Globally, these businesses are distinguished by strong leadership, a deep-rooted sense of identity, and a commitment to long-term growth. However, they face challenges related to governance, succession planning, and balancing family and business interests (Benavides et al., 2013). The emphasis on long-term stability rather than short-term financial gains can positively influence their organizational performance (Calabrò et al., 2020).

In Africa, family-owned retail businesses are crucial in driving economic growth and development. These businesses dominate the retail landscape in many African countries, offering goods and services tailored to local needs and preferences. In East Africa, family-owned businesses excel due to their adaptability to changing market conditions, deep knowledge of local markets, and strong customer relationships. However, they often face challenges such as limited access to capital, regulatory hurdles, and the need to modernize operations to remain competitive (Ndegwa, 2020).

In Kenya, family-owned retail businesses are a cornerstone of the economy, particularly in the informal sector. These businesses range from small kiosks to large retail chains, playing a crucial role in job creation and economic diversification. Kenyan family-owned businesses benefit from strong community ties and an in-depth understanding of local consumer behavior. However, they face several challenges impacting their organizational performance, including difficulties in succession planning, where transitions between generations can lead to business disruptions, limited access to finance, competition from larger international retail chains, and the necessity for technological adoption and innovation (Wambugu & Gichira, 2020).

1.2 Statement of the Problem

The role played by family-owned businesses in Kenya's economy and world over cannot be understated. Creation of wealth, provision of employment and contribution to the GDP are some of the economic benefits realized from these enterprises (Oudah et al., 2018). Despite the benefits in the economy, it is a worrying trend that performance of family-owned businesses is, and continues to be a challenge especially after the exit of the founders from the management scene (Ngugi & Patrick, 2023), According to Muithi, (2018) most family-owned businesses rarely have a successful transition from one generation to the next. Ogoro (2018) asserts that over 40% of family-owned business face disputes, wrangles and misunderstanding and eventually collapse after the demise of the founders.

This failure in performance cannot be attributed to family-owned businesses in a particular sector, but, cuts across all. In Kenya, Tuskys Supermarkets (retail), Akamba Bus service (transport), Jacaranda Hotels (hospitality) to name just but a few, have experienced poor performance after the exit of the founders (Ministry of trade, 2020). Talent Development is critical in ensuring that the right caliber of employees is found in family owned businesses. Due to the nature of family owned businesses, talent development tends to be weak due to ownership preferences of the employees they desire and the need to ring in family acceptable staff. Thus, they fail to raise to the occasion of some TM practices (Sindambiwe, 2020).

1.3 Study Objective

To determine the influence of talent development on performance in family-owned businesses in Nairobi Metropolitan Region.

1.4 Significance of the Study

The findings from this research are expected to provide business owners and managers gain insights into effective talent development practices that can enhance employee performance, leading to improved business outcomes. More so, employees will benefit from better talent development practices, leading to increased job satisfaction, career development opportunities, and overall better working conditions. Researchers and Academicians can use the findings to build upon existing literature and develop new theories or models in the field of talent development and organizational performance. Policy Makers like Government Agencies will **o**btain data and insights that can help in formulating policies to support family-owned businesses, which are often significant contributors to the local economy. Consultants and HR Practitioners can develop more effective strategies and solutions tailored to the unique challenges of family-owned businesses in the region and benefit from understanding the specific needs and dynamics of family-owned businesses, Future Entrepreneurs will learn from the best practices and common pitfalls identified in the study, aiding them in establishing and managing their own family businesses more effectively.

2.0 LITERATURE REVIEW

2.1 Human Capital Theory

Human Capital Theory (HCT) is a cornerstone in understanding how investments in employee development impact organizational success, particularly in relation to talent retention. This theory, primarily developed by economists such as Gary Becker and Jacob Mincer, posits that individuals' skills, knowledge, and experience constitute a form of capital that contributes to productivity and economic

value (Becker, 1964; Mincer, 1974). The theory suggests that investing in human capital, such as through education and training, enhances employees' skills and productivity, which in turn can benefit organizations by fostering a more competent and efficient workforce (Absalom & Kyule, 2021).

Human Capital Theory suggests that organizations with robust talent development programs can create a competitive advantage by retaining top talent. By providing opportunities for advancement and skill enhancement, organizations can mitigate the risk of employee attrition. For instance, companies that offer continuous learning opportunities and career progression plans are better positioned to retain skilled employees who might otherwise seek opportunities elsewhere (Boudreau & Ramstad, 2020). This is particularly important in industries where specialized skills are critical, and the cost of losing talented employees can be substantial.

2.2 Talent Development and Organizational Performance

Organizations that appreciate their employees as the most important assets will support programs designed to assure their individual competence to perform their current assignments and potential for support of the organization's goal (Jacobs & Washington, 2017). On the other hand, Banerjee and Gupta (2019) feel that a successful employee leaning and development program should have a balance between their individual career orientation and needs, and the organization which are articulated in the mission and vision. These employee development programs should include off-the-job and on-the-job training and even leadership and mentoring programs (Jacobs & Washington, 2017). There is a general consensus that there is a co-relation between the employees' development and the organization performance.

Different aspects and directions of Talent management have been studied by various authors. Wang-Cowham (2020) explored the connection between talent development & knowledge sharing mechanisms. The study used social exchange theory and knowledge sharing. The study applied the use of semi-structured interviews with 20 Chinese HR practitioners. The study found that knowledge sharing socialization mechanisms integrated with talent development can facilitate organizational knowledge sharing and support individual and organizational-led talent development. The study focused more on knowledge management rather than talent development. It also used a small sample size which is more susceptible to variability and outliers, which can skew results and make them less reliable and thus reducing the precision and confidence in the results, a gap this study sought to bridge.

Garcia (2023) explored the effectiveness of e-learning platforms in employee skill development in the retail sector. The study examined e-learning platforms (independent variable) and employee skill development (dependent variable), guided by the Technology Acceptance Model, which suggests that perceived ease of use and usefulness influence technology adoption. Garcia employed a mixed-methods approach, incorporating quantitative data from surveys and qualitative feedback from focus groups. The sample comprised 200 employees from various retail stores, selected using convenience sampling. Results indicated that e-learning platforms significantly facilitated skill development, provided they were user-friendly and relevant. Unlike the current study which focused on all forms of learning and training, this study seemed to focus on e-learning only, which gives its findings a narrow scope.

Wandia (2017) carried out a study on talent management in Kenya – Nairobi at Symphony (K) Ltd. and articulated those developing talents is a source of competitive advantage. The study adopted a case study research design to fulfill the objective of the study and the results were expected to provide an insight in understanding how the organization uses its dynamic capabilities as a strategic tool. The researcher interviewed seven senior managers at Symphony who were involved in the strategic process of developing organizational talent. The data were collected through the use of the interview guide and content analysis was used to analyze the data. The study revealed that choice of talent development strategy massively affects firms' financial performance as can be reflected on increased sales revenue, increased productivity and increased market share. The study recommended that firms consider business models that invest in talent development and appropriately harness and leverage on intangible assets in the organization to attain competitive advantage. This study was a case study of Symphony (K) Ltd. Unlike the current study which is focusing on selected retail stores which are family owned.

A study that sought to assess the effectiveness of mentorship programs in fostering talent development in large financial institutions in New York City (Johnson& Brown, 2022). The study found that talent development strongly affected career progression.

The Independent variable was mentorship programs while the dependent variable was career progression. The Social Learning Theory and Human Capital Theory were used. The Mixed-methods approach with both quantitative surveys and qualitative interviews

were employed. Purposive sampling with a sample size of 150 employees. The study failed to focus on talent development in relation to organizational performance, but career progression.

3.0 RESEARCH DESIGN AND METHODOLOGY

The research problem of the current study was studied through use of cross-sectional survey research design. A cross-sectional survey design allows for the collection of data at a single point in time from a large and diverse sample, providing a snapshot of the current practices and outcomes within the target population. The unit of analysis was eight retail family owned stores in the Nairobi Metropolitan Region. The unit of observation was 274 managers and their deputies or senior supervisors, whichever is applicable depending on how the individual retail store is structured. A census of the population was then picked since it was a manageable number as the sample for the purpose of data collection. This study utilized primary data. Primary data is basically original in character and is used due to its proximity to truth and ease of control over errors (Lohr,2023). Primary data was collected using questionnaires. This study piloted the questionnaire on 10% of study population. The researcher selected a small, representative sample from the larger population, which included 14 retail family-owned stores within Nakuru County. These stores were chosen based on similar criteria as the main study. From these stores, about 30 managers and their deputies or senior supervisors were identified as participants. These participants were not included in the main study. The pilot study involved administering the same surveys or conducting interviews that would be used in the main study, focusing on aspects such as talent management practices, job security, and remuneration. This initial phase helped in testing the clarity, relevance, and comprehensiveness of the questions, as well as identifying any logistical challenges in data collection.

4.0 RESULTS

Table 1. Talent Development on Organizational Performance in Family Businesses in Kenya.

		N	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree	Mean	Std. Deviation
1.	In our organization's training needs assessment is carried out.	252	12(4.7%)	78(31.0%)	50(19.8%)	91(35.9%)	21(8%)	2.877	1.08596
2.	Our company provides training and development opportunities.	252	10(3.9%)	50(19.8%)	65(25.7%)	87(34.5%)	40(15.8%)	2.615	1.09048
3.	Proper training and development by the organization enhances employee performance.	252	24 (9.5%)	89(35.3%)	57(22.6%)	55(21.8%)	27(10.7%)	3.111	1.16987
4.	There is coaching by line managers in this company	252	6(0.2%)	55(21.8%)	64(25.4%)	82(32.5%)	45(17.8%)	2.583	1.08608
5.	In our company, employees are continuously acquiring new knowledge and skills, and mastering new ways of doing things	252	2(0.07%)	47(18.6%)	66(26.1%)	90(35.7%)	47(18.6%)	2.671	0.96704
6.	Leadership skills development enhances employee performance.	252	45(17.8%)	85(33.7%)	70(27.7%)	40(15.8%)	12(4.7%)	3.440	1.09853
7.	In our company there are business skill development practices in place.	252	9(0.4%)	37(13.1%)	64(25.4%)	97(38.4%)	45(17.8%)	2.476	1.05570
8.	Our organization emphasizes on teamwork skills development	252	5(0.02%)	45(17.8%)	65(25.7%)	102(40.4%)	35(13.8%)	2.536	1.00135
9.	Our organization uses job rotation to instill various skills on its employees.	252	1(0.04%)	44(17%)	61(24.2%)	134(53.1%)	12(4.7%)	2.556	0.84568
	Aggregate Score							**2.763**	**1.0445**

Source: Survey Data (2023)

On the effect of talent development on organizational performance in family-owned businesses in Kenya, Table 4.4 shows the findings that most of the respondents (44%) disagreed that needs assessment is carried out in their organization. A similar percentage felt that appropriate training and development provided by the company improves performance. Employees may have varying ideas or experiences on the efficacy of training and development activities, a majority of the employees (54%) did not believe that they were always learning and mastering new methods of doing things in the workplace, meaning that they did not consider the organization a learning organization. The indicator that suggests developing leadership abilities improves employee performance was regarded positively with 52% agreeing to it. The average employee appears to believe that gaining leadership abilities can improve their performance. On whether the organization prioritizes the provision of skill practices, again, a majority had a contrary opinion (52%). The average employee does not feel that the organization places a high priority on collaborative skill development (54%). More so, the workers do not have a strong opinion on how well job rotation helps them develop their range of skills (57%).

The results are consistent with Wandia (2017) findings, the proficiency, capability, and background of employees have a substantial impact on their productivity. Therefore, it is recommended that organizations develop talents as a source of competitive advantage to foster employee dedication towards achieving organizational objectives, which ultimately enhances overall performance. It was noted that family-owned businesses may not have implemented adequate measures to enhance employee skills, abilities, and experiences.

5. 1 FINDINGS

According to the survey, organizations that placed a high priority on talent development outperformed those that did not. In addition, the variable's descriptive statistics indicated a favorable association between organizational success and talent development. The information showed that family-owned businesses which were committed to the improvement of the abilities and skills of their staff performed better. The finding that talent development favorably improves organizational performance was also validated by earlier research studies.

5.2 Conclusions

The study concludes that talent development has a positive effect on organizational performance.

5.3 Recommendations for Policy and Practice

Organizations should prioritize on training their employees in order to have a workforce that will give them competitive advantage.

5.4 Suggestions for Further Research

Future research may focus more on the Talent Management strategies that work best for Kenyan family-owned businesses. This could involve looking into best hiring practices, specially designed training and development programs, and innovative retention strategies that address the unique requirements and difficulties of family companies.

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