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TALENT MANAGEMENT AND EMPLOYEE PERFORMANCE IN PRIVATE UNIVERSITIES IN KENYA

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ABSTRACT

Private universities play a crucial role in the educational landscape of Kenya, contributing significantly to the country's higher education system. Employee performance in private universities in Kenya is often hindered by several challenges that affect their performance. The general objective of the study is to establish the influence of talent management on employee performance in private universities in Kenya. Specifically, the study sought to determine the influence of talent compensation on employee performance in private universities in Kenya and to evaluate the influence of talent retention on employee performance in private universities in Kenya. This study was anchored by Human Capital Theory, Equity Theory and Social Exchange Theory. This study used descriptive research design. This study targeted in private universities in Kenya. According to the commission for university education CUE report (2024), there are 30 private universities in Kenya. This study therefore targeted all the 30 private universities. The unit of analysis was the 30 private universities while the unit of observation was 390 respondents comprising of Vice Chancellors, registrars and Deans of Schools. The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2019). The study's sample size was 194. The 194 respondents were chosen with the help of stratified random sampling technique. This study used structured questionnaires to collect the primary data for the study. Data analysis was done through use of descriptive and inferential statistics. Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages will be used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study concludes that talent compensation has a positive and significant effect on employee performance in private universities in Kenya. The study also concludes that talent retention has a positive and significant effect on employee performance in private universities in Kenya. Based on the findings the study recommends that the management of private universities in Kenya should implement continuous professional development programs tailored to the evolving needs of faculty and staff. By offering opportunities for advanced training, workshops, and certifications, universities can ensure that their employees are not only up-to-date with the latest trends in academia but also feel supported in their career growth.

Key Words: Talent Management, Talent Compensation, Talent Retention, Employee Performance, Private Universities

Background of the Study

Education is a fundamental pillar in the development of any country, serving as a catalyst for economic growth, social transformation, and cultural preservation (Jafari, & Khanmohamadi, 2020). By equipping individuals with knowledge, skills, and values, education fosters innovation and empowers citizens to contribute meaningfully to society (Kamau, & Juma, 2023). It lays the foundation for sustainable development by reducing poverty, improving health outcomes, and promoting gender equality. Furthermore, education is instrumental in nurturing critical thinking and civic responsibility, enabling individuals to make informed decisions and actively participate in nation-building processes (Leontes, 2024). Countries with strong education systems often experience enhanced productivity, reduced inequality, and a more cohesive society (Mbaaru, & Muli, 2024).

University education, as the pinnacle of formal learning, plays a pivotal role in driving a country's advancement (Mensah, 2021). Universities are hubs of research, innovation, and knowledge creation, addressing societal challenges and contributing to technological progress. Through specialized training, they produce skilled professionals in critical sectors such as healthcare, engineering, education, and governance, ensuring the availability of human capital necessary for national development (Morwabe, & Amaya, 2024). Additionally, university education fosters intellectual growth, leadership, and global competitiveness, preparing graduates to navigate complex global challenges. By promoting cultural exchange and collaboration, universities also contribute to the preservation and enrichment of a nation's heritage and identity, further cementing their role as cornerstones of a thriving society (Mukundente, & Mulyungi, 2020).

Private universities are institutions of higher education that are not funded or operated by government entities (Rukumba, & Mukulira, 2021). Instead, they are typically financed through tuition fees, private donations, endowments, and other private sources of revenue. These universities often have more autonomy in terms of academic programs, admission policies, and financial management compared to public universities (Subroto, Sudarmanto & Sono, 2024). Private universities may vary widely in their educational offerings, campus culture, and size, but they generally focus on providing specialized education and fostering a strong sense of community among students and faculty. Many private universities are known for offering smaller class sizes, personalized attention, and a wide range of extracurricular opportunities. Private universities play a crucial role in the higher education landscape by offering a diverse range of educational opportunities and contributing to the overall growth of the academic community (Jafari & Khanmohamadi, 2020). One of the key roles of private universities is providing alternative options for students seeking specialized programs or distinctive educational experiences. Since they are not bound by the same bureaucratic constraints as public institutions, private universities can often innovate in their curriculum, academic delivery, and the integration of new technologies. This flexibility allows them to be more adaptable to changing demands in the job market and to offer unique programs that may not be available at public universities (Siripipatthanakul, *et al*, 2022).

Moreover, private universities contribute to educational diversity and competition, which can drive improvements in the overall quality of higher education. Their presence challenges public universities to continually enhance their offerings, increase faculty expertise, and improve student services (Shafique, 2021). By attracting students from various backgrounds, private universities also foster a diverse learning environment where a variety of perspectives can be shared and discussed. This diversity enriches the educational experience and prepares students to engage in a globalized world. Another important role private universities play is in research and innovation (Ekhsan, *et al*, 2023). Many private institutions are hubs for groundbreaking research, particularly in fields such as technology, medicine, business, and the humanities.

They often have the financial resources and partnerships with private industry that enable them to conduct high-level research that can lead to new discoveries or innovations with real-world applications. Additionally, private universities may collaborate with government agencies, nonprofit organizations, and the private sector to address societal challenges and contribute to economic development (Mzava & Tarimo, 2023).

Furthermore, private universities are often seen as incubators for leadership and entrepreneurial talent. The smaller, more intimate campus environment at many private universities allows students to build close relationships with professors, peers, and alumni, which can be invaluable for career development (Leontes, 2024). They frequently offer extensive networking opportunities, internships, and support for student-run businesses or initiatives. This emphasis on mentorship and leadership development equips graduates with the skills needed to succeed in a variety of professional fields, making private universities an important part of the workforce development system (Akor, *et al*, 2024).

Talent management is the strategic process of attracting, developing, retaining, and optimizing an organization's workforce to achieve its business goals. It involves identifying and nurturing individuals with the necessary skills, knowledge, and potential to contribute effectively to the company’s success (Mukundente & Mulyungi, 2020). This includes recruitment, onboarding, training and development, performance management, career progression, and succession planning. Effective talent management ensures that the organization has the right people in the right roles at the right time, fostering a motivated and skilled workforce that drives innovation, productivity, and long-term growth (Mensah, 2021).

Talent compensation involves creating competitive salary structures, bonuses, and benefits packages that recognize and reward employee contributions (Muyela & Kamaara, 2021). Offering attractive compensation packages motivates employees, fostering loyalty and satisfaction. Talent retention strategies aim to create an engaging work environment that fosters employee satisfaction, work-life balance, and opportunities for growth. By focusing on retention, organizations can reduce turnover, build a committed workforce, and sustain long-term organizational success (Wandabwa & Makokha, 2022). This study aimed to establish the influence of talent management on employee performance in private universities in Kenya.

Statement of the Problem

Private universities play a crucial role in the educational landscape of Kenya, contributing significantly to the country’s higher education system. They provide an alternative to public institutions, helping to meet the growing demand for quality education in the face of an expanding population (Muyela & Kamaara, 2021). These universities offer specialized programs, foster innovation, and create a competitive academic environment, which ultimately helps in addressing skill gaps in various sectors. Additionally, private universities contribute to the economic development of the country by generating employment opportunities and supporting research and development activities that drive social and technological progress (Wandabwa & Makokha, 2022).

Employee performance in private universities in Kenya is often hindered by several challenges that affect productivity, the quality of work, and the ability to meet deadlines. These challenges can be largely attributed to both internal and external factors within the academic environment. In private universities in Kenya, employee productivity is often affected by inadequate resources, heavy workloads, and low remuneration (Kamau & Juma, 2023). A study by the Kenya Private Universities Workers Union (KPUWU) found that 72% of academic staff in private universities report struggling with high workloads due to insufficient support staff, often having to perform duties beyond their teaching responsibilities, such as administrative tasks and managing student affairs. The limited financial resources of many private institutions hinder their ability to invest in tools, technology, and infrastructure that could boost productivity (Morwabe & Amaya, 2024). A survey by the Kenya National Bureau of Statistics (KNBS) in 2023 revealed that 58% of private university employees felt that poor infrastructure negatively impacted their work efficiency. Furthermore, a report from the CUE indicated that 63% of private universities in Kenya had not upgraded their teaching and research facilities in over five years, leading to a decline in both productivity and performance (Kendi & Wanyoike, 2023).

The quality of work produced by employees in private universities is significantly impacted by a lack of professional development opportunities, insufficient remuneration, and an absence of comprehensive support systems (Muyela & Kamaara, 2021). According to a study by the Kenyan National Council for Higher Education (NCHE), approximately 55% of lecturers in private universities had not received any formal training or workshops in the last two years, which directly affects their teaching and research quality. Furthermore, 48% of university staff reported having a poor work-life balance, with 40% admitting that the lack of institutional support for professional development made it difficult for them to stay updated with the latest teaching methodologies and research trends (Wandabwa & Makokha, 2022). A 2023 survey conducted by the Kenya Association of Private Universities (KAPU) found that 51% of students in private universities felt that the quality of education was subpar, with lecturers often unable to provide cutting-edge content or meaningful academic engagement (Kamau & Juma, 2023).

Meeting deadlines is a significant challenge for employees in private universities, often due to poor time management, high workloads, and competing responsibilities. A 2022 report by the Kenya Institute of Curriculum Development (KICD) highlighted that 47% of private university staff reported regular challenges in meeting academic deadlines, such as submitting grades or completing research within the stipulated timelines (Morwabe & Amaya, 2024). Furthermore, 53% of staff surveyed by the KPUWU indicated that they often had to miss deadlines due to the high volume of administrative tasks imposed on them, with only 32% stating they had adequate time management training. A follow-up study by the Kenya Education Network (KENET) in 2024 also found that 62% of private university faculty members had missed at least one major deadline within the past year, primarily due to competing demands and a lack of institutional support for time management (Kendi & Wanyoike, 2023).

Talent management has a profound influence on employee performance in any organization. Effective talent management practices ensure that employees are equipped with the necessary skills and motivation to excel in their roles (Muyela & Kamaara, 2021). Various studies have been conducted in different parts of the world on talent management and employee performance. For instance, Morwabe and Amaya (2024) examined on talent management and employee performance in Kenya Rural Roads Authority. Muyela and Kamaara (2021) conducted a study on the effect of talent management practices on employee performance in the civil service and Wandabwa and Makokha (2022) researched on the effect of talent management practices on employee performance in county government. However, none of these studies focused on talent compensation and talent retention on employee performance in private universities in Kenya. To fill the highlighted gaps, the current study sought to establish the influence of talent management (talent compensation and talent retention) on employee performance in private universities in Kenya.

Objectives of the Study

The general objective of the study is to establish the influence of talent management on employee performance in private universities in Kenya

Specific Objective

The study is guided by the following specific objectives

i. To determine the influence of talent compensation on employee performance in private universities in Kenya
ii. To evaluate the influence of talent retention on employee performance in private universities in Kenya

LITERATURE REVIEW

Theoretical Framework

Equity Theory

Equity Theory, developed by John Stacey Adams (1963), focuses on the principles of fairness and balance in social exchanges, particularly in the workplace. The core idea is that individuals are motivated by fairness, and their perception of equity influences their behavior and attitudes. According to the theory, people assess fairness by comparing their own input-output ratios to those of others. Inputs include contributions such as effort, skill, and time, while outputs encompass rewards such as salary, recognition, and promotions (Mphil, *et al*, 2023). In practical terms, Equity Theory suggests that if employees perceive an imbalance, where their inputs are not commensurate with their outputs compared to others, they may experience feelings of inequity. For instance, if one employee believes they are working harder than a colleague but receiving less reward, they may feel undervalued and demotivated. Conversely, if employees feel they are receiving more rewards than their inputs justify, they might experience guilt or discomfort. This perceived imbalance can affect job satisfaction, motivation, and overall performance (Havyarimana, Wanyama & Makila, 2024).

Equity Theory also addresses the mechanisms individuals use to restore equity. These mechanisms can include altering one's own inputs or outputs, changing perceptions of inputs or outputs, or even seeking changes in the environment or relationships to restore a sense of fairness. For example, an employee who feels underpaid might reduce their effort or seek a raise. On the other hand, they might change their perception by convincing themselves that their work is less demanding than it seems (Puka, Wanyama & Aliata, 2020).

Equity Theory is built on several foundational assumptions that shape its application and interpretation. First, it assumes that individuals are rational actors who systematically compare their input-output ratios to those of others. This rationality suggests that people make deliberate evaluations about fairness based on these comparisons (Mbaaru & Muli, 2024). Secondly, the theory presumes that a strong sense of fairness drives individuals' motivations. According to this view, people are inclined to seek balance between what they contribute (inputs) and what they receive (outputs) in comparison to others. This drive for fairness is a core motivator in their behavior (Obunga, Were & Muchelule, 2024). Additionally, Equity Theory assumes that individuals engage in social comparisons continuously, assessing their own input-output ratios against those of peers to gauge their sense of equity. Lastly, the theory posits that when individuals perceive an imbalance, they will take actions to restore equity. This might involve altering their own inputs or outputs, adjusting their perceptions, or seeking changes in their environment (Mphil, *et al*, 2023).

Despite its contributions, Equity Theory has faced several critiques over the years. One major critique is its overemphasis on rationality. Critics argue that the theory assumes individuals make rational decisions regarding fairness, which may not always reflect real human behavior. Emotions, biases, and subjective experiences often influence how people perceive and respond to fairness, complicating the neat, rational framework proposed by the theory (Havyarimana, Wanyama & Makila, 2024). Additionally, Equity Theory may be limited by cultural bias. Its principles are largely rooted in individualist cultures that prioritize personal fairness, which may not align with the values of collectivist cultures where group harmony and shared responsibility are emphasized. This cultural variance can affect the applicability of the theory across different societal contexts (Puka, Wanyama & Aliata, 2020).

Another significant critique revolves around the subjectivity of inputs and outputs. What one person considers a significant contribution might be viewed as minimal by another, making it challenging to establish a universal standard for equity. This subjectivity can lead to inconsistencies in how fairness is perceived and addressed (Mbaaru & Muli, 2024). The theory's heavy reliance on social comparisons is also criticized. Constantly comparing oneself to others can foster negative emotions like envy and competition, potentially undermining intrinsic motivation and personal satisfaction derived from one's own achievements (Obunga, Were & Muchelule, 2024). Furthermore, the theory's focus on equity restoration mechanisms is seen as somewhat limited. It suggests that individuals will take actions to correct perceived imbalances but does not fully explore the variety of responses that people might have or the complexities of how these actions unfold in practice (Mphil, *et al*, 2023). This theory was used to determine the influence of talent compensation on employee performance in private universities in Kenya.

Social Exchange Theory

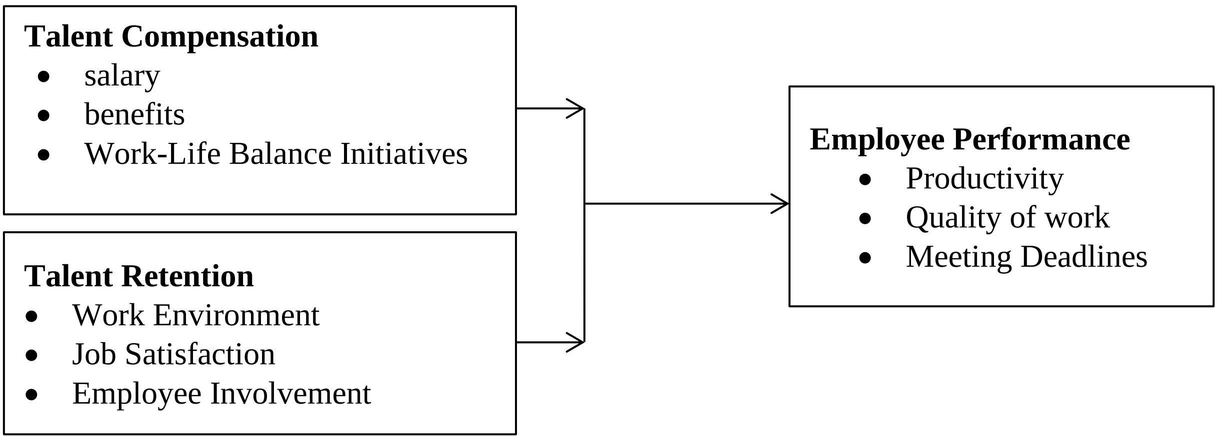
Social Exchange Theory (SET) developed by George Homans (1958) is a sociological and psychological framework that explains social behavior in terms of the exchange processes that occur in interpersonal relationships. The theory posits that individuals engage in social interactions with the expectation of receiving rewards that are proportional to the costs incurred. This framework operates on the principle of maximizing benefits while minimizing losses, suggesting that human relationships are formed and maintained based on the perceived balance of these exchanges (Ahmad & Khan, 2024). At its core, SET is grounded in the idea that people make decisions based on a cost-benefit analysis. When entering a relationship, individuals assess the potential rewards—such as emotional support, companionship, and social status—against the costs, which might include time, effort, and emotional vulnerability. This evaluation influences whether they choose to initiate, maintain, or terminate a relationship. Consequently, relationships that provide a favorable balance of rewards over costs are more likely to be sustained, while those that do not may lead to dissatisfaction and eventual dissolution (Ibidunni, *et al*, 2020). Additionally, SET emphasizes the importance of comparison levels, which are the standards individuals use to evaluate the outcomes of their relationships. These standards are shaped by past experiences, societal norms, and individual expectations. If the outcomes of a current relationship meet or exceed these comparison levels, individuals are likely to feel satisfied; if not, they may reconsider their involvement. This aspect of the theory highlights the dynamic nature of relationships, as perceptions of costs and benefits can change over time, influenced by external circumstances and personal growth (Wandia, Kyule & Kiboi, 2024).

Social Exchange Theory (SET) is built on several foundational assumptions that shape its application and interpretation. One primary assumption is that individuals are rational actors who seek to maximize their benefits while minimizing their costs in social interactions. This notion implies a calculative approach to relationships, where emotional ties and commitments can be evaluated through a lens of cost-benefit analysis (Kagwiria, Namusonge & Karanja, 2021). Another key assumption is that social interactions are inherently transactional, meaning that all relationships involve exchanges, whether they are tangible resources or intangible emotional support. Additionally, SET assumes that people possess the ability to accurately assess the value of these exchanges, leading them to make informed decisions about their social connections (Taiko, 2024).

Despite its widespread application, SET faces several critiques. One significant criticism is that it oversimplifies human relationships by reducing them to mere transactions. Critics argue that this perspective neglects the complexities of emotional bonding, altruism, and unconditional love, which cannot be easily quantified or compared (Ahmad & Khan, 2024). Moreover, the assumption that individuals always act rationally has been challenged, as human behavior is often influenced by emotions, social norms, and situational factors that can lead to irrational decision-making. This critique highlights the limitations of viewing social interactions purely through a transactional lens. Another point of contention is the theory's focus on individualistic behavior, which may not adequately account for cultural differences (Ibidunni, *et al*, 2020). Furthermore, the theory may overlook power dynamics and inequalities in relationships, as it tends to assume that all parties have equal agency in exchanges. This limitation can lead to a lack of understanding regarding how systemic factors influence social interactions and the costs and benefits associated with them (Wandia, Kyule & Kiboi, 2024). This theory was used to evaluate the influence of talent retention on employee performance in private universities in Kenya.

Conceptual Framework

A conceptual framework is a structured plan or model that outlines the key concepts, variables, and their relationships within a study (Wilson, 2019). It serves as a guide to understanding how different elements of the research are connected and how they contribute to the study's objectives (Williamson & Johanson, 2019). In this study the independent variabes include; talent compensation and talent retention while the depedent variable is employee performance in private universities in Kenya



Independent Variables **Dependent Variable**

Figure 2. 1: Conceptual Framework

Talent Compensation

Talent Compensation refers to the total rewards package that an organization offers to its employees in exchange for their work and contributions. This package typically includes both direct financial compensation, such as salaries, wages, bonuses, and commissions, as well as indirect benefits like health insurance, retirement plans, paid time off, and other perks. Talent compensation is designed to attract, motivate, and retain top talent by ensuring that employees feel fairly rewarded for their skills, experience, and performance (Havyarimana, Wanyama & Makila, 2024). It plays a critical role in an organization's ability to compete in the labor market, with competitive compensation structures helping to drive employee satisfaction, productivity, and loyalty. Effective talent compensation strategies are often tailored to align with the company's goals, budget, and market conditions, while also addressing employees' needs and expectations. Salary is the foundational element of talent compensation, referring to the regular monetary payment employees receive for performing their job duties (Puka, Wanyama & Aliata, 2020). It is typically offered as a fixed amount, paid on a weekly, bi-weekly, or monthly basis, and serves as the primary financial reward for an employee's time and expertise. Salary levels are often determined by factors such as the industry standard, the employee's experience, skills, and qualifications, and the financial health of the organization (Mbaaru & Muli, 2024). Offering a competitive salary is essential for attracting skilled professionals, retaining top talent, and maintaining employee satisfaction. It is also a reflection of how much the organization values the contributions of its workforce and how it positions itself in the labor market. In addition to base salary, organizations may offer performance-based pay, bonuses, or commissions to further incentivize high performance (Obunga, Were & Muchelule, 2024).

Benefits are the additional non-wage compensations provided by employers to enhance the overall well-being of employees. These can include health insurance, dental and vision coverage, life insurance, retirement plans, paid sick leave, paid vacation days, and other perks such as wellness programs, childcare support, and employee assistance programs. Benefits are a crucial part of the overall compensation package as they help to promote employee health, financial security, and work-life balance (Mphil, *et al*, 2023). Offering a robust benefits package can be a major factor in attracting and retaining employees, as many workers place a high value on having access to comprehensive health coverage and retirement savings plans. Benefits also contribute to job satisfaction and can improve employee loyalty, as they show that the organization is committed to supporting its employees beyond their immediate salaries. Work-life balance initiatives are programs or policies designed to help employees manage the demands of their work and personal lives in a way that promotes overall well-being and reduces stress (Havyarimana, Wanyama & Makila, 2024). These initiatives can include flexible working hours, the option to work from home, paid parental leave, mental health days, and other accommodations that allow employees to better juggle family responsibilities, personal interests, and work obligations. Providing work-life balance initiatives is increasingly important in today's work culture, as employees value flexibility and autonomy. By offering such benefits, organizations can help prevent burnout, increase job satisfaction, and improve employee productivity. These initiatives can also enhance an organization's reputation as an employer of choice, as they demonstrate a commitment to supporting employees' needs outside of the workplace (Puka, Wanyama & Aliata, 2020).

Talent Retention

Talent Retention refers to the strategies and practices an organization implements to keep its skilled and high-performing employees over the long term. It focuses on reducing turnover by fostering a positive work environment, offering competitive compensation, providing opportunities for growth and development, and addressing the needs and concerns of employees (Kagwiria, Namusonge & Karanja, 2021). Talent retention involves not only keeping employees satisfied with their roles but also engaging them in meaningful work, aligning them with the organization's goals, and recognizing their contributions. Effective retention strategies help maintain organizational stability, reduce recruitment and training costs, and ensure that the company continues to benefit from the expertise and experience of its employees (Taiko, 2024). By prioritizing talent retention, companies can build a strong, committed workforce that contributes to sustained success and growth. The work environment plays a crucial role in talent retention, as it encompasses both the physical and psychological conditions in which employees operate. A positive work environment promotes employee well-being, safety, and comfort, making employees feel valued and supported (Ahmad & Khan, 2024). This includes factors such as a clean and well-equipped workspace, flexible work arrangements, and the availability of resources that enable employees to perform their tasks efficiently. Beyond physical aspects, the work environment also refers to the organizational culture, leadership style, and interpersonal dynamics. A collaborative, respectful, and inclusive atmosphere fosters strong relationships and a sense of belonging, while a toxic or stressful work environment can lead to disengagement and high turnover. By prioritizing a positive and supportive work environment, organizations can increase employee loyalty, productivity, and overall retention (Ibidunni, *et al*, 2020).

Job satisfaction refers to how content employees are with their roles, responsibilities, and the organization as a whole. It encompasses various factors, including the nature of the work, relationships with colleagues and management, career growth opportunities, compensation, and work-life balance. Employees who find their work meaningful, are recognized for their contributions, and feel that their skills are being utilized are more likely to be satisfied with their jobs. Job satisfaction is closely linked to motivation, performance, and long-term retention (Wandia, Kyule & Kiboi, 2024). When employees are satisfied, they are less likely to seek opportunities elsewhere, and they are more inclined to stay engaged and committed to the company's goals. Organizations can improve job satisfaction by regularly soliciting employee feedback, addressing concerns, and ensuring that employees feel supported and valued in their roles. Employee involvement refers to the degree to which employees are actively engaged in the decision-making processes and feel their input is valued within the organization (Kagwiria, Namusonge & Karanja, 2021). When employees are involved in setting goals, shaping policies, or providing feedback on work processes, they are more likely to feel a sense of ownership and responsibility for the organization's success. This increased engagement often leads to higher levels of job satisfaction, motivation, and a stronger connection to the company's mission. Employee involvement can take many forms, such as regular team meetings, surveys, suggestion programs, or participative decision-making. By fostering an environment where employees are encouraged to contribute ideas and solutions, organizations create a culture of trust and collaboration. This not only improves retention but also boosts innovation and problem-solving, as employees who feel heard are more likely to be motivated to contribute their best work (Taiko, 2024).

Empirical Review

Talent Compensation and Employee Performance

Mphil, *et al* (2023) conducted a study on the impact of talent compensation on employee performance (empirical evidence from banking sector of Pakistan). A questionnaire was designed to collect the data. The data was collected from different banks of Pakistan. The study found that talent compensation has positive impact on employee performance. The study concluded that talent compensation have positive impact on employee performance.

Havyarimana, Wanyama and Makila (2024) examined on the impact of talent compensation on employee performance in commercial banks in Kigali City, Rwanda. The research employs a descriptive research design with both descriptive and explanatory components, using a quantitative approach. A sample of 180 employees from 10 commercial banks in Kigali City was selected using stratified random sampling. The study found that talent compensation significantly influences employee performance. The study concluded that talent compensation plays a crucial role in driving employee performance in Rwandan commercial banks.

Puka, Wanyama and Aliata (2020) researched on talent compensation on job performance in the county government of Kakamega, Kenya. A correlation research design was adopted for the study and the study targeted 242 respondents, drawn from all the county departments in the County Government of Kakamega. A sample size of 171 respondents was used. The study found that talent compensation and employee performance is linear, positive and significant. The study concluded that if talent compensation were enhanced in the County Governments, employee job performance will be automatically improved.

Mbaaru and Muli (2024) assessed on the effect of talent compensation on employee performance in Nyeri County Government, Kenya. This study adopted descriptive research strategy. The study's target population included 387 Nyeri County Government respondents. The sample size for the study was 197 respondents. The study found that talent compensation influence employee performance. The study concluded that staff performance was positively and significantly affected by talent compensation.

Obunga, Were and Muchelule (2024) investigated on talent compensation and employee retention in non-governmental organizations in Kenya. The study used an explanatory research design. The target population study was drawn from the 1,191 NGOs registered in Nairobi. The study's respondents were the top managers of each of these NGOs. The sample size was 238 individuals out of the total target population of 1,191. The study found that talent compensation is positively and significantly related to employee retention in non-governmental organizations in Kenya. The study concluded that talent compensation had a significant impact on employee retention.

Talent Retention and Employee Performance

Ahmad and Khan (2024) investigated on the nexus between talent retention & organization performance through mediating role of organization justice. A sample of 323 teachers was selected from a population of 1666 using a specified sampling formula. The study found that talent retention significantly predicts organizational justice and organizational justice significantly mediates the relationship between talent retention and organizational performance. The study concluded that maintaining fair and just practices is essential for maximizing the benefits of talent retention on organizational performance.

Ibidunni, *et al* (2020) examined on talent retention and organizational performance: a competitive positioning in Nigerian banking sector. The descriptive research design was adopted. The survey sample size was one hundred and eighty five (185) and was analyzed as a whole. The study found that talent retention is strongly associated with organizational performance. The study concluded that pay has positive significant implications on employees' commitment and involvement.

Wandia, Kyule and Kiboi (2024) conducted a study on talent retention and organizational performance in family owned retail businesses in the Nairobi Metropolitan Region. The study adopted a quantitative research design. The research population consisted of 438 branch managers and their deputies drawn from 219 retail companies in the Nairobi Metropolitan Region in Kenya. The sample consisted of two hundred and seventy-four managers and their deputies. The study found a significant positive effect of talent retention on the performance of family businesses. The study concludes that talent retention increased organizational performance.

Kagwiria, Namusonge and Karanja (2021) assessed on the effect of talent retention on organizational performance of firms listed in the Nairobi Securities Exchange. Descriptive and correlation survey research designs were used. The target population was 534 top managers of listed companies in the NSE. A sample size of 224 respondents was picked from the listed firm. The study found that there is a strong and positive relationship between talent retention and organization performance of all listed companies. The study concluded that talent retention is statistically significant in explaining organization performance.

Taiko (2024) researched on the effect of talent retention on organizational performance of public institutions in Kenya. The study used a desktop review methodology and analyzed secondary data from peer-reviewed articles, government publications, and institutional reports.

The study found strong positive correlations between talent retention and organizational performance. The study concluded that talent retention play a crucial role in enhancing the performance and adaptability of public institutions in Kenya.

RESEARCH METHODOLOGY

This study used descriptive research design to establish the influence of talent management on employee performance in private universities in Kenya. Descriptive research design is a method used to describe and explain the characteristics of a specific population, phenomenon, or situation. It focuses on answering the "what" rather than the "why" or "how," making it particularly useful for studies aiming to provide an accurate and detailed account of a subject (Lavrakas, 2019). The target population makes a part of the universal population (Creswell, 2019). This study targeted in private universities in Kenya. According to the commission for university education CUE report (2024), there are 30 private universities in Kenya. This study therefore targeted all the 30 private universities. The unit of analysis was the 30 private universities while the unit of observation was 390 respondents comprising of Vice Chancellors, registrars and Deans of Schools.

The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2019). The 194 respondents were chosen with the help of stratified random sampling technique. Stratified random sampling technique was used since the population of interest is not homogeneous and could be sub-divided into groups or strata to obtain a representative sample. This sampling technique divides the population into groups or strata. The strata are reached upon on the basis of the shared traits (Singpurwalla, 2019). One of the advantages of stratified random sampling is that it allows for each of the strata to be well represented when the sample is chosen (Bryman & Cramer, 2020). The study then used simple random sampling to select respondents from each group.

This study used structured questionnaires to collect the primary data for the study. According to (Mugenda & Mugenda, 2019) questionnaire is a pre-formulated written set of questions to which the respondents record the appropriate responses as indicated and in accordance with the question's options provided if any. Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages was used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis.

RESEARCH FINDINGS AND DISCUSSIONS

The sample size of this study was 194 respondents comprising of Vice Chancellors, registrars and Deans of Schools. The researcher distributed 194 questionnaires to the respondents during data collection process and 174 were fully filled and returned to the researcher thus making a response rate of 89.7%. Kothari (2019) argues that a response rate which is more than 50% is considered adequate while excellent response rate is usually above 70%. This implies that the response rate in this research is good for making conclusions as well as recommendations.

Descriptive statistics

Talent Compensation and Employee Performance

The first specific objective of the study was to determine the influence of talent compensation on employee performance in private universities in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to talent compensation and employee performance in private universities in Kenya. The results were as presented in Table 1.

From the results, the respondents agreed that employees are regularly evaluated for salary adjustments based on performance (M=3.895, SD= 0.814). In addition, the respondents agreed that the company offers fair compensation based on job responsibilities and experience (M=3.783, SD= 0.742). Further, the respondents agreed that they provide a comprehensive benefits package that supports employee well-being (M=3.742, SD= 0.656). From the results, the respondents agreed that employees have access to a variety of health and wellness benefits (M=3.712, SD= 0.525). In addition, the respondents agreed that they offer initiatives to help employees manage their work and personal responsibilities (M=3.702, SD=0.636). Further, the respondents agreed that employees are encouraged to take time off to recharge and maintain their well-being (M=3.624, SD=0.966).

Table 1: Talent Compensation and Employee Performance

	Mean	**Std. Deviation**
Employees are regularly evaluated for salary adjustments based on performance.	3.895	0.814
The company offers fair compensation based on job responsibilities and experience.	3.783	0.742
We provide a comprehensive benefits package that supports employee well-being.	3.742	0.656
Employees have access to a variety of health and wellness benefits.	3.712	0.525
We offer initiatives to help employees manage their work and personal responsibilities.	3.702	0.636
Employees are encouraged to take time off to recharge and maintain their well-being.	3.624	0.966
Aggregate	**3.743**	**0.723**

Talent Retention and Employee Performance

The second specific objective of the study was to evaluate the influence of talent retention on employee performance in private universities in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to talent retention and employee performance in private universities in Kenya. The results were as presented in Table 2.

From the results, the respondents agreed that employees feel valued and respected in the workplace (M=3.864, SD= 0.784). In addition, the respondents agreed that the company promotes a culture of inclusivity and collaboration (M=3.847, SD= 0.765). Further, the respondents agreed that employees are satisfied with their current roles and responsibilities (M=3.833, SD= 0.575). From the results, the respondents agreed that the company offers opportunities for career growth and advancement (M=3.797, SD= 0.954). The respondents also agreed that employees are encouraged to contribute ideas and suggestions for improvement (M=3.758, SD=0.624). In addition, the respondents agreed that they involve employees in decision-making processes that impact their work (M=3.735, SD=0.713).

Table 2: Talent Retention and Employee Performance

	Mean	Std. Deviation
Employees feel valued and respected in the workplace.	3.864	0.784
The company promotes a culture of inclusivity and collaboration.	3.847	0.765
Employees are satisfied with their current roles and responsibilities.	3.833	0.575
The company offers opportunities for career growth and advancement.	3.797	0.954
Employees are encouraged to contribute ideas and suggestions for improvement.	3.758	0.624
We involve employees in decision-making processes that impact their work.	3.735	0.713
Aggregate	**3.806**	**0.736**

Employee Performance

The respondents were requested to indicate their level of agreement on various statements relating to employee performance in private universities in Kenya. The results were as presented in Table 3.

From the results, the respondents agreed that the work output of employees is efficiently managed and tracked (M=3.778, SD=0.679). In addition, the respondents agreed that employees are motivated to consistently improve their productivity (M=3.766, SD=0.644). Further, the respondents agreed that employees deliver work that meets or exceeds company standards (M=3.728, SD=0.843). From the results, the respondents agreed that attention to detail and accuracy are prioritized in employee tasks (M=3.684, SD=0.663). In addition, the respondents agreed that employees consistently complete tasks within the given deadlines (M=3.672, SD=0.746). Further, the respondents agreed that deadlines are clearly communicated and regularly met by employees (M=3.640, SD=0.852).

Table 3: Employee Performance

	Mean	Std. Deviation
The work output of employees is efficiently managed and tracked.	3.778	0.679
Employees are motivated to consistently improve their productivity.	3.766	0.644
Employees deliver work that meets or exceeds company standards.	3.728	0.843
Attention to detail and accuracy are prioritized in employee tasks.	3.684	0.663
Employees consistently complete tasks within the given deadlines.	3.672	0.746
Deadlines are clearly communicated and regularly met by employees.	3.640	0.852
Aggregate	**3.711**	**0.738**

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (talent compensation and talent retention) and the dependent variable (employee performance in private universities in Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4: Correlation Coefficients

		Employee Performance	Talent Compensation	Talent Retention
Employee Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	174		
Talent Compensation	Pearson Correlation	.873**	1	
	Sig. (2-tailed)	.001		
	N	174	174	
Talent Retention	Pearson Correlation	.857**	.339	1
	Sig. (2-tailed)	.002	.056	
	N	174	174	174

The results revealed that there is a very strong relationship between talent compensation and employee performance in private universities in Kenya ($r = 0.873$, p value $=0.001$). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the findings of Puka, Wanyama and Aliata (2020) that there is a very strong relationship between talent compensation and employee performance.

The results also revealed that there was a very strong relationship between talent retention and employee performance in private universities in Kenya ($r = 0.857$, p value $=0.002$). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the results of Ibidunni, *et al* (2020) who revealed that there is a very strong relationship between talent retention and employee performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (talent compensation and talent retention) and the dependent variable (employee performance in private universities in Kenya)

Table 5: Regression Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	0.279	0.073		3.822	0.000
	Talent compensation	0.361	0.093	0.362	3.882	0.001
	Talent retention	0.377	0.098	0.376	3.847	0.000

a Dependent Variable: employee performance in private universities in Kenya

The regression model was as follows:

$$\mathbf{Y = 0.279 + 0.361X_1 + 0.377X_2 + \varepsilon}$$

The results revealed that talent compensation has significant effect on employee performance in private universities in Kenya, $\beta1=0.361$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Puka, Wanyama and Aliata (2020) that there is a very strong relationship between talent compensation and employee performance.

In addition, the results revealed that talent retention has significant effect on employee performance in private universities in Kenya, $\beta1=0.377$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the results of Ibidunni, *et al* (2020) who revealed that there is a very strong relationship between talent retention and employee performance.

Conclusions

The study concludes that talent compensation has a positive and significant effect on employee performance in private universities in Kenya. Findings revealed that salary, benefits and work-life balance initiatives influences employee performance in private universities in Kenya.

The study also concludes that talent retention has a positive and significant effect on employee performance in private universities in Kenya. Findings revealed that work environment, job satisfaction and employee involvement influence employee performance in private universities in Kenya.

Recommendations

Further, the study recommends that the management of private universities in Kenya should implement a competitive and transparent compensation structure that includes both financial incentives and non-financial benefits. This could involve benchmarking salaries against industry standards to ensure they are attractive, as well as offering performance-based bonuses, health benefits, and opportunities for career advancement.

The study also recommends that the management of private universities in Kenya should oster a supportive and inclusive work environment that prioritizes work-life balance and employee well-being. By offering flexible work arrangements, such as remote work options or adjustable hours, and providing mental health support and wellness programs, universities can create an atmosphere where employees feel valued and cared for.

Suggestions for Further Studies

This study was limited to the influence of talent management on employee performance in private universities in Kenya hence the study findings cannot be generalized to employee performance in public universities in Kenya. The study therefore suggests further studies on the influence of talent management on employee performance in public universities in Kenya.

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