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Management

RELATIONSHIP BETWEEN TALENT MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE IN ISLAMIC BANKS IN KENYA

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Abstract

Stringent business environment, shareholders' expectations on financial returns and the realization of companies' goals are some of the factors that have led to team leaders embracing talent management initiatives at various places of work. Innovation, demographic changes, competition and the advancement in technology have made leaders lose highly able and skilled staff to their rivals. To minimize losing competent staff, organizations must set aside sufficient resources and time to embed talent management initiatives across their firms. The purpose of this study was to examine the relationship between talent management practices and organizational performance in Islamic banks in Kenya. The researcher adopted the following factors: recruitment, selection, learning & development and employee retention to examine their impact on organizational performance. The study targeted 100 respondents from the three Islamic banks in Kenya and used multivariate regression analysis to examine the relationships between the study variables. The researcher concludes that the three independent variables; recruitment, selection and learning & development strongly impact organizational performance but not for employee retention which has no impact on organizational performance. Therefore, if these organizations are to achieve their desired objectives, they must adequately address the factors identified in this study.

Keywords: Talent Management; Islamic Banking; Performance; Kenya.

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1. Introduction

The creation of companies' competitive advantage can only be effective if leaders and business owners allocate a considerable amount of capital to foster employee's skills and competencies. Managers must ensure that they act on the potential of their employees by attracting the best by demonstrating that they can offer a clear and exciting career path. This, on the other hand, will be

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commensurate with organizations employing highly qualified and talented employees. For talent management to be effective, commitment and discipline must play a significant role throughout the organization. This will ensure that all staff members engage fully in the process through frequent discussions and action-plans aimed at enhancing employee career objectives. Skoludova and Brodsky (2015) established that for an organization to be successful, it must have the following; competent employees, an increase in revenue, quality of services offered and the increase in market shares which are the indicators of a successful company.

Thunnisen, Boselie and Fruytier (2013) found that identifying, selecting, developing and retaining the best employees in the organization who perform consistently must be given the opportunity for capacity building to ensure their future roles, which is a general concern of talent management. Effective talent management requires the link between organizations' strategy and talent management policy. This will enable stakeholders to have a clear understanding of the organization's position in the market environment. Ideally, the business strategy must emphasize more on the product's overall goal and the firm's competitive advantage such that talent management traces the strategy through attracting, selecting and engaging qualified personnel for the identified gaps (Cameron & Pierce, 1996).

The lack of a highly talented and skilled workforce and competition makes the process of attracting and retaining talents one of the biggest concerns managers have globally (Bateman & Snell, 2011). Human capital, on the other hand, is made up of acquired skills and knowledge solely expressed through talents and aptitudes which must be utilized fully to achieve both the individual and organizational needs. The implication of this is that organizational productivity is generally dependent on the quality and quantity of its workforce (Bateman & Snell, 2011).

Companies that strive for competitive advantage should prioritize talent management initiatives as these drive organizational growth (Bateman, & Snell, 2011). Moreover, talented employees who make positive impacts on the overall organizational performance through their contribution must be rewarded and retained (CIPD, 2007). In other words, Organizations desiring competitive advantage over their rivals must have talent management initiatives that would drive organizational growth. Thus, HR leaders must align their talent management initiatives with overall business goals (Bateman & Snell, 2011). Sareen and Mishra (2016) argued that Organizational performance depends on how well companies manage and retain human resources. Ashton and Morton (2005) revealed that good talent management practices play an important role, especially when used to differentiate an organization's core competence and when its talent improves its strategy execution and operational excellence. Talent issues have undoubtedly been the most discussed agenda in meetings with organizations spending millions on the implementation of human resource information systems by revamping their HR processes. Talent management leaders still view talent management as a tactical problem instead of an integral part that requires top management support. Clark (2009) showed that in the next decade, there would be at most half a billion people working outside of their countries due to better remuneration packages. Furthermore the talent wars that emanated from the scarcity of competent staff have put retention strategies paramount to spearhead issues faced by organizations globally.

Despite this, most firms are yet to learn how to differentiate the approaches of talent management and the general HR programs with a great percentage of both local and multinational firms unable

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to come up with basic talent management strategies, which lay more emphasis on enhancing skills and competencies required for current and future gaps. As talent becomes more complex in this day and age, the capacity of an organization's ability to attract, develop, motivate and retain talent is expected to be a strategic issue for the 21st century's knowledge economies. Moreover, global demographics and economic forces have increased the mobility of people across world. As a result, it has led to a much wider diversity of culture, gender, working generation and various modes of employment like the introduction of flexible working hours, which was not practiced before (Casagrande, 2017).

A study conducted by the Malaysian World Islamic Finance Market place on Islamic finance talent development report in Africa (2016), established that staff who work in Islamic financial institutions must have a vast amount of expertise in the Islamic law (Shariah), finance and economic which will commensurate with the creation of employment and the overall enhancement of financial growth. Iqbal, Tahir, Aslam and Syed (2013) argued that it is hard to identify and breed staff with the right set of skills, attitudes and knowledge. Hence it is much easier to push staff to competition than to attract them, especially when looking for a unique set of skills.

In Canada, Hughes and Rog (2014) conducted a study on strategy for improving employee recruitment, retention and engagement within the hospitality industry. The proponents established whether recruitment, retention and employee commitment impact organizational goals. The study showed that top management buy-ins and their commitments are some of the strategies that help organizations control costs relating to searching for employees to fill vacant positions and engage staff considered competent. The study recommended that management should define talent management based on context. Top management supports and the linking of talent management initiatives are equally important.

Zakuan and Saian (2001) researched managerial selection practices in the Malaysian business environment using sample data from 62 small, medium and large business organizations. The researcher found that job application forms, individual's bio-data referrals and recommendations were some of the selection practices most companies used to identify the right candidates. The study further revealed that cultural dimensions had no impact on selection practices while assessment centers were greatly used across the Malaysian business environment.

In Nigeria, Ndibe (2017) examined the effect of staff learning and development focusing on Nigeria's top bottling companies. The study adopted a survey research design and used a questionnaire to collect data from 120 respondents. The information collected was analyzed and represented using tables. The results showed that employee training and development had a strong positive relationship with organizational goals achievement. The researcher concluded that the management team with the help of the human resources must adopt timely payments of salary as it will help focus more on deliverables than having to worry about unpaid bills.

On the subject of employee retention, Gicho (2015) researched the Eagle Africa Insurance Bookers in Kenya. The researcher adopted a descriptive research design with a sample consisting of 85 employees using questions derived from the objectives used in her study. Data were analyzed using descriptive and inferential statistics and presented using charts and bar graphs. The study concluded that the inability for management to pay sufficient bonuses, which matches the work

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done, and unrealistic work schedules are some of the reasons that make staff leave their places of work for better packages and flexible work environment.

Losing talented staff earmarked as high potential who are well conversant with Islamic law, finance, economics and who have been identified as successors to take up leadership roles when need arises to competition, has seen Islamic Banks in Kenya invest their capital by directing resources to persons identified as talent, only for them to leave to other organizations in search of fulfilling work opportunities, career progression and substantial pay. As a result, finding people who have the right competencies and capabilities to fill the gap has proven to be more costly, especially on total time spent during the recruitment process and for the new staff to blend into the new culture and work environment and be trained because Islamic Banking model requires employees to have specialized skills on Islamic law, finance and economics.

This study therefore sought to examine the relationship between talent management practices and organizational performance in Islamic Banks in Kenya. The following specific objectives were established.

- To assess the effects of recruitment on organizational performance in Islamic banks in Kenya.
- To examine the influence of selection on organizational performance in Islamic banks in Kenya.
- To investigate the influence of learning and development on organizational performance in Islamic banks in Kenya.
- To determine the effect of employee retention on organizational performance in Islamic banks in Kenya.

2. Theory and Hypothesis

This study adopted the following theories: the Herzberg two factor theory of motivation, the resource based view theory and the super's theory of individual's learning and development as described below.

Herzberg Two Factor Theory of Motivation

This theory was developed by Herzberg in (1959). Herzberg argued that for organizations to achieve employees' well-being as far as the role being carried out is concerned, job satisfaction is intrinsic and can be only be obtained from an individual assigned role or task. This is because the inability of a firm to provide individuals with an enabling work environment may be a result of unfulfilled job desires (Sharpe, Martin & Roth, 2011).

Wall, Wood and Leach (2004) revealed that job enrichment enables individual's play their strengths in the assigned roles. The proponents assert that job satisfaction is central and could only be obtained from an individual's workload. Failure for organizations to provide a conducive work environment may ultimately be a cause for unfulfilled job desires. Thus, job enrichment aims to enhance an individual skill variety, responsibility span hence minimize dissatisfaction, work rigidity, tediousness which may be a result of doing repetitive work. Whereas empowerment allows staff to have a say or input on matters pertaining their day to day assignments. The reason

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behind all this is to allow staff especially those in junior positions air their views and grievances (Yohe & Hatfield, 2003).

Resource Based-View Theory

The Resource-Based View was proposed by Barney (2003). He asserts that resources form an integral part of an organization, especially when business owners want to create a competitive advantage over their rivals. According to Helfat and Peteraf (2003), a resource refers to as an asset or input that assist in production, while a firm's capability refers to an organization's ability to carry out assigned roles and responsibilities – this could be the result of the utilization of the firms' resources aimed at achieving particular goals.

Rivard, Raymond and Verreault (1997) argued that any organization that waits to build or create an organization's competitive edge may do so by increasing its company's capacity to charge more for goods or services produced or offered to clients which in the long run will resonate to achieving the company's bottom line. The conceptual framework of the RBV helps establish important components of the theory that aid the understanding and application of the RBV. The foremost among the five components are the Resources. The resources here comprise assets, capabilities, organizational processes, available resources, communication and understanding of the organization's performance and commitment.

Supers Theory on Individuals Learning and Development

Super's theory on career development was promulgated in the 1950s. This theory does not only laid great emphasis on an individual's longevity to his choice on career and adaptations but also provides gradual transformation that the majority of individuals go through on various stages of their career lives (Super, 1969). The Supers' theory put forward some distinct phases of an individual's career lifecycle that are drawn from the exertion of sociologist and developmental psychologist who examined the various phases of a person's work and life respectively.

Osipow, Doty and Spokane (1985) argued that the Super theory pays little attention to social and economic factors which play an important role in an individuals' decision-making regarding life in general and career choices. Salomone (1996) on his review on supers' theory, showed that it is almost impossible to match Supers theory simply because of the continuous amendments Supers made over the years.

Empirical Literature Review

Recruitment, Selection and Organizational Performance

Ezeali and Esiagu (2010) defined recruitment as procedure organizations use to identify and employ competent staff to fill vacant positions aimed at driving the organization's strategic objective. Ekwoaba, Ikeije and Ufoma (2015), on recruitment and selection methods of companies performance in Nigeria, established that despite having a policy that governs and guides the recruitment processes, the researchers concluded that both recruitment & selection criteria had a strong significant relationship on organizational performance.

According to Rynes and Barber (1990), showed that larger companies with large amounts of capital have an added advantage over their juniors (Smaller Organizations) when it comes to the implementation of highly complex yet effective recruitment processes. Smaller Organizations, on

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the other hand, focused more on cost-effective methods such as referrals and advertising through various means as their best alternative.

Rees and Smith (2017) revealed that seven in ten organizations focused their recruitment and talent management practices to find talents in niche areas. Moreover, 50 percent developed more talent in-house and used new modes of technology to recruit. The proponents further revealed that in 2017, most Organizations anticipated a greater focus on developing more talent in house and shifting the focus on retaining rather than recruiting talents and investing more time and effort in the quality of candidates.

Learning and Development on Organizational Performance

Training is the systematic process of altering the behaviors and attitudes of staff aimed at enhancing both individual and organizational performance. According to Fanibuyan (2001), it can also be an organized activity aimed at the importation of knowledge which will help individuals attain the required level of knowledge or skill (Dabale, Jagero, & Nyauchi, 2014), whilst development involves preparing employees to cater for future roles (Obi-Anike, & Ekwe, 2014). Hafeez and Akbar (2015) state that every single industry must deal with activities that successfully attain their standard. In the words of Antonacopoulou (2000), employee development must be recognized by the employees who want to learn or are willing to learn and must show interest to learn. Samwel (2018) on his study conducted in Tanzania (Shinyanga and Mara regions) on selected companies majoring in drilling in Geita on how training plays a major role in organizational performance. He later used 219 respondents hence used a simple random & purposive sampling method. Again, questionnaires were used in the actual collection of data. Also, the results obtained were presented using tables. The researcher concluded that, for improved organizational performance, drilling companies must put in place a training and development policy and persons in charge of training should lay their great emphasis on management training. Kareem (2019) examined the impact of HRD on the effectiveness of organizations on government-owned institutes of higher learning. The researcher used a survey to collect data and examined using CFA (Confirmatory factor analysis) and SEM (Structured equation modeling). The researcher concluded that all variables used strongly impacted organizational performance human resource development and organizational development of 342 staff. Sanyal and Hisam (2018) studied training and development and the impact it has on individual performance in selected banks in Sultanate, Oman. They established that the variables used had a strong positive relationship on employee performance. This was done by gathering data on 300 employees and used regression analysis and ANOVA for analysis.

Employee Retention Strategies on Organizational Performance

Sandhya and Kumar (2011) viewed employee retention as a process of engaging staff to stay committed to an organization for his/her work life period. Peoples' issues have been assumed to be more important than they were years ago. Consequently, 68 percent of the leaders prefer the idea of breeding staff internally because it is cheaper and saves time when compared to hiring externally (Falola, Oludayo, Ignoba, Salau and Borishade, 2018).

A statistical report on talent retention in 2008, established that Employee turnover was arguably costly to an Organization with direct replacements costs ranging from 50 percent to 60 percent of an average employee annual salary. In addition, total costs associated with turnover ranged from

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90 percent to 200 percent annual salary. Needless to say, it is estimated that turnover related costs represents more than 12 percent pretax income for the average company and nearly 40 percent for Company's at the 75th percentile for turnover rate (Allen, 2008).

Employee recognition report was done by Sourchi and Liao (2015) on HR practitioners deduced that 40% of HR practitioners believed that cited staff turnover was their highest structural challenge tailed, which was closely followed by staff engagement at 39 percent, while 29 percent said they were most worried about finding replacement talent. Lastly, the findings on managing culture were at 24 percent respectively. Acquiring and retaining staff who poses the right competencies are some of the factors that give birth to talent scarcity. Labor shortage which is the result of insufficient learning programs, demographic shifts are what manpower equate it to lack of sufficient talent to cater to the growing needs of business worldwide.

3. Methodology

Research Design
This study used the descriptive research design to gather the research data simply because it is convenient and cost effective compared to other designs and can also convert qualitative data into qualitative data which is suitable for statistical analysis and presentation (Mugenda, 1999).

Study Population
The targeted population was made up of 100 employees obtained from the three Islamic Banks in Kenya, who work at the various departments such as; product development and Shariah Compliance (PDSC), retail banking, small & medium-size enterprises (SME's), corporate banking, credit (which constitute, risk, administration, and recoveries), treasury, human resources, and operations. Again, the researcher targeted various categories of staff in the three levels management positions which include; heads of departments, line managers, and junior staff respectively.

Data Collection Procedure
Before collecting research data, a recommendation letter was obtained from the school and research license was also attained from the national research authority NASCOSTI and attached to the questionnaires which were submitted to the respondents' offices and collected after some time. Confidentiality and the rights of withdrawal were observed.

Reliability and Reliability
To establish the validity of this study, questionnaires were designed in ways that questions asked agreed with the conceptual framework. The researcher first administered pilot testing to establish the reliability of the study. A summary of the results showing as per the Cronbach's alpha of the items tested are shown in Table 1 below.

Table 1: showing Reliability Analysis

Variable	**Cronbach's alpha**	**No of items**	**Verdict**
Recruitment	0.821	6	Reliable
Selection	0.712	6	Reliable
Learning and development	0.782	7	Reliable

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Employee Retention	0.701	6	Reliable
Organization performance	0.832	5	Reliable

Source: Research data (2019)

The analysis in table 1 suggests that the Cronbach's alpha values for all the study variables (dependent and independent) exceeded 0.7 thresholds. This indicates that the instruments employed were reliable enough to conduct the study and to make a conclusion.

Data Analysis Methods

The researcher used both inferential and descriptive statistics to analyze data obtained. For the quantitative presentation of results, SPSS version 22 was used to analyze the responses gathered from the questionnaires. For accuracy, consistency, and completeness of the data, questionnaires were re-examined to ensure it conforms to the study objective. Data collected was first classified, coded and then analyzed and presented using tables.

4. Results and Discussion

The study used mean and standard deviation to summarize data collected from the secondary records. ANOVA, regression analysis, and correlation statistics were also adopted to assess the relationship between the dependent and the independent variables.

Response Rate

This study targeted all staff who work in various departments and occupy the three management positions across the three Islamic Banks in Kenya. Emphasis was put on the heads of departments, line managers and junior staff who work in the Product Development and Shariah Compliance (PDSC), Retail Banking, Small & Medium Size enterprises (SME's), Corporate Banking, Credit (which constitute, Risk, Administration, and Recoveries), Treasury, Human Resources and Operations. A total of 80 questionnaires were administered to the mentioned staff who work in the three Islamic Banks in Kenya. The response rate was 56 out of 80 questionnaires administered, which was sufficient for analysis and to make a conclusion.

Distribution of respondents according to gender: the study established the gender distribution of the respondents. The results were summarized in table 2 below.

Table 1: Gender of the Respondents

Gender	Frequency	Percentage
Male	37	66
Female	19	34
Total	**56**	**100**

Source: Research Data (2019*)*

The breakdown in Table 2 implies that the three Islamic banks in Kenya had gender disparity with a ratio of 2:1 which suggests that 66% of the total population were men whilst females were at 34% respectively.

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Distribution by age brackets of respondents. The participants were asked to indicate their highest level of education. The results were summarized and presented in Table 3 below.

Table 2: Age brackets of the Respondents

Age brackets	Frequency	Percentage
21-25 years	1	1.78
26-30 years	10	17.88
31- 36 years	24	42.85
37-42 years	16	28.57
Above 42 years	5	8.92
Total	**56**	**100**

Source: Research Data (2019)

From the analysis in the above table 3 deduces that the majority of the respondents were in the age bracket of between 31-36 years, which amounted to 42.85%. Those in the age bracket of 37 and 42 years were 28.57%, while 42 above years was 8.92%. Age brackets between 26 and 30 years were 17.88%, while 21-25 years was 1.78%. The implication is that those in the Islamic Banks in Kenya were aged above twenty-five years.

Educational level: the respondents were requested to indicate their level of education. The results obtained were analyzed and presented in table 4 below.

Table 4: Educational level of participants

Education level	Frequency	Percentage
Diploma	14	24.98
Bachelors	30	53.57
Masters	10	17.88
PhD	2	3.57
Total	**56**	**100**

Source: Research Data (2019)

Findings in Table 4 indicate that 53.57% of the respondents had bachelor's degrees, 24.98% had a diploma, and 17.88% had a master's degree while 3.57% of the respondents had a doctorate. This shows that all participants who took active roles were well conversant with the jargon used hence were able to give reliable information that supports the objective of this study.

Distribution by working experience in the organization for the participants: Participants were asked to indicate the total number of years each one of them served while working for their employers. Results are summarized in table 5.

Table 5: Work experience in the organization

Duration	Frequency	Percentage
Below 2 years	4	7.14
2-6 years	30	53.58

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7-10 years	18	32.14.
Above 10 years	4	7.14
Total	**56**	**100**

Source: Research Data (2019*)*

The results shown above indicate that at most 53.58% of the respondents have worked in their respective companies between 2 and 6 years, 32.14% have worked for their respective companies between 7 – 10 years while 7.14% have worked for their respective companies below 2 years as well as those who have worked for their respective companies above 10 years. These findings are in agreement with the notion that gives a clear dispensation that all participants have a vast amount of experience and exposure enough and were conversant with the relationship between talent management practices and organizational performance in Islamic Banks in Kenya: therefore, they gave invaluable information for the study.

Management Level: the researcher asked the participating individuals to specify their levels of management positions. The results were analyzed and summarized in table 6 below.

Table 6: Level of Management

Management Level	Frequency	Percentage
Lower	27	43
Middle	13	27
Senior	16	30
Total	**56**	**100**

Source: Research Data (2019)

The results in Table 6 above imply that the lower-level management was at 43%, middle at 27%, and senior roles at 30%. This shows that the lower level management was in the majority, followed by senior-level management.

Working Experience in the Current Position: The participants were asked to indicate their work experience in their current positions regarding years spent in their current roles. The results were summarized and presented in table 7 below.

Table 7: Work Experience in Current Position

Age brackets	Frequency	Percentage
Below 5 years	13	23
5-10 years	27	49
11-15 years	11	20
Over 15 years	5	8
Total	**56**	**100**

Source: Research Data (2019*)*

The table above clearly shows that at most 49% of the participating individuals have been in their current roles between 5 and 10 years, 23% have operated in their current positions below 5 years, 20% have worked for their respective positions between 11-15years, while 8% have worked for

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their relevant companies between over 15 years. The implications of these findings show that the respondents have worked for a long time enough in their respective positions and were up-to-date with the relationship between talent management practices and organizational performance in Islamic Banks in Kenya; therefore, they gave invaluable information that supports the conclusion of the study.

Descriptive Statistics for Organization Performance: Participants selected for this research were asked to give their views and sentiments relating to organizational performance. The outcomes based on their responses are summarized below.

The results indicate that at a mean of 4.62, the majority of the respondents were in agreement that their organizations have put in place well-defined career plans which are congruent to both individual and organizational goals. This was closely followed by participants who agreed that they too have a well-defined articulated reward system aimed at awarding the best performers with an average score of 4.51. Those who sentiment about their organizations setting aside budget to automate most of their processes while ensuring continuous employee productivity had a mean of 4.29.

Descriptive Statistics for Recruitment: Individuals taking part in this research were asked to give comments on statements relating to employee recruitment. Their responses were analyzed below.

The results infer that most respondents agreed that their organizations have a robust graduate or management trainee programs that form part of their talent pool having a mean of 4.68, and a standard deviation of 0.543. This was followed closely by those who agreed that their organizations have set aside a substantial budget to cater for all the costs relating to external recruitments that include agencies with an average of 4.45. Redeployment scored the mean of 4.39, while promotion had the mean at 4.3 respectively.

Descriptive Statistics for Selection: The target respondents were asked to give their views and opinions on matters relating to employee selection. Their responses were analyzed and summarized below.

The majority of participants agreed that their organizations use knowledge-based tests to examine an individual understanding about the various aspects of a particular job with an average score of 4.68, followed by personality test which had the mean of 4.45 and preliminary screening before selecting appropriate candidates at an average of 4.39 respectively.

Descriptive Statistics for Learning and Development: All the participating candidates were asked to give their comments and opinions on statements relating to individual learning and development as their responses are illustrated below.

As learning and developments forms an integral part as far as having competent staff is concerned. When asked, respondents were positive to note that having a competent Manager whose main focus is on Learning and Organizational development to solely dwell on plan, monitor and manage

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companies training budget and programs was key with an average mean of 4.04 followed by mentorship at an average of 4.02 and job rotation for junior staff which had an average of 3.95.

Descriptive Statistics for Employee Retention Strategies: Participants were asked to share their sentiments on statements relating to employee retention as illustrated below.

Leaders globally are of the notion that employee retention has been a major hurdle for most organizations worldwide. With some spending so much on staff, they consider talent. Therefore, this study wanted to find out how individuals participants were in agreement with the above statements. The majority were in agreement that their organizations have put in place avenues where all staff can air out their grievances with an average score of 4.11, followed by 4.07 who agreed that their respective organizations have put in place mechanisms that promote work-life balance among employees having clear channels of communications, fairness, and equity with an average score of 3.66 and 3.57 respectively.

Correlation Analysis

The researcher used Pearson correlation analysis to show a linear association between the predicted and the result variables. The correlation analysis helped in establishing the strengths of the relationship in the model between the predictor variables and outcome variable as illustrated below.

Table 8: Relationship between Independent Variables

		Organization performance	**Employee Recruitment**	**Learning and development**	**Employee Selection**	**Employee Retention**
Organization performance	Pearson Correlation					
	Sig. (2-tailed)					
	N					
Employee Recruitment	Pearson Correlation	.812**				
	Sig. (2-tailed)	.000				
	N	56	56			
Learning and development	Pearson Correlation	.771**	.106**			
	Sig. (2-tailed)	.000	.000			
	N	56	56	56		
Employee Selection	Pearson Correlation	.649**	.104**	.127**		
	Sig. (2-tailed)	.000	.000	.000		
	N	56	56	56	56	
Employee Retention	Pearson Correlation	.681**	.112**	.131**	.112**	

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	Sig. (2-tailed)	.000	.000	.000	.000	
	N	56	56	56	56	56
****. Correlation is significant at the 0.01 level (2-tailed).**						

The results in table 8 indicate that there is a positive correlation between recruitment and organization performance in Islamic Banks in Kenya at a significance level of 0.05 and the strength is significant at 81.2%. The same findings showed a positive relationship between learning & development to organization performance at a significance of 0.05 and the strength is strong at 77.1%. The results further revealed that there is a positive correlation between employee retention and organization performance at a significance of 0.05 and the strength is at 68.1%. Employee selection was found to have a negative relationship with an organizational performance at a significant level of 0.05 and the strength at 64.9%.

Relationship between Dependent and Independent Variables

Table 9: Model Summary

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.887[a]	.787	.766	.230
a. Predictors: (Constant), Recruitment, Selection, Learning and development, Employee Retention				
b. Dependent Variable: Organization performance				

Source: Research Data (2019)

As shown in table 9, 78.8% of the variation in organizational performance can be explained by changes in Recruitment, Selection, Learning and development, and Employee Retention, leaving only 21.3% unexplained (error term).

Table 10: Relationship between Independent Variables

ANOVA[a]						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	9.845	4	2.461	46.433	.000[b]
	Residual	2.655	50	.053		
	Total	12.500	55			
a. Dependent Variable: Organization performance						
b. Predictors: (Constant), Recruitment, Selection, Learning and development, Employee Retention						

Source: Research Data (2019).

The probability value of $p<0.00$ reveals that the model was completely significant. Specifically, Recruitment, Selection, Learning and development, and Employee Retention combined significantly influence organization performance in the Islamic banks in Kenya.

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The F calculated at 5% level of significance was 46.433 since F calculated value is greater than the F critical value, this shows that the overall model was significant.

Table 11: Relationship between dependent and independent variables

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.728	1.188		.176	.176
	Recruitment	.302	.095	.176	.065	.005
	Selection	.131	.074	.065	.276	.021
	Learning and development	.274	.101	.276	.095	.000
	Employee Retention	.159	.255	.095	.176	.106

Dependent variable: Organization performance
Source: Researcher Data (2019)

Using the beta coefficient, the established regression model was as follows:

$$\mathbf{Y = 2.728 + 0.302X_1 + 0.131X_2 + 0.274X_3 + 0.159X_4}$$

The coefficients in table 11 showed that for every one unit rise in Recruitment, organization performance increases by 0.302 units other factors held constant; every one unit increase in selection, organization performance increases by 0.131 units other factors held constant; every one unit increase in Learning and development, organization performance increases by 0.274 units other factors held constant; every one unit increase in Employee Retention organization performance increases by 0.159 units other factors held constant.

The results of the regression analysis showed that recruitment had the maximum positive influence on organization performance, second was learning and development, employee Retention, and Selection. The distinct sign of the predictor variables was verified using a t-test. The finding revealed that recruitment, selection, learning, and development, were statistically and significantly related to organization performance at a p-value<0.05. While employee retention was not statistically and significantly related to the performance of Islamic banks in Kenya with p-value .106 >0.05.

5. Conclusion and Recommendation

The purpose of this study was to examine the relationship between talent management practices and organizational performance in Islamic banks in Kenya. Specific objectives were to assess the effects of recruitment on organizational performance in Islamic banks in Kenya; to examine the influence of selection on organizational performance in Islamic banks in Kenya; to investigate the influence of learning and development on organizational performance in Islamic banks in Kenya and to determine the effect of employee retention on organizational performance in Islamic banks in Kenya. The regression results found a significant relationship between recruitment, selection, and learning & development. Regarding retention, it was observed statistically insignificant to the organizational performance. This conclusion is in line with previous studies which suggest that

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recruitment strongly influences organizational performance together with selection and learning & development. The study, therefore, concluded that for Islamic banks in Kenya to produce the desired results and combat competitors' influence in the banking industry, they must put in place structures that would address the issue of recruitment in its full effect. Similarly, if these banks are to perform to expectations, they must institute measures that would properly address various methods used in selecting future employees. The same approaches must also be used for learning & development and employee retention. These results are achievable if the managers of the Islamic banks in Kenya are committed to addressing these factors identified in this study.

This study recommends that for organizations to adequately control the recruitment shortages, companies must strive to put in place policies and procedures that touch on multi-skilling, or preparing staff to tackle senior roles when the need arises by giving them acting appointments or through job shadowing. In addition, HR practitioners must work together with line managers to ensure that each staff has a well-defined career plan aimed at providing the right competencies for each individual’s current or future roles. Job rotations, coaching and mentoring are some of the avenues line managers may use to prepare staff for bigger roles when the need arises. Managers must put in place practical succession plans for roles considered critical, especially when dealing with an aging workforce scheduled for retirement in the next four or five years’ time. Finally, HR must set aside sufficient budget to cater for costs relating to external recruitment and graduate or management trainee programs which ideally will form part of an organization's talent pool.

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