Talent Management Approaches for Restructuring: A Case of Non-Governmental Organizations in Kenya

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Abstract

The purpose of this study was to investigate the talent management approaches applied by restructuring Non-Governmental Organizations (NGOs) in Kenya. The study used the descriptive research design. The target population was 184 Human Resource Managers of NGOs. Random sampling was used to draw a sample of 55 respondents. Data were collected using a structured questionnaire, analyzed using the SPSS tool and interpreted using frequencies and percentages.

Keywords: Talent Management, Restructuring and Human Resource Planning

1.0 Introduction

Organizational restructuring as described by Balogun (2007) is a strategic change plan that top organization leaders put in place in order to align business plans with the organizational operations in order to implement new strategic ideas.Restructuring therefore has significant impact on organization resources and especially human resource (Lawler and Mohrman, 2003 and Dessler, 2011). In Kenya, organizations have been forced to restructure in order to respond to market changes (Ngigi, 2012).

Agarwala (2007) notes that with the current environmental changes, the twenty-first century is unique because organizations are experiencing parallel trends which include: economic growth as well as recession; shortage of skilled workforce as well as increase in number of skilled unemployed; massive layoffs as well as large-scale recruitments. For instance, an international organization can lay off a massive number of employees in order to outsource various functions to external companies within the host country and in other countries (Mutai, 2012).

Agarwala (2007) notes that organizations have realized that in order to undertake successful restructuring exercises, they need to conduct proper human resource planning (HRP) because the market changes are complex, dynamic, and continuous and have many contradictions for human resource management. DeCenzo and Robbins (2008) point out that, if an organization is to survive today, HRP should be considered when making strategic changes such as organization restructuring. One of the key HRP factor to be considered during this exercise should be talent management (Armstrong, 2009; Agarwala, 2007 and Lawler &Mohrman, 2003).

2.0 Literature Review

2.1 Talent Management during Restructuring

The definition of the term "talent" in organizations can be tricky because the meaning tends to be complex, ambiguous and incomplete. Interpretation will differ from one organization's perspective of talent to the next which means that there isn't a one size fits all. Organizations however understand that appropriate talent is important for organization survival during restructuring.It is about managing people with unique knowledge and skills and therefore it is imperative for organizations to properly plan for talent during restructuring times by identifying, retaining,stimulating and developing their talent (Tansley, 2011; Ross, 2013).

Every organization in this changing world needs talent in order to remain competitive especially after restructuring. Maintaining appropriate talent after organization restructuring helps the organization get employees who are; technically savvy, innovative, have strong emotional intelligence and leadership capability.

Organizations that are able to retain appropriate talent are able to cope with the environment changes as opposed to those that do not (Elegbe, 2010). In this changing world of work where restructuring is becoming an everyday affair, organizations should realize that they need the best talent in order to gain a competitive advantage (Collins, 2001). It is not only about hiring and retaining good people but about having great talent (Welch, 2005). This need should be emphasized during restructuring.

Talent planning requires design, commitment, integrity and expertise (Elegbe, 2010). Therefore HR personnel who have the professional training and expertise should be included in restructuring exercises to provide the necessary assistance in Human resource planning (HRP). The involvement of HRM would ensure that the organization maintains optimum talent to attain its goals after the restructuring has taken place.

HRP ensures the organization "retains, utilizes, motivates, and develops the right number and quality of people at the right time, for the right functions in the organization units" (Elegbe, 2010, p. 34). The same author adds that that in today's world, more and more organizations undertake continuous restructuring and therefore talent management should be also continuous to ensure that human resource changes are correctly done. Organizations' restructuring leads toemployee layoffs. If the restructuring is not done using proper HRP procedures, organizations may end up rehiring the same staff or start looking for people to fill those positions because the employees that were retained are not able to handle the work.

In this changing world, organizations can no longer predict in the present day what activities will be important tomorrow. Talent management has taken a new holistic approach of aligning individual skills with the needs of the organization in order to align these skills into the new world where competitive edge is about being smart, flexible and innovative. Organizations need to look at talent critically in order to meet the talent capability needs of the organization both at the present and moving into the future. This may assist organization leaders to change their employees' talents into a competitive advantage that will help deliver strategic success during organization restructuring (Caplan, 2013).The strategic talent management approaches to be applied after restructuring include, development, performance management and reward (Garavan, Carbery and Rock, 2012; Kamunde, 2013).

2.2 Talent Management Approaches after Restructuring

After an organization has decided what staff to retain following restructuring changes and how to manage the retained talent, the next step is to determine what development needs should be put in place. This is because in cases such as downsizing, mergers, acquisitions, expansion or joint ventures staff will be shifted to different sections with new roles that may require different skills. For instance, employees may encounter new IT systems or other new equipment which may require one to learn new skills. Development therefore becomes imperative to ensure that the employee is able to take up the new roles. The organization therefore needs map out who is to be developed, what competencies the employee lacks, who will be the driver of development, what kind of support the person should be given and at what speed (Garavan et al., 2012).To be able to do that an organization needs to put an employee development policy in place. The talent development policy helps the organization to draft the scope of talent development (WordPress, 2011).

Development of talent should consider the following principles; clear policy showing what the organization terms as great talent, the process to be used to ensure that all talent development aspects are integrated, clear indication where the talent development will lead to after restructuring, develop methods that the organization will incorporate such as coaching, mentoring, on-job training or off-job training and finally how the organization can use the talent pool that it has to achieve goals after restructuring. Talent management demands that the organization has a foresight on what challenges are expected in the restructuring situation because that knowledge is useful for identifying where talent development is needed to ensure that an organization is able to mitigate skill shortage challenges (Prius, 2011).

After restructuring, performance management systems coupled withfrequent performance reviews should be established to help to produce targets (Kamunde, 2013). The author adds that the performance targets should be understood by all so that the organization is able to continually evaluate its performance. In an effective performance management process, managers assess employee performance and maximize productivity. In the mentioned process, the individual employee's daily activities need to be aligned with the strategic business objectives. There is also need to monitor and keep records of individual performance (Pulakos, 2004). Such documentation can be used to support decisions on career planning, compensation, legal purposes and also to reduce disputes.

Since talent management is key for organization success after restructuring, organizations then have to reward this talent accordingly. Organizations need to put in place ways and processes of measuring how talent contributes to performance. This will help develop proper reward schemes that will match the skills and market rates other organizations will be rewarding for similar positions. It is important to take into account the new positions, the structure of the positions, and roles and responsibilities for the position (Cheese, 2008).

Rewards and recognition are generally regarded by managers as one form of motivating employees in order to achieve goals and objectives. Various studies have established that there is a relationship between how an employee will perform vis a vis the rewards he/she gets. Organizations undergoing restructuring are faced by the challenge of a complete overhaul of their rewards system since the structures will change. This overhaul should be decisively incorporated into HR processes for business success. Talented employees should be rewarded based on their contribution to the organizations' competitive advantage and thus new appropriate policies for an effective reward system should be put in place. Since a reward system at a time when an organization is restructuring is critical it may be received with mixed with emotions by employees if it does not meet their expectations. Organizations need to consider important factors that the system will cover which may include: behaviors to be enhanced, outcome wanted, motivation for employees retained after restructuring and organizational conditions (Hans, Chuene and Lepota, 2012, Gill, 2007). From the foregoing discussion, various approaches have been suggested for application during restructuring. However, it is not clear which ones the restructuring NGOs are applying to attain successful restructuring processes. This study sought to investigate the talent management approaches applied by restructuring in international NGOs in Kenya.

3.0 Methodology

Descriptive research design was used in the study.The descriptive design helps the researcher to observe natural behaviors and make inferences without influencing them in any way. The design assists the researcher to make objective interpretations (Shuttleworth, 2013).The target population size was 184 human resource managers in NGOs whose organizations had been involved in restructuring. Random sampling was applied to draw the sample.Mugenda and Mugenda, (1999) recommends using a sample size of 30% where the population is more than 150. Using this justification the adequate sample size for this study was 55 respondents. Data were collected using a structured questionnaire and analyzed using of frequencies and percentages.

4.0 Analysis and Discussion

Out of the 55 questionnaires which had been distributed 45 were returned therefore the response rate wasrate 81%. Demographic data revealed that female respondents were the majority 84.4%; while male respondents were 15.7%. All the respondents had been involved in restructuring in their organizations.

4.1 Importance of Talent Planning

When asked whether organizations must undertake talent planning during restructuring, 44% of the respondents strongly agreed, followed by 36% who agreed and 9% were neutral. Only 7% disagreed and 4% strongly disagreed. The findings are shown in Table 1. From the findings it is evident that most of the organizations undertook talent planning during restructuring.The respondents reasoned that the planning was necessary for sustaining the organization with the requisite personnel after restructuring. This undertaking was in line with Caplan (2013) observation, that such planning assists organization leaders to change their employees' talent into a competitive advantage that will help deliver strategic success during organization restructuring.

Table 1: Importance of Talent Planning

Category	Distribution	
	Frequency	Percent
Strongly disagree	2	4
Disagree	3	7
Neutral	4	9
Agree	16	36
Strongly agree	20	44
Total	**45**	**100**

4.2 Importance of Talent Development Policy

The findings in Table 2 show that 53.3% agreed that a talent development policy was important for restructuring organizations, followed by 29% who strongly agreed and 13.3% who were neutral. Only 4.4% strongly disagreed with this.Since a majority of the respondents were in agreement that a talent development policy was important during restructuring, it means that the organizations, therefore mapped out the employees to be developed, what competencies each employee lacked that should be addressed, to drive development, what kind of support the person should be given and at what speed to ensure successful restructuring (Garavan, Carbery and Rock, 2012). It also meant that the organization were able to draft the scope of talent development (WordPress, 2011).

Table 2:Importance of Talent Development Policy

Category	Distribution	
	Frequency	Percent
Strongly disagree	2	4.4
Disagree	0	0
Neutral	6	13.3
Agree	24	53.3
Strongly agree	13	29
Total	**45**	**100**

4.3Developing Talent after Restructuring

From the findings in Table 3, 49% respondents agreed that talent should be developed a fresh after restructuring followed by 20% who strongly disagreed. Thirteen percent (13%) were neutral and 11% strongly agreed. Only 7% disagreed. Majority of the respondents were in agreement that talent development was needed after restricting to ensure that organization is able to mitigate the challenges of skill shortage in face of new roles after restructuring. This was in line with the observations of other researchers (Prius, 2011).

Table 3: Developing Talent after Restructuring

Category	Distribution	
	Frequency	Percent
Strongly disagree	9	20
Disagree	3	7
Neutral	6	13
Agree	22	49
Strongly agree	5	11
Total	**45**	**100**

4.4 Documenting EmployeePerformance for Successful Restructuring

The respondents were required to give their opinion on whether monitoring performance by keeping records on employee performance helped to ensure a success after the restructuring process. Forty nine percent (49%) strongly agreed with this, 36% agreed, 11% strongly disagreed and 4% disagreed as shown in Table 4. In this study it was observed that many organizations documented or kept records of employee performance after restructuring. This practice concurs with Pulakos (2004) who recommends record keeping of individual performance. Such records could be used to make future HR related decisions.

Table 4:Documenting Employee Performance for Successful Restructuring

Category	Distribution	
	Frequency	**Percent**
Strongly Disagree	5	11
Disagree	2	4
Neutral	0	0
Agree	16	36
Strongly Agree	22	49
Total	**46**	**100**

4.5 Aligning Individual Activities with Strategic Business Objectives

When the respondents were asked whether they aligned individual objectives with strategic business objectives during restructuring, 42% agreed, 20% disagreed, 16% strongly disagreed and 13% strongly agreed. Only 9% were neutral. The findings are shown in Table 5.Alignment can help employees to understand how their daily efforts contribute to their organizations' business objectives.

Table 5: Aligning Individual Activities with Strategic Business Objectives

Category	Distribution	
	Frequency	**Percent**
Strongly disagree	7	16
Disagree	9	20
Neutral	4	9
Agree	19	42
Strongly agree	6	13
Total	**45**	**100**

4.6Reward System Overhaul and Restructuring

From the findings in Table 6, about 40% of the respondents disagreed with the idea of overhauling the reward system for organizations undergoing restructuring, followed by 24.4% who agreed and 20% who were neutral. Eleven point one percent (11.1%) strongly agreed and only 4.4% strongly disagreed.The study also revealed that, majority of the respondents whose organizations had undergone restructuring disagreed with developing new reward systems during restructuring. This was contrary to the studies done by Gill (2007) indicating that skilled employees should be rewarded based on their competitive advantage and thus new appropriate policies for an effective reward system should be put in place. The purpose of rewarding employees is to motivate good performance.

Table 6: Reward System Overhaul after Restructuring

Category	Distribution	
	Frequency	Percent
Strongly disagree	2	4.4
Disagree	18	40
Neutral	9	20
Agree	11	24.4
Strongly agree	5	11.1
Total	**45**	**100**

4.7 Reward System Comparable to Market Rewards

From Table 7, majority of respondents accounting for 31% rated strongly agreed when asked whether reward systems should be comparable to the market rewards during restructuring, followed by 27% were neutral and 22% agreed. Only 20% disagreed. Many of the respondents disagreed that reward systems should be comparable to those of the market during restructuring which was in disagreement with what Cheese (2008) stated that organizations should develop proper reward schemes that match the skills and market rates that other organizations reward for similar positions taking into account new potions, new structures, roles and responsibilities.

Table 7: Reward System Comparable to Market Rewards

Category	Distribution	
	Frequency	Percent
Disagree	9	20
Neutral	12	27
Agree	10	22
Strongly agree	14	31
Total	**45**	**100**

5.0 Conclusions and Recommendations

Several conclusions have been drawn in this study based on the findings and discussion. In this study many NGOs had clear HR plans for talent management during restructuring. This means that they were likely execute the talent management restructuring process correctly if they followed their set guidelines. The study established that the restructuring organizations applied most of the talent management approaches to a great degree. Although many NGOs trained their employees after restructuring a number did not. This could mean that such employees may not acquire the necessary skills to perform in their newly created roles. Lack of training, particularly in cases where jobs are redesigned after restructuring could result into lack of adequate skills to perform the new roles which could inhibit employee performance and subsequently the organizational performance. Some organizations did not review employee compensation after restructuring. Failure to create a pay for performance culture may make employees feel unfairly treated particularly if the restructuring resulted into more workload. The study concluded that the approaches for talent management during restructuring are closely connected and should be applied together. This approach would contribute to effective talent management during restructuring. From the findings and conclusions, this study therefore recommends that restructuring organizations apply the approaches comprehensively to achieve successful talent management during restructuring.

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