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ANALYSIS OF HUMAN RESOURCE CAPABILITY ON PERFORMANCE OF CHARTERED PRIVATE UNIVERSITIES IN NAIROBI COUNTY, KENYA

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Abstract

In the last two decades, Kenya has experienced an abrupt increase in the number of individuals seeking education from institutions of higher education. A larger number of these individual are inclining towards private universities as opposed to public because of the weaknesses experienced in public universities including regular strikes and misappropriation of funds leading to lack of proper infrastructure. Even though there is availability of potential learners, private Universities continue to struggle to stay afloat resulting to low performance. Therefore, this study sought to examine the influence of human resource capability on performance of Private chartered Universities in Nairobi County. The study was backed by resource based and the dynamic capabilities theories. The research adopted a mixed research methodology. Cross sectional research design was used. The study target population was 103 from all the private chartered universities in Nairobi County. The sampling technique used was census. The study utilized descriptive statistics and inferential statistics. The F statistical was conducted at a 95% confidence level. From the analysis, respondents felt that there was a strong positive relationship between human resource capability and performance with a coefficient correlation (r) of 0.714 and a significant level of less than 0.05. In addition, R^2 of 0.389 being 38.9 % indicated that human resource capability explained 38.9 % of the variability of performance. This



meant that organizations could not escape the effects of human resources on performance since they were strong. This study states that private universities need to compensate and develop their human resources to ensure quality in service delivery.

Keywords: Performance, Quality service delivery, strategic capabilities, Private Universities, Dynamic Capability, Resource based view

INTRODUCTION

In the previous 10 years, business-operating environment has undergone numerous changes as a result of digital revolution, globalization as well as environmental changes. These changes have seriously affected the business organizations and the Kenyan private universities have not been exempted. The changes have forced businesses including private universities to adopt new strategies of interactions and operation in an effort to adapt to the dynamic nature of the business environment in which they operate, to boost their competitive advantages, drive strategies, and boost performance. One of the strategies is through adoption of strategic capabilities and resources that can help deal with the dynamism of organizations (Brunner et al., 2019)

Performance

The idea of performance has drawn more attention recently because it permeates almost every aspect of human action. For an institution to be deemed as performing well it should illustrate efficiency and effectiveness in the way it operates. These two are the most common measures of performance (Kumar & Kumar, 2017). Burns and Bowling, (2010) in their paper on customer behaviour and satisfaction in the United States stated that efficiency is using the institutional scarce resources in a manner that is not wasteful in order to economically achieve the institutional goals and objectives. Effectiveness refers to how successful the institutional objectives are achieved. An institution that meets the two successfully than its competitors gains a competitive edge.

According to Higgins 2019, the pursuit and dissemination of knowledge have generally been the main goals of universities. Currently due to the financial constraints felt globally focus on efficiency and effectiveness has inevitably prompted a careful analysis of performance indicators in universities. Higgins stated that there were three broad groups of performance indicators in universities: First in internal indicators, such as rates of first-degree completion, success rates for later degrees, and success rates for drawing research funding. Second in external factors like staff papers, patents, and the employability of graduates. Third in

operational factors, include unit expenses, staff-to-student ratios, and staff workloads. The fourth category contains a number of common issues encountered in management systems work, like determining service levels for computer systems and libraries (Higgins, 2019).

Literature has shown that there is a weakness in relying on traditional financial measures of performance such as profitability and returns, which does not give a balanced view of performance. Hence, this study adopted non-financial measures of performance that measured the performance of universities in terms of their graduates, their ability to attract relevant applicants, and their accreditation in terms of programs

Strategic Capabilities on performance

Parakhina et al (2017) stated that an organization's strategic capabilities are those that support its long-term survival or competitive advantage. They include strategic resources, which are the assets that organizations own or can utilize, and strategic competences, which are the means by which those resources are effectively exploited or deployed.

Mathooko & Ogutu, 2018 in their study in private universities stated that, strategic capability is the ability a company has to develop and/or expand its core competencies to enable it to align its operations competitively in a setting characterized by rapid change. They stated that these strategic capabilities include human resource, Technology, physical resources, marketing capability and many more at the disposal of an organization (Mathooko & Ogutu, 2018).

Human resource capability which was the main variable in this paper includes having people that help an organization achieve their strategic objectives and involve human resource operations which enable an institution attain competitiveness. It entails operations like staff recruitment, staff training and development, and proper compensation programs (Chuang et al., 2015).

Private universities in Kenya have faced a decline in the quality of education they offer and an increase in mismanagement leading to closure of some of the universities (Wanjohi, 2019). In light of this, the Kenyan private Universities ensure that their human resource capability is well developed to ensure customer satisfaction that can in turn improve their performance. There is need for Kenyan private Universities to invest more on their Human resource capability to aid them in the management and improvement of their performance.

Statement of the Problem

According to Nico et al., (2015), there has been an elevation in the total number of people applying for a slot in the Kenyan universities over the past 10 years. Despite the

reported increases in learners, the Kenya Commission of University Education (2019) had reported that the number of learners in some private institutions of higher learning in the country had reduced significantly because of poor planning, frail financial systems in place, quick expansions and poor management structures. Misigo, (2017) further stated that, despite reported increase of preference of enrollment in to Private universities, These universities face several challenges including stiff competition from TVETs and mid-level colleges, high staff turnover, financial challenges, poor utilization of the physical resources in their possession and deteriorating quality of research and innovation leading to decline in performance (Misigo, 2017). In view of the above, this research aimed to close the gaps by analyzing the extent to which human resource capability, financial capability, Physical resources capability and Information, Communication and Technological capability influence the performance of Kenyan Private Universities in Nairobi County.

Purpose of Study

This research scrutinized; the extent to which Human Resource Capability influenced performance of Private Universities.

LITERATURE REVIEW

Theoretical Literature

The study was backed by these theories; the dynamic capabilities theory and the resource-based theory.

Resource-Based Theory

Resource based theory was a proponent of Penrose in 1959 as cited by Brian et al., (2017) where this theory gives weight on the importance of an organization utilizing its internal capabilities in an efforts to perform better. This is where the firm utilizes its unique strategic resources to enhance competitive advantages and performance in firms. A strategic resource is a tangible or intangible resource owned by an organization that is of value, rare, hard to replicate, and un-substitutable. A strategic resource is of value if it helps create opportunities for an organization and help minimize threats faced by it.

The resource based theory is of the opinion that organizations need their tangible and intangible strategic resources (its human resource, finances, technologies and physical resources) to have a competitive advantage. Strategic capabilities is what a firm can do with the strategic resources at its disposal in order to attain positive performance (Brian et al., 2017).

The Dynamic Capabilities Theory

The Dynamic Capability Theory proposed by (Teece et al., 1997) shares the resource-based theory view that proposes that firms need to utilize their unique core competences, assets, skills and strategic capabilities in order to remain viable in an ever changing market condition. This theory typically assumes that there are numerous perceptions that relate to the overall performance of firms. It focuses on the organization's ability to utilize its resources to build, integrate and transform internal and external unique abilities and skills to deal with the ever-changing environment. This theory is of the opinion that chartered private universities can make use of their strategic capabilities that include human resource capability, financial capability, physical resource capability and Information, Communication and Technological capabilities to adopt to their dynamic environments to influence their performance positively.

Conceptual Framework

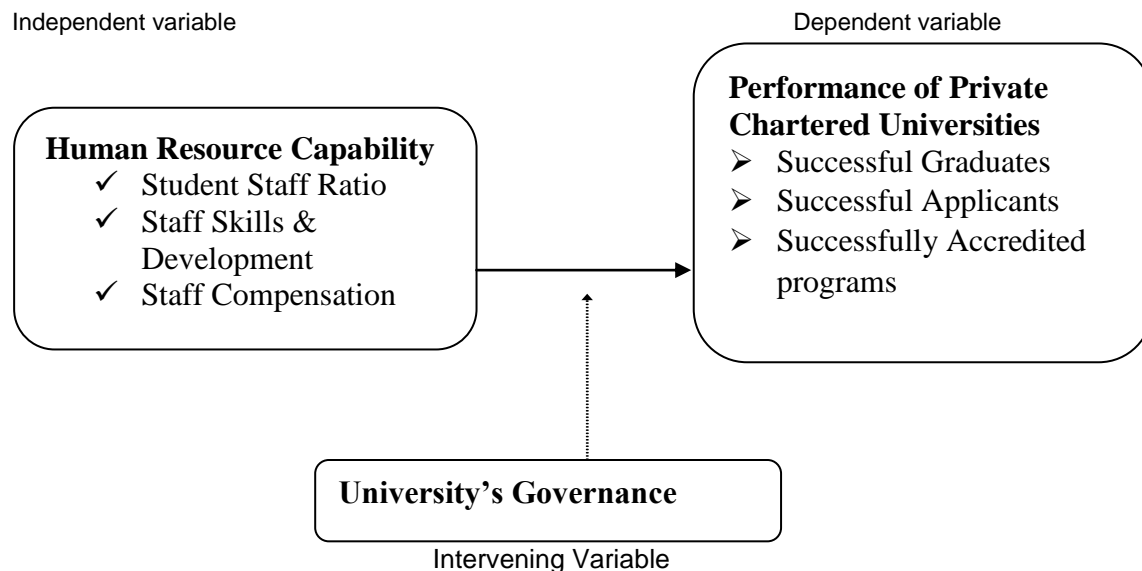


Figure 1: Conceptual Framework

A conceptualization framework demonstrates of how the researcher perceives the interaction of the study variables in a specific study as stated by Kothari & Garg, (2019). In the current study, the strategic capability (Human resource capability) was the independent variables of the study while the performance of the private Universities was the dependent variable as revealed in the figure above.

Empirical Review

Performance of Private Universities

Ramakrishnan, (2016) undertook a study on rediscovering African universities and emphasised that improvement and focus on such areas like the employee satisfaction, customer satisfaction, quality, innovation and investment in unique assets (both tangible and intangible) contribute greatly to the performance of private institutions. Satisfaction of these indicators as a strategy for decision makers help institutions to become competitive and help them to gauge their performance.

Human Resource Capability on Performance of Private Universities

In their report on capabilities and business performance in South Africa, Hagel, Wooll & Seely, (2020) stated that for an organization to be successful there is need to have competency in the people providing the services. Skilled human capacity in institutions of higher education is key in providing differentiated products and services, good customer relations and value which is needed for successful performance.

Naitore & Wanyoike, (2019) conducted a research on human resource capability on performance in certain public universities in Kenya and stated that, poor human resource norms have lead to poor performance of public universities in Kenya. Therefore the study concluded that there is a positive substantial association between human resource capability and public universities in Kenya.

RESEARCH METHODOLOGY

Research Design

A research design is an organization of parameters for data collection and analysis that pursues to balance procedural economy with relevance to the study goal (Kothari & Garg, 2019). In order to realize the ultimate purpose of this study, the researcher employed cross sectional research design since the data on dependent variables was collected at one point in time. This researcher used a mixed research methodology where the quantitative and qualitative data was collected concurrently. (Creswell & Plano Clark, 2018) states that, a mixed research methodology authorizes the researcher to gather numerical and non-numerical data by use of quantifiable research tools which are scrutinized using both qualitative and quantitative research.

Area of Study

The study was conducted among the seven private chartered universities in Nairobi County.

Target Population

As stated by Cooper, Donald & Pamela, Schindler, (2014) a target population is a collection of components, objects, units or people that a researcher has interest. In the study, the researcher used the seven private chartered universities in Nairobi County as the units of hence the study target population of the research was 103.

Sample and Sampling Technique

According to Curnery, 2017 census sampling techniques is a method of statistical data collection tool where data is collected from all the participants of a certain population. Due to the fact that the target population is not large, the researcher covered the entire unit of study (all the private chartered universities in Nairobi County) hence the sampling technique used was a census. Krehat, 2019 stated that purposive sampling is a sampling technique where a population is chosen because they possess certain characteristics or expertise on the subject matter. Purposive sampling was used to sample the universities unit of inquiry (the population in the private chartered universities in Nairobi County).

Data Collection Procedures and Methods

The study employed semi-structured questionnaires as its tool of primary data collection was distributed by the researcher. The researcher utilized both primary and secondary source of data.

Proposed Data Analysis Procedure and Techniques

The study used both qualitative and quantitative techniques to analyze the data. Semi-structured questionnaires were used in the study that included closed and open-ended questions. Closed ended questions were be used to derive quantitative data while open-ended questions were used to derive qualitative data. Qualitative data was analyzed using content analysis.

Ethical Consideration

The researcher shall request for an ethical clearance certificate from the Mount Kenya University's Ethical Review Committee as well as an introduction letter from the College of Graduate Studies and Research. This facilitated the researcher to request for a research permit of authorization from NACOSTI to conduct research. The researcher undertook the study with utmost care by assuring the research participants of anonymity and confidentiality of the

information they provided. A cover and consent letter accompanied the questionnaire requesting the participants to take part in study at their own pleasure and of one's own free will.

FINDINGS AND DISCUSSIONS

The research objective was to assess the influence of human resource capability on performance. The following were the associated means and standard deviations to ascertain the above as highlighted below.

Table 1. Descriptive Analysis - Human Resource Capability

Descriptive Analysis - Human Resource Capability	N	Min	Max	Mean	Stand. Dev
<i>Student-staff ratio</i>					
The current student-to-teaching staff ratio in the university is adequate	85	1	4	1.33	0.484
The current administration staff is enough to serve students	85	1	4	1.56	0.565
The institution assesses its staffing needs on a regular basis	85	1	2	4.13	0.911
Average	85	1	3	2.34	0.653
<i>Staff skill and development</i>					
The current staff teaching workload gives room for personal and career development	85	1	3	2.94	0.722
The institution supports participation in workshops, training and seminars	85	2	5	2.64	1.122
Academic staff are accurately placed according to their competencies and educational backgrounds	85	1	4	2.05	1.033
Average	85	1	4	2.54	0.959
<i>Staff Compensation</i>					
The full-time staff compensation systems in place are competitive, flexible, and competence-based	85	1	5	2.54	1.072
The part-time payments are up to date	85	1	2	1.14	0.644
Average	85	1	4	1.84	0.858
Overall	85	1	4	2.24	0.823

From the above table 1, the total average mean score was a 2.24 meaning that universities need to focus on their human resource to enhance and improve on the resource and therefore the private universities have not adequately adopted human resource capability. The standard deviation of 0.85 meant that the respondents were in agreement because it was

below 0.99. The lowest mean was on staff compensation with a mean of 1.84 meaning that the respondents felt that staff were not well compensated especially the part time staff and the highest being staff development and skills with 2.54 meaning that the respondents felt that the staff have sufficient skills to perform their tasks. This meant that organizations could not escape the effects of human resource on performance since they were strong.

CONCLUDING REMARKS

Summary of findings

The objective of the research was to scrutinize the extent to which human resource capability influence performance of the Kenyan Private Universities. From the research on the extent to which human resource capability influences the performance of private universities and the study showed that there was a strong positive relationship between human resource capability and performance.

The study revealed that, capabilities in regards to university staff ratios, staff skills and development and staff compensation were not effectively adopted in private universities especially on the compensation programs in place.

Study Conclusion

The study revealed that human resource capability is a critical aspect in performance of private universities because they assist in the attractiveness and competitiveness of an institution which can positively influence the way private universities perform if properly managed. Investment in the human resource through staff development, favorable working environment and favorable, timely compensation policies can help improve the resource to the benefit of increased performance in private universities.

Study Recommendations

Performance, especially in private universities has become an area of concern. This is because the employees play a critical role in delivering quality education which directly affects performance. The study revealed that human resource capability is a critical aspect in performance of private universities because they assist in the attractiveness and competitiveness of an institution which can positively influence the way private universities perform if properly managed. Investment in the human resource through staff development, favorable working environment and favorable, timely compensation policies can help improve the resource to the benefit of increased performance in private universities. Universities need to put in more effort geared toward ensuring that the compensation especially for the part-time

employees is done on a timely basis and that the institutions assess their staffing needs on a regular basis since the human resource capability is a crucial element in quality service delivery.

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