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**Management Competence and the Performance of County Governments in Kenya: The
Moderating Effect of Organizational Resources**

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Strategy

Management Competence and the Performance of County Governments in Kenya: The Moderating Effect of Organizational Resources



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Abstract

Purpose: The main objective of the study was to determine the role of organizational resources in the relationship between management competence and performance of county governments in Kenya.

Methodology: A descriptive cross-sectional survey was used to gather the data. The 47 county governments of Kenya, made up the population of interest for the study. The study used both primary and secondary data. A well-defined questionnaire was used to gather primary information, and the target respondents were at least one senior member of Top Management Teams (Job Group R and above) in each of the 47 counties in Kenya, as enumerated in the Competency Framework for the County Public Service. The study used an objective approach and also testing of theories, hence positivist philosophy was appropriate for the study.

Findings: The analysis of the variables showed that there is a significant relationship between management competence and the performance of county governments in Kenya, and that there was a moderating effect of organizational resources on the interaction between management competence and performance.

Unique Contribution to Theory, Practice and Policy: In furtherance of management theory, the study's findings reveal novel connections and ties between the many aspects of management that were examined. The results supported the institutional theory, that espouses that organizations build internal norms and culture, which inform on how to achieve performance targets for social and economic stability. Further the moderating effect of resources support the Resource Based View and Knowledge Based View theories, that resources create competitive advantage in an organization. Decision makers and managers in the county governments, will benefit from the study as it highlights the interaction levels of the variables, hence equipping them with the understanding of how to implement policies, that rationalize the deployment of management competence and resources accordingly. In addition, the findings will also apprise the county government management on the importance of putting in place recruitment policies that guide on specific competence that will project positive performance.

Keywords: *Management Competence, Organizational Resources, Performance*

JEL Codes: *M12, D24, L25*

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INTRODUCTION

The corporate and governmental sectors throughout the world, have organizations that work tirelessly to maximize their productivity so that they may achieve their strategic goals. Studies have shown that there is no single variable that can successfully influence organizational performance, suggesting that various factors do affect, and to different degrees as explained by various scholars, including Awino (2011). In this respect, various studies have posited that management competence, amongst other dynamics, influences the performance of organizations (Campbell, 2012; Lindley, 2002). Further, suggestions have been advanced that management competence are the last ingredients in a band of resources and capabilities necessary to achieve desired organizational objectives (Wandiga, Kilika & James, 2019).

The definition of competence has not been consistent as various scholars perceive it diversely, and according to Armstrong & Baron (1995), it is the applied knowledge, skill, and behaviour that get things well done. The manager's competence, therefore, assures the organization of positive performance through apportioning requisite resources, skills, knowledge and attitudes accordingly. Similarly, Lebars and Euske (2006) define performance as the degree to which a company meets its financial and non-financial objectives. For organizations to achieve satisfactory performance, they must not only equip their personnel with management competence to meet the organizational challenges, but also be able to align the strategies with the internal and external environmental dynamics and allocate resources accordingly (Park, McLean & Yang, 2021). Therefore, factors like management competence, tempered with resources and appropriate alignments within the organization ensures positive performance, hence suggesting the need to appreciate the role of organizational resources in creating successful organizations.

The present analysis is founded upon three distinct theoretical perspectives, namely the Institutional Theory, the Resource Based View (RBV) theory, and the Knowledge Based View (KBV) theory. The link between managerial competence and performance in the county governments in Kenya, is explained by institutional theory, and in support of the theory, Leaptrott (2005) argues that institutional theory explains aspects of the organization such as the strategies, practises and competence as they deal with interactions and adaptations to the given environment. In other words, the processes and activities of an organization follow some established norms and culture that are institutionalized, especially that counties are managed by politicians with diverse interests and managerial approaches. On the other hand, both the RBV and the KBV seek to elucidate the relationship between organizational performance, managerial capabilities, and available resources. This is explained further by Pearce and Robinson (2009), who suggest that the internal environment, the resources possessed by a business, the morale inside the organization, and the talents of its management team together contribute to the transformation of inputs into outputs, ultimately leading to enhanced performance within the organization, hence expound this phenomenon.

The last two decades have seen most developing countries fighting for reforms in the public sector due to global and internal challenges, and Kenya for example had its citizens since the 1990s fighting for reforms, leading to the promulgation of the 2010 constitution which devolved both resources and administration to the grassroots and brought service delivery close to the citizens (Government of Kenya, 2015). However, elections every five years sometimes interrupt management processes (Ntoiti, 2013), creating the need to understand how these challenges maybe addressed to satisfy the citizens and other stakeholders. This is emphasized

by Berry (1984), who argues that an organizational performance largely depends on the way it satisfies its stakeholders.

KIPPRA report (2020), highlights that Kenya's Gross County Product (GCP) expanded rapidly by 5.6 percentage between the years of 2014 and 2019, and enumerates some of the challenges that the county governments face, including corruption, political interference due to election cycles, nepotism, and tribalism which encourages incompetence, amongst other issues. Further, the Auditor General report (2024) highlights the recurring audit queries which it attributes to financial indiscipline, misallocation of resources and poor implementation of projects, therefore threatening economic growth and service delivery sustainability. Though Counties have developed County Integrated Development Plans (CIDPs) that guide their strategies, the mentioned challenges limit their effectiveness. The CIDPs are prepared to provide a framework for county planning, budgeting, funding, monitoring and evaluation of programmes and projects in response to identified issues by the citizens. The CIDPs by themselves, therefore, are not an outright assurance of success, but implementation process and aligning them with the environmental dynamics matter hence management competence plays a key role.

There has been a number of research conducted on management competence and its associations with performance (Almajali, 2012; Chien, 2004), but using a unique mix of factors that served as mediators and moderators. Further, Barazandeh et al. (2015), posits that most of the studies done on management competence and performance were conducted in developed countries, hence there is a need to consider a different context for generalization. In addition, the literature reviewed suggests that the impact of organizational resources on the relationship between management abilities and organizational performance has not been exhaustively explored, which was the focus of the study. The study, therefore, examined how organizational resources link managerial competence and organizational performance in the county governments in Kenya.

Research Problem

Scholars of strategic management have maintained their effort to find answers to the issue of what differentiates the performance of companies that are operating in the same environment and why some businesses are successful while others are not, despite the fact that these companies all face the same challenges. Management competence has been touted as one of the variables that can thrust a firm to compete effectively within a given environment (Pokop, 2016). However, Cheng (2003) perceives research on management competence as narrowly focused, and its definition is not clear as disparities exist in its assessment and development in different business environments. In addition, Woodruffe (1993) suggests that only specific bundles of competence explain the success or failure of organizations suggesting that there is a need to identify those specific bundles for success to be achieved. Further, the Competence Framework for County Public Service (2019), suggests that there is a need to view competence from the demonstrated skills and attitudes that enhance efficiency and effectiveness rather than from a qualification perspective. The diverse opinions on the subject, therefore, calls for further interrogation which the study focused on. Resources have been seen as a contributing factor to performance in organizations, however, researchers have arrived at contradictory conclusions regarding the significance of a company's control over its resources. While some contend that a company's resources can generally improve its performance (Erdil, 2010; Talaja, 2012; & Mishina, 2004), others have opined that resource variation is unrelated to an organization's level of success (Shrader & Simon, 1997). Furthermore, few studies have looked at the impact

of organizational resources on the relationship between managerial competence and organizational success.

The KIPPRA (2020) report indicates that the public sector in the country has been experiencing downward growth due to poor management, corruption, inefficiencies, and a lack of creativity and innovation. Further, the public sector is in a constant process of adapting to the changing environmental situations to maintain legitimacy, enhance efficiency and create public value (Osborn & Brown, 2011). The emphasis, therefore, is the need to study the performance of the county governments as it has great implications on the overall country's development, especially on the GDP performance. The study examines the connection between managerial competence and organizational performance in Kenyan county governments, with a special focus on the role that resources may play in the relations. This is informed by the fact that the county governments receive equitable distribution of resources, but their performance varies wildly, hence the need to understand the contributing factors to these discrepancies. In the operationalization of management competence, few of the examined literature looked at the role of emotional intelligence and its implications on management competence, which is considered in the study. The use of Gross County Product in the measure of performance, has not been exhaustively used in testing performance as many studies utilize return on investment, profits, service delivery amongst other variables. The study therefore, seeks to establish the role of organizational resources in the relationship between management competence and organizational performance in the county governments in Kenya.

LITERATURE REVIEW

Theoretical Foundation

The conceptualization of the study was based on three theoretical perspectives namely Institutional Theory, Knowledge Based View (KBV) and Resource Based View (RBV). This is emphasised by Hans and Wolfgang (2009), who explain that empirical research without a past theoretical foundation would at best yield meaningless and at worst erroneous results, suggesting that theories play a critical part in the prediction and the direction of research outcomes. The institutional theory focuses on the systems and other institutional norms and frameworks that mould the management viewpoints of the county government as an institution in relation to performance. The KBV and the RBV are two ideas that impose constraints on the degree to which managerial competence may interact with organizational strategies and environmental dynamics to attain optimal levels of organizational performance.

Institutional Theory

Meyer and Rowan (1977) introduced the institutional theory, that suggests how organizations fit into, respond to, and are impacted by their socio-cultural setting. The theory espouses that organizations build internal norms and culture that inform how they perform their activities and the expectations for each individual, hence being predictable to do things in a certain manner always. In addition, Zucker (1977), explains that the institutional environment in which an organization functions during its formative years, has a significant impact on the formal arrangements that the organization chooses to make, and suggests that new strategies that seem to be positively improving the organization, will eventually be adopted, and becomes the organization's routine work. The county governments structures and engagements with the communities and other stakeholders within the county, forms a wider institutionalized operational environment. The application of the theory, therefore, informs how management patterns and practices entrenched in the county systems, may impede or foster harmonization

and alignment of resources and the environmental dynamics for efficiency. Different counties have different communities that have diverse cultures and norms hence the institutional theory helps to explain the best approach to link competence and the achievement of performance. In addition, the county internal controls and regulations governing various institutional programmes including the requirements for establishment of county integrated development plans, forms institutionalized processes hence the theory may explain these dynamics. In other words, the theory explains how the county protocols and systems may be traversed with the practical needs and expectations of the citizenry. This may be expounded by the fact that political interference, especially some governors employing their close allies or gifting their supporters, may create sycophancy and mediocrity in management functions, hence continued inefficiencies.

Resource Based View

Wenerfelt (1984) proposed the RBV theory of the company, which was subsequently popularized by other researchers such as Barney (1991), and argue that for the firm to be successful, it has to gain and maintain exceptional, specialized, and unique resources to compete within a given market. Further, Pearce and Robinson (2009) explain that the theory focuses on the internal environment, resources a firm is endowed with, organizational morale as well as the management capabilities of the firm. Most counties have different resource endowment capacities as some are more agricultural based, while few others are at various levels of industrial developments in addition to education and skill levels. Further, the agricultural activities differ from one county to the other as some have enhanced tea production levels, while others maize or coffee amongst other resources. The government resourcing of counties also depends on the economic activities and development levels as well as the county population, hence resourcing is not even and therefore navigating these challenges may be explained by the theory. The resource-based approach analyses and examines the unique resource capabilities of the business, which may be exploited to turn inputs into outputs and generate competitive advantage (Pearce & Robinson, 2009). RBV theory is relevant to the current study in explaining resources' effectiveness in supporting competence enhancement through training and development, facilitating consultations and learning, and supporting strategies and programmes for better performance in the county governments. The implication is that resources that a county government is endowed with, both from the national government and collected revenues may not be a sufficient factor for performance, but may enhance other enablers like management competence. Leveraging on the county available resources may create competitive advantage as explained by the RBV theory.

Knowledge Based View

Penrose (1959) in his seminal work conceptualized the theory and was developed further by various scholars (Nonaka & Takeuchi, 1995; Hamel & Prahalad, 1990). The notion holds that knowledge is both a necessary component in identifying one firm from another and a possible source of competitive advantage that might put one company ahead of its competitors. According to Nonaka (1991), knowledge is the only genuine and long-lasting advantage a business may have over its competitors. The implication is that when an organization continues to function in a certain style, it accumulates experience, and as a result, learning begins to set in, and the same information is shared throughout the organization. Counties set aside research funds and also sponsor personnel for further studies hence building their knowledge bases. The theory explains how the counties may enhance management competence systematically

through obtaining, sharing and retaining knowledge from within and outside the organization for better performance.

Empirical Review

The study of Companies registered on the Nairobi Securities Exchange by Kyongo and K'obonyo (2016), showed that there was a significant and positive correlation between business performance and managerial skills. The study considered thirty-four out of the 64 businesses on the stock market which responded to the research. In addition, Sanda (2011), on a research focusing on the examination of management competence and non-performance in small firms within the industrial environment of Ghana, determined that managers who possess competence may be considered non-competitive if they fail to foster efficiency within their respective domains. The results, suggested that the executives in question had the knowledge, attitudes, and practices that would allow them to boost their company's performance, nonetheless, they failed to do so, with the resultant conclusion that management competence alone does not create an impact, but other motivating aspects do.

In a study of 112 manufacturing companies, Mishina, Pollock, and Porac (2004) found that companies that focus on growing their product lines often experience higher rates of growth than those that focus on growing their customer base. The explanation is that the moderation of organizational resources on internal dynamics is more cost-effective than the moderation of external dynamics. Further, Armstrong and Shimizu (2007) found that there is always unexplained variance in the results of resources attributed to tangible resources if the methodology is changed. Further, Nothnagel (2008), determined that findings from the use of physical resources as independent variables do not support the resource-based theory perspective, whereas results from the use of intangible resources do. However, some other studies have attempted to explain this phenomenon by referring to a technical viewpoint (Chan, 1990), as well as the location of the company in the value chain. A study by Ombaka, Machuki, Awino, and Wainaina (2005) found that resources impact performance via the intervention effect of innovation in Kenyan insurance businesses. Results showed that interventions significantly influenced the connection between resources and non-financial performance. In light of the study's focus on elements other than financial health, it's clear that the public sector, in particular, has to take performance indicators into account. The conflicting outcomes in the above studies, therefore, require more investigations and the extant study considered this. The resources in the current study, being a public organization, are allocated and managed differently as compared to those mentioned in the studies which are for-profit organizations hence a different context.

A study by Tawit (2009), on management competence, conducted as a comparative study between MBA students in Thailand and Hong Kong, opined that Hong Kong MBA students have a higher level of work competence than their Thai counterparts. It showed also that there was a considerable association between individual skills and background characteristics such as culture. The information was collected from 600 business administration students attending 13 different institutions in Hong Kong and Thailand. The cultural aspect leads to the understanding of diversity which explains why some organizations emphasize organizational culture. In another development, Modigliani and Miller (2015), on the examination of financial performance of public sector, concluded that for a decentralized service framework to thrive, it is necessary to have financial resources gathered from local jurisdictions to supplement the assistance provided by the central government. Therefore, for the counties to perform in Kenya, it means that the management of internal resources including own source

revenues is important. The implication of this is that the ability of management teams to align and use the scarce resources to support various strategies put in place, matters a lot in achieving the county goals and meeting targets for better performance. Apart from the skills and other capabilities, Goleman (1998), highlights the fact that emotional intelligence of individuals, contributes to organisations' three key driving forces of competitive advantage namely; building trusting relationships, increasing energy and effectiveness, and creating the future, hence the inclusion of the sub-variable in the study.

Wainaina, R. W., Bula, H., & Wambua, P. P., (2022) while undertaking a study on the talent retention and performance in Nairobi County, found out that talent retention positively and significantly affects organizational performance. The study considered 121 managers within the county government of Nairobi as target population and included the chief officers, directors, deputy directors and assistant directors. The implication here is that the competence identified within the organization needs to be enhanced and the individuals motivated for continuity of service in the organization, resulting to efficiency and effectiveness hence better performance. Though the research looked at talent retention, there is need to look into the managerial aspects of the organization that is able to appreciate the existence of talents, which the extant study highlights.

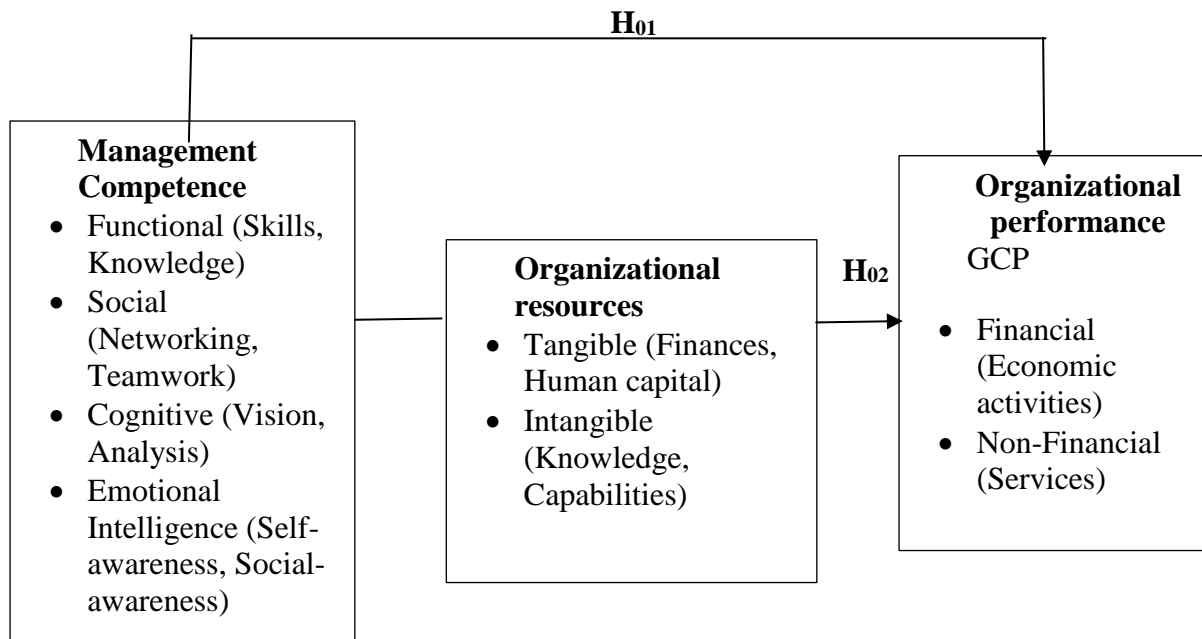
The fact that there is a variety of perspectives about the impact that resources have on the success of an organization, it is imperative that further research be conducted on the topic, hence this study investigated. Further, the perspectives in the studies considered were from private sector dimensions hence there was need to look at it from the public sector perspective; the county governments in Kenya. This is because the resources in the current study, being a public organization, are allocated and managed differently as compared to those mentioned in the studies which are for-profit organizations hence a different context.

In addition, the studies reviewed, have not been very explicit on the level of competence that is required for organizations to execute well. The present study takes into account functional, cognitive, social, and emotional intelligence as components of managerial competence. Appreciating the requisite competence to address the specific need areas of the organization is important in achieving organizational performance.

Conceptual Framework

Based on the literature studied, a framework of inter-variable linkages was developed. The independent variable is the management competence comprising functional, social, cognitive and emotional competence. County financial and non-financial success summarised as the Gross County Product (GCP) rates is the dependent variables. The performance and management skills are linked directly (arrow H₀₁) as well as indirectly to organizational resources (arrow H₀₂) and, in turn, to performance. Organizational resources are being examined as potential moderator in this study.

Figure 1 below summarises the above perspective of the conceptual framework



Independent

Moderating

Dependent

Figure 1: Conceptual Model

Source: Researcher (2026)

METHODOLOGY

Positivist research approach was used in this study as the study it is based on theory testing rather than theory construction as in the case of phenomenology (Bryman & Bell, 2007).

The data collection method for the research was descriptive cross-sectional survey, which is used to gather information at a single moment in time from a number of different answer units, and involves the act of obtaining information about the behaviours, situations, or attitudes held by people who are a members of a certain group at a particular period in time, as stated by Cooper and Schindler (2003). The researcher got data from the County Governments in Kenya, within a short period using this approach, which is one of the reasons why it was selected. The researcher was able to gather data and run statistical tests using various tools and methods. The design helped in obtaining specific information required to test the theories used and also allow to draw inference on the relationship that exists amongst the variables. The 47 county governments of Kenya, as specified in the Constitution of Kenya (2010), made up the population of interest for the research. Given that the population of the 47 counties was manageable, a census was considered as supported by Henry (1990), who posit that in a population of 50 and below, a census is advised. However, 5 counties were used as pilot counties to test the study tools, therefore, the data for the study was from the remaining 42 counties. County governments play a crucial role in Kenya's overall development strategy, making the selection process crucial. Random sampling was utilised in the selection of the pilot counties as listed in the constitution of Kenya (2010) and with appreciation of regions. The research used both primary and secondary data. A well-defined questionnaire was used to gather primary information and the target respondents was at least one senior member of Top Management (Job Group R and above) in each county as enumerated in the Competency

Framework for the County Public Service (2019), and included the Governor, Deputy Governor, County Executive Committee members, Chief Officers, Directors and County Secretaries. These respondents are knowledgeable about the happenings and operations of the county governments as they participate in performance management contracting activities, therefore, able to supply appropriate data for the study (Bernard, 2002). Purposeful sampling was utilised by the researcher, as explained by Bernard (2002), that the investigator is able to choose respondents with the most relevant experience and knowledge of the target demographic. Primary data on management competence and organizational resources was gathered by a questionnaire administered to the respondents, while performance data used was from Gross County Product for the period 2019 – 2023 (KNBS, 2024). The questionnaire was delivered to the respondents through email, research assistants and google forms and later received through similar channels. The data collected was cleaned, codified and measurements that were acquired for each variable was taken into consideration for analysis using the proper analytic techniques. The use of multiple regression analysis, linear regression, stepwise regression, and other similar forms of regression was applied accordingly.

RESULTS

The broad objective of the study was to establish the influence of organizational resources on the relationship between management competence and the performance of county governments in Kenya. The respondents were presented with descriptive statements, which they were to respond to, by rating the extent to which they applied the same in their respective county governments. The performance scores were obtained from secondary data of Gross County Product (GCP) percentage growth rates of the period 2019 to 2023 as most of the respondents were active during this period, hence able to appreciate the accomplishments. The GCP offered a monetary measure of the net market value of all final goods and services produced within each of the 47 counties from 2019 to 2023 (KNBS, 2024). It sums the value of goods and services produced within the county, hence help assess economic performance of the county. The GCP assesses all areas of the economy including, agriculture, forestry, fishing, manufacturing, and service sectors within the period of the study. The data analysed was obtained from 18 (42%) out of the targeted population of the study of 42 county Governments in Kenya, as 5 counties were considered at the piloting stage. This is in sync with suggestions by Baruch (1999), that achievement of 35% and above response rate in data collection from Top Management teams is representative. The questionnaires were targeted at one top management teams (Governor, County Executive Committee Member – CECM, Chief Officer, and Directors) who are knowledgeable on the functioning of the counties. The respondents had a length of service ranging between 3 and 12 years. The responds rate compares well with previous research applying similar approach of using the top management teams in which Tan and Litschart (1994) achieved 40.2%, while Venkatraman (1990) achieved 30%, and in Kenya Machuki (2011) achieved 43.3%. The questionnaires were administered to the 42 targeted county government respondents, but 18 were returned as indicated below.

Table 1: Respondents from the Counties

Respondent	Frequency	Percentage
Governor	0	0%
Deputy Governor	1	6%
County Executive Committee Member (CECM)	3	17%
Chief Officer	6	33%
Director	8	44%
Total	18	100%

Source: Survey Data (2025)

Profile of Counties

The county governments studied had different levels of development with each having varying size of public service personnel on permanent employment as indicated in the table below.

Table 2: Permanent Personnel in Counties

Permanent County Personnel	Number of Counties
Less Than 5,000	13
5,001 to 10,000	4
10,001 to 20,000	1
Over 20,000	0
Total	18

Source: Survey Data (2025)

The data collected indicates that about 72% of the counties targeted, had permanent employees of less than 5,000 and most of these counties rely on agriculture as their main economic activity. Those counties with more than 5,000 employees were those that have established large commercial centres and have manufacturing as part of their economic activity in addition to agriculture and included Nairobi, Kiambu, Mombasa, Machackos and Nakuru counties.

Correlation Analysis

Correlation analysis explains how the various variables of the study relate to each other and their strengths as well as their impact on the dependent variable. The analysis also provides understanding of the variables in terms of meeting conditions for regression analysis. Pearson-Product Moment Correlation was used for correlation analysis in the study and the summarised results are shown below.

Table 3: Correlation Matrix

Variables	Correlation			
		Management Competence	Organizational resources	Performance
Management Competence	Pearson Correlation	1		
	Sig. (2-tailed)			
Organizational Resources	Pearson Correlation	0.533*		1
	Sig. (2-tailed)	0.023		
	Pearson Correlation	0.760**	0.700**	1
	Sig. (2-tailed)	0.000	0.001	
* Correlation is significant at the 0.05 level (2-tailed)				
** Correlation is significant at the 0.01 level (2-tailed)				

Source: Survey Data (2025)

The results in Table 3 above indicate that there is a positive and significant relationship between management competence and performance of county governments ($r = 0.760, p < 0.01$), organizational resources and performance ($r = 0.700, p < 0.01$), management competence and organizational resources ($r = 0.533, p < 0.05$). Cohen (1988) suggests that any correlation between 0.8 to 0.9 is a very strong correlation, but below 0.8 is moderate strong to weak correlation. This is amplified by Field (2005) who indicates that any correlation values in excess of 0.9 results in multicollinearity problems in analysis. The relationship between independent and dependent variables has moderate association, hence no threat of multicollinearity.

Descriptive Statistics

Descriptive analysis was performed on management competence, organizational resources and performance using the data collected on the variables. The outcomes are discussed in the following sections.

Management Competence

The analysis of management competence was done using four dimensions which were; functional competence, social competence, cognitive competence and emotional intelligence competence. To establish the levels of management competence, descriptive statements were presented to the respondents on a 5-point Likert scale to indicate the extent to which the statements applied to their county government ranging from ‘not at all’ (1) to ‘to a large extent’ (5). High mean values indicated a strong agreement with the statement, while low values indicate strong disagreement. The results are summarised in the Table 4 below.

Table 4: Means, Standard Deviations, and Coefficient of Variation for Measures of Management Competence

Domain	Dimension	N	Mean (M)	Standard Deviation(SD)	Coefficient of Variance(CV)
Management Competence	Functional	18	3.56	0.46	0.13
	Social	18	3.87	0.42	0.11
	Cognitive	18	3.50	0.74	0.21
	Emotional Intelligence	18	3.57	0.58	0.16
	Overall score	18	3.63	0.55	0.15

Source: Survey Data (2025)

The results above show that social competence with mean of 3.87 is largely appreciated and applied in the county governments, followed by emotional intelligence, mean score of 3.57. The respondents had strong agreement on the appreciation of cultural diversity with a mean of 4.17 and the utilization of interpersonal skills in building consensus in the counties with a mean value of 4.0. The overall mean score for management competence was 3.63 out of the highest score of 5 giving a percentage of 72.6% of the total respondents agreeing to a large extent that the county government appreciate management competence in their operations. The data on the appreciation of diversity is a surprise as most county governments are perceived to recruit from the majority of the communities within its bounds. This may be explained by the fact that most county personnel believe that the ratios of the employees should reflect the community demographics within the county as well as consideration of other diversity areas; gender, education and generational diversity.

Organizational Resources

Organizational resources were measured using tangible and intangible resources and the results are summarised in the table below.

Table 5: Means, Standard Deviations, and Coefficient of Variation for Measures of Organizational Resources

Domain	Dimension	N	Mean (M)	Standard Deviation(SD)	Coefficient of Variance(CV)
Organizational Resources	Tangible	18	3.33	0.59	0.18
	Intangible	18	3.13	0.74	0.24
	Overall Score	18	3.23	0.665	0.21

Source: Survey Data (2025)

The results indicate that on tangible resources, the question of allocation of resources for departmental operations in the county was rated low with a mean of 2.61 compared to the overall mean of 3.23 on the variable. In addition, the response on the extent of organizational resources' influence on performance was on the utilization of allocated funds in which most of the respondents agreed to a large extent that resources allocated are utilized as planned, with a mean of 3.83. This response contradicts the findings of the Controller of Budget, whose annual audit reports indicate the under-utilization of county allocated resources on development while the recurrent expenditures were high. The response therefore, may have been informed by the recurrent expenditures rather than the overall expenditures. However, the response on the

allocation of enough resources was rated the lowest with a mean of 2.61 indicative of county government's inability to provide sufficient funding to budgeted activities.

Performance

Organizational performance was measured by use of percentage increase of the Gross County Product (GCP), which is the value of the sum total of all products and services in the county government between the year 2019 and 2023. This covered economic activities that include agriculture, forestry, manufacturing, commercial activities, and services (KNBS, 2024). Their percentage scores from the KNBS data of 2019 to 2023 were computed and the means compared using one sample statistics. The mean was obtained by summing up all the growth rates and dividing by the number of counties. The Standard Deviation is the measure of dispersion of the growth rates. The Table 6 below summarises the results of the analysis of the variable.

Table 6: Organizational Performance

Domain	Dimension	N	Mean (M)	Standard Deviation (SD)
Organizational Performance	GCP rates	18	4.67	1.77

Source: Survey Data (2025)

The standard deviation of performance is 1.7 scores, meaning that there is a big difference in performance of various counties as the dataset dispersion from the mean is relatively spread. This is because many counties are in different levels of development. Kenya currently has less than five Counties with large commercial and developed industrial entities with Nairobi County accounting for about 27% of the national GDP, while most of the other counties depend on agricultural production as their main economic activity, hence GCP levels differ widely.

Test of Hypothesis

The study focused on three objectives and three corresponding hypotheses and included examining the influence of management competence on performance, determining the moderating effect of organizational resources on the relationship between management competence and performance, and assessing the joint effect of management competence and organizational resources on the performance of the county governments in Kenya. Various inferential statistical operations were performed to achieve the results of the tests and involved simple and multiple regression analyses.

Management Competence and Organizational Performance

H₁: Management competence has significant effect on organizational performance.

In testing this hypothesis, composite index of the four dimensions of management competence; functional, social, cognitive and emotional intelligence were computed. The performance of county government measures was extracted from the Gross County Product (GCP) percentage growth rates between 2019 and 2023 period.

Table 7: Regression Results of Management Competence and Performance of County Government

Model Summary

Model	R	R Square	Adjusted R Square	Std. error of Estimate
1	0.760	0.577	0.551	1.183

ANOVA

Model		Sum of Squares	df	Mean Squares	F	Sig.
	Regression	30.609	1	30.609	21.867	0.000 ^b
	Residual	22.396	16	1.40		
	Total	53.005	17			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.072	1.054		-0.068	0.946
	Management Competence	1.349	0.289	0.760	4.676	0.000

Source: Survey Data (2025)

The analysis of the variables was done using simple regression analysis and the results showed that there is a significant relationship between management competence and performance of county governments in Kenya ($R^2 = 0.577$, $p < 0.05$). This indicates that management competence explains 57.7% of county performance while other unknown variables explain 42.3%, hence has a significant impact on performance.

Management Competence, Organizational Resources and Performance

In determining the moderating effect of organizational resources on the interaction of management competence and performance, the following hypothesis was used;

H₂: Organizational resources moderate the relationship between management competence and organizational performance.

Stepwise Regression (Baron & Kenny, 1986) was performed to analyse the moderation effect of organizational resources and the results are highlighted in the following table.

Table 8: Moderation Effect of Organizational Resources between Management Competence and Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.760	0.577	0.551	1.183	0.577	21.867	1	16	0.000
2	0.836	0.699	0.659	1.032	0.121	6.046	1	15	0.027
3	0.865	0.749	0.695	0.975	0.050	2.785	1	14	0.117

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.609	1	30.609	21.867	<0.001
	Residual	22.396	16	1.400		
	Total	53.005	17			
2	Regression	37.042	2	18.521	17.404	<0.001
	Residual	15.963	15	1.064		
	Total	53.005	17			
3	Regression	39.691	3	13.230	13.912	<0.001
	Residual	13.314	14	0.951		
	Total	53.005	17			

Coefficients

Models		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.072	1.054		-0.068	0.946
	Management Competence	1.349	0.289	0.760	4.676	0.000
2	(Constant)	-1.504	1.088		-1.382	0.187
	Management Competence	0.960	0.297	0.541	3.229	0.006
	Organizational Resources	0.817	0.332	0.412	2.459	0.027
3	(Constant)	-2.412	1.164		-2.072	0.057
	Management Competence	5.448	2.704	3.069	2.015	0.064
	Organizational Resources	5.776	2.988	2.910	1.933	0.074
	Management Competence*Organizational Resources	-9.266	5.552	-4.406	-1.669	0.117

Source: Survey Data (2025)

The moderation effect was established in terms of how the impact of independent variable on the dependent variable changes when a moderator variable is introduced, and Stepwise regression analysis was used. The introduction of organizational resources, the moderator, significantly improves the influence of management competence on performance. Management competence and organizational resources account for 69.9% of variation in performance. The overall model was statistically significant ($F=6.046$, $p<0.05$), and similarly was the beta coefficient ($\beta=0.412$, $t=2.459$, $p<0.05$). When all the variables were entered into the regression model; management competence, organizational resources and interaction term, the results were that $R^2=0.749$, and the change was 0.050 indicating that interaction of management competence and organizational resources did have significant influence on performance. The

overall model indicated that the interaction was statistically significant and the 2nd hypothesis that organizational resources moderate the relationship between management competence and performance of county government is therefore supported.

Consequently, the hypothesis is supported and the regression model is as follows:

$$\text{Old } Y = \beta_1(W) + \beta_2(X)$$

New **Y = 0.427W + 0.338 X** where;

Y – Performance

W – Management competence

X – Organizational resources

The second hypothesis is significant and therefore accepted.

Discussion

The findings have either supported or have shown some divergences when compared with similar studies in various fields with the same study variables. In addition, the theories forming the foundation of the study are highlighted and explained in terms of the findings. This study had two objectives and corresponding hypothesis which were tested and findings reported.

Management Competence and Performance

The first hypothesis in the study was on the management competence and performance of the county government, which was tested using composite index of the four dimensions of management competence; functional, social, cognitive and emotional intelligence. The performance of county government measures was extracted from the Gross County Product (GCP) percentage growth rates for the five-year period between 2019 and 2023.

The results showed that there was positive relationship between management competence and performance of county governments in Kenya and was statistically significant. This indicated that management competence explained 57.7% of county performance which compares well with the findings of Ismael and Abidin, (2010) which found that management competence accounted for 32.2% of variation in performance in Malaysian private service sector. This outcome supports the Knowledge Based View theory in which Senge (1990) argues that superior performance is due to the utilization of knowledge resource bases. Competence allows for greater strategic adaptability and rapid response to external developments within the county governments and is emphasized by the respondents who 80% agreed to a large extent that their decisions, are deliberately geared towards achieving their strategic goals as well as their ability to use interpersonal skills to build consensus.

Organizational Resources and Performance

The second objective was to establish the moderating effect of organizational resources between management competence and performance in the county governments. Stepwise Regression (Baron & Kenny, 1986) method was performed to analyse the moderation effect of organizational resources between the variables. The results indicated that interaction of management competence and organizational resources did have significant influence on performance hence the acceptance of the hypothesis. The results support the findings of Pearce (2012), who concluded that the efficiency with which an organization operates may be directly attributed to the resources that it has. Though most of the respondents agreed to a large extent that the county utilizes the budgeted resources as planned (mean of 3.83), they were in

agreement to a small extent that departments are allocated enough resources for their operations (mean of 2.61). This may be explained by the fact that county governments in Kenya, receive funding from the National Treasury which is subjected to various budgeting processes, hence requisition may be below the budgeted estimates. The findings are in agreement with suggestions in studies by Pearce and Robinson (2009), who explain that the resources a firm is endowed with; organizational morale as well as the management capabilities of the firm, is a primary factor in determining an organization's success.

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

The overall objective of the study was to determine the role of organizational resources in the relationship between management competence and performance of county governments in Kenya.

Data was collected from the 47 county governments in Kenya in which 18 counties responded out of the sampled 42 counties forming 43% of the targeted respondents. The respondents were presented with descriptive statements, which they were to respond to by rating the extent to which they applied the same in their respective county government. The performance scores were obtained from secondary data of Gross County Product (GCP) of the period 2019 to 2023 as most of the respondents were active during this period, hence able to appreciate the accomplishments.

The respondents were at least one top management teams (Governor, County Executive Committee Member – CECM, Chief Officer, and Directors) who were knowledgeable on the functioning of the counties. The respondents had a length of service ranging between 3 and 12 years. The questionnaires were given depending on willingness of the respondents, and various officials managed to fill them with response rate; Deputy Governors 6%, County Executive Committee Member 17%, Chief Officers 33% and Directors 44%. Most of the Directors had served for longer periods in the counties studied and there was a tendency of some Chief Officers and CECM members referring the questionnaires to them in some counties which may be attributed to their technical expertise in the respective departments. The county governments studied had different levels of development with each having varying size of public service personnel on permanent employment; 72% of the counties studied had less than 5,000 employees, 22% had between 5,001 and 10,000 employees and 6% had over 10,000. The study had four objectives and the summary of the findings are highlighted in the following paragraphs.

The first objective was to establish the effect of management competence on the performance of the county governments in Kenya. In testing this effect, composite index of the four dimensions of management competence; functional, social, cognitive and emotional intelligence were computed. The performance of county government measures was extracted from the Gross County Product (GCP) percentage growth rates between 2019 and 2023 period. The analysis of the variables was done using simple regression analysis and the results showed that there is a significant relationship between management competence and performance of county governments in Kenya.

In determining the moderating effect of organizational resources on the interaction between management competence and performance, stepwise regression (Baron & Kenny, 1986) was performed to analyse the moderation effect of organizational resources. The moderation effect was established in terms of how the impact of independent variable on the dependent variable

changes when a moderator variable is introduced. The first step tested the influence of management competence on performance of the county governments. The second step tested the effect of management competence and organizational resources the predictor variables on the dependent variable. In the third stage an interaction term was introduced, which is computed as a product of standardized values for management competence and organizational resources, and tested for its effect on performance. The regression of performance on management competence in step one, showed that management competence impact on performance was significant ($F=21.867$, $p<0.05$). The introduction of organizational resources, the moderator in step two, significantly improved the influence of management competence on performance. In step three, all the variables were entered into the regression model; management competence, organizational resources and interaction term. The results were that $R^2=0.749$, and the change was 0.050 indicating that interaction of management competence and organizational resources did have significant influence on performance. The overall model indicated that the interaction was statistically significant and therefore the hypothesis is supported.

Conclusion

The overall objective of the study was to establish the role of organizational resources in the relationship between management competence and performance in the county governments in Kenya. The hypotheses tested indicated that management competence do impact on county governments' performance and organizational resources moderate the relationship between management competence and performance. The four areas of competence; functional, social, cognitive and emotional competence are key in the performance of county government as indicated by the significance of the results. Further, resources play an important role in terms of facilitating both operational and administrative functions within the county governments, hence the significance of the same. This is established by the respondents' low ratings of the sufficiency of resources provided to functions within the counties. Therefore, there is greater need for county governments to improve on the 'own revenue' generation in order to enhance their performances.

Implication of the Study

Researchers, managers, and policymakers could find useful information in the study findings and recommendations. Strategic management literature enrichment is one of the benefits from the study. In furtherance of management theory, the study's findings reveal novel connections and ties between the many aspects of management that were examined. The first objective of the extant study was to establish the effect of management competence on the performance of the county governments in Kenya. In testing this effect, composite index of the four dimensions of management competence; functional, social, cognitive and emotional intelligence were computed and the results supported the institutional theory. The appreciation of cultural diversity was largely responded positively by the respondents at mean of 4.17 indicative of this conclusion, though the diversity implied was of the communities living within the respective counties. Further the mediating effect of resources aligns with the Resource Based View and Knowledge Based View theory. Decision makers and managers in the county governments, may benefit from the study as it highlights the interaction levels of the variables, hence equipping them with the understanding of how to implement policies, that rationalize the deployment of competence and resources accordingly to areas of need, for optimum performance. In addition, the respondents indicated a moderate extend (mean of 3.11) on the ability by the county government to scan the environment and respond strategically and effectively, hence the study may enhance their understanding. The findings will also inform

the county government management the importance of putting in place recruitment policies that guide on specific competence that will project positive performance. The methodology used in the study has not been exhaustively utilised especially the use of GCP rates as performance indicators, hence is a new approach which presents a new knowledge area that may need further investigation and critique to appreciate its use as a measure of performance, and therefore the study forms a foundation for further research by scholars.

Limitation of the Study

The objective of the study was to establish the effect of organizational resources on the relationship between management competence and performance of county governments. Though the objective was met, there were some limitations that might have affected the study to some extent. The fact that the data collection was not at 100% on targeted population due to various reasons, the inclusion might have given more fine results. The researcher was self-sponsored hence the logistical challenges in organizing research assistants and travel to the 47 counties was challenging and took more time with delayed follow-ups hence the response rate may have been affected. In addition, some county officials were reluctant to respond due to the belief that the performance of the county may imply their own performance rating. However, the limitations mentioned did not affect the quality and integrity of the data obtained.

Suggestions for Further Research

The study utilised GCP values as a measure of performance and this may be enhanced by use of more performance indicators to measure performance. In addition, the limitations identified above may be addressed especially by the use of longitudinal design, rather than cross-sectional design, to have more time given to the respondents hence may bring out better results.

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