

Talent Management and Performance of Independent Power Producers in Kenya: Evidence from OrPower Limited

Rose Muthoni Gitonga¹; David Kanyanjua^{2*}

^{1,2}Management University of Africa

Correspondence Author: David Kanyanjua^{2*}

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Abstract: This study examined the effect of talent management on the performance of independent power producers in Kenya, focusing on OrPower Limited. The paper was developed from the first specific objective of a broader study on strategic human resource management practices and organisational performance. The study was guided by the Resource-Based View, Dynamic Capabilities View and Balanced Scorecard model. A descriptive research design was adopted, targeting 75 employees of OrPower Limited, from whom 60 complete questionnaire responses were obtained. Data were analysed using SPSS version 28 through descriptive statistics, Pearson's correlation and simple regression analysis. Descriptive results indicated that talent management practices were generally well established, with an overall mean of 3.97. Respondents reported positive perceptions of talent attraction, employee development, training, retention and internal career progression. Regression results reported a positive and statistically significant relationship between talent management and organisational performance ($R = .824$; $p < .001$). The findings suggest that structured talent attraction, development and retention practices are associated with stronger organisational performance in a technically demanding power-generation environment. The reported regression table contains an apparent inconsistency between R Square and adjusted R Square; this should be checked against the original SPSS output before publication.

Keywords: Employee Development; Independent Power Producers; Organisational Performance; Talent Management.

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I. INTRODUCTION

Organisational performance is a central concern for firms operating in capital-intensive and technologically demanding industries such as electricity generation. Independent power producers (IPPs) require specialised technical knowledge, operational coordination and continuous maintenance to achieve reliability, efficiency and financial sustainability. In this environment, human resources are not only an administrative function but also a strategic resource through which organisations build skills, retain institutional knowledge and respond to technological and market changes (Bagorogoza & Nakasule, 2022).

Talent management refers to deliberate organisational processes for attracting, developing, deploying and retaining employees whose capabilities support organisational objectives. It includes recruitment and selection, structured learning and development, career progression, succession planning, performance support and retention measures. From a strategic human resource management perspective, these practices connect workforce capabilities with business

priorities. The literature reviewed in the parent study associates talent management with productivity, innovation, strategic flexibility and organisational performance (Bagorogoza & Nakasule, 2022; Kafetzopoulos, 2023; Shah et al., 2024).

The relevance of talent management is particularly clear in the power sector. Electricity generation depends on engineers, technicians, plant operators, maintenance personnel and managers with specialised expertise. Loss of experienced employees can increase recruitment costs, weaken organisational memory and affect operational continuity. Conversely, investments in employee development and internal progression may strengthen technical capacity and support reliable operations. Studies in different sectors have generally reported positive relationships between talent management and performance, although findings are not uniform. For example, research in Namibia's public electricity company reported that talent management was not statistically significant, demonstrating the importance of examining the relationship in specific

organisational and institutional contexts (Ochurub & Alweendo, 2024).

OrPower Limited operates in Kenya's geothermal energy sector and forms part of the country's independent power production landscape. Its technically specialised and performance-driven operating context provides a relevant setting for examining whether talent management practices are associated with organisational performance. The broader study identified a contextual gap because much of the available evidence originated from education, hospitality, manufacturing, public institutions and other sectors rather than private power generation. This paper therefore focuses on the first specific objective: to examine the effect of talent management on the performance of independent power producers in Kenya, using OrPower Limited as the case.

➤ *Statement of the Problem*

Organizational performance is essential for achieving strategic goals, maintaining competitiveness, and ensuring long-term sustainability. In the energy sector, performance depends on skilled employees, operational efficiency, technological expertise, and effective talent management. Independent Power Producers (IPPs), such as OrPower Limited, require competent engineers, technicians, and managers to maintain reliable electricity generation and improve organizational outcomes. Despite the importance of OrPower Limited in Kenya's geothermal energy sector, fluctuations in operational and financial performance have raised concerns about the factors influencing organizational effectiveness. Operational interruptions, maintenance requirements, changing energy demand, and the need to retain skilled employees may affect productivity and electricity generation. These challenges highlight the need to examine how talent management practices contribute to organizational performance within the renewable energy sector.

Although previous studies have established a relationship between strategic human resource management practices and organizational performance, limited attention has been given to talent management within Kenya's independent power production sector. Existing studies have primarily focused on public institutions, manufacturing firms, and service organizations, whose operational requirements may differ from those of capital-intensive and technically specialized energy companies. Furthermore, some studies have examined strategic human resource management practices broadly without specifically establishing how talent attraction, employee development, training, retention, and career progression influence organizational performance.

Consequently, there is limited empirical evidence on the effect of talent management on the performance of independent power producers in Kenya, particularly OrPower Limited. This study therefore sought to examine the effect of talent management on the performance of independent power producers in Kenya, using OrPower Limited as the case study. The findings were expected to provide insights into how effective talent management practices could support employee productivity, operational efficiency, innovation,

and overall organizational performance in the renewable energy sector.

➤ *Objective of the Study*

The study was guided by the following research question: What is the effect of talent management practices on the performance of independent power producers in Kenya?

➤ *Hypothesis*

The null hypothesis was stated as follows: H0: Talent management has no statistically significant effect on the performance of independent power producers in Kenya.

II. LITERATURE REVIEW

➤ *Theoretical Review*

The Resource-Based View (RBV) provides the principal theoretical foundation for this paper. The theory conceptualises the firm as a collection of resources and argues that valuable, rare, difficult-to-imitate and non-substitutable resources can support sustained competitive advantage (Barney, 1991; Penrose, 1959; Wernerfelt, 1984). Human knowledge, technical expertise and organisational routines may meet these characteristics when they are developed over time and embedded in the organisation. Talent management supports the acquisition and retention of these resources by attracting qualified personnel, developing employee capabilities and reducing the loss of critical expertise.

The Dynamic Capabilities View complements RBV by explaining how organisations renew and reconfigure resources in response to changing environments (Teece et al., 1997). In power generation, technological upgrades, regulatory changes, maintenance requirements and shifts in energy demand require organisations to adapt their workforce capabilities. Talent management contributes to sensing emerging skills requirements, seizing development opportunities and reconfiguring employee capabilities through training, redeployment and succession planning.

The Balanced Scorecard model provides the performance lens. Kaplan and Norton (1992) proposed four perspectives: financial performance, customers, internal business processes, and learning and growth. Talent management is particularly connected to learning and growth, but its effects may extend to internal process efficiency, customer satisfaction and financial outcomes. The parent study operationalised performance through financial goals, customer satisfaction, internal business operations, continuous learning and innovation.

➤ *Empirical Review*

Existing empirical research generally indicates that talent management is positively related to organisational outcomes. Bagorogoza and Nakasule (2022), studying small and medium enterprises in Uganda, found that talent management was associated with business performance, with knowledge management playing a mediating role. Mgbemena et al. (2022) reported that talent attraction, development and retention improved employee productivity

in Nigerian pharmaceutical companies. In Kenya, Kimiti et al. (2024) found that talent acquisition strategies influenced the performance of real estate firms, although the study was geographically limited to Nairobi and did not address power generation.

Kafetzopoulos (2023) linked talent development to strategic flexibility, innovativeness and financial performance. Shah et al. (2024) further connected talent management practices with performance through employee satisfaction in learning organisations. These findings suggest that talent management may influence performance directly by improving competence and indirectly by strengthening motivation, satisfaction and organisational adaptability.

However, sectoral and contextual differences should be considered. Ochurub and Alweendo (2024), examining Namibia Power Corporation, found no statistically significant effect of talent management on performance. This contrasting

result suggests that the effectiveness of talent management may depend on the quality of implementation, organisational structure, employee perceptions, labour-market conditions and the measures used to assess performance. The present study therefore tests the relationship in OrPower Limited, where specialised technical skills and operational reliability are central to organisational outcomes.

Based on RBV, Dynamic Capabilities View and the reviewed empirical evidence, the study hypothesised that effective talent management practices would be positively associated with organisational performance. The alternative hypothesis was: H1: Talent management has a statistically significant positive effect on the performance of independent power producers in Kenya.

➤ *Conceptual Framework*

The conceptual relationship examined in this paper is represented as follows:

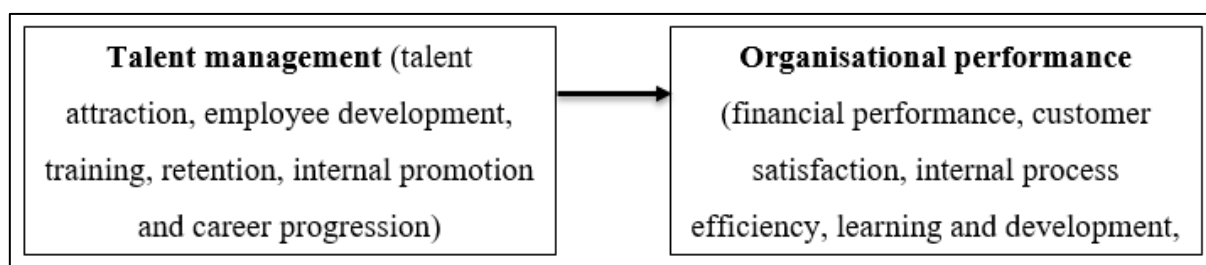


Fig 1 Conceptual Framework

III. METHODOLOGY

The study adopted a descriptive research design. The target population comprised 75 employees of OrPower Limited in Kenya. The study collected data through a structured digital questionnaire and obtained 60 complete responses. The respondents were drawn from the organisation's workforce, including personnel with knowledge of human resource practices and organisational operations.

Talent management was measured using five questionnaire statements covering talent attraction, development pathways, investment in employee growth and training, retention strategies, and internal promotion and career progression. Responses were recorded on a five-point Likert scale ranging from strongly disagree to strongly agree. Organisational performance was measured using indicators based on the Balanced Scorecard perspective, including financial goals, customer satisfaction, internal operations, learning and development, and innovation.

Data were analysed using SPSS version 28. Descriptive statistics were used to summarise responses, while Pearson's correlation and simple linear regression were used to assess the relationship between talent management and performance. The regression model was specified as: Performance = $\beta_0 + \beta_1(\text{Talent Management}) + \epsilon$, where β_0 is the constant, β_1 is the regression coefficient for talent management, and ϵ is the error term. The decision rule was to reject the null hypothesis where the significance value was below .05.

IV. FINDINGS AND DISCUSSION

➤ *Descriptive Findings on Talent Management*

The descriptive results showed generally favourable perceptions of talent management at OrPower Limited. The overall mean was 3.97, indicating that respondents generally agreed that the organisation had established talent management practices.

Table 1 Respondents' Perceptions of Talent Management.

Statement	SA	A	N	D	SD	Mean	SD
Effective strategies for attracting top talent	44%	52%	4%	0%	0%	4.10	.725
Clear development pathways for employees	54%	40%	6%	0%	0%	4.00	.885
Investment in employee growth and training	42%	54%	4%	0%	0%	3.96	.796
Talent retention strategies consistently applied	43%	51%	3%	3%	0%	3.95	.739
Support for internal promotions and career progression	57%	40%	3%	0%	0%	3.92	.833
Average						3.97	.796

Talent attraction recorded the highest mean ($M = 4.10$), suggesting that respondents perceived the organisation as having effective mechanisms for attracting capable employees. Clear development pathways also received a high mean ($M = 4.00$), indicating that employees generally recognised opportunities for professional growth. Investment in growth and training ($M = 3.96$) and retention strategies ($M = 3.95$) were also positively assessed. Internal promotion and career progression had the lowest mean among the five indicators ($M = 3.92$), although the result remained favourable.

The pattern suggests that talent management at OrPower Limited was not limited to recruitment. It

incorporated development, retention and career progression. This is consistent with RBV, which treats employee knowledge and skills as internal resources that can support performance when developed and retained. It also aligns with the argument that talent development strengthens organisational flexibility and innovation (Kafetzopoulos, 2023). Nevertheless, the descriptive results represent employee perceptions and should not be interpreted as independent evidence that each practice was implemented equally across departments.

➤ Organisational Performance

Table 2 Respondents' Perceptions of Organisational Performance.

Indicator	SA	A	N	D	SD	Mean	SD
Organisation meets financial goals consistently	43%	51%	3%	3%	0%	3.95	.739
Customer satisfaction is continuously improving	47%	38%	9%	4%	2%	3.96	.725
Internal operations are efficient and well-coordinated	43%	52%	4%	0%	0%	4.10	.919
Continuous learning and development occurs	43%	51%	3%	3%	0%	3.95	.739
Innovation and improvement are encouraged	38%	47%	9%	4%	2%	3.25	.725
Average						3.84	.768

Organisational performance had an overall mean of 3.84. Internal business operations recorded the highest mean ($M = 4.10$), followed by customer satisfaction ($M = 3.96$), financial goals and continuous learning (each $M = 3.95$). Innovation and improvement recorded the lowest mean ($M = 3.25$), suggesting comparatively less agreement that innovation was encouraged throughout the organisation. This

result indicates that, although respondents perceived operational coordination positively, innovation may require more deliberate support through learning, experimentation, knowledge sharing and employee involvement.

➤ Regression Results

Table 3 Simple Regression Results for Talent Management and Performance

Statistic	Reported value
R	.824
R Square	.457
Adjusted R Square	.645
Standard error of estimate	.35909
F	48.411
Significance	< .001
Talent management coefficient (B)	.679
Standardised Beta	.822
t	8.658
p	.000

The reported regression results indicated a positive and statistically significant relationship between talent management and performance. The coefficient for talent management was positive ($B = .679$; $\beta = .822$), with a t-value of 8.658 and a reported significance value of .000, conventionally interpreted as $p < .001$. The ANOVA result was also statistically significant ($F = 48.411$, $p < .001$). On the basis of the reported significance level, the null hypothesis was rejected and the alternative hypothesis was supported. The result implies that stronger talent management practices were associated with higher perceived organisational performance at OrPower Limited. The finding is consistent with RBV because the attraction, development and retention of skilled employees can strengthen valuable organisational capabilities. It also corresponds with findings

by Bagorogoza and Nakasule (2022), Mgbemena et al. (2022), Kafetzopoulos (2023) and Shah et al. (2024), who reported positive relationships between talent management and performance-related outcomes.

The result differs from Ochurub and Alweendo (2024), who found no statistically significant relationship in Namibia's public electricity company. The difference may reflect variations in ownership, institutional arrangements, implementation quality, workforce composition, measurement approaches or organisational context. Because the present study used a single-organisation case and self-reported questionnaire data, the findings should be interpreted as evidence of association within the study context rather than proof of universal causation.

A technical issue requires correction before the paper is submitted for publication. The reported R Square (.457) is lower than the reported adjusted R Square (.645), which is mathematically unusual for a conventional regression model. The original SPSS output should be rechecked to confirm the correct model summary values and ensure that the reported statistics are internally consistent.

V. CONCLUSION AND RECOMMENDATIONS

The study examined the effect of talent management on organisational performance at OrPower Limited. Respondents reported favourable levels of talent attraction, development, training, retention and internal career progression. The regression findings indicated a positive and statistically significant relationship between talent management and performance. The study therefore supports the view that talent management is a strategic organisational resource in the independent power production sector.

The organisation should maintain structured talent attraction systems and strengthen the alignment between recruitment requirements and technical workforce planning. It should also formalise career pathways, succession planning and continuous professional development for technical and managerial staff. Retention strategies should be reviewed regularly to protect critical knowledge and reduce avoidable loss of experienced personnel. In addition, the organisation should connect talent management indicators with operational measures such as downtime, productivity, safety, innovation and employee continuity.

For theory, the findings provide contextual support for RBV and the Dynamic Capabilities View by showing how employee capabilities and development systems may relate to performance. For practice, the findings suggest that HR managers and operational leaders should treat talent management as a shared strategic responsibility. Future studies could use longitudinal designs, objective performance indicators and comparisons across several independent power producers to improve generalisability and assess causal mechanisms.

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