

TALENT MANAGEMENT AND PERFORMANCE OF MEDIUM SIZED FAMILY OWNED BUSINESS: CASE OF RIARA GROUP OF SCHOOLS NAIROBI CITY COUNTY, KENYA

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Abstract

Lack of talent management in medium sized scale family business is a topic of interest and concern. A talented team helps organizations implement their strategic objectives and goals. The business enterprises that have failed to recognize their employees as the most important assets tend to lose out to the competition. This study, therefore, aimed to find out how talent management can affect the performance of medium sized scale family owned businesses with a focus on Riara Group of Schools. A conceptual framework of the researcher that sees strategic leadership, goal alignment, employee empowerment as well as principal of continuous improvement as factors affecting the performance of medium size family owned businesses is the base of this study. Relevant literatures were reviewed to focus on the study. In order to determine whether there is a significant relationship between the independent variable (talent management) and the dependent variable (performance of medium size family owned businesses), a descriptive research design was employed in the study. The target population of this study was 89 staff members. A semi-structured questionnaire was used for data collection and was analysed using descriptive statistics. Validity was achieved by pre-testing; reliability has been ensured by discussing the relevance of the research with the supervisor. The findings of this study were beneficial to the entrepreneurs, policy makers, researchers and other organizations that are family oriented such as partnerships and sole proprietors. The study found that relationship between strategic leadership and performance of medium sized scale family owned business is significantly positive; the relationship between goal alignment and performance of medium sized scale family owned business is significantly positive; the relationship between employee empowerment and performance of medium sized scale family owned business is positive and statistically significant; the principal of continuous improvement is positively and significantly related with performance of medium sized scale family owned business. The study therefore concludes that an increase in strategic leadership, goal alignment, employee empowerment and principals of continuous improvement causes an increase in performance of medium sized scale family owned business. The study recommends management of family businesses to embrace a good strategic leadership that will allow them to have a well-organized structure and resource allocation that allows for a well-defined career path and where there is the possibility of growth. Family businesses should create new roles and evaluate existing staff in regard to the goals and objectives of the organisation this will improve their performance and should review regularly employee development to ensure they are at par with the goals of the organization. The study also recommends organizations to empower their employees through various techniques such as fair treatment and pay, appraisals and training and development opportunities.

Key Words: Strategic Leadership, Goal Alignment, Employee Empowerment, Principals Of Continuous Improvement and Performance

Introduction

Talent is a high degree of ability that someone naturally has to perform a task that is perceived to be difficult by others. There are various types of talent that an individual can possess, an individual's talent may be personal or social, mental or physical, artistic or technical. According to Kotze and Dunn (2008), talent is more than just having the experience, skill, knowledge or the physical and mental characteristics to do or perform a task, talent is also about taking on something different, more difficult and complex in the future. Skill and knowledge are relatively easy to learn, as all employees can be taught and somehow have similar skills and knowledge, talent is natural and each and every individual possess different talents. Talent should be recognized and maximized as one of the main sources of organizational competitive advantage (Collings & Mellahi, 2009). Employees' knowledge, skills and competencies are also important competitive tool.

A family owned business is an organization that is registered and managed by members of a family. Many medium sized family owned organizations have employees that are non-family members, though the family members are the ones that hold key management positions. As defined by audit firm PricewaterhouseCoopers (PwC) during their research on family businesses in 2007-2008, a family owned organization is one where the direction of the business is determined by the individuals who established the company, or their direct descendants, with more or one family member involved in the organization's management. As such, management tends to move from generation to generation so as to have the family control the organization. A family owned organization can as well be managed by non-family individual although certain family members will be involved in the decision making and operations of the organization.

For the family members, engaging non-family decision makers can be viewed by some as losing the close control of the business. This fear can cause some family members to not be fully transparent with the non-family decision makers, thus make work harder for them. Further to this for a talented non-family member being employed in a family owned business might make them feel intimidated or, worse, uncomfortable because of the strong family relationships and values that have been adopted in the organisation. Moreover, sharing of the family owned business profits with an outsider is usually a major concern. Family owned businesses that overlook this factor tend to limit their growth, the ones that believe in talent management will accelerate growth by combining their unique family culture and outside talent. A high proportion of medium

sized organizations in many countries are family owned (Astrachan & Shanker, 2003) which makes the rest of the business largely dependent on them. Non-family business enterprises work together with family owned business enterprises as they sometimes play the roles of the customers, vendors, transporters, contractors or distributors. Family owned business enterprises commitment and visibility offers them distinct advantages as it leads to higher productivity in the business. The family member's dedication and perseverance enables them to tackle and extract opportunities from complex non-routine problems. There are some families with large business operations, but the majorities are medium sized business enterprises.

In order for an organization to be successful, the top management is required to come up with a plan. Planning helps the top management of an enterprise make more effective decisions and include the business goals in the business processes which leads to goal attainment (Delmar & Shane, 2003). Unlike most business enterprises, families owned organizations face an additional planning activity of balancing family values and the organizations objectives and goals. In order to be successful, family owned organizations must ensure there is no conflict between the professional and personal relationships of the individual working in the organization both family member s and non-family members. The top management is tasked with ensuring the capital, control, structure and succession plan is fairly allocated to the various families and family members. Many top managers tend to ignore the organization structure and succession plan hence only 30% of family owned organizations are handed to the second generation, and only 10% will be inherited by the third generation Fleming (2003). Nairobi County holds the capital city and is one of the 47 counties of Kenya. Nairobi County is the most populous of the counties, yet it is the smallest. A high number of the people leaving and working in Nairobi earns a living through medium sized businesses of which most are family owned as casual workers. Most residents of Nairobi as well as nearby town frequent Nairobi town to procure various goods and services from the various businesses. Very many medium size businesses are located in the Nairobi Central Business District of which a large percentage of them are family owned businesses. This medium sized family businesses in Nairobi need to embrace talent management in order to attain sales growth, improved return on investment and increase customer satisfaction.

Statement Of The Problem

The performance of a school is dependent mostly on the commitment of the staff to their jobs and roles assigned as well as incentives and bonuses offered by the organization, some schools have a

consist nt poor performance while others perform well (Njeru 2011). The Riara Group of Schools has an incentive from which the staff members are able access several courses at their university. When the incentive was introduced, most of the staff members took up the challenge although as time progressed the number of staff members signing up for the various courses has been on a decline and overall performance of the schools has stagnated. This study therefore sought to analyse the dimensions of talent management and the performance of medium sized family owned business.

As a follow up to previous studies done in regards to talent management and family owned businesses in Kenya such as: Njoroge (2016) did a research on the effects of family owned business on employee advancement: case study of Nakumatt holding limited; Murathe (2016) researched on factors Affecting growth of micro and small family businesses; Miriti (2014) study looked at family business characteristics and performance of small to medium sized family owned manufacturing enterprises in Kenya; Hussein (2013) studied the effects of strategic succession planning on family owned businesses in Kenya; Knot (2016) researched on the effect of talent management practices on employee performance among real estate companies in Kenya. This study attempted to fill the gap by investigating the effects of talent management in family owned business and how it can improve the performance of Riara Group of Schools in Nairobi City County, Kenya. If the current status quo remains, the Riara Group of Schools performance will decline, and many people will lose jobs due to closure of such businesses.

Objective of the study

The research intended to determine how talent management influences performance of medium sized scale family owned business, case of Riara Group of Schools in Nairobi City County Kenya. The study was guided by the following specific objectives:

- i. To establish the effect of strategic leadership on the performance of Riara group of Schools.
- ii. To establish the effect of goal alignment on the performance of Riara group of Schools.
- iii. To establish the effect of employee empowerment on the performance of Riara group of Schools
- iv. To establish the effect of the principals of continuous improvement on the performance of Riara group of Schools.

Theoretical Review

Agency Theory

Agency theory addresses situations in which two people seek to establish a relationship, one person or entity, who is known as the agent is given the mandate to represent another person or entity otherwise referred to as the principal (Eisenhardt 1989). Akerlof (1970) indicated that the adverse selection problem might occur when the management of family owned businesses offer average requirements in order to ensure the family members remain more superior in terms of skill, knowledge and experience. A talented individual with excellent qualifications who might be looking for new and exciting challenges will not bother applying or taking up a mediocre role an organization but would rather take up a promising role in a more robust organization. Most at times, such businesses will attract individuals with below average qualification.

If the management of the family owned business conform and adapts to the conditions of lower qualifications, the skill and knowledge requirements will continue to go down until their organizations only attract the least qualified individuals this is according to Mertens (2004). Wrong choices of individual and lack of talent management does not help a business grow or to meet the business expectations, due to this the first people to be affected in terms of being let go will be the non-family employees. This theory can be anchored to strategic leadership in regard to resource allocation. The skilled employees can be viewed as the agents while the family owned business management can be viewed as the principals. The non-family employees are given the mandate by the family business owners to make decisions or take action on their behalf.

Requisite Organization Theory (RO)

Requisite Organization (RO) means doing business with competitiveness, efficiency, trust, satisfaction in work and the encouragement of human imagination (Elliott 1998). For the medium sized family business owners, RO is can helps organizations achieve their goals and objectives by having well motivated and continuous development of their employees. For both family members and non-family members RO brings about fairness in a workplace and as contrary to the paranoid and exploitive relationships that goes on in most family owned businesses. Levels-based approach and embrace of employees' innovation and creative thinking in organization structure and management enables significant increases in employee commitment, customer satisfaction and improved financial results (Elliott 1998).

It involves four main dimensions having a reliable strategy, having the right structure, providing working systems and having the qualified personnel in the holding the right roles. RO provides

power and leverage to all employees in a family owned business in regards to working strategically and harmoniously by having a talented work force. This theory is relevant to Principal of continuous improvement as well as strategic leadership as it brings about a work environment in which employee satisfaction and employee engagement is achieved which enables them grow and also helps them attain their potential capability. Within RO, organizations identify critical talent among the employees which also enables them plan for the future as well as the plan make plans for the succession of the ownership of the organization. RO provides a platform for organizations to visualize the career development of their workforce and pick succession candidates accordingly Bird, Welsch, Astrachan & Pistrui, (2002).

Social Capital Theory

Social capital is an aspect of social framework that creates and adds value which then facilitates the actions of the people within that social framework (Coleman, 1990). Human capital involves upgrading the skills and effectiveness of an organizations employees by training or coaching them. Investing in employees who can be developed to fill key leadership positions in the future is a great way of ensuring continuity and growth of the organization as well as provide an environment for creative thinking and innovation which further improves the competitiveness of the organization. After all, studies show that promoting from within usually beats external hiring as it saves the costs that would have been incurred if the organization was to recruit a new employee. This theory can be mirrored against Principal of continuous improvement elements of talent management as it seeks to have the existing employees trained and coached hence improving their skills and knowledge and further into becoming future managers. Successful family owned businesses have the potential to survive even after their founders are no longer in control if they implement social capital early in advance.

Empirical Review

Strategic leadership

A study by Astrachan and Shanker (2003) indicated that many interviewees said that it is tough for medium sized family owned businesses to attract talented employees with the right qualifications because the most vibrant candidates tend to prefer working for organizations with well-defined strategic leadership. The communication style employed and disclosure of certain changes in an organisation such as processes policies and procedures affect the performance of the organization. Companies with good strategic leadership have a well-organized structure and the resource allocation allows for a well-defined career path and where there is the possibility of growth. Talent management in medium size family owned businesses is a process with many

stages rather than a onetime event. The earlier the founders of a family owned business initiate the process of allocating resources and focusing on talented, skilled and knowledgeable workforce both family and non-family members the better their chances of success. Most at times the founders of such organizations think of implementing talent management but are convinced otherwise by other family members who would like to keep the business in the family and at times the cost of recruiting and managing talent is perceived as being very high. According to Molly, Laveren & Deloof, (2010) most often than not, medium sized family owned businesses try to implement strategic leadership during difficult times which ends up negatively for the organization.

Goal Alignment

Most successful employers invest in improving the effectiveness of their workers by aligning them to the strategic plan and goals of the organization this is according to a study by Mayhew (2014). The best performing family owned businesses have aligned their strategies with their employees both members of the family and non-family members. Terpstra and Rozell (2013) researched on the effects of aligning the staff to the goals of the organisation found a positive relationship between goal alignment and firm profits. Rauf (2007) also found that creation of new roles in line with the company's goals has a positive impact on labour productivity.

Omolo *et al.* (2012) researched on the influence of creation of new roles and evaluation of existing staff in regard to the goals and objectives of the organisation had on the performance of small and medium enterprises in Kisumu County, Kenya. The research established that the overall typical performance of small and medium businesses in Kisumu County was 60.71%. This proved that there was a significant positive interconnection between creation of new roles and evaluation of existing staff in regard to the goals and objectives, and performance of small and medium businesses at $\alpha = .01$. The average performance of small and medium businesses that have aligned their goals with their staff was 82.90%; with moderate at 68.94% and poor at 52.90%. The study concludes that creation of new roles and evaluation of existing staff in regard to the goals and objectives of the organisation has a significant influence on the performance of small and medium businesses in Kisumu County.

Employee Empowerment

Ajila and Abiola (2014) in their study revealed that competitive remuneration has an impact on the performance of the employee. Base on their findings they concluded that competitive remuneration increases employee performance as it enables them to improve on their skills and knowledge that would enable them to achieve organizational objectives. Allen and Kilmann

(2001), indicated that competitive remuneration has a positive impact on employee performance which intern enables organizations to achieve their goals. If organization fails to pay their employees fairly, their employee performance decline, fair and competitive remuneration can be a good this is according to Eisenberger (2011).

For organizations to improve their performance by increasing their competitiveness and looking for higher levels of effectiveness and improve employee job satisfaction, the organization is required to implement various employee empowerment programs (Baidoun, 2003). The organizations that have successfully managed to empower their employees have satisfied employees that want to come to work every day and show up awake, alert and ready to take on all challenges. Employee satisfaction is a measure of how pleased employees are with their position in an organization as well as their work environment. Employee satisfaction helps organization tackle the causes of high employee turnover and intern help the organization retain the talented employees.

Principal Of Continuous Improvement

Principal of continuous improvement rely on both the employer as well as the employees of an organization to improve quality and processes. Organizations that have embraced Principal of continuous improvement have provided an environment that encourages teamwork as well as empower workers to take the initiative to improve processes and quality. Training and coaching, elements of Principal of continuous improvement concentrates on developing employees, guiding them on how to continuously improve their performance, and supporting to bind their personal goals to the goals of the organization. Ghannam (2010) research on the consequence of apprenticeship, coaching and delegation of responsibility on the performance of Palestinian insurance sector employees, the study found that there was a relationship between improvement of employee performance and training coaching and delegation of responsibilities. The opportunity to upgrade their knowledge and gain new skills especially with the support of the employer, can increase an employee's motivation and work contentment. This can have a positive outcome on the organization as it will improve quality of output, as well as by helping the business entice and retain talented employees. A small number of medium sized families owned businesses tend to survive after the first generation leaves the office (Sonfield & Lussier, 2004).

Conceptual Framework

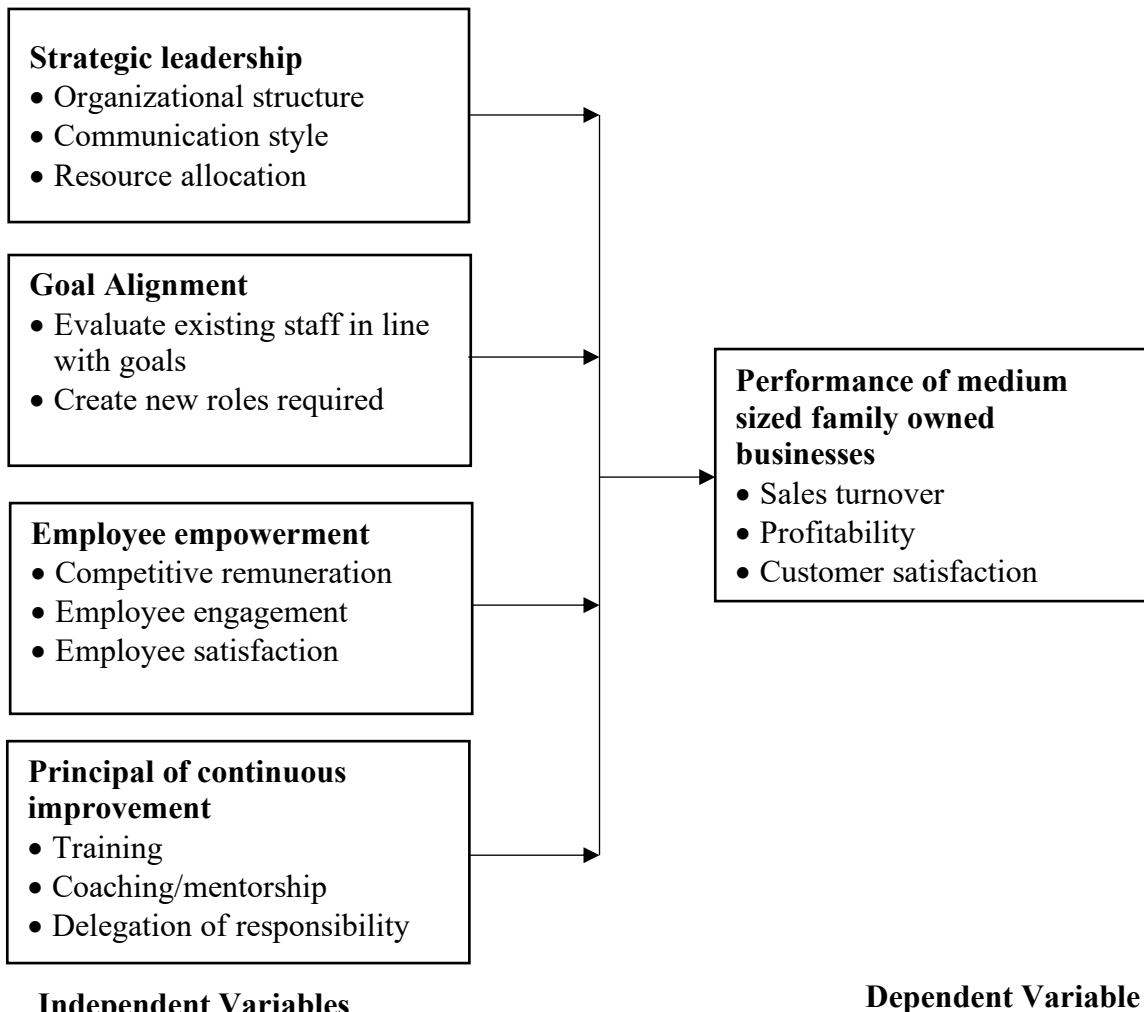


Figure 1: Conceptual Framework

Research Methodology

The study adopted descriptive design to obtain information concerning the performance of medium sized scale family owned businesses in Nairobi City County, with respect to the identified variables arising from extensive review of relevant literature. The population of interest in this study constituted of the 822 various staff members of the Riara Group of schools. This included the teachers and administration staff members as they all contribute to the performance of the business. Riara Group of Schools was chosen because it has embraced talent management. The study targeted a total of 89 respondents, mainly the teaching staff members and the administration staff members of Riara Group of Schools and other relevant middle managers and operational staff. The study therefore used stratified sampling. The study adopted a questionnaire to collect data. A questionnaire prepared by the researcher was used to collect data from the respondents. With the assistance of a field research coordinator, a self-administered instrument in

print format will be physically handed to each respondent. The data was analysed by use of Statistical Package for Social Science (SPSS). Quantitative data helped to obtain descriptive statistics such as frequencies, means and percentages while a qualitative method was used in sorting out data from questionnaires.

Results and Discussion

The study response rate was 92 respondents.

Descriptive Statistics

Table 1: Strategic Leadership

Statement	N	Min.	Max.	Mean	Std. Dev.
Poor work environment causes discomfort to a number of employees who ends up being attracted to other organizations with better work conditions.	92	1.00	5.00	3.7500	1.41130
Family members as well as non-family prospective employees are offered the same terms	92	1.00	5.00	2.9457	1.20771
The management looks at family members as well as non-family prospective employees equally	92	1.00	5.00	3.1196	1.34934
Family members can be assigned more responsibilities in the family owned business if they meet the criteria as non-family prospects	92	1.00	5.00	3.2174	1.21190
Family members can be assigned more responsibilities in the family owned business regardless of their qualifications or experience.	92	1.00	5.00	3.1522	1.35820

From the findings, the respondents agreed that poor work environment causes discomfort to a number of employees who ends up being attracted to other organizations with better work conditions (M=3.7500). The findings further revealed that the respondents neither agreed nor disagreed that family members can be assigned more responsibilities in the family owned business if they meet the criteria as non-family prospects (M=3.2174), family members can be assigned more responsibilities in the family owned business regardless of their qualifications or experience (M=3.1522), the management looks at family members as well as non-family prospective employees equally (M=3.1196) and that family members as well as non-family prospective employees are offered the same terms (M=2.9457). These findings agree with Astrachan and Shanker (2003) who indicated that it is tough for medium sized family owned businesses to attract talented employees with the right qualifications because the most vibrant candidates tend to prefer working for organizations with well-defined strategic leadership.

Table 2: Goal Alignment

Statement	N	Min.	Max.	Mean	Std. Dev.
The management carries out regular performance reviews in order to provide career development for the employees	92	1.00	5.00	3.1957	1.34442
The during appraisal the management gauges employee strength and weaknesses against the goals of the organisation	92	1.00	5.00	3.5000	1.19062
The management carries out regular performance appraisal which enables them to dismiss poorly performing employees.	92	1.00	5.00	3.4239	1.13131
The management has performance goals that are set for each individual employee.	92	1.00	5.00	3.5217	1.22679
Managers and supervisors ensure that performance information is useful and appropriate.	92	1.00	5.00	3.7065	1.20017
The staff members are aware of the future direction of the organisation	92	1.00	5.00	3.5543	1.25237
Does the organization recognize both family and non-family employees for goals and targets achieved equally	92	1.00	5.00	3.2174	1.21190
How often are new roles created to ensure that the goals and objectives of the organisation are met	92	1.00	5.00	3.3152	1.19458

From the findings, the respondents were in agreement that managers and supervisors ensure that performance information is useful and appropriate (M=3.7065); the management has performance goals that are set for each individual employee (M=3.5217); the staff members are aware of the future direction of the organisation (M=3.5543) and during appraisal the management gauges employee strength and weaknesses against the goals of the organisation (M=3.5000). The findings further showed that the respondents neither agreed nor disagreed that: the management carries out regular performance appraisal which enables them to dismiss poorly performing employees (M=3.4239); new roles are created often to ensure that the goals and objectives of the organisation are met (M=3.3152); the organization recognizes both family and non-family employees for goals and targets achieved equally (M=3.2174) and the management carries out regular performance reviews in order to provide career development for the employees (M=3.1957). The study concurs with Omolo et al. (2012) who researched on the influence of creation of new roles and evaluation of existing staff in regards to the goals and objectives of the organisation had on the performance of small and medium enterprises and concluded that creation of new roles and evaluation of existing staff in regards to the goals and objectives of the organisation had a significant influence on the performance of small and medium businesses.

Table 3: Employee Empowerment

	N	Min.	Max.	Mean	Std. Dev.
The management is fair towards all employees	92	1.00	5.00	3.2826	1.34513
The management should be more considerate towards all the employees	92	1.00	5.00	3.7935	1.04343
Do you feel that appraisals are done equally and fairly	92	1.00	5.00	3.1957	1.18821
The salaries of all employees have been standardized and are at par with the current labour market	92	1.00	5.00	2.9457	1.43247
Are you currently happy with your salary?	92	1.00	5.00	2.8478	1.35009
Are you as an employee consulted during salary and bonus Increments	92	1.00	5.00	2.9239	1.38464
The family members involve non-family members in decision making process in the business	92	1.00	5.00	2.9891	1.34650

From the findings, the respondents were in agreement that the management should be more considerate towards all the employees (M=3.7935). The respondents neither agreed nor disagreed that the management is fair towards all employees (M=3.2826); they feel that appraisals are done equally and fairly (M=3.1957); the family members involve non-family members in decision making process in the business (M=2.9891); the salaries of all employees have been standardized and are at par with the current labour market (M=2.9457); employees are not consulted during salary and bonus increments (M=2.9239) and they are currently happy with their salary (M=2.8478). Yousaf et al (2015) in their research found that employees who take part in making decisions of an organization had different levels of work performance as they were more motivated.

Table 4: Principals of Continuous Improvement

Statements	N	Min.	Max.	Mean	Std. Dev.
The business has qualified staff members in all departments	92	1.00	5.00	3.2500	1.27206
Senior managers are given specialized training	92	1.00	5.00	3.5761	1.04022
The family owned business will only be able to remain relevant in the market as long as the original entrepreneurs are running or in control of the day to day activities	92	1.00	5.00	3.2717	1.28477
Talented employees within the organization are identified and developed further	92	1.00	5.00	3.6630	1.21598
The business develops employees with skills to take up more challenging tasks	92	1.00	5.00	3.7283	1.25008
The organization has strategic goals and prepares for future leadership by developing the promising employees already in the organization	92	1.00	5.00	3.4783	1.19042
There is a minimum education level or skill required to become a successor	92	1.00	5.00	3.2609	1.29978
The management encourages creativity and innovation among staff for the betterment of the organization	92	1.00	5.00	3.7283	1.23238

From the findings, the respondents were in agreement that the management encourages creativity and innovation among staff for the betterment of the organization (M=3.7283); the business develops employees with skills to take up more challenging tasks (M=3.7283); talented employees within the organization are identified and developed further (M=3.6630); senior managers are given specialized training (M=3.5761) and the organization has strategic goals and prepares for future leadership by developing the promising employees already in the organization (M=3.4783). The study also found that the respondents neither agreed nor disagreed that the family owned business will only be able to remain relevant in the market as long as the original entrepreneurs are running or in control of the day to day activities (M=3.2717); there is a minimum education level or skill required to become a successor (M=3.2609) and the business has qualified staff members in all departments (M=3.2500). The study agrees with Sonfield and Lussier, (2004) who in their research found that the main reason as to why most medium sized family owned businesses don't get to cross the first generation is the hesitation by the founders to embrace principal of continuous improvement and include non-family member in the running and management of their organizations.

Inferential Statistics

Table 5: Correlation Analysis

		Performance	Strategic Leadership	Goal Alignment	Employee Empowerment	Principals Of Continuous
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	92				
Strategic Leadership	Pearson Correlation	.591**	1			
	Sig. (2-tailed)	.000				
	N	92	92			
Goal Alignment	Pearson Correlation	.372**	.165	1		
	Sig. (2-tailed)	.000	.115			
	N	92	92	92		
Employee Empowerment	Pearson Correlation	.623**	.656**	.063	1	
	Sig. (2-tailed)	.000	.000	.552		
	N	92	92	92	92	
Principals Of Continuous Improvement	Pearson Correlation	.412**	.245*	.515**	.060	1
	Sig. (2-tailed)	.000	.019	.000	.567	
	N	92	92	92	92	92

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

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

From the findings, strategic leadership and performance of medium sized scale family owned business were found to be strongly and positively correlated as shown by ($r = 0.591$, $p = 0.000 < 0.01$); goal alignment and performance of medium sized scale family owned business were found to be were positively but weakly correlated ($r = 0.372$, $P = 0.000 < 0.01$); employee empowerment and performance of medium sized scale family owned business were found to be were positively and strongly correlated ($r = 0.623$, $P = 0.000 < 0.01$) and principals of continuous improvement and performance of medium sized scale family owned business were found positively and moderately correlated ($r = 0.412$, $P = 0.000 < 0.01$). This therefore suggest that strategic leadership, goal alignment, employee empowerment and principals of continuous improvement relate with performance of medium sized scale family owned business.

Multiple Regression Analysis

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 ^a	.575	.556	.40754

a. Predictors: (Constant), Principals Of Continuous Improvement, Employee Empowerment, Goal Alignment, Strategic Leadership

From the findings, the value of adjusted R^2 was found to be 0.556 which suggests that 55.6% variation in performance of medium sized scale family owned business can be explained by changes in strategic leadership, goal alignment, employee empowerment and principals of continuous improvement. The remaining 44.4% suggest that there are other factors that can be attributed to changes in performance other than the ones included in the model. The findings further shows that the variables in the model are strongly and positively related as indicated by the correlation coefficient (R) value of 0.758.

Table 7: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	19.564	4	4.891	29.447	.000 ^b
Residual	14.450	87	.166		
Total	34.014	91			

a. Dependent Variable: Performance
 b. Predictors: (Constant), Principals Of Continuous Improvement, Employee Empowerment, Goal Alignment, Strategic Leadership

From the findings, the f-calculated value was found to be 29.447 while the f critical value obtained from the f critical tables was 2.476. This finding shows that the f calculated value was

greater than the f-critical value (29.447>2.476); therefore, it suggests that strategic leadership, goal alignment, employee empowerment and principals of continuous improvement influence performance. The influence was found to be significant since the p-value obtained was less than the selected significance level (0.000<0.05). The model was therefore suitable for predicting performance of medium sized scale family owned business.

Table 8: Beta Coefficients of the Study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.632	.302		2.089	.040
Strategic Leadership	.230	.115	.193	2.009	.048
Goal Alignment	.106	.046	.187	2.292	.024
Employee Empowerment	.330	.066	.470	5.029	.000
Principals Of Continuous Improvement	.193	.067	.240	2.868	.005

a. Dependent Variable: Performance

The fitted regression equation was;

$$Y = 0.632 + 0.230 X_1 + 0.106 X_2 + 0.330 X_3 + 0.193 X_4 + \varepsilon$$

From the above equation, holding strategic leadership, goal alignment, employee empowerment and principals of continuous improvement variables to a constant zero, performance of medium sized scale family owned business will be at a constant value of 0.632. From the findings, strategic leadership has statistical significance to performance of medium sized scale family owned business ($\beta = 0.230$, $P = 0.048 < 0.05$). This implies that the relationship between strategic leadership and performance of medium sized scale family owned business is significantly positive. Therefore, increasing strategic leadership by a single unit will lead to an increase in performance of medium sized scale family owned business.

The study also found that goal alignment has statistical significance to performance of medium sized scale family owned business ($\beta = 0.160$, $P = 0.024 < 0.05$). The findings also suggest that the relationship between goal alignment and performance of medium sized scale family owned business is significantly positive. Therefore, an increase in goal alignment causes an increase in performance of medium sized scale family owned business. From the findings, employee empowerment has statistical significance to performance of medium sized scale family owned business ($\beta = 0.330$, $P = 0.000 < 0.05$). This implies that the relationship between employee empowerment and performance of medium sized scale family owned business is positive and

statistically significant. Therefore, increasing employee empowerment by a single unit will lead to an increase in performance of medium sized scale family owned business.

The findings further showed that found that principals of continuous improvement is of significance to performance of medium sized scale family owned business ($\beta = 0.193$, $P = 0.005 < 0.05$). This suggests that the principal of continuous improvement is positively and significantly related with performance of medium sized scale family owned business. Therefore, an increase in principals of continuous improvement causes an increase in performance of medium sized scale family owned business.

Conclusions

The study found that strategic leadership is significant to performance of medium sized scale family owned business. The study also established that the relationship between strategic leadership and performance of medium sized scale family owned business is significantly positive. From the findings, the study concludes that increasing strategic leadership will lead to an increase in performance of medium sized scale family owned business. The study also found that goal alignment has statistical significance to performance of medium sized scale family owned business. The study also revealed that the relationship between goal alignment and performance of medium sized scale family owned business is significantly positive. From these findings the study concludes that an increase in goal alignment causes an increase in performance of medium sized scale family owned business.

The study established that employee empowerment has statistical significance to performance of medium sized scale family owned business. The study further established that the relationship between employee empowerment and performance of medium sized scale family owned business is positive and statistically significant. Based on these findings, the study concludes that increasing employee empowerment by a single unit will lead to an increase in performance of medium sized scale family owned business. The study found that principal of continuous improvement is of significance to performance of medium sized scale family owned business. The study further established that the principal of continuous improvement is positively and significantly related with performance of medium sized scale family owned business. From the study findings, the study concludes that an increase in principals of continuous improvement causes an increase in performance of medium sized scale family owned business.

Recommendations

The study found that improving strategic leadership will cause an increase in performance of medium sized scale family owned business. The study therefore recommends management of family businesses to embrace a good strategic leadership that will allow them to have a well-organized structure and resource allocation that allows for a well-defined career path and where there is the possibility of growth. Most vibrant candidates tend to prefer working for organizations with well-defined strategic leadership. The study established that goal alignment has a positive influence on performance. The study therefore recommends family businesses to create new roles and evaluate existing staff in regard to the goals and objectives of the organisation this will improve their performance. The study also found that management does not carry out regular performance reviews to provide career development for employees. The study therefore recommends these organizations to review regularly employee development to ensure they are at par with the goals of the organization.

The study found that employee empowerment positively influenced performance of the organization. The study recommends organizations to empower their employees through various techniques such as fair treatment and pay, appraisals and training and development opportunities. This will improve employee performance which improves organizational performance. The study also recommends organizations to involve employees more in decision making and treat them fairly this is because the study found that employees were not involved in decision making and their salaries haven't been standardized and not at par with the current labour market. The study found that improving principals of continuous improvement will lead to improved performance in the organization. The study therefore recommends family owned businesses embrace principal of continuous improvement and use its elements such as training and coaching to prepare employees for management position when current leaders won't be any more. The organization should also include non-family member in the running and management of their organization; survival of any organization depends on competency of management employees whether family on non-family members.

Areas For Further Research

The main focus of this study was to determine how talent management influences performance of medium sized scale family owned business, case of Riara Group of Schools in Nairobi City County Kenya. This study therefore recommends replication of the research study in other family

owned businesses to facilitate generalization of the research findings. Further studies need to be conducted on challenges of implementing talent management in family owned businesses.

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