
**TALENT MANAGEMENT CAPABILITY AND ORGANIZATIONAL PERFORMANCE
OF REFERRAL HOSPITALS IN KENYA**

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Abstract

The public health sector is essential to the status and stability of national and regional economies by providing quality and universal health services. However, there is limited consensus on how talent management capability influences the performance of healthcare facilities. The study sought to assess relationship between talent management capability and organizational performance of referral hospitals in Kenya. This study used a descriptive research design. The unit of analysis comprised of referral hospitals in Kenya both national and county. The unit of observation was 159 individuals from the referral hospitals in Kenya. The study conducted a census survey. This study used primary data, which was collected by use of semi-structured questionnaires. A pilot test was conducted to test the validity and reliability of the research instrument. The quantitative data in this research was analyzed by descriptive statistics and inferential statistics using Statistical Package for Social Sciences (SPSS version 24). Data was then presented in tables, charts and graphs. Thematic analysis was used in qualitative data analysis from the open ended questions. The results from qualitative data analysis were presented in a narrative form. The study also used a regression analysis to establish the relationship between the independent variable and dependent variables. The study revealed that talent management capability has a significant and positive effect on organizational performance of referral hospitals in Kenya. The results showed that organizational structure has a statistically significant moderating effect on the relationship between talent management capability, and the organizational performance of referral hospitals in Kenya. The study recommends that referral hospitals in Kenya should give fully paid scholarship to workers who want to advance their studies to help them acquire new knowledge and skills which they can use to improve and the organizational performance.

Key Words: *Talent Management, Performance, Health Facilities, Organizational Structure*

INTRODUCTION

Health services delivery is an important component of healthcare in society at large, and organizations that are involved in the business naturally strive to see that their performance meets patient's expectations, which in this case is recovery from poor health (Sayinzoga &

Bijlmakers, 2016). However, in comparison to developed countries, performance of public health in low-income and developing countries has been poor and slowly developing to meet health needs of populations. In addition, hospitals in most developing countries do not have the money and competent staffs they need to take care of patients and no money to update their equipment and obtain information system (Giniunienea & Jurksiene, 2015). The need for effectiveness, changes in economy, efficiency, market concerns and performance evaluation call for changes in the healthcare sector through the utilization of Dynamic Capabilities (DC) such as talent management capability.

Talent management capability refers to an organization's capacity to effectively attract, develop, retain, and deploy its workforce's skills and talents to achieve strategic objectives and long-term success. It encompasses a set of strategic and operational practices aimed at identifying, nurturing, and maximizing the potential of individuals within the organization (Kaleem, 2019). Talent management capability is an ongoing process in the healthcare sector. Effective talent management not only improves patient outcomes but also contributes to the overall success and sustainability of healthcare organizations.

In the United States, talent management capability in the healthcare sector is a critical component of ensuring high-quality patient care and the efficient operation of healthcare organizations. The healthcare sector faces unique challenges related to talent management due to factors such as the need for highly skilled professionals, rapidly changing healthcare regulations, and the importance of delivering patient-centered care (Tetik & Zaim, 2021). In Pakistan, Rehman and Zafar (2017) observed that talent management capability enables health facilities to respond to changing patient needs, regulatory requirements, and emerging healthcare trends. They improve service delivery, enhance operational efficiency, and enable organizations to remain competitive. However, health facilities in Pakistan need to invest in staff training to enhance their capabilities.

In Ghana, Quagraine, Li and Nana (2021) indicate that effective talent management in the healthcare sector in Ghana is a strategic imperative. It not only contributes to improved patient care and outcomes but also enhances the competitiveness and overall performance of healthcare organizations. In Rwanda, Nshimiyimana (2021) observed that dynamic capabilities such as talent management capability involved the ability to innovate new financial products and services. Firms dealing with financial services often serve low-income and underserved populations, and they must be able to create financial products and services that meet the unique needs of these customers. In the dairy sector in Kenya, Hassan (2016) established that dynamic capabilities like talent management had a significant influence on the performance. Among banks, Odwaro, Abongo and Mise (2022) observed that talent management capability in commercial banks in Kenya plays a crucial role in driving organizational performance and maintaining a competitive edge in the banking industry.

Statement of the Problem

The healthcare sector plays a significant role in Kenya's economy, aligning with the Sustainable Development Goals (SDGs) and the Vision 2030 development agenda (Ministry of Health, 2021). A robust healthcare sector promotes a healthier workforce. Healthy workers are more productive, reducing absenteeism and improving overall economic productivity (Mulaki & Muchiri, 2019). The sector also directly contributes to achieving SDG 3 by providing access to quality healthcare services, reducing maternal and child mortality, and combating diseases like

HIV/AIDS, malaria, and tuberculosis. Kenya's Vision 2030 recognizes the importance of the healthcare sector within its social pillar (Dinda & Ojera, 2016). The vision aims to provide accessible, affordable, and quality healthcare services to all Kenyans.

According to World Health Organization (2022), the health sector in Kenya is characterized by poor provision of services due to inadequate financing, inadequate medical supplies as well as inadequate and demotivated workforce. According to Mulaki and Muchiri (2019), patient satisfaction, turnaround time and efficiency in health care services delivery remain low. The level of patient satisfaction in County referral hospitals was 67.8%, which is lower than the acceptable customer satisfaction score of between 75% and 85% as indicated by Li, Zolbin and Krimmer (2022). In addition, the waiting time in County health facilities in Kenya (55.3 minutes) was higher than waiting time in health facilities in Rwanda and Uganda, which is 47 minutes and 43 minutes, respectively (World Health Organization, 2022).

Talent management capability is integral to the success of healthcare organizations in navigating the complexities and changes in the healthcare environment (Gile, Samardzic & Klunder, 2018). It helps in building a skilled, adaptable, and motivated workforce that can deliver high-quality care, respond to challenges effectively, and contribute to improved patient outcomes and satisfaction. Orwa and Njeri (2017) found that talent management capability has a positive influence on organization performance in public institutions. In the healthcare sector, there is limited consensus on how talent management capability influence the performance of healthcare facilities as the concept of talent management capability in the health sector has not been adequately studied. It is therefore important to assess the influence of talent management capability and performance of health facilities in Kenya.

Studies conducted in Kenya on talent management capability and organizational performance, have been limited to firms within the private sector, have used different methodologies. For instance, Wamwangi and Kagiri (2018) examined the purpose of talent management programmes on Deloitte East Africa staff performance and Orwa and Njeri (2017) evaluated on impact of talent management skills on performance of the Kenyan Public Sector. However, these studies were conducted in Deloitte East Africa and Kenya Commercial Bank. The findings of these studies cannot, therefore, be used in the public health sector due to differences in regulatory framework, objectives and expected outcomes of these institutions from those of the public health sector in Kenya. This study therefore examined how talent management capability influences the performance of referral hospitals in Kenya as moderated by organizational structure.

H₀₁: Talent management capability has no statistically significant influence on organizational performance of referral hospitals in Kenya

H₀₂: Organizational structure has no statistically significant moderating effect on the influence of talent management capability on organizational performance of referral hospitals in Kenya

Theoretical Review

This study was anchored on the resource-based view theory. This theory was developed in 1991 by Barney. The RBV theory focuses on highlighting organization's competitive advantage. It indicates that firms can only gain competitive advantage through utilization of resources as well as capabilities available in the organization. RBV focuses on internal resources of an organization as a way of organizing processes as well as acquiring competitive advantage. As

stated by Barney, for resources to have potential as bases of sustainable competitive advantage, they ought to be valuable, not substitutable, rare and imperfectly imitable (Kaleem, 2019).

Kaleem (2019) indicated that resources are different from capabilities in that capabilities are non-transferrable special resources of the firm and are specifically for a certain organization. The key function of these resources is to ensure proper functioning of the other resources owned by the company. Resources refer to all the assets that a certain firm owns while capabilities are the abilities owned by the firm which facilitate usage of the firm resources. Firm capabilities originate from the building process of the company's resources. Firm resources are among the key determinants of the firm success. A company is most likely to succeed if the available resources are in line with the operations and the strategies of the firm (Ingram & Gloda 2016). In this theory an organization is known in terms of the available resources as well as capabilities. It facilitates the understanding on firms and their role in the market (Obiedat, Yassin & Masadeh, 2018).

The advocates of RBV theory indicate that in an organization competitive advantage can only be provided by valuable resources. The theory insists on the internal factors which are at the control of the firm rather than concentrating on the external factors which cannot be controlled by the firm (Dayel, Debrah & Mulyata, 2020). In a firm competitive advantage is only built through use of both firm capabilities and resources. The uniqueness of resources in a company defines the competitive position of the firm. All firms are not equal since they have different resources as well as capabilities.

One criticism of RBV is the lack of a clear and universally accepted definition of resources. The theory encompasses a wide range of tangible and intangible assets, including physical, financial, human, and intellectual resources. However, there is no consistent framework for identifying and measuring resources, which can make it challenging to apply the theory consistently across different contexts (Ingram & Gloda 2016). RBV primarily focuses on static resources and their contribution to competitive advantage, but it may not adequately address the dynamic nature of industries and firms.

In line with the present study RBV was employed to examine association between talent management capability and organizational performance of referral hospitals in Kenya. This theory focuses on organizations' internal resources as a way of organizing processes as well as acquiring competitive advantage. As stated by Barney, for resources (human resource) to hold capability as basis for sustainable competitive advantage, they ought to be rare, valuable, imperfectly imitable and not substitutable.

Conceptual Framework

The study sought to examine relationship between talent management capability and organizational performance of referral hospitals in Kenya. The study independent variable was talent management capability, the moderating variable was organizational structure and the dependent variable was organizational performance of referral hospitals in Kenya.

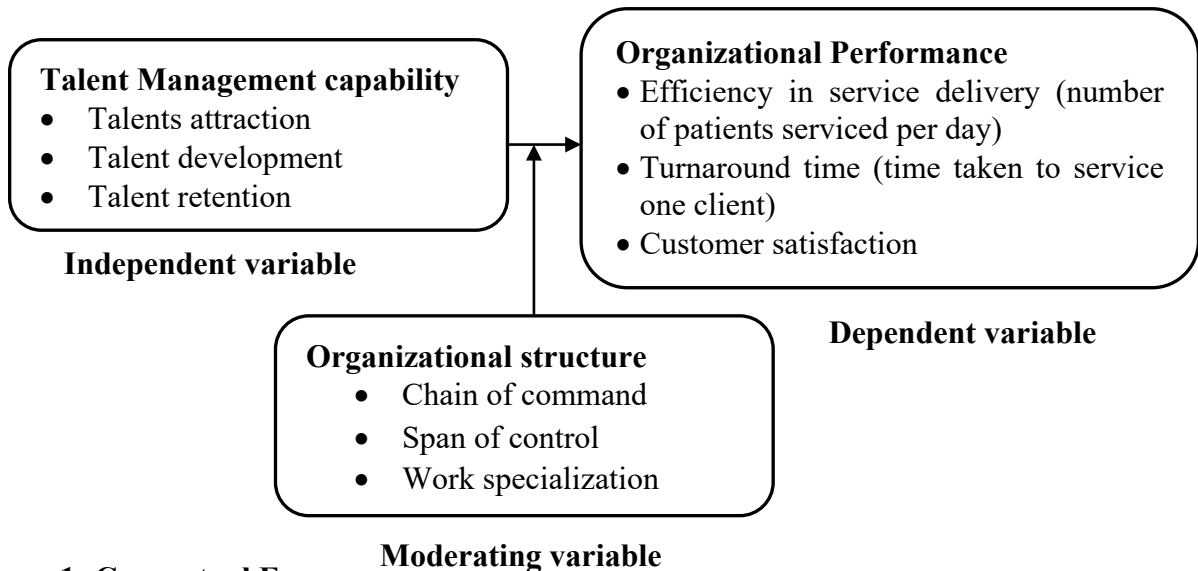


Figure 1: Conceptual Framework

Empirical Review

Kaleem (2019) performed a survey on effect of talent management on employee performance in public sector organizations in UAE. The core study function evaluates, ways in which talent management practices can enhance the productive performance as well as employee’s satisfaction, rather than of being a process of reinforcing, hiring and evaluating aptitude. Moreover, attempts have been done to retain, attract, reward and develop employees. This study focuses on valid descriptive hypotheses data, based on data gathered via employees of national organizations of UAE. A pre-planned survey has been employed on a sample of above200 employees operating in distinct organizations for the purpose of gathering primary data. The study results finding found that employees’ motivation, satisfaction, creativity and competency are influenced by talent management practices.

Obiedat, Yassin and Masadeh (2018) investigated direct impact of talent management on organizational effectiveness within health sector in Jordan. The study targeted all working staffs at all levels, from managerial and medical domains with 3512 workers, a quantitative research design as well as regression analysis were deployed to a convenience sample of 251 valid returns that were obtained through a questionnaire, applied among staffs from JCI accredited Jordanian private health care. The findings showed a strong positive association between research variables; talent management as well as organizational effectiveness; talent management with its dimensions; attract talent, maintain, as well as develop talent, have a significant impact on organizational effectiveness. Moreover dimensions of organizational effectiveness including job satisfaction as well as organizational engagement were positively significantly linked to each other.

Gile, Samardzic and Klundert (2018) examined effect of talent management skills on hospital performance within Sub-Saharan Africa. The study relied on secondary data. Searching in 7 databases (Embase, MEDLINE, Cochrane, Web of Science, PubMed, Google Scholar, CINAHL)

generated 2252 hits and 111 included researches that represent 19 out of 48 SSA countries. Moreover, from a HRM perspective, the literature shows that talent management skills affect four different group of performance outcomes: (individual) worker, team, patient and organization (as a whole) outcomes. Employee and organizational outcomes are regularly researched, whilst team and patient outcomes are significantly less studied. Evidence of the impact of talent management skills on patient outcomes, mostly likely mediated via HRM outcomes, currently primarily builds on studies beyond the SSA and with low quality evidence studies within SSA setting.

In Kenya, Orwa and Njeri (2017) evaluated on impact of talent management skills on performance of the Kenyan Public Sector. Further, the study deployed descriptive research design and targeted 159 management staffs working at KBC. A stratified random sampling technique was deployed to choose a total of 61 respondents. Moreover, the study findings revealed that talent management skills influence organization performance. However the study revealed that career management is an element influencing talent management in public institutions in Kenya. Further working environment is also a factor the influence talent management in public institutions. The study concluded that organizational culture, reward system, career management, and working environment affect talent management in public institutions.

Wamwangi and Kagiri (2018) examined the purpose of talent management programmes on Kenyan staff performance. Descriptive research design was applied targeting 218 staffs at Deloitte East Africa that were located within Nairobi. Moreover, stratified random sampling was deployed to choose a sample of 141 participants. The results found that acquisition of talent was a significant positive forecaster of staff performance. Further, findings revealed that talent development was a significant positive forecaster of staff performance. Additionally, retention of talent had a significant positive impact on staff performance.

Research Methodology

This study adopted a positivism research philosophy and a descriptive survey research design. This study deployed descriptive research design since it gave an opportunity for analyzing qualitative as well as quantitative data in so as to determine population or phenomenon features under study. The target population of the study was 47 County referral hospitals and 6 national referral hospitals in Kenya. The unit of observation was 159 individuals that comprised of 47 County referral hospitals' CEOs/Chief administrators, 47 County referral hospitals' Medical/clinical services in charge, 47 County referral hospitals' nursing in charge, 6 national referral hospitals' CEOs/Chief administrators, 6 national referral hospitals' Medical/clinical services in charge and 6 national referral hospitals' Nursing in Charge. Since the target population of the study is small, the study conducted a census, which means the whole population was involved in the study.

This study employed both primary as well as secondary data. Secondary data was acquired from yearly reports of the health facilities and County Governments. The study used semi-structured questionnaires to collect primary data. The questionnaires comprised of both open ended and closed ended questions to enable participants to express their different view without feeling restricted by the researcher. The unstructured questions on the other hand were used as they motivate participants to provide felt and in-depth answers without feeling hindered in disclosing any information.

A pilot test was conducted with 16 staff (10% of sample size) of Khunyangu Sub-County hospital. According to Bryman (2013), when performing a pilot test, researcher should use 10% of sample size. The study used three types of validity: content validity, face validity and construct validity. The content validity of the study was improved through seeking experts' opinions in the area of study, specifically the supervisors. The face validity of research tool was improved by conducting a pilot test and also changing any ambiguous and unclear question. Construct validity was assessed by use of average variance explained. Reliability of the research instrument was measured using Cronbach's alpha. A Cronbach's alpha value of 0.7 was deemed as acceptable. The pilot test results showed that the research instrument was valid and reliable.

Both quantitative data and qualitative data were generated by use of semi-structured questionnaires. Thematic analysis was used in qualitative data analysis from the open ended questions. The results from qualitative data analysis were presented in a narrative form. Descriptive as well as inferential statistics were used to analyze quantitative data with the support of Statistical Package for the Social Sciences (SPSS) version 24. Descriptive statistics comprised of percentages, mean, frequency distribution and also standard deviation. Inferential statistics consisted of univariate regression analysis. Testing of hypothesis was conducted using p-value since it gives more insight into the significance of a decision and helps in decisions concerning null hypothesis. Linear regression analysis was used in ascertaining the relationship between the independent variable and the dependent variable. Before conducting regression analysis, diagnostic tests were performed to test main assumptions, which include linear relationship, multicollinearity, auto-correlation as well as homoscedasticity.

The linear regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where; Y = Organizational performance in referral hospitals in Kenya; β_0 = Constant; β_1 = Beta Coefficients of determination; X_1 = Talent management capability; ε = Error term (errors in the estimation of X_1 and y)

Moderation analysis was computed by use of hierarchical regression, whereby compounded standardized scores of talent management capability; denoted as X_2 in the moderation model and organizational performance of referral hospitals relationship was computed first, followed by (organizational structure-Moderator-M), then lastly, interaction term, subsequently. The moderation analytical equation model based on hierarchical regression analysis is;

$$y = \beta_0 + \beta_2 X_2 + \beta_3 M + \beta_4 (X_2 * M) + \varepsilon$$

Where: y = Organizational performance of referral hospitals in Kenya; β_0 is constant; β_2 is the beta coefficient of X_2 (compounded scores of Talent management capability); β_3 is the beta coefficient of the moderator (organizational structure); M is the hypothesized moderator (organizational structure); β_4 is the beta coefficient of ($X_2 * M$); the interaction term between compounded scores of Talent management capability X_2 and the moderator (organizational structure); ε is an error term; (errors in the estimation of X_2 , M and y)

RESEARCH FINDINGS AND DISCUSSIONS

The sample size of this study consisted of all the 159 individuals that comprised of 47 County referral hospitals' CEOs/Chief administrators, 47 County referral hospitals' Medical/clinical services in charge, 47 County referral hospitals' nursing in charge, 6 national referral hospitals' CEOs/Chief administrators, 6 national referral hospitals' Medical/clinical services in charge and 6 national referral hospitals' Nursing in Charge.

Table 1: Questionnaires' Response Rate

Unit of analysis	Unit of observation	Sample Size	Responses	Percent
County referrals (47)	CEOs/Chief administrators	47	40	85.11
	Medical/clinical services in charge	47	42	89.36
	Nursing in Charge	47	39	82.98
National referrals(6)	CEOs/Chief administrators	6	5	83.33
	Medical/clinical services in charge	6	5	83.33
	Nursing in Charge	6	4	66.67
Total		159	135	84.90

Out of the 159 questionnaires that were distributed, 135 questionnaires were fully filled and returned to the researcher hence providing a response rate of 84.90%. Babbie (2017) suggests that 75 percent response rate is adequate for data analysis, drawing conclusions as well as making recommendation. This denotes that 84.90% response rate was adequate for data analysis.

General Information

The general information of the respondents comprised of the job description and duration of working in the current position.

Job Description

The respondents were required to specify their job description. The findings were as shown in Figure 2.

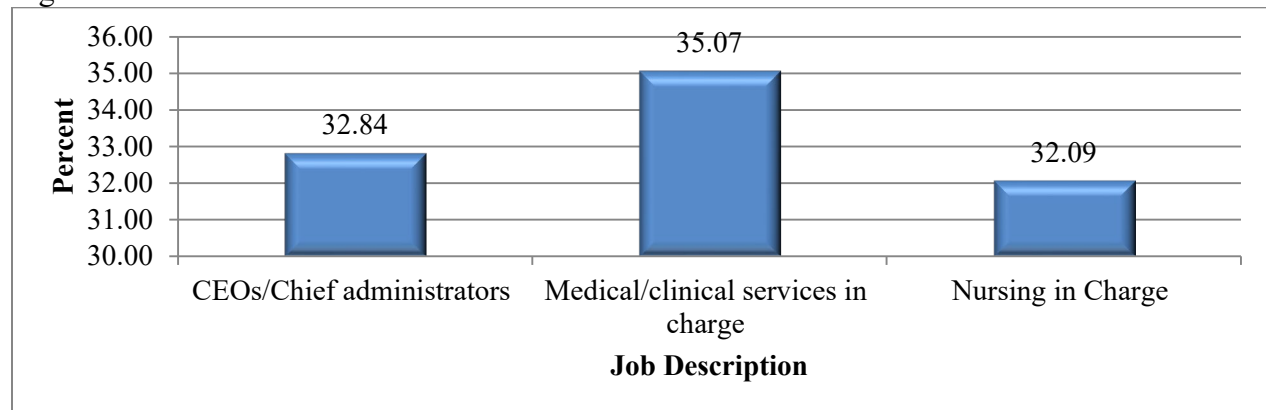


Figure 2: Job Description

As shown in Figure 2, 35.07% of the respondents revealed that they were medical/clinical services in charge, 32.84% were CEOs/Chief administrators and 32.09% were nursing in charge. This implies that individuals in all job categories participated in the study.

Duration of Working in the Current Position

The respondents were required to indicate the duration in which they have been working in the current position. The findings were as presented in Figure 3.

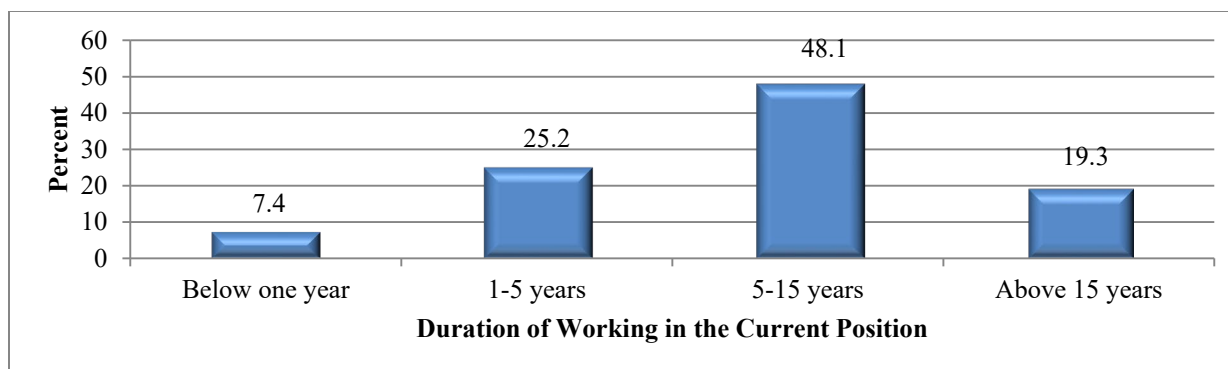


Figure 3: Duration of Working in the Current Position

According to the findings, 48.1% of the respondents pointed out that they have been working in the current position for between 5 and 15 years, 25.2% indicated for between 1 and 5 years, 19.3% indicated for more than 15 years and 7.4% indicated for less than 1 year. This means that most of the respondents have been working in the current position for more than 5 years and therefore, they had adequate information on dynamic capabilities and organizational performance of referral hospitals.

Talent Management Capability

The respondents were as well asked to indicate their level of agreement with various statement concerning talent management capability of referral hospitals in Kenya. The findings were as presented in Table 2.

Table 2: Aspects of Talent Management Capability

	Mean	Std. Deviation
In our organization, there is a process of recognizing current staff that have the potential to excel in their career	3.867	0.700
Competency mapping aid in identification of individual's training needs and performance appraisals.	3.985	0.598
There is a platform for comparing the present and desired level of skills and competencies of staff in the organization	3.933	0.755
On-job training enables staff to familiarize with the working environment as they feel they are part of it	4.230	0.610
There is a method of teaching the skills, competencies and knowledge required for employees to carry out a particular job within the place of work	3.770	0.810
Our organization sponsors training of the employees	3.207	1.052
Our organization provide competitive salaries to employees	2.459	1.042
Provision of incremental bonuses improves the morale of staff with respect to attaining organizational goals.	3.615	0.930
Job promotion involves advancement in terms of benefits, salary and designation.	4.082	0.702

The respondents agreed with a mean of 3.933 (SD=0.755) that there is a platform for comparing the present and desired level of skills and competencies of staff in the organizations. The respondents agreed with a mean of 3.985 (SD=0.598) that in their organization, competency

mapping aid in identification of individual's training needs and performance appraisals.. The respondents also agreed with a mean of 3.867 (SD=0.700) that in the organizations, there is a process of recognizing current staff that have the potential to excel in their career. These findings conform to Kaleem (2019) findings that recognizing staff that have the potential to excel in their career enhances the employees' ability to attain their goals.

With a mean of 4.230 (SD=0.610), the respondents agreed that on-job training enables staff to familiarize with the working environment as they feel they are part of it. These findings are in line with Wamwangi and Kagiri (2018) arguments that talent development programmes like on-job training enables staff to familiarize with the working environment and is a significant positive forecaster of staff performance. In addition, they agreed with a mean of 3.770 (SD=0.810) that there is a method of teaching the skills, competencies and knowledge required for employees to carry out a particular job within the place of work. Nonetheless, the respondents were neutral that the organizations sponsors training of the employees as shown by a mean of 3.207 (SD=1.052).

The respondents agreed with a mean of 4.082 (SD=0.702) that job promotion involves advancement in terms of benefits, salary and designation. Moreover, they agreed with a mean of 3.615 (SD=0.930) that provision of incremental bonuses improves the morale of staff with respect to attaining organizational goals. These findings are in line with Orwa and Njeri (2017) discoveries that incremental bonuses improve the morale of staff and enable them to attain organizational goals. Nonetheless, the respondents disagreed with a mean of 2.459 (SD=1.042) that the organization provide competitive salaries to employees

The respondents were requested to specify the challenges faced with reference to implementation of talent management capability in the organizations. The respondents indicated that long working hours creates minimal room for personal growth and extra training and specialization, there is employees stagnation leading to high employee turnover rate, employees have no experience with technology, the health workers are overworked, stressed and worn out and there are insufficient resources leading to inadequate salaries, bonuses and other remunerations which demotivates employees. The respondents revealed that time for talent is not allocated, there is no structured way of recognizing talents, there is lack of proper follow up after identification of training needs, there are no adequate funds to help advance the talents, talent attraction and retention strategies adopted by the facility are not effective enough, salaries are not competitive and there is no budget for training employees.

Organizational Performance

The respondents were required to indicate their level of agreement with various statements regarding organizational performance of referral hospitals. The findings were as presented in Table 3.

Table 3: Aspects of Organizational Performance

	Mean	Std. Deviation
Medical equipment in our health facility are available	3.844	0.762
Number of out-patients serviced per day has been increasing	3.911	0.717
Number of in-patients serviced per day has been increasing	3.763	0.765
Turnaround time is very low	3.578	0.805
There is little queuing in the hospital	3.763	0.964

There are few customer complaints regarding the turnaround time	3.622	0.809
Customers are satisfied with the duration of time it takes for them to be serviced in the health facility	3.370	0.844
Customers in our health facility are satisfied with the doctors advice	3.904	0.656
Our customers always return to the health facilities for treatment or health advice	3.948	0.627

The respondents agreed with a mean of 3.911 (SD=0.717) that number of out-patients serviced per day has been increasing. Furthermore, they agreed that the medical equipment in the health facility are available as shown by a mean of 3.844 (SD=0.762). These findings are contrary to Mukuna (2016) findings that health facilities in Kenya lack infrastructure and key equipment. Furthermore, they agreed with a mean of 3.763 (SD=0.765) that the number of in-patients serviced per day has been increasing. In addition, the respondents agreed that turnaround time is very low as shown by a mean of 3.578 (SD=0.805).

The respondents agreed with a mean of 3.948 (SD=0.627) that their customers always return to the health facilities for treatment or health advice. Moreover, the respondents agreed with mean of 3.904 (SD=0.656) that customers in their health facility are satisfied with the doctors advice. With a mean of 3.763 (SD=0.964), the respondents agreed that there is little queuing in the hospital. The respondents further agreed with a mean of 3.622 (SD=0.809) that there are few customer complaints regarding the turnaround time. Nonetheless, the respondents were neutral that customers are satisfied with the duration of time it takes for them to be serviced in the health facility as shown by a mean of 3.370 (SD=0.844). These findings are contrary to Ndambuki (2013) findings that patient satisfaction, turnaround time and efficiency in health care services delivery remain low.

The respondents were asked to indicate the challenges faced with reference to organizational performance in the organization. The respondents noted that there is low manpower in relation to patients, diminishing work morale due to workload, lack of adequate personnel, poor medical infrastructure, regular breakdown of medical equipment or lack of reagents, long admission procedure, lack of proper communication channels and lack of motivation. These findings are in line with Mukuna (2016) findings that 80% of public hospitals have no real plans for motivation of employees and talent management even though they reported significant problems in retaining specialist workers. These findings conform to the Ministry of Health (2018) reports that the health facilities in Kenya are characterized by shortage of staff and hence, at times, the management recruit interns and other unqualified staff. In addition, the respondents indicated that there are very long queues in the health facility and some of the patients go unattended. Moreover, the health facilities have a shortage of medicine in the health facility, there is shortage of medicine and the hospitals are serving a big area/population.

Table 4 shows the average turnaround time and patient satisfaction index in referral hospitals in Kenya.

Table 4: Turnaround time and Patient satisfaction index in Health Facilities

	Turnaround time	Patient satisfaction index
2016	60.7	63.7
2017	58.2	70.8
2018	49.8	72.8
2019	52.7	64.9

2020	55.3	62.8
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From the results, the average turnaround time in referral hospitals in Kenya in 2016 was 60.7 minutes, which decreased to 58.2 minutes in 2017, 49.8 minutes in 2018, but increased to 52.7 minutes in 2019 and 55.3 minutes in 2020. The average patient satisfaction index was 63.7 in 2016, which increased to 70.8 in 2017 and 72.8 minutes in 2018. In 2019, the patient satisfaction index decreased to 64.9 minutes and 62.8 minutes in 2020.

Regression Analysis

A univariate analysis was conducted to investigate the influence of talent management capability on organizational performance of referral hospitals in Kenya. The null hypothesis stated:

H₀₁: Talent management capability has no statistically significant influence on organizational performance of referral hospitals in Kenya

Table 5 shows the r-squared for the relationship between talent management capability and performance of referral hospitals.

Table 5: Model Summary for Talent Management Capability and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670 ^a	.448	.444	.33593

a. Predictors: (Constant), Talent Management Capability

The r-squared for relationship between talent management capability and performance of referral hospitals in Kenya was 0.448. This implies that talent management capability explains 44.8% of the variation in the performance of referral hospitals in Kenya. This further shows that 55.28% of the variation in the performance of referral hospitals in Kenya is accounted for by other factors not included in the model, and the error term.

Table 6 shows the significance of the model for the relationship between talent management capability and performance of referral hospitals in Kenya.

Table 6: ANOVA for Talent Management Capability and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.203	1	12.203	108.137	.000 ^b
	Residual	15.009	133	.113		
	Total	27.212	134			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Talent Management Capability

Table 6 shows that the value of F-calculated (108.137) was higher than the value of F-critical (3.871), and the p-value (0.000) was below the significance level (0.05). This indicates that the model fits the data well. The null hypothesis was therefore rejected, and the alternate hypothesis adopted. Therefore, the research study established that the talent management capability significantly influences the performance of referral hospitals in Kenya.

Table 7 shows the regression coefficients for relationship between talent management capability and performance of referral hospitals in Kenya.

Table 7: Regression Coefficients for Talent Management Capability and Performance

Model		Unstandardized Coefficients	Std. Error	Standardized t Coefficients	Sig.
		B		Beta	
1	(Constant)	1.346	.232		5.793
					.000

Talent Management Capability	.651	.063	.670	10.399	.000
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a. Dependent Variable: Organizational Performance

The regression model, derived from the research study results as presented in Table 7, is:

$$Y = 1.346 + 0.651X_1$$

Regression analysis results showed that talent management capability has a positive and significant effect on organizational performance of referral hospitals ($\beta_1=0.651$, $p\text{-value}=0.000$). The beta coefficient was not zero and the $p\text{-value}$ was 0.003, which was less than the significance level of 0.05. Therefore the null hypothesis (H_{01}) was rejected and the alternative hypothesis (H_{a1}) was accepted and hence there is statistically significant influence of talent management capability on organizational performance of referral hospitals in Kenya.

Moderating Effect Analysis

Moderating effect analysis was carried out to examine the moderating effect of organizational structure on the influence of talent management capability on organizational performance of referral hospitals in Kenya.

The null hypothesis stated:

H_{a2} : Organizational structure has a statistically significant moderating effect on the influence of talent management capability on organizational performance of referral hospitals in Kenya

Table 8: Model Summary for Talent Management Capability, Organizational Structure and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670 ^a	.448	.444	.33593
2	.733 ^b	.538	.527	.30979

a. Predictors: (Constant), Talent Management Capability

b. Predictors: (Constant), Talent Management Capability , Organizational Structure, Talent Management Capability * Organizational Structure

The first model included: talent management capability as the independent variable as well as the dependent variable, organizational performance. The R-squared for the relationship between talent management capability and the organizational performance was 0.448. This implies that 44.8% of the variation in the organizational performance of referral hospitals can be explained by talent management capability.

The second model comprised of talent management capability, organizational structure, and the interactions between talent management capability and organizational structure. The R-squared was 0.538 which implies that 53.8% of the variation in the organizational performance of referral hospitals could be explained by the stated variables. The results depict that the introduction of organizational structure in the second model led to a 9% increase in R-squared.

Table 9: ANOVA for Talent Management Capability, Organizational Structure and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.203	1	12.203	108.137	.000 ^b
	Residual	15.009	133	.113		
	Total	27.212	134			
2	Regression	14.640	3	4.880	50.849	.000 ^c

Residual	12.572	131	.096
Total	27.212	134	

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Talent Management Capability

c. Predictors: (Constant), Talent Management Capability , Organizational Structure, Talent Management Capability * Organizational Structure

From the findings, and as portrayed in Table 9, the F-calculated for the first model was 108.137 while that of the second model was 50.849. Since the F-calculated for the two models were greater than the F-critical (3.94) for the first model and for the second model (2.70), the two models were found to be a good fit for the data. The two models can therefore be used in predicting the moderating effect of organizational structure on the influence of talent management capability on organizational performance of referral hospitals in Kenya.

Table 10: Coefficients for Talent Management Capability, Organizational Structure and Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.346	.232		5.793	.000
	Talent Management Capability	.651	.063	.670	10.399	.000
2	(Constant)	-2.306	1.006		-2.293	.023
	Talent Management Capability	1.446	.298	1.487	4.854	.000
	Organizational Structure	1.105	.275	1.106	4.016	.000
	Talent Management Capability * Organizational Structure	.248	.079	1.540	3.150	.002

a. Dependent Variable: Organizational Performance

Substituting the beta values as well as the constant term from the first step in regression modeling (as shown in Table 10) would result in the following model:

$$Y = 1.346 + 0.651X_2$$

In the first model, the results showed that talent management capability has a positive and significant effect on organizational performance of referral hospitals ($\beta_1=0.651$, p-value=0.000).

In the second regression model, by substituting the beta values as well as the constant term, the model emanating from the second step in regression modelling is as follows:

$$Y = -2.306 + 1.446X_2 + 1.105M + 0.248 X_3 * M$$

From the second model, the results show that the talent management capability have a positive and statistically significant effect on organizational performance of referral hospitals in Kenya as shown by unstandardized beta coefficient of 1.446 (p-value=0.000). The results further show that organizational structure had a positive and statistically significant influence on organizational performance of referral hospitals in Kenya as shown by unstandardized beta coefficient of 1.105 (p-value=0.000). The findings agree with Yi-Horng (2018) observation that organizational structure positively affects organizational performance of firms in Taiwan.

The results indicated that the interaction between talent management capability and organizational structure has a positive and statistically significant effect on the organizational performance of referral hospitals in Kenya as shown by unstandardized beta coefficient of 0.248 (p-value=0.001). These findings are in line with Kantenet al (2017) observation that organizational structure moderates the relationship between talent management capability and

customer orientation.

H₀₂: Organizational structure has no statistically significant moderating effect on the influence of talent management capability on organizational performance of referral hospitals in Kenya

H_{a2}: Organizational structure has a statistically significant moderating effect on the influence of talent management capability on organizational performance of referral hospitals in Kenya

From stepwise regression analysis, the interaction between talent management capability and organizational structure has a positive and statistically significant effect on the organizational performance of referral hospitals in Kenya ($\beta_3=0.195$, $p\text{-value}=0.009$). The beta coefficient was not zero and the $p\text{-value}$ was 0.002, which was less than the significance level of 0.05. Therefore the null hypothesis (**H₀₂**) was rejected and the alternative hypothesis (**H_{a2}**) was accepted and hence organizational structure has a statistically significant moderating effect on the influence of talent management capability on organizational performance of referral hospitals in Kenya.

Conclusions

The study concludes that talent management capability has a significant and positive effect on organizational performance of referral hospitals in Kenya. The study discovered that talents attraction, talent development and talent retention influence organizational performance. This means that enhancing talent management capability (talents attraction, talent development and talent retention) improves organizational performance of referral hospitals.

The study also concludes that organizational structure has a statistically significant moderating effect on the relationship between talent management capability, and the organizational performance of referral hospitals in Kenya. The study discovered that chain of command, span of control and work specialization influence organizational performance. This means that enhancing organizational structure (chain of command, span of control and work specialization) will improve the organizational performance of referral hospitals.

Recommendations

The study found that sometimes, the organizations give partially paid scholarship to workers who want to advance their studies. Therefore, this study recommends that the referral hospitals in Kenya should give fully paid scholarship to workers who want to advance their studies to help them acquire new knowledge and skills which they can use to improve and the organizational performance. In addition, work-sponsored scholarship program in the organization can help in boosting employee morale and enhance efficiency in service delivery.

The study found that the organizations do not provide competitive salaries to the employees. Therefore, this study recommend that referral hospitals should pay the employees a salary which is equal to or above the standard offered by companies in the same industry or geographical area in order to attract top talents, improve motivation and productivity of the employees. Employees are heavily motivated with higher pay. This would make them feel valued and appreciated, which enhances employee performance and productivity. In addition, a happy and motivated employee treats clients with passion. The study also recommends that health facilities should conduct regular assessments of their organizational structures to ensure they are in alignment with their strategic goals and talent management objectives.

The study found that there was no structured way of recognizing talents and there was lack of proper follow up after identification of training needs. Therefore, the study recommends that health facilities should develop and implement formalized processes for identifying, recognizing, and rewarding talents among healthcare professionals within referral health facilities. The

management of health facilities should introduce performance recognition programs to celebrate and showcase the achievements and contributions of healthcare professionals. They should recognize talents through awards, certificates of appreciation, and public acknowledgment in staff meetings or newsletters.

Areas for Further Research

The general objective of the study was to examine the influence of talent management capability on organizational performance of referral hospitals in Kenya. However, the study focused on referral hospitals hence, the findings cannot be applied to other categories of hospitals in Kenya. As a result, this study recommends that more studies should be done to determine how talent management capability influences organizational performance in Health Dispensaries, Health Centres and County Hospitals in Kenya. Furthermore, the study found that talent management capability can explain 44.8% of the organizational performance. As such, more studies should to be conducted to examine other factors that influence organizational performance. Also, future research could delve into the specifics of how different types of organizational structures impact talent management or explore the role of leadership in mediating this relationship.

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