>27%</td>
<td>41%</td>
<td>32%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Benefits and incentives have helped improve individual employees’ performance in the organization.</td>
<td>6%</td>
<td>41%</td>
<td>53%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. The organization has invested in rewarding employees to help enhance organizational performance.</td>
<td>29%</td>
<td>47%</td>
<td>24%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

4.1.3.4.1. Compensation has a direct influence on the overall organization’s performance.

All the respondents agreed that compensation had a direct influence on performance, this is seen from 91%, 31 employees who agreed to the statement, and none of the respondents disagreed or seemed unsure of that.
4.1.3.4.2. Bonuses and incentives are benefits given to all employees based on their performance in my organization

Some of the respondents representing 27% were not sure if the bonuses and incentives were given to employees based on their performance while 41% and 32% agreed that this incentive were given in their organization based on performance.

4.1.3.4.3. Benefits and incentives have helped improve individual employees’ performance in the organization.

The respondents agree that the bonuses given to employees as well as the incentives helped to improve the performance of the employees, 53% (18) and 41% (14) strongly agreed and agreed respectively that the bonuses and incentives helped increase performance; With 10 respondents, 29% seeming unsure by the fact that they responded to neutral.

4.1.3.4.4. The organization has invested in rewarding employees to help enhance organizational performance.

The employees seemed to believe that the organization had not invested enough on rewarding employees owing to how the response from the study, 29% (10) disagreed that the company has invested in rewarding employees while 47% (16) choose neutral, while only 24% (8) agreed that they invested on rewarding employees to improve performance.
4.2 Limitations of the study

4.2.1 Confidentiality

Confidentiality is a sensitive matter and therefore is anticipated to be an impediment to data collection. As the researchers had advised the respondents, none of the information was used for any other purpose other than what was declared.

4.2.2 Lack of Cooperation

Lack of cooperation was a major setback in the collection of data whereby senior staff members were expected to be quite reluctant to giving out certain vital information due to the workload and fear of leaking out information to competitors. However, the researcher assured confidentiality on the information given because it was purely intended for academic purposes.

4.3 Chapter Summary

This chapter gave a statistical summary of the research outcome that used tables, graphical presentations, pie charts and detailed explanations. The questions were directly phrased from the questionnaire that was prepared. The questions included, demographic questions and those that pertained the variables that were given earlier t the study.
CHAPTER FIVE
SUMMARY OF RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0. Introduction

This chapter highlights the main research findings, the results are collated together and on the basis of this recommendations are made to the management of Mara Farming Limited and to scholars.

5.1. Summary of research findings

Majority of the respondents agreed that training and development affect organization’s performance. They also gave ways in which training affects performance, they suggested that training leads to high morale since employees who receive training have increased confidence and motivation; secondly it lowers cost of production by eliminating risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste. Thirdly, training and development lowers turnover, it gives a sense of security at the workplace which reduces labor turnover and this enables for the succession planning to be successful. Training also provides recognition, enhanced responsibility and the possibility of increased pay and promotion; it gives a feeling of personal satisfaction and achievement, and broadens opportunities for career progression and help to improve the availability and quality of staff. These findings concur with Khan, Khan and Khan (2011) who also found out that training and development to employees enables them conduct their day-to-day roles in a more qualified manner and beat the tough, competitive and challenging times.
The study also found that recruitment has significant organizational performance effect due to the provision of large pool of qualified applicants paired with a reliable and valid selection. It has a substantial influence over the quality and type of skills new employees possess from the study also the recruitment practices will determine who is hired, shapes employee behavior and attitude. If properly designed, it will identify competent candidates and accurately match them to the job. The use of the proper recruitment method will increase the probability that the right person is chosen to fill a slot. When the best people are selected for the job, productivity increases. There is a positive association between the extensiveness of recruiting, organizations performance and firm profits. The study also showed that sophisticated recruitment procedures are positively related to performance in organizations, not just that organizational recruitment practices determine who is hired, the use of the proper recruitment criteria will increase the probability that the right person will be chosen. When the best people are selected for the job, productivity increases. These findings concur with Omollo, Oginda and Oso (2012) who found out that a better recruitment and selection procedure would be able to guarantee better performance for organizations.

The results from the majority of the respondents indicate that talent retention had a positive and significant influence on organization performance. Talent retention had the greatest influence on organization performance as compared to talent attraction, learning and development and career management. The study showed that the majority of the respondents agreed that they used effective leadership style and that they were careful on how they handled employee issues; their company had competitive compensation system in comparison to other organizations in the same industry which was a motivating factor.
to their employees, they had internal recruitment policy that helped to raise the loyalty and morale of their employees, their company flexible working hours was a motivating factor to their employees, their company ensured employee were satisfied and motivated all the time and that their company offered attractive non-monetary rewards to employees.

It can be concluded that workers compensation management matters a lot and should be a concern of the organization and employees. The results of this study indicated that workers place a great value on different rewards given to them by their employees. The current system at the commercial banks is not sufficient enough to consistently motive workers.

The study also found that when both financial and non-financial rewards are present at workplace, employees are motivated and so their job performance is improved and those efforts are reflected in the overall organization performance. In absence of adequate reward, workers would tend to express their displeasure through poor Performance and non-committed to their jobs. The study further highlighted that appropriate and consistent rewards to employees not only raise their motivation to work harder but also improves overall organization performance. In brief, this study has demonstrated that intrinsic rewards (social recognition and appreciation) and extrinsic rewards (salary, bonus and performance promotion) have an effect on employee and organization performance in the horticulture industry. These findings concur with those of Chijioke & Chinedu (2015) which indicated that that there was a positive relation between extrinsic and intrinsic reward towards the performance of employees.
5.2 Conclusion

From the study findings it can clearly be concluded that training and development is a major contributor towards the performance of horticulture industry businesses. The results also revealed that the training programs, staff appraisal and job rotation as indicators of training development have positive relationship with the performance of organizations in Kenya.

The findings demonstrated that succession planning strategy can be used to mobilize and manage staff in order to enhance performance of the horticultural industry organizations in Kenya.

Recruitment affects employee performance in the horticulture industry in Kenya to a very great extent because recruitment, or job advertisement, will attract applicants who are more qualified for the respective jobs to apply for the vacancies and once selected, they will be motivated and perform better since they understand their job descriptions.

Following thereof, the study concludes that recruitment practices have a positive linkage with employee performance in the cooperative sector in Kenya.

It may be concluded that the organization has put in place effective talent retention practices. This came after the realization that a company needs to invest in employee retention in order to be successful. This has been achieved through a good compensation package which involves, offering an attractive, competitive; benefits package with components such as life insurance, disability insurance and flexible hours motivates employees to commit themselves to an organization. It was concluded that talent retention had a positive and significant effect on organization performance. It may be concluded that Mara farming has not put in place effective talent retention practices. This
came after the realization that a company needs to invest in employee retention in order to be successful. This can be been achieved as per findings through effective leadership style, competitive compensation, internal recruitment policy, flexible working hours, Employee motivation and attractive, non-monetary rewards, in order to retain the right talent

5.3. Recommendations

The study recommends that organizations should make training and development of their employees a continuous activity because training helps to gain a competitive advantage more than just basic skill development.

The organization should also employ new recruitment sources such as networking websites, job websites, professional publications and campus recruitment. This will improve the attraction of staff because the employable age group makes more use of the internet than conventional media.

The company should also put up a proper performance system in place to be able to assess individual or team performance, which rewards them accordingly. This will encourage poor performers to pull their weight and be rewarded. People at different ages have different needs, and this should be taken in consideration when deciding what benefits to offer employees as it is better to give them a choice.
5.4. Recommendations for future studies

The study findings indicated a number of relevant issues that the research project did not investigate, but which might be significant for further research on the effects of succession planning on organization performance of family owned businesses. The study was only limited to four succession planning factors that affect the performance of the organizations in the horticulture industry in Kenya. Thus, more research should be carried out to determine other succession planning factors that affect performance. Factors such as competency of management, experience of successor and economic factors of the firm are recommended for future study.

In order to properly map out the expectations the key stakeholders have, a more wide-ranged research needs to be conducted which includes the government organizations and private sector.
REFERENCES


recruitment, retention and engagement within hospitality organizations. 


Appendix I:

Questionnaire

INSTRUCTIONS

Kindly answer the questions by putting a tick in the appropriate box and explaining further where need be. All the information provided will be kept strictly confidential and will only be used for the purpose of this study. Your participation is highly appreciated.

Section 1: Organizational Profile (Tick where appropriate)

a) Gender: Male □ Female □

b) Age: Below 21 years □ 21 – 30 years □ 31 – 40 years □ 41 – 50 years □

51 and above □

c) Designation: Senior Manager □ Middle-level Manager □
Coordinators

d) Highest Academic qualification:  Post Graduate ☐  Graduate ☐
                   Diploma ☐  Form Four Leaver ☐

e) How long have been working at this organization?

Less than 4 years ☐  5-10 years ☐  11-14 years ☐
Above 14 years ☐

Please indicate your level of agreement with the statements given below.

Where:  5 - Strongly Agree  4 - Agree  3 - Neutral  2 - Disagree  1 - Strongly Disagree.

Section 2: Training and development Statement

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>1. Employees that need learning and development are usually identified in my company.</td>
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<td>2. Coaching is normally done by the line managers in this company to ensure continuity and hence improved productivity</td>
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<td>3. Leadership skills developments are taken very seriously and business skill development is valued</td>
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<td>4. Training and development is key in ensuring improved organizational performance in Mara Farming.</td>
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Does training development have any influence on performance?

Yes ☐  No ☐
Section 3: Talent Recruitment

5. Recruitment is important in attracting talent which helps in overall improved organizational performance.

6. There is an internal recruitment policy in place which helps in raising loyalty and morale of our employees hence increased productivity.

7. The company's good working conditions and fair wages has enabled it to attract the right talents.

8. My organization strives to build a good brand image to attract key talented employees who can lead to improved organizational performance.

<table>
<thead>
<tr>
<th>Does talent recruitment affect performance?</th>
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<tbody>
<tr>
<td>Yes [ ] No [ ]</td>
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Explain……………………………………………………………………………………………………

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### Section 4: Talent Retention

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<tr>
<td>9. Retaining key talent has helped enhance organizational performance</td>
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<td>10. The company has invested in retaining key personnel in order to improve organizational performance.</td>
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<td>11. Employee retention strategies have enabled the organization to retain key personnel and enabled the organization improve overall performance.</td>
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<td>12. In-house training programs always bond employees and have contributed to retaining key talent in my organization.</td>
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**Does talent retention have any effect on performance?**

Yes [ ] No [ ]

Explain: .................................................................................................................................

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Section 5: Compensation management

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<td>13.</td>
<td>Compensation has a direct influence on the overall organization’s performance.</td>
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<tr>
<td>14.</td>
<td>Bonuses and incentives are benefits given to all employees based on their performance in my organization.</td>
</tr>
<tr>
<td>15.</td>
<td>Benefits and incentives have helped improve individual employees’ performance in the organization.</td>
</tr>
<tr>
<td>16.</td>
<td>The organization has invested in rewarding employees to help enhance organizational performance.</td>
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</tbody>
</table>

Does compensation management have any effect on performance?

Yes [ ] No [ ]

Explain: ..................................................................................................................................................

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Thank you for your cooperation