

**EFFECTS OF TALENT MANAGEMENT ON THE OPERATIONAL  
EFFICIENCY OF WATER SERVICE PROVIDERS IN MERU COUNTY,  
KENYA**

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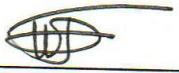
**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND ECONOMICS  
IN PARTIAL FULFILMENT FOR THE REQUIREMENT OF A DEGREE OF  
MASTER IN BUSINESS ADMINISTRATION (HUMAN RESOURCE  
MANAGEMENT) OF KENYA METHODIST UNIVERSITY**

**FEBRUARY, 2023**

## DECLARATION AND RECOMMENDATION

### DECLARATION

This thesis is my original work and has not been presented for the award of any degree at any other university.

Sign 

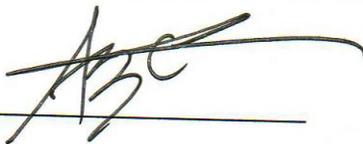
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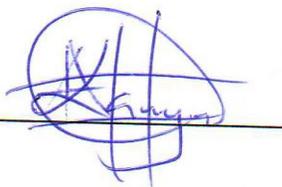
### RECOMMENDATION

This thesis has been submitted with our approval as the university supervisors.

Signature 

Date 28/02/2023

Abel Moguche

Signature 

Date 28/2/2023

Adel Kanyiri

## **DEDICATION**

I would like to dedicate this work to my Loving husband, Duncan Kiogora, and my children, Haznel Munene and Gretel Xita, for their unwavering support throughout the time I worked on this project.

## **ACKNOWLEDGEMENT**

I would like to thank the Almighty God for the gift of life, good health, wisdom, and Strength throughout the thesis period. I also acknowledge my supervisors, Abel Moguche and Adel Kanyiri for the immense intellectual support, counsel, and encouragement from the start to the end of the project. I also thank my dad, mum, sisters and brothers for their encouragement and prayers. I would also like to appreciate all the KEMU fraternity including all the lecturers who taught me in my first academic year, all those who saw me through my proposal and thesis defense and the library staff for their continued support. Lastly, with great humility I appreciate the management of Meru County Urban Water and Sanitation Services corporation management and all the other employees for their support and cooperation.

## **ABSTRACT**

Operation efficiency is critical for the smooth running and sustainability of water utilities. Talent management is integral to the operational efficiency of non-profit making organizations in Kenya, including water service providers' utilities. This research thesis scrutinized the effect of talent management on the operational efficiency of water service providers in Meru County. The research objectives were to determine how compensation, strategic recruitment, capacity building, and employee engagement affect the operational efficiency of Water Service Providers in Meru County. The study was anchored on four theories: Classical scientific, AMO, social exchange and employee engagement theories. The Research was conducted on two water service providers: Imetha Water and Sanitation Company Limited and; Meru Water and Sewerage Services. The target population was 200 employees of Mewass and Imetha Wasco encompassing the corporate management team, middle management, and operative employees. The researcher selected 132 sample respondents from the population for the study. The researcher adopted an expository research design approach. Data was gathered using questionnaires. Cronbach's Alpha and KMO and Bartlett Tests were employed to measure the reliability and validity of the research instruments. Data collected was analysed and evaluated using SPSS (Version. 21). Information gathered was analysed descriptively and presented in charts, tables, and graphs. Regression analysis results indicated that, strategic recruitment, compensation, capacity building and employee engagement were found to be satisfactory variables in relation to operation efficiency. The variables of the effect of talent management were correlated against the operational efficiency of water service providers using the Pearson product-moment correlation coefficient. The correlation results indicated that Strategic recruitment, compensation, and capacity building had a positive linear relationship with operational efficiency while employee engagement had a strong, linear positive relationship with operational efficiency. Since all the results of the p value were less than 0.05, all the null hypothesis were rejected. The study concluded that compensation, strategic recruitment, capacity building, and employee engagement are positively and significantly related to operational efficiency.

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## **LIST OF ABBREVIATIONS**

<b>KPIs</b>	Key Performance Indicators
<b>MEWASS</b>	Meru Water and Sewerage Services
<b>MCUWASSCO</b>	Meru County Urban Water and Sanitation Services Corporation
<b>NACOSTI</b>	National Commission for Science, Technology, and Innovation
<b>NRW</b>	Non- Revenue Water
<b>O &amp; M</b>	Operation and Maintenance
<b>SPSS</b>	Statistical Package for Social Sciences
<b>WASCO</b>	Water and Sanitation Company Limited
<b>WASREB</b>	Water Service Regulatory Board
<b>WSP</b>	Water Service Providers

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Getting water and sanitation is one of the most vital human rights passed by the United Nations Human Rights Commission under resolution 64/292 on 28th July 2010. Water utilities are mandated to provide water to the public; hence, operation efficiency is mandatory for sustainability purposes. Nevertheless, the operational efficiency of utilities is a means to realize national targets and, by extension, the acceleration to realization of the rights to water (Water Service Regulatory Board [WASREB], 2018/2019). Therefore, the federal government ascertains those citizens have access to clean water by implementing regulatory measures through the Water service regulatory board. The primary concern is to guarantee the cost-effectiveness of their operation. For this reason, they are ascertained by the extent to which they engage their skilled and well-motivated workforce to achieve operation efficiency (Abbasi et al., 2022)

Efficiency improvements are a key factor that a public water utility should consider to receive funding for investment realization (Guerrini et al., 2015). Appreciating the importance of water security is one matter. According to Cook and Baker (2012), it is one thing to define the cost effectiveness of water provider companies and water securities; however, measuring the sufficiency is much harder because of the many different views on the gauge. Therefore, Operational efficiency should be a calculated strategy that is aimed at reducing costs and maximizing production (Hosain et al., 2020)

Koch and McGrath (2006) expounded on organizational efficiency as the benchmark through which an institution can successfully fulfill its mandate through its core strategies. Alexander (2018) defines operational efficiency as the propensity of an institution to bring down waste of material resources and efforts, to the furthest extent even so, generating a superior service or product. Functional cost-effectiveness is described as the ratio between the input required to keep the organization going and its output (Lannier & Porcher, 2014). However, the optimum operational efficiency of an organization does not depend solely on its financial resources or adopting the most recent technology but depends on how its committed, motivated and skilled workforce is engaged (Ali & Anwar, 2021)

Africa faces many limitations regarding financial capital resources and a skilled workforce to achieve the desired water quality to reach most people (World Bank, 1999). Water utilities must efficiently utilize their professional human capital, machines, and other resources to reduce costs and increase output (Altab, 2021). An organization's operational efficiency is a model to show how the organization is profitable in a short-term cycle and hence its long-term sustainability (Al-shaiba et al., 2019). Achievement of operation efficiency for water utilities is becoming a rudimentary element because water is a fundamental human right; hence it should always be available and accessible (Storto, 2013)

Organizational efficiency depends on several factors that must be installed and enhanced within the operating system to remain efficient (Al-Shaiba et al., 2019). Water utilities experience a fast shift in the workforce trend due to changes in customer demand due to technological changes. The paradigm shift has called for the need to come up with

strategies to curb the situation by enhancing employee skills through training (Estache, 2001). He adds that human resources are key resources of water utilities; hence, they should be handled with utmost care to ensure they know what they are supposed to deliver.

Operational efficiency is pegged on some organizational functions that must be developed and implemented as a benchmark for that organization to be efficient (Al-Shaiba, 2019). True to the above statement, water utilities are obligated to have a sustainable operation because the resource they provide is scarce and needs to be regulated (Frontier Economics, 2008). Therefore, although fresh and clean water is limited, it can only be accessible to all if we avoid wastage and resources are projected to be available in the required quantity and quality (Dublin water, 1992)

In Kenya, many water service providers inherited schemes from the national government, whose infrastructure was depilated and hence required a lot of financial and skilled human resources capital to rehabilitate (Kisima Report, 2008) as quoted by (Sarah & Muturi, 2015). Therefore, it is essential for water service providers to develop measures that can enhance the utilities' efficiency in service delivery and accountability. In addition, water service providers have a reason to manage their resources well to reduce maintenance costs, region clustering to enjoy economies of scale, and train employees to achieve efficient revenue collection (Sarah & Muturi, 2015).

Water service providers need to achieve 100% collection efficiency for the utilities to sustain the cost of their operation. Collection efficiency is an indicator of the WSP's operation efficiency, which is the percentage ratio of the amount billed versus the amount

collected (Wasreb, 2010/2011). Since operational efficiency of an organization can be achieved through acquiring and maintaining a skilled workforce, as stated by Sajjad et al. (2020) many organizations are challenged to adopt talent management as a strategy for the human resource department to achieve organizational efficiency and performance (Hongal & Kinange, 2020).

Talent management is a new, expounder term shell that involves a variety of long-lasting application aimed at getting the precise employees in the correct job at the conventional time (Cappelli & Keller, 2018). Talent superintendence is an amalgated set of processes mapped out and put in place to captivate, enlarge, bring in to play, and maintain expertise to accomplish an organization's prudent objectives and meet future needs (Mihelic et al., 2020). Talent management also focuses on employee investment, and any organization that wants to gain a competitive advantage should make talent management one of its topmost corporate agendas (Ally, 2020).

Yona et al. (2015) opine that the current business environment is dynamic. Many organizations want a competitive advantage as they go global and are pressured to perform better than before. Hongal and Kinange (2020) agree with Yona et al. (2015) that the domain in which the institution are run is extremely complex and dynamic due to technological changes, thus putting pressure on the organization to have a talented workforce that can put up with the stress and problems in a sophisticated manner. Diny et al. (2020) opine that the talent management process is exceedingly important because it ensures that the organization is tremendously effective in recruiting the most skilled workforce and training them to achieve expertise group.

Organizations have moved from the usual norm of maintaining their market share through product differentiation to concentrating on their unique human resources (Mohammed et al., 2020). Mukherjee and Yadav (2020) observed that acquiring a talented workforce is the most crucial step for any organization because employees are the most important assets that turn raw input into meaningful output. They add that the progressive triumph of any business corporation is pegged on the eminence of the workers of that particular corporation.

Talent management means the employees are empowered, have access to the required information and skills to carry out tasks, and know the organization's policies. This means the employees receive feedback on their performance and are guided in the right direction (Echebiri et al., 2020). A well-structured and efficacious workforce needs to be thoroughly evaluated, their skills assessed, and their performance appreciated to stay motivated (Padoshi, 2019). Talent management practices and strategies are supposed to be in line with the organizational strategies in order to yield the desired results (Mangoshi et al., 2015)

Swailles (2013) posits that programs incorporated into the talent management process help an organization to change the mindset of employees because they end up being swayed by emotions and tend to develop attachments to the organization. He adds that a workforce attached to the organization is committed and always works towards achieving the set targets and objectives. Dawn et al. (2013) agree that most corporate organizations are at crossroads because the limiting factor to achieving growth is the required talent.

Therefore, human resource managers are working towards adopting a strategic approach to talent management.

Behrstock (2010) poses that many organizations' most significant challenge was getting the right talent to meet their strategic planning and objectives and retaining the talent afterward. On these grounds, many organizations do not depend on financial resources, stability, or advanced technology to achieve optimum efficiency and effectiveness. Dahshan et al. (2018) found out in their research that talent management positively impacts an organization's performance because the human resources can normalize with their work and hence achieve a committed workforce. For the above reason, it is crucial for water utilities to operate efficiently due to sustainability concerns because they provide essential services (Kangangi, 2015).

As cited by Karia et al. (2016) and Naveen and Raju(2014) states that successful recruitment strategies are key components that helps an organization gain skilled workers that results to the organization having improved outcomes. According to Mankikar (2014), water utilities that have recruitment policies that determines the kind of employees to be hired have a competitive advantage over those that do not have.

Amis et al. (2020) determined that fair and unbiased compensation to the employees of an organization results to neutral and efficient labor. Purwanto (2020) adds that good and satisfactory compensation leads to employees' work satisfaction, commitment which bring about improved performance that implies increase in efficiency. Ekhsan et al. (2019)

found out that organizations can enrich their efficiency by having compensation policies that motivate workers to go an extra mile in their quest to achieve improved productivity.

Cooper et al. (2019) states that building the capacities of employees and managers results to cooperation among them whose sole goal is to enhance their abilities hence efficiency.

On the other hand, Akdere and Egan (2020) propound that when companies focus on building transformational leadership, then the capacities of managers are boosted to ensure that they develop all the other employees. The study adds that the importance of capacity building is that it has a mediation effect between the management and the other employees hence promoting unity among the staff. Carvalho and Marques-Quinteiro (2019) points out that capacity building helps workers to be efficient and deal with unexpected events at work.

Employee engagement can lead to increase in the overall achievement of the company's goals and objectives because the employees feel part of the strategies formulated (Ahmed et al, 2020). Sun and Bunchaputtanasakda (2019) found out that employee engagement has a positive relationship with individual employee effectiveness in performing a task assigned. Obuobisa (2020) opines that employee engagement increases the ability of employees to be innovative hence impacting on their general performance.

As a result, of the need to regulate water utilities worldwide due to sustainability issues, extensive research has been done on the functional cost-effectiveness of water service providers. They include; one by Nuno et al. (2012) on Measuring the capability of water utilities and another one carried out recently by (Elvira et al., 2020) on whether Frontier

Effectiveness techniques are sufficient to juxtapose the coherence of water service providers for regulatory reasons. However, the above studies do not give conclusive results on the factors contributing to this variability of operational efficiencies for water utilities.

Estache (2002) focused on the inefficiencies of African Water Utilities, having governance and sector organization as independent variables. This study was limited because of the vast area of research; hence, the findings could not relate to all African countries because different countries have different water policies and regulations. Moreso, governance and sector organization are external environmental factors. Thus, internal environmental factors like talent management were overlooked.

In Kenya, a report released by World Health Organization [WHO] (2010) states that drinking water availability and accessibility were a challenge because of rapid global climate change. Therefore, in drastic climate change, the WSPs ought to be prepared to be resilient and sustainable. Wasreb (2018/2019) states that the corporate governance guidelines seek to establish favorable structures and systems to ascertain economic, efficient, and feasible supplying of water amenity and hygiene services. To ensure that the above is achieved, Wasreb continues to provide guidelines and regulatory policies to protect the water consumer's rights.

Per the Wasreb (2018/2019) the coverage area for the two utilities is 59%, reflecting a population of 13,823,700. The 59% is out of a total of 23,430,000 in the service area for all the water utilities in Kenya. The sector benchmark coverage percentage is supposed to

be 80%. Therefore, many people cannot access clean and safe drinking water. This means that many people are affected by waterborne diseases due to the fact that they consume raw water, which is prone to contamination. Owing to the above reasons, the water quality factor is mandatory as a target benchmark to ensure safety for all consumers and avoid infections brought about by compromising the quality of water supplied to customers by Water service providers.

In Meru County, the non-revenue water percentage for Imetha Water and Sanitation Company Ltd is 50%, which is unacceptable. Meru Water and Sewerage Services is 21%, acceptable but still not good (Wasreb, 2018/2019). This report means the level of wastage is still high, especially for Imetha Wasco. Since NRW is one of the core indicators of water utilities operation efficiency, the researcher wanted to determine whether having a skilled and motivated workforce can generate positive results. Non-Revenue water is water that has been released to be supplied to the customer, but it cannot be accounted for. According to Imetha Wasco's (2021), the high level of NRW was caused by factors like pipe leakages, pipe bursts, billing customers on flat rates, and stalled meters.

Many assumptions have been made about the operations of water service providers in urban areas and those that operate in rural areas. One of them is that water utilities in urban areas are operated efficiently due to their proximity to many customers. In contrast, those who serve the rural areas struggle to sustain themselves due to the high operation cost and low returns. However, a keen check through the rankings (Wasreb, 2010-2020) indicated that some water utilities operate in rural areas but still are highly ranked. Therefore, against these uncertainties, the researcher opined that there might be other factors causing

discrepancies in operational efficiencies for water service providers, one of them being talent management. Therefore, the research study desired to establish the ramifications of talent management on the operational efficiency of water service providers in Meru County.

## **1.2 Statement of the Problem**

Despite water occupying two-thirds of the world's total mass, it is still not accessible to most people. The Dublin water (1992) states that fresh and clean water is a finite resource and an ever-growing population is always fighting for the same scarce resource. Water security has been a challenge and is an issue that should be dealt with urgently by the concerned authorities because water scarcity is a threat to human livelihood (Jensen & Wu, 2018). A technical report by WHO (2010) indicates that the phase of climate change harms water and sanitation services companies. Therefore, WSPs should develop measures to attain resilience and sustainability. According to Wasreb (2019), WSPs can achieve sustainability, water rights, and attaining national targets if the WSPs operate efficiently.

Beal and Flynn (2015) states that with the age of advancing technology in the world there is demand for water companies to embrace the use of master meters for purposes of labor optimization. Owing to the above reason, there is also growing need for water utilities across the globe to empower their employees and have the required talent to match the technological advancement in the water sector.

Muhtan (2019) propounds that the aim of talent management is to ensure that an organization attains a sustainable competitive advantage. He adds that the significance of organizations having a talented workforce is to ensure that they operate efficiently and effectively. Aina and Atan (2020) confirms that water utilities face efficiency challenges due to limited resources including its human resources. They add that an organization that relies on positioning the right employees who possess the right skills in the right place at the right time are run sustainably to achieve the set goals.

Dziedzic and Karney (2016) states that a well-trained workforce that is talented can assist a water utility to achieve water customer service expectation which is a measure of efficiency. Karia et al. (2016) opines that recruitment strategies affect the effectiveness and efficiency of water utilities. Further the study findings confirm that public water utilities in Tanzania have suffered great water losses due to having unskilled and unqualified workforce on board.

There have been numerous studies done in Kenya regarding water utility efficiency, like the ones by (Kangangi, 2015; Sarah & Muturi, 2015; Wagah et al., 2010). All the studies mentioned among others presented contextual gaps. The gaps are because they presented other factors as independent variables that are not Talent management. In addition, they were done in water service providers in other Counties, which may have different internal environmental regulators such as organizational culture due to social pressures resulting from the communities' beliefs and values.

Another issue is that over 10,000 people die each year due to diarrhea, of which 90 percent is caused by the consumption of contaminated water (UNICEF- Kenya, 2020). The role of WSPs is to increase their water coverage by reducing NRW and ensuring their water quality is at the desired national target of above 95% (Wasreb, 2021). Meru Water and Sewerage services [MEWASS] (2020/2021) suggested that for the water quality not to be compromised, the officer in charge of water quality must be experienced and trained intensively to have the desired competency.

On the other hand, Imetha Wasco has been suffering inefficiencies in its water supply to customers in recent years in Timau, Tigania, and Mitunguu Schemes. The major setback is that most available water is lost through leakages and bursts (Imetha Wasco, 2021/2022). The above contributes to the 50% NRW, which needs to be reduced. The key players in achieving the desired NRW are the WSPs workforce because they are the ones who repair the leakages and bursts.

According to WASREB 13 (2021), the total population of people in Meru County is 1,563,640, out of which a total of 791,847 have access to safe and quality drinking water. Those who have access to water make up only 51% of Meru County's total population. Therefore, it meant 49% of the remaining population was consuming raw or untreated water, which was not safe. According to Kiugu (2017), Meru County has low piped water connections due to communities' low level of sensitization. The study recommends that the communities should be sensitized on the importance of having access to safe and drinking water. Following the above study, the current study is committed to reiterating

the essence of having the talented workforce that can be able to sensitize the communities on acquiring treated water connectivity.

Nevertheless, the 5year strategic plan for Meru County Urban Water and Sanitation Services Corporation for 2021-2026 stated that extension of service lines was mandatory to reduce the unserved area population. The plan was to ensure the progressive realization of the rights to water. However, skilled labor was needed to ensure quality work to increase the area of coverage and the WSPs' efficiency. Therefore, the essence of having a talented workforce was to ensure that water connectivity in Meru County is increased and customers to be served as per their expectation.

Owing to the above, the researcher wanted to address the sector challenges related to WSPs efficiency and fill in the knowledge gaps through the study. Therefore, the researcher liked to study extensively without generalizing industries and fill in the knowledge gaps by studying the spectrum of Talent management's effect on WSPs operation efficiency. The study researched indicators like strategic recruitment, compensation, capacity building, and employee engagement in water service providers regarding operational efficiency.

### **1.3 Purpose of the Study**

This study positioned to explore the influence of talent management on the operational efficiency of water service providers in Meru County.

## **1.4 Objectives of the study**

### **1.4.1 General objective**

The general objective of the study was to investigate the effects of talent management on the operational efficiency of water service providers in Meru County.

### **1.4.2 Specific objectives**

- i. To establish the extent to which compensation affect the operational efficiency of Water Service Providers in Meru County.
- ii. To establish the effect of strategic recruitment on the operational efficiency of Water Service Providers in Meru County.
- iii. To examine the effects of capacity building on the operational efficiency of Water Service Providers in Meru County.
- iv. To assess the effect of employee engagement on the operational efficiency of Water Service Providers in Meru County.

## **1.5 Hypotheses**

The above research objectives were tested at the following null hypotheses with a 95% confidence level.

**H<sub>01</sub>**. Compensation has no statistical significance on the operational efficiency of water service providers.

**H<sub>02</sub>**. Recruitment has no statistical significance on the operational efficiency of water service providers.

**H03.** Capacity building has no statistical significance on the operational efficiency of water service providers.

**H04.** Employee engagement has no statistical significance on the operational efficiency of water service providers.

## **1.6. Significance of the study**

### **1.6.1 WSPs Corporate Management Team**

The Corporate management team will be able to understand that talent management plays an important part in enhancing the operational efficiency of water service providers in Meru County. They can do this by considering the key strategies brought about by the research findings under strategic recruitment, compensation, capacity building, and employee engagement.

### **1.6.2 Human Resource Managers and Practitioners**

Human resource managers and practitioners will be able to understand how talent management affects operational efficiency. They can plan and budget for talent management strategies to achieve the operational efficiency of the WSP.

### **1.6.3 Customers**

The study recommendations can be used by the WSPs to improve on service delivery hence customers in the water sector will have an advantage of having access to water at the required hours of supply by the WSPs.

#### **1.6.4 Researchers and Academicians**

The research document will be used as a reference by researchers and academicians on future research related to the topic. The findings under the research variables will provide the sort after literature on water sector operational efficiency, particularly within the devolved governance system in Kenya. Data from this study shall be a baseline for further research and assist draw comparison and contrasts on future trends of talent management strategies and their influence on operational efficiency.

#### **1.7 Limitation of the study**

Owing to the fact that measurement of efficiency parameters was based on sensitive information, the researcher had to obtain an official document from the University to be allowed to access the required data and prove that the information provided was not intended for any malice. Most of the employees especially those from the technical department work in the field and did not have a specific office where they could be accessed. The nature of their work made it difficult for the researcher to access them hence the researcher went to their reporting station early enough before they got dispatched to different areas. Some of the respondents had difficulties in understanding some of the terms used in the questionnaire. Therefore, the analyst spent time to expound to the participants the meaning of the statements before allowing them to fill in the questionnaire. Some of the respondents claimed that they were busy and did not have time to fill in the questionnaire hence the researcher explained to them that the questionnaire

had mostly closed-ended questions and was not lengthy. The researcher also dropped the questionnaires and allowed the respondents to fill in during their free time. The researcher then collected the questionnaires at the convenient time for both the researcher and the respondents.

### **1.8 Delimitation of the study**

The coverage area was Meru County focusing majorly on two water service providers, specifically Imetha Water and Sanitation Company Limited and Meru Water and Sewerage Services. This was for the reason that the two are the only ones in Kenya operating under a corporation gazette under Meru County Water Act, 2014 and their service area cover both the rural and the urban areas. Therefore, the WSPs' diverse and unique nature of operation made them suitable for the study. The survey targeted all the 200 workers of the two WSPs because they are responsible for the operation efficiency of the WSPs and issues of talent management involved all employees. The study focused on only the talent management practices of compensation, capacity building, employee engagement, and strategic recruitment and their ramification on the operation efficiency of water service providers in Meru County.

### **1.9 Assumptions of the study**

In conducting the study, the assumptions were; All Water service providers' operational efficiencies are measured against standard national targets put in place by WASREB as the primary water regulator in Kenya, hence operational efficiencies measurement will be standard for the two water service providers. All the respondents were honest in their answers and that the selected sample size fully represented the target population to

satisfactorily respond to the study hypotheses. Lastly, the study assumed that the data obtained from IMETHA and MEWASS employees was reliable and valid.

### **1.10 Operational Definition of Terms**

**Capacity Building:** a step-by-step process that aims to revamp workers' proficiency, expertise, awareness, worth, point of view, inspiration, and the proficiency necessary to execute work well (Hargreaves, 2011). The term was used in the study to make reference to means through which the WSPs use to empower their employees including mentoring, bench marking and training.

**Compensation** is a direct or indirect monetary or non-monetary reward that employees receive in a stipulated period for working and their contributions and performance (Wekesa & Nyaroo, 2013). The term was used to refer to salaries, rewards, bonuses and incentives given to employees after performing their duties or exceeding performance expectations.

**Employee engagement:** This is the extent to which the management can allow the employees to willingly participate in decision-making and the emotional commitment the employee has towards achieving the organizational goals (Macey & Schneider, 2015). The term was used to mean whether the management delegates duties or consults their junior staff during formulation and implementation of policies.

**Operational efficiency:** This is the ability of a water service provider to achieve national targets and supply water sustainably (Wasreb, 2018/2019). The term was used in the study to indicate the ease with which the WSP are able to achieve the targets as laid down by Wasreb.

**Strategic recruitment:** This is the process of attracting qualified candidates for a job and hiring the right person (Breaugh, 2013). The term was used in the study to refer to the process and means through which the WSPs use to advertise their jobs and eventual bringing on board the best and suitable candidates.

**Talent management:** It is the strategic procedure of hiring the proper people with the conventional skills, retaining and developing them to their optimal capabilities to realize organizational interests (Cappelli & Keller, 2018). The term was used to make reference to the process that the WSP use to ensure that their employees stay skilled, empowered and retained including; compensation, strategic recruitment, capacity building and employee engagement to ensure that they have the ability to ensure that water is supplied efficiently to the customers.

**Water Service Providers:** institutions designated by the national government to make provision of water and sewerage amenities to customers in urban and countryside areas. (Gupta et al., 2012) The term was used to refer to water companies that are regulated by Water Service Regulatory Board.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter shall outline the theories pertinent to this study, the empirical literature review, and the conceptual framework representing the correlation between the variables of the study and the operational framework displayed by the parameters.

#### **2.2 Theoretical Review**

Several theories form the foundation of an organization's operational efficiency because the researchers and scholars were concerned with issues about a firm's efficient production. This study will be anchored on three theories: The Classical Scientific Theory by Frederic Taylor, the AMO Theory by Bailey, and the social exchange theory by George Homans.

##### **2.2.1 The Classical Scientific Theory**

The classical scientific theory argues that tasks can be done more efficiently and completed on time if the assignments are matched with the skills of the person assigned to do the work. The theory also advocated providing the workers with the required materials and tools to ensure that the output is maximized and efficiency is achieved.

Every organization aims to achieve optimum productivity at the least cost through efficiently using available machines and human resources. Therefore, Fredrick Taylor and

other significant contributors like Henry Gantt, Frank, and Lillian Gilbreth pioneered the classical scientific theory.

The main idea was to assess how to get most work done by examining the production process and scrutinizing the best skills of those involved in the production process. Taylor (1910) experimented with his ideas as he tried to diagnose the causes of inefficiencies and low production in companies and industries and found out that much of the waste and inefficiencies were due to the lack of order and systems in the methods of management. He, therefore, advocated for the idea that the management should always study the tasks, find suitable employees, and put the best production procedures in place. However, Frederick Taylor emphasized more on increased productivity and great profit margins.

The theory further states that defining employees' tasks and expectations makes them more productive and efficient. It also adds that division of labor makes the employees more knowledgeable about their roles because roles and assignments are more specific and not ambiguous. For this reason, employees become more oriented in their workplaces because they do not multitask. As Huang et al. (2013) put it, employees become more motivated when an organization puts mechanisms showing concern for their welfare. The study opines that money is the most exceptional motivator; hence once the workforce feels that they are generously compensated and are getting value for their labor, the results are always great.

Gantt (1916) contributed to the scientific theory through work scheduling and control. The model he came up with dictated that when evaluating projects, it was important to consider

using both time and resources. Taylor prescribed the use of monitoring both time and resources in evaluating projects. He, therefore, came up with a chart that shows the planned work against the completed work in every production stage. The chart is anchored on the subsequent execution of tasks required for a project to be completed. The chart assimilated the use of guidelines to ensure that the projects were completed on time without wasting resources. The Gantt chart can assist the project manager in planning the amount of labor required to complete a project efficiently and minimize time wastage.

Gilbreth and Gilbreth (1915) appraised efficiency by upholding its value by depicting one best ways of having a job done. They were interested in standardization and efficiency and studied different methods of getting work done to develop the best way. They believed that to increase the well-being of the employees, it was important to reduce the number of unnecessary motions in a task. They, therefore, developed the best basic movement required to get the job done faster and eliminated unnecessary movement in the production process. As they put it, not only does the method increase the efficiency of each worker, but it also saves time, increases profits for the organization, and leaves workers satisfied and happy. Nevertheless, despite the Gilbreths advocating for efficiency through minimizing unrequired movements, they also stressed the well-being of the workers.

The Classical Scientific theory is appropriate to the study in the view of the fact that it shows the relationship between employees and the organization's efficiency. Through the theory, organizations can optimize their concentration on acquiring the right employees with appropriate skills, employee training, specialization, and technology advancement. In addition, project managers in charge of laying pipe systems can use Gantt charts to

finish their projects on time to achieve the desired results. Above all, the theory's application can significantly assist the organization in accurate planning, avoiding time wastage, achieving standardization of methods and procedures, minimizing costs, and achieving the desired quality. At the end of the day, when an organization has a well-remunerated workforce who are not strained, they will be motivated to work to achieve the set goals. Thus, there will exist a cordial relationship between the management and the workers.

### **2.2.2 The AMO theory**

Bailey (1993) suggests that for an institution to realize its interests and desires, it needs to shape the overall traits of its employees with three major unconventional components. The theory proposes that an organization can develop systems that attend to the employees' Ability, Motivation, and Opportunity -AMO. The theory adds that an organization's internally consistent practices result from employee behavior that aligns with organizational goals and objectives. Therefore, the theory is essential to the organization because, through the HR functions of compensation, recruitment, capacity building, and employee engagement, the employees will feel attached to the organization and hence be motivated to achieve the organization's vision.

Appelbaum et al. (2000) state that the employees' ability can be improved through training while they can be motivated by extrinsic or intrinsic factors like better pay, targets, or personal human needs. On the other hand, the employees' opportunities can be provided through work engagement or decision making and growth opportunities. Astudillo-Rodas and Riccucci (2021) propound that all organizations have the desire to

achieve efficiency and effectiveness and can only do this through a well-trained human resource. As a result, most organizations are going the extra mile to ensure that their employees' ability is improved and that they are motivated to achieve what is expected of them.

According to Kellner et al. (2019), the AMO model can be used to comprehend developmental processes between the people and the management, their involvement in initiatives, and their overall performance outcome. They add that the theory assists in grouping various HR practices into three main dimensions of Ability, Motivation, and opportunity and suggests that their interactions can improve organizational performance. Hindle (2008) as cited by Golicha (2022) states that when all the employees are granted the chance to engage in the decision-making process, the organization has the best opportunity of ensuring efficiency, profitability, and retention in the business setup.

This theory is wide-ranged because it touches on the three dimensions that contribute to achieving efficiency and effectiveness as per the organization's vision and mission (Bos-Nehles et al., 2013). AL-Mottahar (2021) adds that due to current changing business trends, boosting an institution's efficiency is pivoted majorly on the efficiency of its human capital, which can be enhanced through training, skill, and knowledge development that will result in the desired behavior.

The theory is significant since it is anchored on motivating and improving employees' capabilities. When the employees who are the leading players are given attention, they can execute their roles as required (Onokala et al., 2019). This practice is opposed to when

targets are imposed on them without the management considering issues that can hinder or contribute to performance. In organizations that have structures that are meant to enhance employees' skills and knowledge through proper recruitment and capacity building for the sole purpose of improving performance and efficiency, the achieved results usually are immense. On the other hand, the organization can motivate its employees by ensuring that they are well remunerated and given equal chances to compete towards set targets. With the continued engagement of subordinates in decision making, they feel part and parcel of top management initiatives or in cases of new targets; hence they will work collectively to achieve what is required of them.

### **2.2.3 The Social Exchange Theory**

Homans (1958) proposes that any organization, society, community, or group is seen as a social system where social behavior yields social exchange whose crucial purpose is to maximize benefits and minimize costs. He continues to state that the theory benefits organizations in a way that the employers will weigh the potential benefits and risks from the relationship between them and their employees. When the risks outweigh the benefits, then either of the party will abandon the relationship and vice-versa. According to the theory, the benefits are increased productivity and efficiency on the side of the employer and better remuneration and work conditions for the employees. On the other hand, the risks involve the costs of training, salaries, wages, and general labor input.

Aryee et al. (2002) argues that every employee expects to be paid after having rendered their services. The organizations also expects that the workers will discharge their services willingly and in a proper way. This results in a form of social exchange and when both

parties are satisfied, the relationship continues. The favorable relationship means the organization will operate sustainably and avoid costs of frequent rehiring of employees while the employees continue to enjoy salaries and rewards.

The theory is essential to the study because it emphasizes the outstanding relationship between the top management and their subordinates. The situation is a give-and-take environment where the organization puts in efforts to enhance the skills of workers through training and capacity building alongside better remuneration. In return, the employees have a task to accomplish what is required of them. In this case, the organization's input and efforts in improving the skills of employees are meant to achieve organizational efficiency and effectiveness. Nevertheless, employees also have their expectations that the organization should fulfill, and that is better pay, appreciation, and an improved working environment. Once both parties are satisfied, the relationship becomes cordial and long-term as the organization manages employees' talents. The employees assist the management in achieving efficiency in terms of cost reduction and improved production.

#### **2.2.4 Employee Engagement Theory**

Kahn (1990) found out that engaging employees at work places is a prudent idea that enables companies to challenge employees to increase their output. The theory suggests that companies that have high levels of employee engagement enjoy outcomes such as lower turnover, high customer satisfaction and increased efficiency and effectiveness of employees. William Kahn as a psychologist saw the untapped potential in employees when not allowed to put down their full selves to tasks. For this reason, the theory

advocates that companies should make use of their employees' potential to get maximum output.

As part of the employee engagement process managers are encouraged to set goals to their employees to make them feel optimistic about the future and work hard for a better tomorrow. Kahn stated that employee engagement ensures that there is a holistic environment that helps managers come up with strategies that support employees in the areas where they are weak. He adds that engaged employees views the process with trust and openness thus taking up roles with increased meaningfulness.

Huang et al (2021) argues that engaging subordinates at work encourages transparency hence changing the initial brewed up self-concept. Owing to the above, the subordinates are therefore obliged to do what is right thus aiming to achieve even higher than before. Joshi et al (2023) agrees that an engaged workforce is more efficient to increase a firm's profitability and efficiency.

The theory is relevant to the study because it emphasizes on the importance of engaging employees at work places because this improves their thinking capacities and challenges them to deal with challenging situations. The aspect of work engagements also promotes transparency thus leading to trustworthiness of a company's leaders. Lastly, when employees are involved in matters like strategy formulation, they will likely work hard to ensure that strategy implementation is a success. Since most of the water utilities strategies are aimed towards achieving efficiency, engaging staff at initial stages of

formulation will guarantee that the staff will feel to be part of the whole process hence make certain that the set goals and objectives are achieved.

## **2.3 Empirical Literature Review**

### **2.3.1 Strategic recruitment and operational efficiency**

Strategic recruitment is an approach that aims at winning the best talent through employer branding, recruitment-directed marketing, and skills selling that enable the company to achieve effective, dynamic skilled-market responses that align with the organization's strategic objectives (Sullivan, 2019). Anwar and Abdullah (2021) states that sourcing the right candidate involves a step-by-step procedure from informing the candidates about the position, conducting the interviews, and choosing the right candidate.

Hamza et al. (2021) focused on the interrelation linking recruitment and selection and institutional accomplishment. The target population was 220 employees of telecom companies. Questionnaires were used as a tool for compiling primary information. A quantitative method of data analysis was used to analyze data. The outcomes indicated that the Telecom companies understand the importance of procedural recruitment and selection. The outcomes also indicated no difference in terms of gender or race regarding matters to do with promotions.

Banks et al. (2018) studied strategic recruitment across borders because the recruitment process is the initial step for a firm to attract the most qualified talent. The findings showed that the firms have homogenized recruitment forms within their own region and other regions. Suwanto and Subyantoro (2019) study found out that enrolment and proper choice

of employees are essential to an organization's performance. One of the objectives was to analyze and examine the impact of recruitment and placement on the overall accomplishments of an organization. The method that was used to analyze data were both subjective and measurable. Structural Equation modeling version 3.2.9 was used to analyze data. The outcome informed that recruitment had a conclusive and noteworthy effect on the achievements of employees.

A study was carried out by Albert (2019) on the application of modern technology in the accession of talent. The sole purpose of using artificial intelligence in the recruitment process is to warrant that the companies employ the ideal employees with the required expertise to meet the company's future goals. The study was carried out through extensive research on the available literature, and then structured thematic interrogations and dialogue were carried out to get primary data. The research findings stipulated that most companies using artificial intelligence tools were large tech companies, and the tools were limited to only three. The tools included chatbots, task automation, and screening software. The results also suggested that despite artificial intelligence being the most efficient way of acquiring the most qualified talent, many firms were reluctant to use AI due to the initial installation costs.

Halifah et al. (2019) study was based on the ramification of enlisting, selection, coaching, and deployment on the accomplishment of employees. The respondents' representative size for the survey was 224, and the research area was Indonesia. The study used a structured equation model and PLC version 3.0 as a method to process data. The findings stipulated that placement had the highest effect on employee performance, followed by

training, recruitment, and selection, which had the lowest effect on employee performance.

Another study by Evitha and Hernawan (2022) established that recruitment and selection have a pragmatic and remarkable effect on the accomplishments of employees, with a total percentage of 55.5%. The target population was a total of 85 individuals. The study used multiple and simple linear regression to ascertain the effects of recruitment, selection, and work domain on the achievement of employees. The study recommended that it was important for bank institutions to have a standardized recruitment strategy to meet the firm's staff requirements. The process is crucial because the company can achieve increased productivity and profitability through professional employees.

Santos et al. (2020) study focused on the impact of employee appointment and culture organization on the performance of state employees. The study targeted a total population of 1,261,072 people in Timor Leste. Questionnaires were used as a method of collecting data. The researcher used both quantitative and qualitative techniques to analyze data. The research study's findings showed that well-designed and prudent recruitment procedures played an integral role in improving employees' performance. The research recommended that state agencies should come up with standard procedures in onboarding of new employees so that they can instill the desired attitude and values in them.

Almansoori et al. (2021) posits that for an industry to improve on production and gain a competitive advantage, they need to make recruitment a key strategy in gaining qualified workers. The survey was done in the manufacturing industries. The sample size for the

study included employees of management level, and they were a total of 382 individuals. A well-designed empirical survey method was used to gather information. The study adopted a quantitative method of data analysis. The study findings suggested that competitive advantage was crucial in mediating the relationship between recruitment, selection, and staffing as independent variables to organizational performance as dependent variables. The research concluded that to achieve a competitive advantage that has a direct link to organizational performance, the UAE manufacturing industries need to strategize on how to improve their recruitment, selection, and staffing practices.

Yazdanifard and Alashmawy (2019) state that in the current technological era, organizations use recruitment marketing, which is a practice that is becoming inevitable in the labor market. They add that business recruiters want to be at the edge of competition when acquiring the best talent. According to Zehetner and Zehetner (2019), recruitment marketing has been orchestrated by the high uncertainty of the youthful generation, who have been brought up in different external environmental settings and have contrasting job assumptions from their employers. Therefore, employers find themselves in a tight corner because they wish to meet these expectations to attract and acquire the right talent, enhancing the firm's efficiency and effectiveness.

Mouton and Bussin (2019) opines that employer branding is a strategic recruitment tool management uses to retain employees and avoid compensation costs, thus sticking to the firm's core business. In addition, in the current business environment, which is dynamic, it is vital to fascinate and hold on to high-performing workers to contain costs and operate efficiently. In support of employer branding, Arasanmi and Krishna (2019) suggest that

organizations should focus on developing strategies that can attract and retain skilled employees because they need to be sure about a conducive and favorable work environment where they can meet targets comfortably.

Use of artificial intelligence as a tool of strategic recruitment in the human resource department may be expensive and time-consuming, though it is leading to efficiency as well as qualitative gains for both clients and candidates. It also plays an integral role in the overall organization's operational efficiency. Therefore, it is more advantageous for organizations that use strategic recruitment and selection to fill positions (Upadhyay and Khandelwal, 2018). As Ikechukwu (2021) puts it, many government organizations have found themselves in a dilemma in wanting to satisfy government policy demands on diversity. He adds that once they satisfy the policies, they breed organizational dysfunctions, thus the need for organizations to practice strategic recruitment, which orchestrates effective and efficient organizational performance.

Sanjaya (2021) propounds that recruitment is a vital process in a company that assist the company to have access to the conventional human resources who can help the company attain its objectives. The researcher used techniques such as direct observation, research through secondary data, interviews, and questionnaires to collect data. The research findings showed that employee motivation cannot be pegged on recruitment and selection but can be earned through incentives and other rewards. The employer can also achieve employee motivation by giving employees non-material things like a good working environment and recognizing an employee in case of good performance. The study

concluded that recruitment and selection can only help acquire the best candidates but cannot motivate an organization's human resources.

Abassi et al. (2022) advocates that recruitment is always an essential practice required for an organization to choose the right employees. In addition, an organization with suitable structures in the HR unit can bring more skilled and qualified candidates on board, enabling the organization to achieve efficiency and required growth. Kapur (2018) adds that many organizations have invested in having the best recruitment and selection strategies to achieve the organization's goals of having the best employees with the right skills and expertise.

Siddarth and Ramamoorthy (2020) suggest that the recruitment process should be reactive to the evolutionary and competitive market to procure a skilled and proficient workforce for all company levels. The study further adds that a firm that can acquire skilled and qualified employees and retain them long-term can enjoy a competitive advantage, and hence its operations are efficient. The study used questionnaires and direct interviews as modes of data collection. The study was done on a sample size of 100 workers of L & T construction. The study's findings indicated that the company has a unique way of attracting qualified workers who can meet its future needs. The results also indicated that some positive and negative recruitment practices needed to be improved for the company to achieve what it intended. The study concluded that a firm must adopt dynamic and suitable recruitment practices to improve its productivity and efficiency.

Hamza et al (2021) found out that recruitment is the first step that leads an organization to its competitiveness and quality services. The participants in the survey believed that the strategic recruitment tools used are equally important in ensuring that the association achieves its intended goals. These strategies include choosing tools, models, and instruments for recruitment which involves internal sourcing. An internal sourcing strategy implies that the current employees are going to be captivated and increase in their allegiance to the company because they believe that their job security and career development are assured through promotions.

### **2.3.2 Compensation and operational efficiency**

Okeke et al. (2019) pose that in the contemporary edge of emerging technological changes, organizations must attract and retain efficient employees through satisfying compensation packages. It has become a prerequisite for corporations to devise performance-based incentives in order to prompt their staff to achieve their targets (Campbell, 2018). According to Haque et al. (2019, employees are viewed as essential assets of a company, and their welfare needs to be looked at with much interest. This involves compensation in terms of salary, rewards, indirect compensation, and incentives. A compensation and reward system is a significant factor because it helps an organization attract, retain and motivate suitable employees in an organization (Arti, 2018). Compensation is a connecting factor that helps employees and organizations to attain their goals. By this virtue, the employees will have wages as income, and the organizations will earn a return on investment (Jeeta, 2018).

Setiawan et al. (2021) researched the effects of motivation on employee productivity, having compensation as a mediating factor. The background of the study was underpinned by the fact that many companies are striving to have an increased market share. A strategic edge can only be achieved if the companies have a committed workforce who are inspired to give their utmost effort to achieve high productivity. The study was carried out in banks, and a total of 100 respondents took part in the research study. Chi-squares were utilized to analyze the findings of the study. Both quantitative and qualitative data analysis methods were used in the study. The study findings suggested that compensation had a optimistic and consequential effect on employees' success in achieving the set targets. The study concluded that companies should frequently encourage their employees because they are influenced positively to increase their output.

A research study was carried out by Prasetyo et al. (2021) on whether compensation and discipline affected the performance of the employees. The purposive sampling technique was used to come up with a representative size of 80 employees from public bureau companies. Results of the study implied that compensation and discipline have a favorable implication on the performance of the employees of the publicized companies. The research recommended that companies should make certain that the workforce is satisfied with their wages and functional reward system are put in place to be sure of having an inspired workforce.

Asriani et al. (2020) opines that organizations that use compensation to stimulate their employees, have high propensity of achieving increased productivity. The representative group was ascertained using a purposive selecting technique. The technique of gathering

data was through observation, reading through secondary data sources, and questionnaires. The study's findings stipulated that motivation and compensation simultaneously significantly affect employee performance. The research study concluded that firms should adopt different forms of compensation, including rewards, bonuses, and incentives, for the employees to be motivated toward achieving the firm's set goals.

Prihantoko and Ferijani (2021) researched the effects of compensation and benefits on employees' performance, with a moderating factor being motivation. The target population was all employees in the marketing department, making a total of who are funding officers making a total of 121 people. The research study used a census survey whereby all the employees in the target population were engaged in the survey. The study used questionnaires to gather data which was then analyzed using moderated regression analysis. The study findings indicated that compensation and benefits have an optimistic and consequential effect on the performance of the human resources. The outcome also indicated that motivation equalizes the compensation and motivation effects.

Divandari et al. (2021) investigated the effects of compensation on individual performance. The study's purpose was to determine whether employees' performance can be improved when adequately compensated. The target population was 1950 employees of employees from Mellat Bank. The results showed that the employees who were rewarded for good performance improved in their general individual performance than those who received fixed pay. Therefore, the results implied that pay on performance had a tremendous effect on the worker's individual performance. The study's conclusion was that base pay did not have much effect on individual accomplishments compared to pay

that is made based on performance which has considerable effects on employee individual performance.

Priatna et al. (2020) propound that a company with a highly motivated workforce can quickly increase its profits and productivity, while one with a workforce that is not motivated is prone to reducing its profitability. The study was masterminded to determine the effects of motivation and compensation of workers on their productivity. The foremost purpose was to find out the effects of both compensation and motivation on the productivity of workers and the individual variable effects on worker productivity. The study used a random sampling method on 85 employees of Cemerlang. The descriptive research methodology was used to examine the gathered information. The findings indicated that compensation and motivation had a joint implication on worker productivity. The results also indicated that motivation considerably affected worker productivity rather than compensation.

Following the Revised Employment Act (2022) the employer may set working hours so that the staff may have a day off to rest from work in a week. The act also stipulates that in case in an event the worker works in excess of the normal working hours, the employer is supposed to compensate the worker by paying at least 150% of their normal wage. Developing policies on compensation and reward of an organization's human resources have a significant impact on the workforce's motivation, thus creating a high-yielding effect on the organization in terms of having discretionary effort in achieving organizational goals and objectives (Bayad & Govand, 2020). Amis et al. (2020) propound that effective compensation strategies are the most efficient way of retaining the most

capable employees to yield the desired results. However, organizations end up delivering inequality which causes operational inefficiencies. Firms, therefore, need to develop compensation structures that make all the employees satisfied with what they earn and work hard towards improved productivity and get raised pay in return.

Sudiardhita et al. (2018) opine that a company's performance in meeting its targets results from the total accumulation of individual contributions by each employee. As a result, enhancing the performance of individual employees through motivation yields the firm's general increased performance. Verma (2018) agrees that it is crucial to motivate an organization's employees because a firm's increased efficiency depends on the quality of its employees. She adds that employees can be encouraged through extrinsic rewards like pay, fringe benefits, praise, or promotion. All the above studies show that compensation plays an integral role in an organizational setting because it captivates the right people in the organization. On the other hand, it is the primary motivation for employees who have achieved a firm's goals; hence once they are handsomely compensated, they tend to perform even better.

### **2.3.3 Capacity Building and Operational Efficiency**

Wassem et al. (2019) studied capacity building and management support on the performance of employees. The study sampled 200 employees comprising lower and middle management employees. According to the results, capacity building is a core component of enhancing employee performance; achieving operational efficiency and sustainability is realizable. On the other hand, the findings stipulated that managerial support has no significant impact on employee performance. Therefore, the conclusion

was that employees should be skilled, well trained, and satisfied in their roles to improve their performance.

Organizations through associations saw the need to start developing employees by enhancing their abilities in innovations to support a skilled workforce which is beneficial to the organization and supports its efficiencies (Farrel et al., 2021). Collins (2021) argues that it is essential to enhance managerial capabilities because, with that, the organization can achieve committed human resources that are efficient and effective.

Utam et al. (2018) opine that capacity building through training and development is a fundamental backbone for the smooth operations of any business. The study focused on the impact of coaching and growth on the success of an organization. The results were in consensus that training employees is one of the best ways of having a capable workforce that can produce the products and service with the right quality.

Olisaeloka's (2022) study focused on the relationship between the practice of coaching employees, orienting them, and job rotation and their performance. The study was berthed on the human capital theory. The research design endorsed was a survey design. A total of 1810 employees from plastic manufacturing firms were the target population, out of which 353 employees were selected as a sample size. Sources of information came from both firsthand information and written materials. SPSS was used as a tool for data analysis. The research findings indicated that job orientation, coaching, and job rotation have consequential and optimistic interrelations with the achievements of employees. The study concluded that capacity building positively impacts employee performance and hence

recommended that refresher course packages should be incorporated in job orientation as a motivation to encourage employees to attend.

One of the foremost objective of the human resource department is having a workforce whose capabilities are fully utilized and who are also willing to go the extra mile in achieving the organization's objectives. On these grounds, Oleribe et al. (2019) suggest it is a necessity for the management of an organization to allocate financial resources that can be used for employees' capacity building and development. The study adds that this should be prioritized to achieve efficiency for most service industries. Ansar and Baloch (2018) propound that talent management assimilates capacity building based on employees' abilities, on which capacity building as a function of strategic human resources management is used to boost these capabilities.

Leaders within an organization play an integral role in positively influencing employees' emotions to achieve efficiency. In that case, the organization's leadership should have the potential and capability to exploit these emotions, or the organization can improve the power of the leaders through capacity building (Baesu, 2019). According to Brownson et al (2018), employees' capability, which leads to their effectiveness, can be attained through mentoring, making available required tools, technological assistance, evaluation and feedback. Khan and Abdalla (2019) recognizes a training and development program as a sincere way for an employer to provide the employees with an opportunity to be acquainted with the needed skills for the task given, to have the right attitude and current knowledge and information because the business environment is extremely dynamic.

Cruz et al. (2018) researched the impact of capacity building on organizations. They found out that capacity building is a game changer for an organization for its role in a firm's productivity and increased market share. The study deduces that organizations that adopt capacity-building programs reorganize on how to deliver knowledge to their staff, including training, mentorship, and job rotation. The study's findings indicated that capacity-building programs have different effects on organizations depending on the programs in place. The study recommended that the organization's top management develop suitable programs that align with their goals and objectives to achieve what they intend to realize.

Uchechukwu et al. (2022) research study focal point was examining the impact of capacity building on employee fulfillment. The results showed that there was a solid and remarkable linking between capacity building and the effectiveness of workers. The study also implied that employees whose capabilities have been raised have high adaptive power; hence with the changing dynamic environment, they can easily survive. The study recommended that there is a need for organizations to equip their employees with leadership skills so that they can achieve having an empowered workforce that is committed to their work.

Brownson et al. (2018) study, was about ascertaining the importance of capacity building to evidence-based programs. The study agrees that capacity building can be enhanced through training, incentives, staff evaluation, feedback, and general staff support. Potnuru et al. (2018) analyzed the effects of team building on employee competency. They found out that the mode of delivering information to the employees has a remarkable impact on

the out turn of team building and eventual results on employee competence. The study proposed that organizations should come up with strategies that can be used to develop employees' potential hence increasing their ability to achieve the set goals and objectives.

Shafi et al. (2021) study focused on determining whether capacity-building interventions affect employee development. The study was executed in Pakistan, and questionnaires were administered to collect data. The research study used multiple regression to analyze the effects of capacity-building variables of training, technical education, knowledge, and skills transfer to the independent variable, which was employee development. The results implied that capacity-building strategies have an optimistic and remarkable interrelation with employee development. The research study proposed that organizations embrace capacity-building facets because they positively enhance employee development, which improves the organization's effectiveness and efficiency. The study concluded that capacity building ensures that the organization has a skilled, empowered workforce capable of taking the organization to the next desired level.

Water utilities are committed to improving their digital operation through improving the designs of new facilities hence the requirement to incorporate staff training in the implementation budget. This to ensure that their capabilities match the desired qualities and it is through magnificent training and outstanding development of employees that an organization can achieve its set goals and objectives (Curl et al. 2019). In their paper, they add that in the era where technological improvements are the increasing end training and development assists an organization to have a continued supply of workforce who are

competent in both technical and social matters and can develop into specialists in their duty areas or as leaders.

#### **2.3.4 Employee Engagement and operational efficiency**

Employee engagement is an engine of talent management because it helps employees increase their resilience and commitment at work (Ahmed et al., 2020). Engaging employees in workplaces leads to their empowerment. Hence, they can adapt to changes in the environment and make quick decisions for business sustainability (Olatunji, 2019). Turner (2019) researched engaging employees in contemporary organizations to achieve high productivity and gain a competitive advantage. The study indicated that in the current economic world, employers want an engaged workforce aware of what is required of them. The researcher adds that it is essential to have an engaged workforce; they can understand that every contribution they make towards production is crucial to achieving the eventual efficiency and effectiveness of the organization.

Vercic (2021) carried out a study to examine whether engaging employees and employer attributes have an impact on the employee satisfaction of internal communication. The results from the study indicated that employee engagement and employer branding have a positive and significant impact on internal communication satisfaction. The study highlights that internal communication satisfaction puts employees at the forefront to feel recognized and appreciated, which leads to their effectiveness. The study adds that a practical human resource will automatically increase an organization's profitability, attractiveness, and sustainability.

Fidyah's (2020) carried out a study on the effects of employee engagement on job satisfaction and employee performance. 52 employees were selected as the sample size through a stratified sampling technique. The results implied that employee engagement has a solid and a remarkable association with employees' satisfaction on internal communication and achievement of their targets. The study concluded that an engaged workforce is motivated and does not hesitate to achieve improved and increased productivity.

Sendawula et al. (2018) studied the benefaction of mentoring and engaging employees to the efficiency of employees in Uganda's health sector. The sample size consisted of 150 employees, and the method of data collection used to collect primary data was questionnaires. Regression analysis was carried out to show the effect of training and capacity building on the performance of employees. The findings stipulated an optimistic and consequential interrelation between mentoring and employee engagement on the efficiency of the workers. The study recommended that top management should always involve their subordinates in decision and policy making to inspire them to achieve what they collectively agreed on with management. The study also recommended that organizations train their employees to have an enabled human resource with the required skills to perform their tasks.

Antony (2018) opines that an organization with an engaged employee has the edge over the competition due to improved productivity and efficiency, reduced cost of operation because of less turnover, minimized absenteeism, enhanced loyalty, and goodwill. Rameshkumar (2020) agrees that employee engagement is a precursor of many

organizational and operational outputs, such as employee performance, commitment, effectiveness, and competitive advantage. He adds that committed employees yield increased output at a low cost because of a positive mindset and a sense of responsibility for every decision and step they take.

Hoque et al. (2018) studied the impacts of compensation systems and employee engagement on the performance of employees. Two hundred respondents were selected as the study's sample size. The study findings indicated that compensation and employee engagement had a solid and remarkable linking with employee performance. The study recommended that organizations should put in place better remuneration and engagement strategies that can achieve a more motivated workforce and willingness to work without being coerced.

According to Arifin et al. (2019), employee engagement increases the level at which employees are satisfied with their work hence, they put in more effort to increase their effectiveness. The research study was pivoted on the effects of employee self-efficacy and engagement on employee performance. The research study was done on 140 respondents of the palm oil company. The outcomes of the study indicated that self-efficacy and employee engagement have a solid and remarkable impact on the productivity of employees. The research suggested that companies whose top management delegate duties to their juniors empower them to be future leaders for succession planning.

Turner (2019) posits that having engaged employees play a vital role in an organization. It results in a strategic advantage that includes cost effectiveness, more voluntary effort,

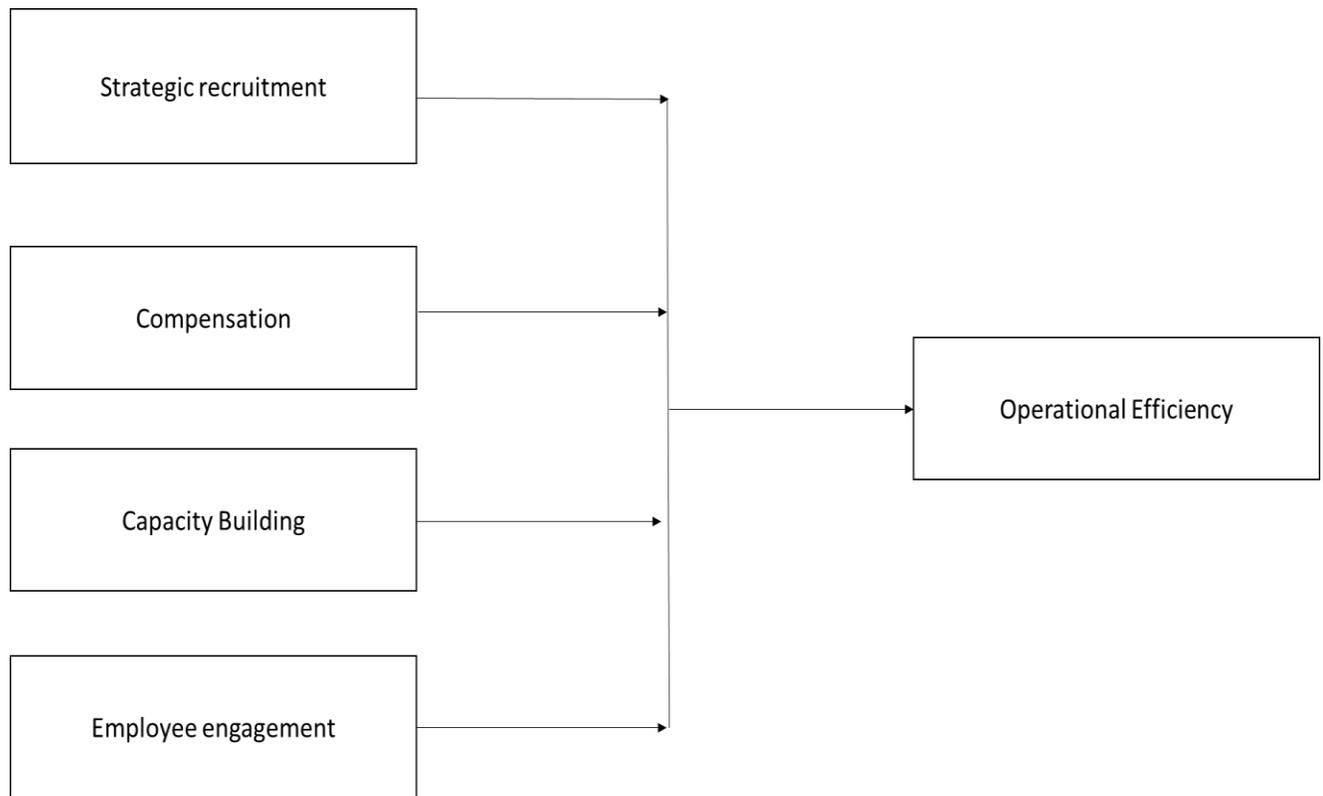
faster market time, rapid revolution, unique products and increased customer satisfaction. For that reason, the employees will immerse themselves in their roles, maximizing their efficiency, which can be reflected in increased efficiency, optimum profitability, shareholder value, and agility. Van (2021) concurs with Turner (2019) that developing an empowered, innovative, and engaged workforce is a coherent method to achieve organizational efficiency and improved performance.

Sivapragasam (2018) propounds that many organizations' operational efficiency has been affected because the employees are not committed to achieving the desired results. Therefore, the study proposes that the human resources management department should keep at brisk employee matters like engagement and well-being to achieve the overall employee efficacy, which is salient to achieving the coveted efficiency of an organization. Anwar (2021) also proffers that due to the changing demand and expectations of investors and customers, many firms are turning to employee engagement who can assist in keeping their businesses at the edge of competition. The study concludes that employees can do this by minimizing costs and renewing products and processes to operate efficiently; hence the business can continue to exist in a competitive environment. Employee engagement is a strategic workplace approach that ensures the well-being of all the workforce who become more committed to the organization and are more persuaded to bestow its favorable outcome with the intensified comprehension of their welfare (Nagori, 2022)

## 2.4 Conceptual Framework

**Figure 2.1**

### *Conceptual Framework*



**Independent Variable**

**Dependent Variable**

### 2.4.1 Explanation of Variables

Strategic recruitment is a tactical process of bringing on board suitable candidates with desired skills to assist the company in accelerating its growth through efficient operation. The critical role of strategic recruitment is talent acquisition, which works with a clearer and well-structured budget, ensuring that an organization uses minimum cost to obtain the required potential employees so that they can satisfy its strategic needs (Fahim, 2018).

Strategic recruitment can be enhanced through employer branding which is the organization's ability to have appealing attributes to the desired candidates.

Dessler (2018) states that compensations are all forms of pay or rewards given to employees that arise from the employees being utilized. On the other hand, Heathfield (2019) defines compensation as the amount of money an employee receives as payment to him/her after performing their duties per the agreement between the employee and the organization to be paid after a specific duration. It is important to have improved remuneration plans for employees in the form of rewards, better salaries, and incentives because it is a significant basis of motivation for employees who will work hard to attain targets for their well-being in return.

Capacity building is the process of developing skills and knowledge transfer through training. Its main focus is to enable employees to perform tasks that could not be previously performed (Shafi et al., 2021). Boosting employees' capabilities enables an organization to empower its workforce to build more resilient and goal-oriented human resources that is efficient in executing their roles (Malik, (2018)). Capacity building has become a key item in forming a workforce that is committed to its mandate to achieve improved productivity (Nagaraju, 2018)

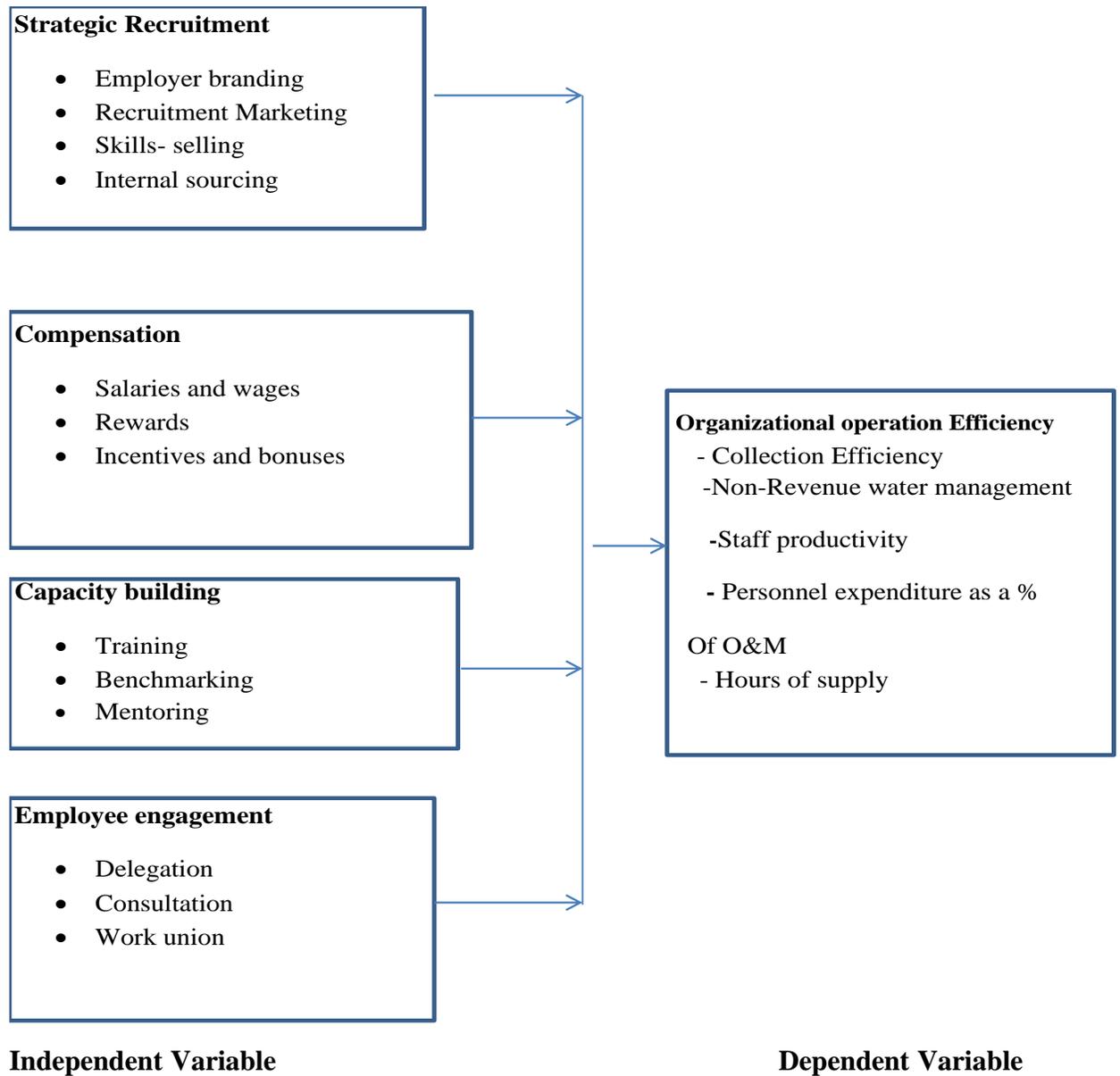
Employee engagement is the extent at which an employer and employee have a cordial relationship in which the employee is allowed to willingly take part in decision-making and in activities that are aimed at improving the organization's productivity and achieving its goals and interest (Ellis & Sorenson, 2015; Antony, 2018). Engaging employees in the

workplace is a tactical strategy that assists the organization in avoiding issues of resistance to change and also promotes the generation of new ideas and innovations at the workplace (Van Zyl et al. 2021). In addition, engaged employees feel part of the organization and do not feel like decisions are imposed on them, or instead, they will be obligated to achieve what is required of them.

## 2.5 Operational Framework

Figure 2.2

*Operational framework*



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

The methods and processes that were employed to achieve a foremost purpose of this research are discussed in this chapter. The chapter covers the research design, location of the study, target audience, representative size, sampling design, data gathering techniques, research instruments, reliability, validity and ethical consideration.

#### **3.2 Study area**

The study location was Meru County. The study covered two water service providers in Meru County: they were Imetha Water & Sanitation Company Limited (Imethawasco) and; Meru Water & Sewerage Services (Mewass). The two companies are managed as Meru County Urban Water and Sanitation Services Corporation. The choice of the two was justified by the fact the two are the only ones in Kenya that operate under a corporation. Another reason is that one operates in the rural area while the other one operates in Meru municipality and its environs. Both companies are regulated by WASREB using the same guidelines and benchmark targets on operational efficiency. The study area was suitable because despite the two WSPs having a large supply area, the coverage area is still not sufficient because almost half of the population do not have access to treated water.

### **3.3 Research Design**

Babbie and Mouton (2001) designated that a research design focus to mark the planning of scientific inquiry by configuring a master plan of investigation. It dictates how a study can get responses to the research questions consistently. Concerning the purpose of this study, to acquire more exhaustive information concerning the subject matter and do so without changing or manipulating the context, a descriptive research design was adopted. Orodho (2009) opined that a survey technique is exemplary for gathering information by discharging structured questionnaires. The relevance of the design was based on the fact that utilizes a pre-established audience, which was contingent upon the staff, who gave statistics on their contribution towards achieving efficiency.

### **3.4 Target population**

Mugenda and Mugenda (2003) propounded that a population is a complete group a researcher is intrigued in or the audience upon which the researcher desires to make judgement on. This study targeted all the employees of Imetha Water and Sanitation Company and Meru Water and Sewerage Services. The target population for the study included 10 corporate management teams, 25 middle management, and 165 operative staff, summing up to 200 employees. This is indicated in Table 3.1 below.

**Table 3.1**

*Target population*

<b>Sub County</b>	<b>Senior Management</b>		<b>Middle Management</b>		<b>Operatives</b>		<b>Total</b>
<b>Imetha Wasco</b>	3	30%	13	52%	80	48%	96
<b>Mewass</b>	7	70%	12	48%	85	52%	104
<b>Total</b>	<b>10</b>		<b>25</b>		<b>165</b>		<b>200</b>

The percentage proportion of the senior management staff indicates 30% of Imethawasco and 70% of Mewass staff. The proportion of the middle management employees of both companies is represented by 52% of Imetha; and 48% of Mewass staff. The 80 operative employees of Imetha Wasco represent 48%, while the 85 operative employees of Mewass represent 52% of the total number of operative employees in both companies. The choice of the target population is justified because all the employees have a role in the daily operation of the WSPs and hence have information on how their capabilities assist in attaining the benchmark targets laid down by Wasreb.

### **3.5 Sampling Techniques and Sample Size**

#### **3.5.1 Sampling Techniques**

The sampling plan of action is the process of determining an acceptable representative part of an audience to establish the characteristic of the whole audience (Frankel & Wallen, 2008). This study adopted stratified sampling technique. The choice of stratified

sampling technique was because the employees do not share the same roles and responsibilities due to ranks. Therefore, the population was grouped into homogenous subsets based on job groups to form stratas and selected to make sure that each subset of the audience is represented equitably in the selected representative group of the audience. The stratified sampling technique assisted the researcher in dividing the population under study into three different correspondent classes and ensured that each stratum is constituted in the same percentage as represented in the population. Simple random sampling was used to choose participants from the categorized strata to ensure every category had equal chances of being integrated into the sample.

### **3.5.2 Sample Size**

The sample size is a subject of the whole audience that participate in a survey to give overall opinions of the population (Kothari, 2004). As determined by Krejcie and Morgan table (1970) with a target population of 200 the pre-determined sample size was 132 respondents. According to conroy (2018), the 132 respondents had a  $\pm 5$  margin of error which is acceptable. The sample size was distributed with the same percentage proportion representation in the population. This is as indicated in Table 3.2 below.

**Table 3.2***Sample size*

	<b>Senior Management</b>		<b>Middle Management</b>		<b>Operatives</b>		<b>Total</b>	
	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>
Imetha	2	30	9	52	53	49	65	49
Wasco								
Mewass	5	70	8	48	55	51	72	51
<b>Total</b>	<b>7</b>		<b>17</b>		<b>108</b>		<b>132</b>	

**3.6 Data collection Instruments**

Creswell (2003) stipulated that data collection instruments are all forms that are used in the process of gathering information about the facts of the study. This study shall use questionnaires in data collection. A questionnaire, according to Mugenda and Mugenda (2003), is a structured set down of typical questions composed to suit a particular exploration. This study had a mixed questionnaire with two sections. The first section had closed-ended questions on the bio-data of the respondents and main issues pertaining the study. The second section comprised both closed and open-ended questions on the study's objectives. The questionnaire schedule for the study comprised critical questions aimed at getting information on talent management practices that the water service providers carry out and their effect on the WSPs' operation efficiency.

**3.7 Data Collection Procedures**

A letter of introduction was presented to the relevant authorities and management in the WSPs were requested for permission to allow data collection. After the permission was granted, questionnaires were presented to the selected participants by hand delivery. The

researcher self-administered the questionnaires, ensured that they were filled correctly and collected them after they were filled at a convenient time for both the researcher and the respondent. The researcher sought an appointment with the corporate management team for the purposes of administering the questionnaires to them and agreed on the collection date and time when they were duly filled.

### **3.8 Validity and Reliability of the Research Instruments**

Validity can be described as the expanse to which a notion is precisely dignified (Heale & Twycross, 2015). It shows how well a method, technique, or test measure, measures something. It is also the degree to which a measurement portrays the exact meaning of the idea under study. Reliability is where by an instrument constantly gives the same results if it is used in the same circumstances on recurrent situations. It means that a measurement can be considered reliable if it produces the same results under the same conditions and methods (Heale & Twycross, 2015). Reliability of questionnaires was ascertained by conducting a pretest study to another WSP (Tuuru Water and Sanitation Company). 30 participants were selected for pretest from the WSP. According to Perneger et al. (2015), a sample size of 30 respondents for questionnaire pretest is recommended. This was applied to determine whether the respondents understood the questions well or whether the questions were vague to some and clear to others. The WSP used for pretest was not included in the research thereafter. Cronbach's alpha coefficient analysis was used to establish the reliability of test items and a coefficient score of 0.7 or higher was accepted. Items of measure that were denoted to reduce the reliability coefficient values were dropped. The validity of the study was determined by conducting KMO and Bartlett Tests

to ascertain whether the questionnaire constructs were valid. KMO coefficient value of 0.7 and above was termed as acceptable. Barlett tests were measured at a significance level of 0.01. Therefore, any value below 0.01 was acceptable. Experts on the subject matter including supervisors were also consulted concerning the validity of the research instruments.

### **3.9 Data Analysis**

Ibrahim (2015) describes data analysis as the process of making some calculations, examining, and evaluating the collected data to get some useful information out of it. The data collected was cleaned for correctness, coded, and arranged in readiness for analysis. The researcher analyzed the data in the form of descriptive and inferential statistics using SPSS (Statistical Package for the Social Science) for exploration. The extracted findings from SPSS were pasted on Ms. Excel and then the quantitative data collected from the closed-ended questionnaires analyzed and presented in the form of pie charts, bar graphs, and tables. Qualitative data from the open-ended question of the questionnaire was arranged and discussed in themes based on the objectives and analyzed using Clarke and Braun (2014) 6-step thematic analysis framework. The researcher applied multiple regression to determine the effects of several independent variables on a dependent variable. The function of multiple regression was as follows:

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon$$

Where:

Y = Operation efficiency

a = represents the constant

X1, X2, X3, X4 and = Independent Variables

X1= Strategic recruitment

X2=Compensation

X3= Capacity building

X4= Employee engagement

é. = Error Term

B1, B2, B3, and B4 = regression co-efficient of the four variables

The study hypothesis was tested using a two-tailed normal distribution test at a 5% level of significance.

### **3.10 Ethics**

A letter of introduction was obtained by the researcher from the University to recognize that the researcher is a student and is pursuing studies at the institution and that the study is solely for academic purposes. The researcher also sought permission to collect data from the WSPs from the National Commission for Science, Technology, and Innovation (NACOSTI). The organization is the central body responsible for the oversight, promotion, and coordination of research. The researcher ensured that the respondents had informed consent on what the study is all about. The researcher observed honesty, confidentiality, objectivity, care, and respect for all the participants. The researcher

respected the choices of the respondents to answer or not to answer the questions asked and did not coerce them in any way whatsoever.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 Introduction

The chapter presents the findings after analyzing data collected and analyzed using the research methodology set out in the study. The results and discussions are about the effects of talent management on the operation efficiency of water service providers in Meru County, Kenya. The empirical literature ratifies the research findings in chapter two. Descriptive statistics, regression, and correlation analysis, are presented.

#### 4.2 Response Rate

The information was gathered from 132 respondents including, senior management, middle management, and operative staff from both Mewass and Imethawasco. Table 4.1 below presents a summary of the response rate.

**Table 4.1**

*Summary of the Response Rate*

<b>Questionnaire</b>	<b>Respondents</b>
Questionnaires distributed	132
Questionnaires returned	132
Response rate	100%

**Source: Researcher, 2022**

A total of 132 questionnaires were distributed. All were completed and remitted, reflecting a response rate of 100%. The 100% response rate was successful because the researcher self-administered the questionnaires, guided the participants through the questions, waited for them to be completed, and collected them immediately. Some questionnaires were also dropped and picked later at a convenient time for both the researcher and the respondents.

#### **4.2 Reliability Analysis**

The reliability test was conducted on the questionnaire to sought its internal constancy. Cronbach’s alpha values of 0.7 and above were accepted as adequate to use the construct for actual analysis. The table 4.2 below revealed the findings.

**Table 4.2**

*Reliability Analysis*

<b>Scale</b>	<b>Cronbach's Apha</b>	<b>No. of Items</b>
Recruitment	0.703	4
Compensation	0.755	3
Capacity Building	0.784	4
Employee Engagement	0.829	4
Operation Efficiency	0.843	4

The table 4.2 revealed under recruitment that the Cronbach value was 0.703 with 4 items under the measure. Examples of questions sought were the level at which the respondent agreed with these statements; the WSP uses an advertising media that can reach a wide

pool of candidates; Strategic recruitment is important in improving the WSP'S operational efficiency. The reliability test also revealed that the Cronbach value under compensation was 0.755, with 3 items under the measure. Examples of questions sought were the level at which the respondents agreed with the statements; the WSP offers competitive salary packages, and the WSP's designed reward system. The Cronbach's value associated with the capacity building was 0.784 with 4 items under the variable. Examples of questions asked include whether the respondent agreed with the following statements, mentorship programs are available to improve employees' ability; Capacity building affects the operational efficiency of the WSP. The table also revealed that Cronbach's Alpha value associated with employee engagement was 0.829 with 4 items under the measure. Examples of questions sought were the level at which the respondents consented with the statements asserting that; employees are consulted during the formulation and implementation of WSP's strategies; there is a good relationship between the management and the union. Lastly, the Cronbach Alpha value under the dependent variable was 0.843, with 4 items under the measure. Examples of questions sought were the respondents' level of consensus with the following statements. The WSP has significantly increased its hours of supply because of talent management; generally, there have been improvements in the operation efficiency of the WSP because of talent management. Therefore, from the above results, the study revealed that all the variables had good indicators because Cronbach's Alpha acceptable threshold was set at 0.7.

#### 4.4 Validity Analysis

Both KMO and Bartlett Tests were conducted to ascertain whether the questionnaire constructs were valid for further analysis. The results are presented in Table 4.3.

**Table 4.3**

*KMO and Bartlett's Test*

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	1507.679
	df	351
	Sig.	.000

The table 4.3 revealed that the KMO value was 0.837 which was adequate for further analysis against the set target criterion of 0.7. The test also revealed that the Bartlett's value was 0.000 which was less than the set level of significance of 0.01. Therefore, was proven to be valid for further analysis.

#### 4.5 Demographic analysis

This section presents the respondents gender, age, years the participant has worked in the WSP, academic credentials, employment cadre and the participants department that they work for. These social attributes of the respondents were significant to the study because it validated the respondents to provide information that is sensible, authentic and pertinent to the study. The results are presented in subsections below.

#### 4.5.1 Gender and Age of respondents

This section presents the crosstabulation of gender and age distribution of the respondents

**Table 4.4**

*Gender \* Age Cross tabulation*

		Category of Age				Total	%
		20-29	30-39	40-49	50 and above		
Gender	Male	20	28	26	4	78	<b>59.09</b>
	Female	16	30	8	0	54	<b>40.91</b>
Total		36	58	34	4	132	
%		<b>27.27</b>	<b>43.94</b>	<b>25.76</b>	<b>3.03</b>		

The table showed that 27.27% of the total respondents were between the age brackets of 20-29, 43.94 % were between 30-39, 25.76% were in the age bracket of 40-49, and only 3.03% were above the age of 50 years. The outcomes manifested that most of the respondents were in the age range of 20-29 years. Due to the nature of the job in the technical and production department it requires energetic people hence justification of the youthful workforce. Out of the 132 respondents, 78 were male, having a percentage representation of 59.09%, while the female were 54 respondents having a percentage representation of 40.91 of the total number of respondents. The findings suggest that most of the respondents who participated in the research were middle-aged and young employees. In addition, the percentage distribution for male and female respondents

indicates that the WSPs do not discriminate against any gender based on adequate representation for both males and females.

#### 4.5.2 Respondents level of Education

The study also aimed at determining the respondents' level of education. This is shown in the table 4.5 below.

**Table 4.5**

*Respondents level of Education*

		Frequency	Percentage
Valid	Certificate	42	31.8
	Diploma	60	45.5
	Bachelor Degree	23	17.4
	Post Graduate Degree	5	3.8
	Total	130	98.5
Missing	System	2	1.5
Total		132	100.0

The table 4.5 determined that 31.8% of the respondents had attained a craft certificate, 45.5% a diploma certificate, 17.4% a bachelor's degree, and 3.8% had a postgraduate degree. 1.5% of the respondents did not disclose their level of education. The findings show that most respondents had attained a diploma. Most of the employees in the Water Service Providers are in the technical department hence having obtained a certificate or diploma course from the technical institutes makes it possible to make an entry into the job market. Another reason is that the nature of the work is hands on and technical and vocational training institutes offer best training.

### 4.5.3 Respondent’s WSP versus employment cadre

The study was conducted in two major water service providers in Meru County. The employees were grouped into three strata. Table 4.6 below shows how many respondents from each WSP and employment cadre participated in the research.

**Table 4.6**

*WSP \*Employment Cadre Crosstabulation*

**WSP \* Cadre Crosstabulation**

		Employment Cadre			Total	%
		Operatives	Middle Management	Senior Management		
WSP	Mewass	55	8	5	68	52
	Imetha	53	9	2	64	48
Total		108	17	7	132	

According to the above table, it was revealed that Mewass employees who participated in the research were 52%, while Imetha respondents were 48% of the total number of respondents. The number of operative employees who were engaged in the study were 108; the middle management were 17, while the senior management were 7. This means that most of the respondents were operative employees because they were basically the majority of the target population.

### 4.5.4 Department

The study also aimed at determining the department that the participants worked in from the WSP. The results are shown in table 4.7 below.

**Table 4.7**

*Department*

	<b>Department</b>	<b>Frequency</b>	<b>Percent</b>
Valid	Administration	15	11.4
	Procurement	8	6.1
	Human Resource	6	4.5
	Accounts	13	9.8
	Commercial	29	22.0
	Technical	61	46.2
	Total	132	100.0

The findings indicated that, 11.4% belonged to the Administration department while 6.1 % were working for the procurement department. The results manifested that 4.5% of the participants were working for human resource management department. Further results appropriated that 9.8% of the participants were working for the accounts department and 22.0% were working for the commercial department. Lastly, the results indicated that 46.2 % of the participants were for the technical department. Looking through the results the majority of the respondents were working for the technical department as shown by 46.2%. The results indicated that the sector employs higher percentage of the technical employees including plumbers, water service operators, line patrollers, chemical attendants, meter readers among others.

#### **4.5.4 Years worked in the WSP**

The study aimed at finding out the period that the respondents had worked in the WSP.

The results are presented in the table 4.7 below.

**Table 4.8**

*Years Worked in the WSP*

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
Less than 2	12	9.1
2-5	39	29.5
6-10	55	41.7
Above 10	26	19.7
Total	132	100.0

The findings revealed that 9.1% of the respondents had worked in the WSP for less than 2 years, 29.5% had worked for between 2-5 years, 41.7% had worked for between 6 and 19.7% of the respondents had worked in the WSP for a period of above 10 years. According to the findings larger percentage of the respondents had at least worked for the WSP for a period of 10 years and above. This shows that there is a high level of employee retention

**4.6 Descriptive Analysis**

In this section, the study presents findings of the descriptive statistics carried out on the study's objectives. The researcher used a 5-point Likert scale with 1= strongly disagree, 2= disagree, 3= moderate, 4= agree 5= strongly agree. Mean values were used to interpret the results. The results were as presented in the subsections below.

#### 4.6.1 Effects of strategic recruitment on the operation efficiency

The respondents were requested to agree on a certain level with the statements on the Likert scale. The findings are as shown on table 4.8 below.

**Table 4.9**

*Strategic recruitment*

Statements	1		2		3		4		5		Mean	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
	12	9.2	21	16	19	15	54	41.2	25	19	3.45	1.229
The WSP use an advertising media that can reach a wide pool of candidates	4	3	33	28	25	19	53	40.2	17	13	3.35	1.084
The WSP has unique desirable attributes that attract the right talent	6	4.6	18	13.7	19	15	62	47.3	26	20	3.64	1.089
The WSP uses job postings that have compelling job descriptions.	5	3.8	5	3.8	13	9.8	56	42.4	53	40	4.11	0.993
Strategic recruitment is important in improving the WSP'S operational efficiency.												
<b>Average</b>											3.64	1.1

Accordinging the table 4.9 above the respondents agreed that the WSP use an advertising media that can reach a wide pool of candidates as shown by a mean of 3.45. The also

agreed that the WSP has unique desirable attributes that attract the right talent as indicated by a mean of 3.35. That the WSP uses job postings that have compelling job descriptions that attract the most talented candidates as shown by a mean of 3.64. Lastly, they agreed that strategic recruitment is important in improving the WSP'S operational efficiency because the right talent will be able to lower costs through reduction of waste as shown by a mean of 4.11. Nevertheless, the responses were not diversified from the mean as shown by a standard deviation of 1.10. This results agreed with

#### 4.6.2 Effects of compensation on operation efficiency

Descriptive results for compensation are as shown in the table below 4.9 below.

**Table 4.10**

#### *Compensation*

Statements	1		2		3		4		5		Mean	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
The WSP offer competitive salary packages	21	15.9	28	21.2	19	14.4	44	33.3	20	15.2	3.11	1.338
The WSP has a designed reward system	11	8.4	21	16	23	17.6	57	43.2	19	14.5	3.4	1.168
Employees are entitled to incentives and bonuses in case of good performance	7	5.3	13	9.8	21	15.9	56	42.4	35	26.5	3.75	1.115

	11	8.4	10	7.6	12	9.2	60	45.5	38	28.8	3.79	1.188
Compensation affects WSP's operation efficiency												
<b>Average</b>											<b>3.51</b>	<b>1.202</b>

Results expressed that the participants consented with the assertion that the WSP offer competitive salary packages as shown by a mean of 3.11. They also agreed by the statement that the WSP has a designed reward system as indicated by a mean of 3.4. Further results also show that majority of the respondents in compliance with the assertion that the employees are entitled to incentives and bonuses in case of good performance. Lastly, the respondents also agreed with the statement that compensation affects WSP's operation efficiency with an average mean of 3.79. Nevertheless, the responses were not diversified from the mean as shown by a standard deviation of 1.202.

#### 4.6.3 Effects of capacity building on operation efficiency

Descriptive results are shown in the table 4.10 below.

**Table 4.11**

#### *Capacity Building*

Statements	1		2		3		4		5		Mean	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
The employees are frequently trained to	13	9.8	20	15.2	8	6.1	55	41.7	36	27.3	3.61	1.3

improve their skills

Mentorship programs are available to improve employees' ability.	13	9.8	12	9.1	29	22	55	41.7	23	17.4	3.48	1.175
WSP frequently takes its employees for benchmarking.	7	5.3	5	3.8	21	15.9	65	49.2	34	25.8	3.86	1.017
Capacity building affects operation efficiency of the WSP.	6	4.5	7	5.3	14	10.6	62	47	43	32.6	3.98	1.03
<b>Average</b>											<b>3.73</b>	<b>1.1305</b>

The results exhibited that the participants concurred with the assertion that the the staff are frequently trained to improve their skills as evidenced by the average mean of 3.61. The respondents were unbiased with the assertion that mentorship programs are available to improve employees' ability as shown with an average mean of 3.48. Further the respondents concurred with the statement that the WSP frequently takes its employees for benchmarking as represented by a mean of 3.86. Lastly the table also revealed that the participants were in agreement with the assertion that capacity building affects operation efficiency of the WSP. Nevertheless, the responses were not diversified from the mean as shown by a standard deviation of 1.1305.

#### 4.6.4 Effects of employee engagement on operation efficiency

Descriptive results are shown in table 4.12 below.

**Table 4.12**

*Employee Engagement*

Statement	1		2		3		4		5		Mean	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
Employees are consulted during formulation and implementation of WSP's strategies	20	15.2	20	15.2	18	13.6	43	32.6	31	23.5	3.34	1.386
Senior management delegates some of their duties to their juniors.	14	10.6	13	9.8	19	14.4	56	42.4	30	22.7	3.57	1.243
There is good relation between the management and the union.	8	6.1	14	10.6	25	18.5	63	47.7	22	16.7	3.58	1.077
Employee engagement affects operation efficiency of the WSP.	4	3	4	3	14	10.6	69	52.3	41	31.1	4.05	0.902
<b>Average</b>											<b>3.635</b>	<b>1.152</b>

The results in the table 4.12 above express that most of the participants were impartial with the statement that the employees are consulted during formulation and implementation of WSP’s strategies as shown with a mean of 3.34. According to the results, the respondents also concurred with the statement that the senior management delegates some of their duties to their juniors as shown with a mean of 3.57. The respondents also concurred with the statement that there is good relation between the management and the union as indicated with a mean 3.58. Finally, the outcome also implied that the participants were in concurrence with the assertion that employee engagement affects operation efficiency of the WSP. Nevertheless, the responses were not diversified from the mean as expressed by a standard deviation of 1.152.

#### 4.6.5 Operation Efficiency

This section presents the results of respondents’ responses regarding statements on operation efficiency. They are as presented in the table 4.13 below.

**Table 4.13**

*Operation Efficiency*

Statement	1		2		3		4		5		Mean	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
The WSP has significantly increased its hours of supply because of talent management	7	5.3	13	9.8	18	13.6	64	48.5	30	22.7	3.73	1.083

The WSP has continuously achieved its revenue collection efficiency because of talent management	8	6.1	13	9.8	13	9.8	47	35.8	51	38.6	3.91	1.194
The amount of non-revenue water has been reduced as a result of Talent management.	6	4.5	13	9.8	11	8.3	65	49.2	37	28	3.86	1.076
Generally, there have been improvements in the operation efficiency of the WSP because of talent management	5	3.8	10	7.6	15	11.4	54	40.9	48	36.4	3.98	1.063
<b>Average</b>											<b>3.87</b>	<b>1.104</b>

The outcome revealed that talent management helps the WSPs to increase its hours of supply as indicated with a mean of 3.73. The results also revealed that respondents acknowledged that the WSP has continuously achieved its revenue collection efficiency because of talent management as shown by a mean of 3.91. Further the results revealed that talent management has helped the WSP to reduce the level of non-revenue water as indicated by a mean of 3.86. Lastly, the results indicated that there have been improvements in the operation efficiency due to talent management as shown by a mean of 3.98. Generally according to the results, most of the respondents were in consensus with the statements on operation efficiency as indicated by an average mean of 3.87.

Nevertheless, the responses were not diversified from the mean as expressed by a standard deviation of 1.104.

#### 4.6.6 Recommendations on how operation efficiency of the WSP can be improved

The qualitative data was coded and classified into themes using Clarke and Braun (2014) thematic analysis framework. This was summarized as shown in the table 4.14.

**Table 4.14**

*Recommendations*

		<b>How to improve Operation Efficiency</b>	
		<b>Frequency</b>	<b>Percentage</b>
Valid	Improve on communication	39	29.5
	Use Modern technology	15	11.4
	Have frequent intensive employee training	23	17.4
	Clear KPIs	5	3.8
	Increase Salaries	40	30.3
	Total	122	92.4
Missing		10	7.6
Total		132	100.0

From the table 4.14 92.4% participated in the qualitative research while 7.6% of the respondents did not participate. From the qualitative analysis, the outcome implied that 29.5% of the participants recommended that the WSPs should improve on communication both in the internal and external environment. The findings also added that 11.4% of the participants suggested that the WSPs should adopt modern technology for example, use of smart meters, leakage detectors to reduce NRW. The outcomes also appropriated that

17.4% of the respondents recommended that the WSPs should expose their employees on frequent and intensive training including remedial courses to build expertise from their workforce. The answers also implied that 3.8% of the participants indicated that there should be clear Key performance indicators for every staff so that they should understand what is required of them towards operation efficiency. The results also showed that 30.3 % of the respondents had a feeling that their salaries should be increased which will serve as a core motivator towards achieving operational efficiency.

#### **4.7 Inferential Analysis**

The inferential analysis contained in this section included both correlation and the regression results.

##### **4.7.1 Correlation Results**

Correlation analysis was used to quantify the association between the independent variables and the dependent variable. Pearson Product Moment correlation coefficient which is denoted by the symbol (  $r$  ) was used. It ranges between -1 and +1 and quantifies the strength and direction of the relationship between two variables. The results were as presented in the table 4.14 below

**Table 4.15***Correlation Results*

		<b>Correlations</b>				
		Operation Efficiency	Recruitment	Compensation	Capacity Building	Employee engagement
Operation Efficiency	Pearson Correlation	1				
	Sig. (2-tailed)					
Recruitment	Pearson Correlation	.184*	1			
	Sig. (2-tailed)	.034				
Compensation	Pearson Correlation	.436**	.241**	1		
	Sig. (2-tailed)	.000	.006			
Capacity Building	Pearson Correlation	.330**	.413**	.217*	1	
	Sig. (2-tailed)	.000	.000	.013		
Employee engagement	Pearson Correlation	.632**	.206*	.407**	.256**	1
	Sig. (2-tailed)	.000	.018	.000	.003	

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

The results showed that recruitment has a positive linear relationship with operation efficiency ( $r= 0.184$ ,  $p=0.034$ ). The findings agreed with Mouton (2018) who indicated that employer branding attracts the right candidates to company who due to their expertise reduce waste that leads organizational efficiency. The findings also indicated that

compensation has a positive linear association with operation efficiency ( $r=0.436$ ,  $p=000$ ) the findings agreed with Jeeta (2018) that compensation is a linking component that enables employers and employees attain the set targets. The findings also showed that capacity building has a positive linear association with operation efficiency ( $r=330$ ,  $p=000$ ). The findings agreed with Wassem (2019) who opined that capacity building is a core component that can enhance the operation efficiency of a company. The findings also indicated that employee engagement has a strong positive linear association with operation efficiency ( $r=632$ ,  $p=000$ ). These findings agree with Antony (2018) who indicated that an organization with an engaged workforce has an edge over competition due to factors like improved productivity and increased efficiency.

#### 4.7.2 Regression Analysis

The regression analysis was done to determine the relationship between the independent variable (recruitment, compensation, capacity building and employee engagement) and dependent variable (operation efficiency)

Model Fitness results were as presented in the table 4.16.

**Table 4.16**

*Model Fitness*

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.703 <sup>a</sup>	.494	.478	.766

a. Predictors: (Constant), Employee Engagement, Recruitment, Compensation, Capacity Building

The results presented in the table 4.16 indicated that talent management variables (employee engagement, recruitment, compensation and capacity building were found to be satisfactory variables in relation to operation efficiency. The R -square associated with the relationship between the independent variables and dependent variable is 0.494. This means talent management practices can explain 49% of the variations of dependent variable which was operation efficiency.

Table 4.17 provides the Analysis of Variance (ANOVA)

**Table 4.17**

*Analysis of Variance*

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1 Regression	72.250	4	18.062	30.783	.000 <sup>b</sup>	
Residual	73.933	126	.587			
Total	146.183	130				

a. Dependent Variable: Operation Efficiency

b. Predictors: (Constant), Employee Engagement, Recruitment, Compensation, Capacity Building

The results showed that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. An F- statistics of 30.783 also implied that talent management on a certain level is a predictor of operation efficiency.

Regression of coefficients results were as presented in table 4.18 below.

**Table 4.18***Regression Analysis*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.014	0.359		-0.04	0.968
Compensation	0.159	0.063	0.178	2.515	0.013
Capacity Building	0.196	0.074	0.186	2.655	0.009
Recruitment	0.154	0.067	0.178	2.278	0.024
Employee Engagement	0.458	0.094	0.389	4.853	0.000

Regression of coefficient results showed that there was a positive and remarkable association between compensation and operation efficiency ( $\beta=0.159$ ,  $p= 0.013$ ). The findings agreed with Amis et al. (2020) who propounded that effective compensation strategies are the most efficient way of retaining the most capable employees that can yield the desired results. The outcomes also indicated that there was a positive significant relationship between capacity building and operation efficiency ( $\beta =0.196$ ,  $p=0.009$ ). The findings agreed with Collins (2021) who argues that it is essential to enhance managerial capabilities because, with that, the organization can achieve committed human resources that are efficient and effective. Further results showed that there was a positive significant relationship between strategic recruitment and operation efficiency ( $\beta=0.154$ ,  $p=0.024$ ). The results concurred with Siddarth and Ramamoorthy (2020) that a firm that can acquire skilled and qualified employees and retain them on a long-term basis can be able to enjoy a competitive advantage, and hence its operations are efficient. The results also showed

that there was a positive significant relationship between employee engagement and operation efficiency ( $\beta=0.458$ ,  $p=0.000$ ). The results agreed with Turner (2019) who posits that having engaged employees play a significant role in an organization as it results in a strategic advantage hence efficiency.

Therefore, according to the above results, the multiple regression equation was as follows

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon$$

$$Y = -0.014 + 0.154X_1 + 0.159X_2 + 0.196X_3 + 0.458X_4 + \epsilon$$

Where:

Y = Operation efficiency

a = represents the constant

X1, X2, X3, X4 and = Independent Variables

X1= Strategic recruitment

X2=Compensation

X3= Capacity building

X4= Employee engagement

$\epsilon$ . = Error Term

B1, B2, B3, and B4 = regression co-efficient of the four variables

## **4.8 Research Hypothesis**

The study hypothesis was tested.

### **4.8.1 Compensation and operation efficiency**

The first hypothesis was to determine if Compensation had statistical significance on the operational efficiency of water service providers. Results in table 4.17 showed that the p value was 0.013 which was less than 0.05. Therefore, the null hypothesis was rejected. Owing to this, the study findings indicate that compensation has statistical significance on operation efficiency of water service providers in Meru County. The findings agree with Amis et al. (2020) who propound that effective compensation strategies are the most efficient way of retaining the most capable employees that can yield the desired results.

### **4.8.2 Strategic Recruitment and operation efficiency**

The second hypothesis was to determine if recruitment has statistical significance on the operational efficiency of water service providers. Results in table 4.17 revealed that the p value was 0.154 which was less than 0.05. Therefore, the null hypothesis was rejected. The study findings implied that strategic recruitment had effect on operation efficiency of water service providers in Meru County. These findings agreed with Mouton and Bussin (2019) who opined that employer branding is a strategic recruitment tool used by management in firms in order to retain employees and avoid compensation costs, thus sticking to the firm's core business.

### **4.8.3 Capacity building and Operation Efficiency**

The third hypothesis was to determine if there was a significant relationship between capacity building and operational efficiency of water service providers. The results in table 4.17 indicated that the p value was 0.009 which is lower than 0.05. Therefore, the null hypothesis was rejected. The findings therefore, implied that capacity building had a significant effect on operation efficiency of water service providers in Meru County. These findings agreed with Oleribe et al. (2019) who suggested that it is a necessity for the management of an organization to allocate financial resources that can be used for employees' capacity building and development.

### **4.8.4 Employee Engagement and Operation Efficiency**

The fourth hypothesis was to determine if employee engagement has statistical significance on the operational efficiency of water service providers. The results in table 4.17 indicated that the p value was 0.000 which is lower than 0.05. Therefore, the null hypothesis was rejected. The findings therefore, implied that employee engagement had a significant effect on operation efficiency of water service providers in Meru County. These findings agreed with Turner (2019) who posits that having engaged employees play a significant role in an organization as it results in a strategic advantage through higher production and increased innovation.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

This section summarizes the study results and presents conclusions and recommendations on the effects of talent management on the operation efficiency of water service providers in Meru County. The proposal for further research is also included in this section.

#### **5.2 Summary of Results**

This research study concentrated on examining the effects of talent management on the operation efficiency of water service providers in Meru County. The research targeted all employees of Meru County Urban Water and Sewerage Services Corporation. The precise study objectives were to establish the effect of compensation, strategic recruitment, capacity building, and employee engagement on the operational efficiency of Water Service Providers in Meru County. The summary of the results was given as per each study's objectives.

##### **5.2.1 Compensation and Operational Efficiency**

The first objective was to determine how compensation affects the operational efficiency of Water Service Providers in Meru County. The outcome suggested that most of the participants concurred with the assertion that water service providers offer competitive salary packages. The results also showed that the respondents consented that the participating WSPs in Meru County have a designed reward system. The findings further appropriated that the employees are entitled to incentives and bonuses in case of good

performance. Lastly, the results showed that most respondents agreed that compensation affects WSP's operation efficiency.

Correlation results showed that compensation had a positive linear association with operational efficiency. Regression of coefficients showed a positive and significant relationship between compensation and operational efficiency. From the results of hypothesis testing, compensation had statistical significance on the operational efficiency of water service providers in Meru County.

### **5.2.3 Strategic Recruitment and Operational Efficiency**

The second objective was to establish the effect of strategic recruitment on the operational efficiency of Water Service Providers in Meru County. The outcomes exhibited that most of the participants suggested that the Water Service Providers use advertising media to reach a wide pool of candidates; hence hiring the right talent is guaranteed. The answers also implied that the Water Service Providers have unique, desirable attributes that attract the right talent. In addition, the results also showed that the WSPs use job postings that have compelling job descriptions. Lastly, the results suggested that strategic recruitment is important in improving the WSP'S operational efficiency.

Correlation results showed that strategic recruitment positively correlated with operational efficiency. Regression of coefficients showed a positive and significant relationship between strategic recruitment and operational efficiency. From the results of hypothesis testing, strategic recruitment had statistical significance on the operational efficiency of water service providers in Meru County, Kenya.

### **5.2.3 Capacity building and Operational Efficiency**

The third objective was determining the effects of capacity building on the operational efficiency of Water Service Providers in Meru County. The results suggested that most respondents acknowledged that the employees are frequently trained to improve their skills. Further, results showed that most respondents agreed that mentorship programs are available to enhance employees' abilities. The findings also showed that most of the respondents agreed that the water service providers frequently take their employees for benchmarking to learn more from other companies with better performance than them. Lastly, the answers expressed that most participants agreed that capacity building affects the operational efficiency of water service providers in Meru County, Kenya.

Correlation results showed that capacity building positively correlated with operational efficiency. Regression of coefficients showed a positive and significant relationship between capacity building and operational efficiency. From the results of hypothesis testing, the capacity building had statistical significance on the operational efficiency of water service providers in Meru County, Kenya.

### **5.2.4 Employee Engagement and Operational Efficiency**

The fourth objective was to determine employee engagement's effect on the operational efficiency of Water Service Providers in Meru County. The findings exhibited that most respondents agreed that the employees are consulted during the formulation and implementation of WSP's strategies; hence they are actively involved in the process. The findings also implied that most respondents agreed that senior management delegates some of their duties to their juniors. The outcomes further suggested that most participants

concluded that there is a good relationship between the water service providers' management and the workers' union. Lastly, outcomes implied that most of the respondents opined that employee engagement affects the operational efficiency of the Water service providers of Meru County.

Correlation results showed that employee engagement had a strong positive linear association with operational efficiency. Regression of coefficients showed a positive and significant relationship between employee engagement and operational efficiency. From the results of hypothesis testing, employee engagement had statistical significance on the operational efficiency of water service providers in Meru County, Kenya.

### **5.3 Conclusions of the Study**

From the findings the study concluded that compensation has a remarkable influence on the WSPs goal of achieving cost effectiveness. The study also concluded that water service providers offer competitive salary packages and have a designated reward system. In addition, the WSPs' employees receive incentives and bonuses in case of good performance. The study concluded that, generally, compensation positively affects the WSPs' operation efficiency.

The study concluded that there was an optimistic and consequential association between strategic recruitment and the operation efficiency of water service providers in Meru County. The study also concluded that water service providers use advertising media that reach a wide pool of candidates. The study also concluded that the WSPs have unique, desirable attributes that attract the right talent and use job postings with compelling job

descriptions. Further, the study concluded that strategic recruitment improves the WSPs' operation efficiency.

The study concluded that there was a positive and significant relationship between capacity building and the operational efficiency of water service providers in Meru County. The study concluded that the employees are frequently trained to improve their skills. Further, the study concluded that mentorship programs are available to enhance employees' abilities. The study also concluded that the WSPs frequently use their employees for benchmarking to gain more knowledge from other developed water companies. Generally, the study concluded that capacity building affects the operational efficiency of Meru County water service providers.

From the findings, the study concluded that there was an optimistic and consequential association between employee engagement and the operational efficiency of water service providers in Meru County. The study concluded that the WSPs' employees are consulted during formulating and implementing the company's strategies. The study also concluded that the senior management delegates some of their duties to their juniors to enhance leadership skills and work efficiency. The study further concluded that there is a good association between the WSPs management and the worker's union. Finally, the study concluded that engaging employees at the workplace positively affect the operational efficiency of water service providers in Meru County.

#### **5.4 Recommendation of the study**

The researcher has proposed germane recommendations quoting the statistics from the research findings concerning the study's specific objectives. Therefore, the study recommended that talent management strategies be embraced by not only the WSPs studied but all the others in Kenya to improve their operational efficiency.

The study also recommended that the Water service providers should satisfactorily compensate their employees for them to achieve employee motivation who can work towards achieving the set targets. The WSPs in Meru County and even other regions should have a designated reward system that can be used to motivate employees to surpass targets. Employees ought to be given incentives and bonuses if they attain their targets.

The study also recommended that the WSPs adopt strategic recruitment to acquire the desired candidates with the right skills and talents. The WSPs should use advertising media that can reach a wide pool of candidates. The job postings during advertisements should have compelling job descriptions to attract the right pool of candidates.

The study also recommended that the WSPs should empower their employees through capacity building and improve their abilities through mentorship programs. The water service providers should be at the forefront in enhancing their employees' skills through training because technology keeps on changing hence customer expectations too. The employees ought to be taken for benchmarking to learn more from other water service providers who perform better than them in the national ranking.

The study also recommended that the employees are involved in the strategy formulation and implementation process so that they don't feel like strategies are imposed on them. The WSPs' senior management should delegate some of their duties to junior staff to empower them for future leadership. There should also be a good relationship between the WSPs management and the union for better welfare of the team and development of the company.

This study also recommends that water institutions must make use of modern technology in their operations to enhance efficiency in service delivery. This involves technological gadgets and systems such as use of smart meters, leakage detectors and improved billing-systems. The firms can also adopt advanced human resources technologies, for instance, using Artificial Intelligence in conducting background checks during recruitment.

This research further recommends that the top management should improve on communication both within the internal and the external environments of the organization. This involves good communication with the customers, efficient reporting to the staff in case of any changes and also with the relevant stakeholders. The study also proposes that the WSPs should ensure that they put in place clear and achievable key performance indicators (KPIs). All the employees should be made aware of the KPIs so that they understand what is required of them.

### **5.5 Areas for further study**

This study sought to establish the effects of talent management on the operational efficiency of water service providers in Meru County. Further studies can be done on this

topic, but the focus could be on WSPs in other counties in Kenya or can be carried out in Kenya at large. Moreover, more studies can be carried out to establish how talent management influences operational efficiency of other non-water sectors.

The current study focused on four talent management strategies: compensation, strategic recruitment, capacity building, and employee engagement. Further studies can focus on other talent management strategies such as individualized growth plans, upskilling and reskilling efforts, and leadership development.

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6. Please specify the department that you work for.

- Administration Department       Accounts Department
- Procurement Department       Finance Department
- Human Resource Management       Technical Department

7. How long have you worked for the WSP?

- Less than 2 years       2-5 Years
- 6 -10 Years       Above 10 Years

**PART II: MAIN ISSUES OF THE STUDY**

**Section A: Talent Management**

To what extent do you agree with the following perceived statement on talent management practices in relation to their effect on operational efficiency of your water service provider?

	1	2	3	4	5
<b>Statement</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
<b>Strategic recruitment</b>					
The WSP use an advertising media that can reach a wide pool					

of candidates hence attracting the right talent					
The WSP has unique desirable attributes like empowered employees, passionate leaders, career growth opportunities that attract the right talent					
The WSP uses job postings that have compelling job descriptions.					
Strategic recruitment is important in improving the WSP'S operational efficiency.					
<b>Compensation</b>					
The WSP offer competitive salary packages					
The WSP has a designed reward system					

Employees are entitled to incentives and bonuses in case of good performance					
Compensation affects WSP's operation efficiency					
<b>Capacity Building</b>					
The employees are frequently trained to improve their skills					
Mentorship programs are available to improve employees' ability.					
WSP frequently takes its employees for benchmarking.					
Capacity building affects operation efficiency of the WSP.					
<b>Employee Engagement</b>					
Employees are consulted during formulation and implementation of WSP's strategies					

Senior management delegates some of their duties to their juniors.					
There is good relation between the management and the union.					
Employee engagement affects operation efficiency of the WSP.					

**SECTION B: Operational Efficiency**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Statement</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The WSP has significantly increased its hours of supply because of talent management					
The WSP has continuously achieved its revenue collection efficiency because of talent management					

The amount of non-revenue water has been reduced as a result of Talent management.					
Generally, there have been improvements in the operation efficiency of the WSP because of talent management					

Kindly make recommendations on how operation efficiency of the WSP can be improved

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**Thank you for your response**

## APPENDIX II: REQUEST FOR PERMISSION LETTER

Winfridah Nafula Juma  
Kenya Methodist University  
P.o Box 267-60200  
Meru  
Email : [winjuma@gmail.com](mailto:winjuma@gmail.com)  
Phone: 0721557501



To

The General Manager  
Imetha Water and Sanitation Company Limited  
P.o Box 467-60200  
Meru

*Approved  
AWD*

Thr'

Human Resource Manager  
Imetha Water and Sanitation Company Limited  
P.o Box 467-60200  
Meru

Dear Sir,

### **RE: REQUEST TO BE GRANTED PERMISSION TO COLLECT INFORMATION.**

As the above reference refers;

I am a student at Kenya Methodist University pursuing a Master in Business Administration (Human Resource option). I would like to request for permission to be allowed to collect information from your staff who are the main respondents in my research thesis. My topic of study is 'Effects of Talent Management on Operational Efficiency of Water Service Providers in Meru County. The information that will be acquired will be used mainly for study purposes and not for malice.

Kindly find attached is my approval letter from the university.

Looking forward to your positive response.

Yours faithfully,

Winfridah Juma

## APPENDIX III: APPROVAL LETTER FROM THE UNIVERSITY



### KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya  
Tel: 254-064-30301/31229/30367/31171

Fax: 254-64-30162  
Email: [deanrd@kemu.ac.ke](mailto:deanrd@kemu.ac.ke)

#### DIRECTORATE OF POSTGRADUATE STUDIES

August 17, 2022

Commission Secretary,  
National Commission for Science, Technology and Innovations,  
P.O. Box 30623-00100,  
NAIROBI.

Dear Sir/Madam,

RE: WINFRIDAH NAFULA JUMA – (REG. NO. BUS-3-0098-1/2012)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the School of Business and Economics, Department of Business Administration undertaking a Master's Degree in Business Administration. She is conducting research on; "Effects of Talent Management on the Operational Efficiency of Water Service Providers in Meru County, Kenya."

We confirm that her research proposal has been presented and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be appreciated.

Thank you.



Dr. John Muchiri, (Ph.D)  
Director, Postgraduate Studies

Cc: Dean SBUE

CoD, BA

Postgraduate Co-ordinator - SBUE

Student Supervisors

**APPENDIX IV: NACOSTI LICENCE**

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>780512</b>	Date of Issue: <b>31/August/2022</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Ms.. Winfridah Nafula Juma of Kenya Methodist University, has been licensed to conduct research in Meru on the topic: Effects of Talent Management on the Operation efficiency of Water Service Providers in Meru County, Kenya for the period ending : 31/August/2023.</b>	
License No: <b>NACOSTI/P/22/19997</b>	
<b>780512</b> Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
<b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b>	