Influence of Organizational Resources Portfolio on Organizational Performance in Tourism Government Agencies in Kenya

Leah Waithira Ng'ang'a

Corresponding author

PhD (Business Administration- Strategic Management option) Candidate

Department of Business in the School of Human Resource Development

Jomo Kenyatta University of Agriculture and Technology

leah.nganga@gmail.com

Dr. Esther Wangithi Waiganjo & Dr. Agnes Wanjiru Njeru

Lecturers

Department of Business in the School of Human Resource Development

Jomo Kenyatta University of Agriculture and Technology

Abstract

The main object of government agencies is provision of quality and efficient services to customers and stakeholders. In tourism industry, a government owned agency is mandated to ensure the services provided are of high quality and are efficiently provided. One of the key inputs to ensure such mandate is executed is availability and utilization of resources. However, little is known on how each type of the resources influences the performance of tourism government agencies. This study sought to determine the effect of resource portfolio on performance of tourism government-owned organizations. The study used a cross sectional approach to determine the effect of resource portfolio on the performance of the tourism government agencies. The population of the study included management and non-management staff. The researcher used stratified sampling to select a sample size of 420, however a response rate of 78% was obtained at the end of the data collection exercise. The data was collected using questionnaires from management and non-management staff and also secondary data about performance of selected tourism organizations. The data was analyzed through descriptive and inferential statistics. The study found that resources were critical to a firm's performance. Resources such as human, physical, technological and capabilities were the most influential resources in tourism public owned agencies and organizations. Financial resources were not necessarily influential since the availability of the resources could not guarantee performance unless properly utilized. The study recommended that management heavily invests on all resources since they influence the performance of the entities.

Key Words: *Organizational resource portfolio, Tourism state-owned agencies, Performance*

1. INTRODUCTION

In today's competitive and increasingly global business markets, firms continuously invest in research and development to highlight new approaches of doing business, new processes, innovate and even gain market intelligence information so as to make informed strategic decisions to compete with rivals effectively. One major approach a firm can use successfully is to take advantage and utilize new windows of opportunities optimally. However, taking advantage requires resources. Sourcing for resources and integrating them to the advantage of the firms has remained a major challenge in most of the organizations. Most of the firms face technical, financial, market and team challenges and experience difficulties in distinguishing the resources they lack and how to detect and obtain such resources (Shane & Ventetaraman, 2000).

Organizational resources are critical in a firms success as they enhance employee skills, reduce job stress, and contribute to their personal growth and development (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001a). Employees are influenced positively and motivated to work in an enabling environment which contributes to an overall organizational performance.In tourism industry, resources are critical since the output is measured in terms of quality of services. According to Bakker, Demerouti, and Euwema(2005) organizational resources help frontline employees -who in most cases interact with customers-to carry out their jobs effectively.

1.1 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard, Devinney, Yip, and Johnson (2009), organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment, etc.); product market performance (sales, market share, etc.) and shareholder return (total shareholder return, economic value added).

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance, customer service, social responsibility and employee stewardship. In the Kenyan public service scene a Performance contract is used to measure the performance of state agencies. Performance contract is defined as a freely negotiated performance agreement between Government, organization and individuals on one hand and the agency itself (Kenya, Sensitization Training Manual, 2004). However, in this study, performance of the tourism government agencies was measured through indicators such as the tourism arrivals and client satisfaction.

1.2 Problem statement

In Kenya, tourism has been identified as one of the six priority sectors that promise to raise GDP growth rate to the region of 10% in a number of years. The tourism department is charged with the responsibility of formulating tourism policy and coordinating the implementation of strategies aimed at developing the tourism sector. The sector is among the leading foreign exchange earners and a major generator of employment in Kenya. The sector has linkages with other sectors of the economy thus facilitating growth in those sectors. Although the contribution of Tourism in Kenya is immense, the envisioned benefits may not be realized if some challenges pertaining to resource allocation and coordination are not addressed. According to the National Tourism Strategy, (2013) tourism organizations have poor governance leading to resource loss and burdening the public purse, weak human resource and institutional capacity to attract and retain the skill sets needed to drive performance. This study sought to determine the influence of organizational resource portfolio on organizational performance of the tourism government agencies.

1.3 Objectives of the study

The objective of the study was to investigate the influence of organizational resources portfolio on organizational performance in tourism government agencies.

1.4 Theoretical background

This study was guided by the theory of Resource Based View (RBV). The theory postulates that resources owned by an organization are critical for a firm to sustain competitive advantage and superior performance (Galbreath, 2004). King (2007b) predicted that certain types of resources of resources owned and controlled by firms have the potential to generate competitive advantage which in turn leads to high superior performance. These resources include physical resources (such as human, physical, organizational and financial resources), intangible resources (such as reputation, position, social and cultural aspects of an organization) and lastly organizational capabilities such as skills, collective learning, core competencies, building alliances, strategic decision making, informational abilities, technological, networks, relationships building among others (Mayer & Solomon, 2006).

Different resources have positive implications on the performance of an organization. Organizations which have adequate and superior physical resources such as machinery, plant and equipment they are more likely to have better performance than those without such resources (Ainuddin, Beamish, Hulland, & Rouse, 2007). Human resources such as top and middle management, administrative and production staff affects how decisions are made and even how they are implemented which also affects the overall performance of organizations (Rose & Kumar, 2007). Financial resources such as cash-in-hand, bank deposits, stocks and other derivatives affects how a firm invests and even takes advantage of the new opportunities (Morgan, Kaleka, & Katsikeas, 2004). Intangible resources such as reputation of the products from a particular company, brand name and experience of a company have significant implications on a firms activities. Capabilities significantly affect firms performance and competitive ability (King, 2007b).

Lippman and Rumelt (2003) argued that financial and physical assets generate competitive advantage with minimal threat of competitors to duplicate them. Among the different types of resources, human resources and intangible resources are more important and critical to sustain competitive advantage than others. Such resources are not only valuable but also inimitable compared to other resources which can easily be acquired by the rival firms.

1.5 Empirical review

Strategic leaders exploit and maintain core competencies. Core competencies are resources and capabilities that give firms an edge over their rivals. Strategic leaders need to understand which combinations of resources and capabilities are valuable, rare, costly to imitate, and difficult to substitute for, as these will allow the firm to gain a competitive advantage. . (Ireland and Hitt, 1999; Rowe, 2001).

A study by Ismail, Rose, Uli and Abdullah (2012) empirically examined the importance placed on organizational resources, capabilities and systems and how such resources correlate with competitive advantage of the firms. The study found that organizational resources, capabilities and systems had positive and significant effect on the competitive advantage of the firms with a total variance in competitive advantage accounted for by the multiple linear regression (MLR) model at 56.2%. Another study by Lee and Whitford (2012) focused on the effect of Impacts of Organizational Resources on Agency Performance. The results showed mixed results: some resources had positive and significant influences on agency effectiveness and others had negative or insignificant relationships with agency performance. This shows that different organizational resources play different roles in organizational setup which influence performance.

David (2007b), reports that all organizations have at least four types of resources that have to be used to achieve the organization's objectives; financial, human, physical and technological resources. A number of factors commonly prohibit effective resource allocation, including an over protection of resources, organization politics, vague strategy targets, reluctance in taking risks, and lack of sufficient information. According to Braney and Hesterly (2006) an organizations internal resources can be classified into four broad categories: Human Resources, physical resources, financial resources and organization resources.

1.6 Types of Resources in An Organization

1.6.1 Financial Resources

The financial capital that organizations use to formulate and implement strategies, which include cash from entrepreneurs, equity holders, bond holder and financial institutions as well as retained earnings. Pearce and Robinson (2009) the firm's borrowing capacity and its internal funds generation determine its resilience and capacity for investment. The key indicators of financial resources are the debt equity ratio, operating cash flow, credit rating, market values of fixed assets, scale of plants, flexibility of fixed assets and vintage of capital equipment.

1.6.2 Physical resources

The physical technology used in an organization, which includes the plant and equipment, location and access to raw materials required by an organization. Pearce and Robinson (2009) state that the physical resources constraint the firm's set of production possibilities and impact its cost position. Key characteristics include: The size, location, technical sophistication, and flexibility of plant and equipment,, Location and alternative uses of land and buildings, reserves of raw materials. The key indicators of physical resources are market value of fixed assets, vintage of capital equipment, scale of plants and flexibility of fixed assets.

1.6.3 Human resources

Includes the training experience, judgement, intelligence, relationships, and insights of managers and employees in the organization. Lawler and Mohrman (2000a) claim that the Human Resource function should be positioned and designed as a strategic business partner that participates in both strategy formulation and implementation. In other words, the Human Resource function should be positioned as a partner, but a partner that participates in the strategy formulation process and leads-or at least is key leader in-the overall implementation process.

1.6.4 Organization resources

The attributes of groups of individuals in the organization, which includes the organization's planning, structure, controlling and coordinating systems, culture, reputation and informal relationships among groups in the organization. Pearce and Robinson (2009) state that the Resource based view (RBV) is a method of analysing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. The RBV's underlying premise is that firms differ in fundamental ways because each firm possesses a unique bundle of resources-tangible and intangible assets and organizational capabilities to make use of those assets.

1.6.5 Tangible assets

These are the easiest resources to identify and are often found on a firm's balance sheet. They include production facilities, raw materials, financial resources, real estate and computers. Tangible assets are the physical and financial means a company uses to provide value to its customers. Intangible assets are resources such as brand names, company reputation, organizational morale, technical knowledge, patents and trademarks and accumulated experience within an organization. While they are not assets that you can touch or see, they are very critical in creating competitive advantage. Organization capabilities-are not specific "inputs", like tangible or intangible assets; rather, they are skills-the ability and ways of combining assets, people and processes-that a company uses to transform inputs into outputs.

Pearce and Robinson (2009) further define technological resources and reputation as part of the intangible resources under the resource based view. Technological resources –the following constitute technological resources, Intellectual property, patent portfolio, copyright, trade secrets, resources for innovation, research facilities, technical and scientific employees. The key indicators are the numbers and significance of patents, revenue from licensing patents and copyrights, Research and Development staff as a percentage of total employment, number and location of research facilities.

1.6.6 Reputation

Reputation with customers through the ownership of brands and trademarks, established relationships with customers, the reputation of the firm's products and services for quality and reliability. The reputation of the company with suppliers, with Government and Government agencies and the community.

Once managers identify their firm's tangible assets, intangible assets and organization capabilities, the Resource Based View applies a set of guidelines to determine which of those resources represent strengths or weaknesses-which resources generate core competencies that are sources of sustained competitive advantage. The RBV guidelines derive from the idea that resources are more valuable when they are able to meet all the four basic guidelines: Are critical to being able to meet a customer's need better than other alternatives, Are scarce –few other if any possesses the resources or skill to the degree you do, Drive a key portion of overall profits in a manner controlled by your firm, Are durable or sustainable over time.

1.7 The effect of external environment on the operations of the firms

The general environment is composed of factors that can have dramatic effects on firm strategy. Typically, a firm has little ability to predict trends and events in the general environment and even less ability to control them (Dess, Lumpkin, and Eiser,2008). According to Thomas, Peteraf, Gamble and Strickland (2012) Every company operates in a large environment that goes well beyond just the industry in which it operates; thus macro environment includes seven principal components: population demographics; societal values and lifestyles; political, legal and regulatory factors; the natural environment and ecological factors, technological factors; general economic conditions; and global forces. The firms takes cognisance of economic situation as it determines the purchasing power of the target customers. Political processes and legislation influence the environmental regulations with which industries must comply (Dess, Lumpkin and Eisner (2008). The social factors (such as social class, fashion, and attitude) also have influence on the firms performance. Lastly the level of technology is equally important to the firms. Technological breakthroughs may have very significant implications on the performance of the firms. Firms therefore must strive for an understanding both of the existing technological advances and the probable future advances that can affect their products and services (Pearce and Robinson (2009).

2. CONCEPTUAL FRAMEWORK

Strategic leadership that positively contributes to effective implementation of strategy has a component of strategic direction (Hitt, Harrison and Ireland (2001). This study hypothesized that strategic direction influenced the performance of the State-owned tourism agencies taking into consideration the external environment as shown in figure 1. The study sought to explore, validate and determine the relationship shown in figure 1.

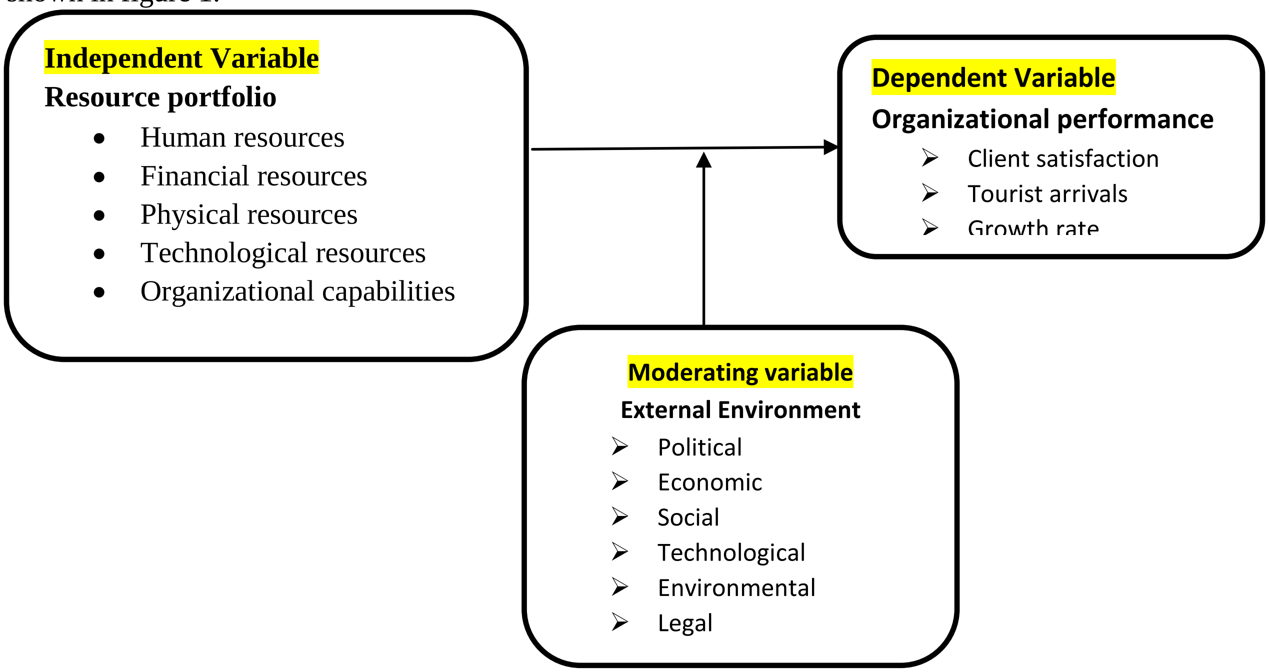

Figure 1 Hypothesized relationship between organizational resource portfolio and performance

2.1 Critique of the literature

The study has reviewed various literature by different authors. According to David (2007b) all organizations have at least four types of resources: financial, human, physical and technological resources. However, the classification is not exhaustive, his classification lacks other important resources such as capabilities and other intangible assets. A study by Ismail et al (2012) examined the importance of organizational resources, capabilities and systems and found that collectively such resources had positive effect on the competitive advantage of the firms. Although the study provides very useful knowledge on the relationship between resources and competitive advantage of the firms, it lacks the explicit findings on the exact effect of an explicit resource such as financial resources on the competitive advantage to allow a manager to make the exact decisions on resources. The findings by Lee and Whitford (2012) were very explicit and could be useful to managers. They generated new useful knowledge on strategic resource portfolio and competitive advantage of the firms. The attempt by the authors generates important information on the relationship between resources and competitive advantage. However, there exists some gap in knowledge on such resources on the performance of firms. This study somewhat replicates Lee's study but in tourism industry in Kenya but with a bias on performance and not competitive advantage.

3. RESEARCH METHODOLOGY

The study employed a cross sectional survey research design using both quantitative and qualitative approaches. According to Kothari (2007), surveys are conducted in case of descriptive research and are concerned with describing, recording, analyzing and interpreting conditions that either exist or existed. They are also concerned with opinions held, ongoing processes, effects that are evident or trends that are developing. Quantitative approach emphasizes on measurement and data is analyzed in a numerical form to give precise description. According to Mugenda & Mugenda (2003), quantitative approach also known as the scientific method has traditionally been considered as the traditional mode of inquiry in both research and evaluation. This mode of inquiry follows several logical and distinct steps from identifying and stating research problem to making appropriate conclusions and inferences to the population. On the contrary, qualitative research entails analyzing information in a systematic way in order to come to some useful conclusions and recommendations on the social settings and the individuals who portray those characteristics(Berg, 2001).

The target population of this study were management and non-management staff in each of the six government agencies in the tourism industry, namely; the Department of Tourism, Tourism Fund, Kenya Tourist Board, Kenyatta International Convention Centre, Tourism Finance Corporation, and Kenya Utalii College. The study used stratified random sampling to collect desired representation from various sub groups in the population (Mugenda & Mugenda, 2003). The study sample size was 420 and was collected using a questionnaire. The questionnaire was pretested before the main study to ensure clarity and reliability prior to them being administered. After the pilot test, the necessary changes were made to the questionnaire and then administered to the respective respondents. The filled questionnaires were then codedand entered into a computer for analysis. The data was analysed using both descriptive and inferential statistical measures. Descriptive statistics used included percentages, frequencies and mean scores while inferential tests included ANOVA and linear multiple regression. The linear multiple regression was used to determine whether the set of resources could predict the organizational performance of the tourism organizations. The regression model was as follows:

$Y= \beta0+\beta1X1Z+\beta2X2Z+\beta3X3Z+\beta4X4Z +\beta5X5Z +\varepsilon$

Where; Y=Organisation performance

$\beta0$=constant

βi is the coefficient for Xi (i=1, 2,3,4,5)

$\beta_i X1Z$ = Product term of the moderating variable with each of the independent variable.

E = Error term

4. RESULTS

This section discusses the findings on the resource portfolio of organizations and their effect on the performance of the tourism organizations and institutions. The section also has findings on the hypothesis testing towards the end.

4.1 Descriptive statistics

The respondents were asked to indicate the extent to which each of the following factors on resource portfolio would affect their organization performance. The results showed that financial resources (M=4.65), organizational capabilities (M=4.62) and human resources (M=4.61) would affect organization performance to a very great extent. All these types of resources were identified by David (2007). The responses were common across the respondents (SD<1.0) and the distribution were skewed negatively. Technological resources (M=4.48) and physical resources (M=4.23) affected the strategic plans of the organizations to a great extent across the organizations as shown by the values of standard deviation and the negative skewness of the distributions. Pearce and Robinson (2009) state that resources constraint the firm's set of production possibilities and impact on its cost position. Therefore, managers should manage resources efficiently to enhance the performance of their organizations.

Table 1 Descriptive Statistics-Resource portfolio

	N	Mean	Std. Dev	Skewness	
	Statistic	Statistic	Statistic	Statistic	Std. Error
Financial Resources	321	4.65	.62	-1.880	.136
Organisation capabilities (Skills-people, processes)	322	4.62	.69	-1.905	.136
Human Resources	319	4.61	.62	-1.560	.137
Technological Resources	308	4.48	.64	-.825	.139
Physical Resources	312	4.23	.73	-.394	.138

Key: Very great extent=5, Great extent=4, Moderate extent=3, Little extent=2, No extent =1

The respondents gave an overall rating of the effect of resources on the strategic plans of the organizations. The results shows that majority of them (60.1%, n=169) felt that resources influenced the organizational performance to a very great extent. A proportion of 29.5% (n=83) indicated that resources influenced the performance of their organizations by a great extent and lastly a 10.3% (n=29) of the respondents felt that resources influenced their organizational performances moderately as shown in table 2. Rowe (2001) held that it was critical that managers exploit and maintain core competencies in terms of resources so as to gain and maintain a competitive edge (Rowe, 2001).

Table 2 Descriptive statistics-Perceived overall effect of resources on organizational performance

	Frequency	Percent
Very great extent	169	60.1
Great extent	83	29.5
Moderate extent	29	10.3
Total	281	100.0

The researcher probed information on the challenges facing organizations in their efforts to acquire resources. The most common challenge stated was limited financial resources budgeted and received by the organizations from the government, bureaucracy of the procedures, processes which delayed performance and execution of activities, unnecessary delays due to lengthy procedures for approval, lack of funds, lack of working tools, challenging procurements processes which led to delays in delivery and purchases and shortage of other resources in the organizations.

Table 3 Challenges facing organizations when acquiring resources

Challenges	N	Percent
Limited financial resources-funds received/budgeted are inadequate	90	41.30%
Bureaucracy in procedures/processes-too many signatories lead to delays/long processes/ procedures/delayed funding/deliveries	29	13.30%
Unnecessary delays-too many signatories lead to delays/bureaucracy/long processes/ procedures/delayed funding/deliveries	18	8.30%
Lack of funding/finances	13	6.00%
Lack of working tools-photocopiers, scanners ,cartridges, aged computers/offices	11	5.00%
Challenging procurement process-lengthy	10	4.60%
Shortage of non-financial resources-goods go out of stock/detergents/	10	4.60%
Government regulated and controlled resourcing i.e government controls funds and their utilization.	9	4.10%
Lack of technical skills/expertise	9	4.10%
Leadership style-reluctant management/lack of goodwill	9	4.10%
Training challenges-not facilitated by the organizations	6	2.80%
Limited human capital	5	2.30%
Lack of clear promotion procedures/criteria/favoritism in promotions	4	1.80%
Low motivation of staff-low pay/terms of service	4	1.80%
No challenges so far so good	4	1.80%
Signatures are not available	4	1.80%
Corruption	3	1.40%
Government policies-gives priority to other sectors	3	1.40%
Misappropriation of funds- purchasing, payment of fake and untrue trips inside and outside the country	3	1.40%
Procurement failures	3	1.40%
Government policies	2	0.90%
Lack of technological resources	2	0.90%
Unequal allocation of resources	2	0.90%
Untimely funding	2	0.90%
Absence of the board for a long period of time/incomplete boards	1	0.50%
Access to journals and books (research materials is a key challenge)	1	0.50%
Delay in remittance of funds	1	0.50%
Inconsistent level of funding	1	0.50%
Lack of track of financial resources	1	0.50%
Political influence	1	0.50%
Total	**261**	**119.70%**

4.1 Organizational performance

The researcher collected information on the performance of the organizations sampled. This sections shows the findings on the performance of the organizations for a period of the 3 years. Firstly, the researcher collected data on the employee numbers and the number of tourist arrivals for 3 years: 2013, 2014 and 2015. The total number of employees in the tourism organizations was been between 1,236, 1,242 and 1,249 for the three years. It was noted that the Department of Tourism had undergone a decline in the number of staff, from 2014, due to the formation of a new parastatal, Tourism Regulatory Authority, some of the staff of the Department had been deployed to assist in the formation of the organization, however they remained in the organization's pay roll system. Similarly, the average number of tourist arrivals was between 1.5 million and 1.1 million. In 2013, the arrivals numbers were 1.5 million while in 2015 it was 1.1 million. This shows that the trend of the tourist arrivals has been declining over the years. The highest number of tourists were received in the year 2013 as shown in table 4.

Table 4 Employee numbers and tourist arrivals (2012-2014)

Employees	**Numbers**
Employees in 2013	1236
Employees in 2014	1242
Employees in 2015	1249
Tourist arrivals according in ('000)	
Arrivals in 2013	1519.6
Arrivals in 2014	1350.4
Arrivals in 2015	1180.5

4.2 Effect of resources on organizational performance of Tourism related agencies

The researcher hypothesized that resource portfolio influenced the organizational performance of the tourism organizations. The hypothesis was tested using linear regression test at 95% confidence level. The decision rule was based on the p value. The null hypothesis would be rejected if the value of p was less than 0.05 and vice versa is if the p value was more than 0.05. The results are given in the following tables.

Table 5 Model Summary- Resource portfolio

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.584[a]	.342	.327	.46025
2	.624[b]	.389	.359	.44936

a. Predictors: (Constant), Organization capabilities, Physical Resources, Human Resources, Financial Resources, Technological Resources

b. Predictors: (Constant), Organization capabilities, Physical Resources, Human Resources, Financial Resources, Technological Resources, social, political, legal, technological, ecological, economic

The R square value when the resource portfolio was regressed without external factors was 0.342. This showed that resource portfolio accounted for 34.2% of the variations in the organizational performance. After including the external factors in the model, the R square changed to 0.389. This showed that the predictors explained 38.9% of the variations in organizational performance and the rest 61.1% were explained by other factors not in the model.

Table 6 ANOVA-Resource allocation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.841	5	4.968	23.453	.000[b]
	Residual	47.874	226	.212		
	Total	72.715	231			
2	Regression	28.292	11	2.572	12.737	.000[c]
	Residual	44.424	220	.202		
	Total	72.715	231			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Organization capabilities, Physical Resources, Human Resources, Financial Resources, Technological Resources

c. Predictors: (Constant), Organization capabilities, Physical Resources, Human Resources, Financial Resources, Technological Resources, social, political, legal, technological, ecological, economic

The ANOVA results shows that resource portfolio had a F value of F (5,226) = 23.453, p<0.001 excluding the external environment and F (11,220) =12.737, p<0.001 when external environment factors were included in the model. This shows that the resource portfolio was statistically significant in predicting the organizational performance in tourism sector with and without the influence of the external environment. The effect of resources on performance can be improved by integrating resources to create capabilities and leveraging those capabilities through strategies to build competitive advantages and high performance (Hitt and Ireland, 2002).

Table 7 Coefficients-Resource portfolio

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.112	.335		3.316	.001
	Financial Resources	.116	.061	.126	1.887	.060
	Human Resources	.304	.059	.312	5.141	.000
	Physical Resources	.225	.055	.295	4.098	.000
	Technological Resources	.272	.068	.289	4.005	.000
	Organisation capabilities (Skills-people, processes)	.216	.071	.211	3.029	.003

2	(Constant)	.503	.369		1.366	.173
	Financial Resources	.106	.062	.116	1.713	.088
	Human Resources	.283	.059	.290	4.755	.000
	Physical Resources	.255	.057	.335	4.443	.000
	Technological Resources	.216	.071	.229	3.050	.003
	Organisation capabilities (Skills-people, processes)	.194	.070	.189	2.756	.006
	Political	.183	.077	.165	2.368	.019
	Economic	.087	.071	.105	1.217	.225
	Technological	.040	.042	.063	.947	.345
	Ecological	-.030	.059	-.043	-.514	.608
	Social	.016	.053	.021	.295	.768
	Legal	-.012	.050	-.015	-.235	.815

a. Dependent Variable: Organizational Performance

The resulting coefficients from the regression test are shown in table 7. The table shows findings when the resource portfolio was regressed without the external factors and with the external factors. The resulting regression equations are shown:

OP =1.112+0.116FR+0.304HR+0.225PR+0.272TR+0.216OC…………………………………………………………... (i)

OP=0.503+0.106FR+0.283HR+0.255PR+0.216TR+0.194OC+0.183POL+0.087ECO+040TECH-0.030ECOL-0.016SOC-0.012LEG…………………………………………………………………..……...(ii)

Where OP= organizational performance, FR=Financial Resources, HR=Human Resources, PR=Physical Resources, TR=Technological Resources, OC=Organizational Capabilities, POL= political factors, ECO=Economic factors, ECOL=Ecological factors, SOC=social factors and LEG=legal factors.

Equation (i) represents the resulting model when resources was regressed without external factors. The results imply that human resources (p=0.000), physical resources (p=0.000), technological resources (p=0.000) and organizational capabilities such as skills, people and processes (p=0.003) have significant contributions to the organizational performance of tourism related agencies when the external environment factors are not considered. The contributions of financial resources (p=0.06) on organizational performance was insignificant. This is perhaps because the availability of the resources only cannot ensure success but needs proper management to ensure that the resources are used well to the benefit of the organizations.

When the model considers the influence of the external environment, a unit increase in human resources increases the organizational performance by 0.283 units when all the rest of the factors are held constant. The influence of physical resources on the organizational performance when the rest of the factors are held constant is 0.255. Also holding other factors constant, a unit increase in technological advancement increases the organizational performance of the organizations by 0.216. A unit increase in organizational capabilities holding other factors constant increases the organizational performance by 0.194. A close examination shows that adding the external environment into the model reduces the contributions of the resources to the organizational performance. This agrees Bamberger and Meshoulam (2000) that with cross-industry organizational performance is influenced by external economic factors. The output above demonstrated that resources had some positive effect on the performance of the organizations, the corresponding p values were less than 0.05 ($p<0.001$). This could possibly be due to the fact that allocation of resources enables the organization to do a variety of productive activities such as training, improving technology, expansion, marketing of the organizations products which largely contribute to good performance of the organizations.

5. DISCUSSION

The study shows that managers felt that resources are critical to the success of an organization. From the findings, the managers felt that financial resources were the most important, followed by organizational capabilities and human resources. The results agrees with the views of David (2007) who argued that financial, human, physical and technological resources are the major resources which can be used to achieve the organization's objectives.

From the regression tests, different resources influence the performance of the tourism government entities differently. Without the external environment factors, the internal resources such as human, physical, technological and capabilities influence the performance of the organizations positively. When external factors such as political, environmental, economical, external technological environment, social and legal framework are taken into consideration. The extent of influence of the resources on the performance of such agencies was reduced. This shows that external forces negatively affect the contributions of the resources on performance of such organizations.

Out of the different types of the resources tested, the contribution of the human resources on the performance of the tourism agencies was the highest. Human resources include the employees or the workforce, their intelligence, their experience, relationships and competencies of the managers and employees. The contribution of the human resources towards organizational performance is high because the human resources coordinate the other resources. According to Lawler and Mohrman (2000) human resources should be well positioned and designed as a strategic partner because they are involved in formulating and in implementation of the strategies.

The second highly contributing resource to the performance of the tourism agencies was the physical resources. These includes resources such as plant, equipment, location and access to raw materials. Physical resources requires important decisions such as size of the facilities, location of the facilities, the extent of technological advancement, the alternative uses of land and buildings, reserves and raw materials. The means on how to acquire new facilities and materials also makes an important aspect of decision making and management. According to Pearce and Robinson (2009) physical resources constraint the firm's set of production possibilities and impact its cost position which in turn affects the organizational performance of the organizations.

The technological resources was as well found to have significant contribution to the performance of the organizations. Technology is an intangible asset of a firm. Technology and innovation includes technological resources, intellectual property, copyright, research facilities, patent portfolio, technical and scientific employees. Advancement in technology permits organizations to improve on efficiency and productivity of the organizations due to speed, convenience and increased productivity.

Organizational capabilities such as skills of the workforce, people and processes also influences the performance of the tourism organizations significantly. Such resources include organization planning, structure of the organizations, organizational culture, coordinating and controlling systems, build-up networks, relationships with stakeholders and clients and reputation. These resources enable organizations to compete successfully. The results agree with the views of King (2007) who argued that capabilities significantly affect firms performance and competitive ability.

The financial resources was found to have insignificant contribution to the organizational performance of the public tourism agencies. This means although financial resources are important for any processes, the mere availability of the finances does not guarantee good performance of the organization. This is probably because finances requires good management and coordination and cannot without good management contribute to good performance. The proper use of the finances is what guarantees performance.

6. CONCLUSIONS

It is clear that resources are critical and important to the success and good performance of any organizations. The contribution of human, physical, technological resources and organizational capabilities was highly significant to the success of the public tourism agencies. However, the results shows that contributions of financial resources on the performance of the tourism agencies is not necessarily significant. This is due to the fact that availability of the funds does not by itself guarantee success but the proper use of the finances. The general consensus from the respondents is that the resource portfolio of an organization has an influence on the performance of the tourism organizations. It is thus recommended that managers in tourism related agencies optimize the resources available and develop strategies of seeking new resources to enhance the performance of such organizations and agencies.

References

[1]. Ainuddin, R. A., Beamish, P. W., Hulland, J. S., & Rouse, M. J. (2007). Resource attributes and firm performance in international joint ventures. *Journal of World Business*, 42, 47–60.

[2]. Bakker, A.B., Demerouti, E. and Euwema, M.C. (2005), "Job resources buffer the impact of job demands on burnout", *Journal of Occupational Health Psychology*, Vol. 10, pp. 170-80.

[3]. Bamberger,P.,& Meshoulam,H.(2000).*Human Resource Strategy: Formulation, Implementation and Impact*. Sage: Beverly Hills.

[4]. Barney, J.B. & Hesterly, W.S. (2006). *Strategic management and competitive advantage – concepts and cases*, Pearson Prentice Hall, pp. 95-108

[5]. Berg, B.L. (2001). *Qualitative Research Methods for the Social Sciences*. Boston: Allyn and Bacon.

[6]. David, F. (2007). *Strategic Management Concepts and cases*, Pearson Prentice Hall.

[7]. Demerouti, E., Bakker, A.B., Nachreiner, F. and Schaufeli, W.B. (2001a), "The job demands-resources model of burnout", *Journal of Applied Psychology*, Vol. 86, pp. 499-512.

[8]. Galbreath, J. T. (2004). *Determinants of Firm Success: A Resource-based Analysis*. Curtin University of Technology.

[9]. Hitt, M. A., and Ireland, R. D. (2002). The essence of strategic leadership: Managing human and social capital. *Journal of Leadership and Organizational studies, Summer, 9,* 13-14.

[10]. Hitt, M. A., Harrison, J. S., & Ireland, R. (2001). *Mergers and acquisitions: A guide to creating value for stakeholders*. Oxford, UK: Oxford University Press.

[11]. Hitt, M.A., & Ireland, R.D. (2002). The essence of strategic leadership: Managing human and social capital. *Journal of Leadership & Organizational Studies*, *9*(1), 3-14.

[12]. Ireland, R.D. & Hitt, M.A. (1999). Achieving and maintaining strategic competitiveness in the 21st century: the role of strategic leadership. *Academy of Management Executive*, 13(1): 43–57.

[13]. Ismail, A.I., Rose, R.C., Uli, J., & Abdullah, H., (2012The Relationship between Organisational Resources, Capabilities, Systems and Competitive Advantage.Asian Academy of Management Journal, Vol. 17, No. 1, 151–173.

[14]. Kenya, Sensitization Training Manual, 2004

[15]. King, A.W. (2007b). Disentangling interfirm and intrafirm causal ambiguity: A conceptual model of causal ambiguity and sustainable competitive advantage. *Academy of Management Review*, Vol. 32, No.1, 156-178.

[16]. Kothari, (2007). *Research methodology: Methods and techniques*: New age, Delhi, India.: International publishers.

[17]. Lawler, E. E., & Mohrman, S. A. (2000a). Beyond the visions: What makes HR effective? *Human Resource Planning*, 23(4), 10-20.

[18]. Lee, S. & Whitford, A.B (2012) Impacts of Organizational Resources on Agency Performance: Evidence from Federal Agencies. *Journal of Public Administration Research & Theory*. Jul2013, Vol. 23 Issue 3, p687-712. 26p.

[19]. Lippman, S.A & Rumelt, R.P.(2003) A bargaining perspective on resource advantage *Strategic Management Journal*, 24 (11) (2003), pp. 1069–1086

[20]. Mayer, K. J., Salomon, R. (2006). Capabilities, Contractual Hazard and Governance: Integrating Resource-Based and Transaction Cost Perspectives. *Academy of Management Journal*, 49: 942-959.

[21]. Morgan, N. A., Kaleka, A., & Katsikeas, C. S. (2004). Antecedents of export venture performance: A theoretical model and empirical assessment. *Journal of Marketing*, 68, 90–108.

[22]. Mugenda, O.M. and Mugenda, A.G, (2003) *Research Methods. Qualitative and Quantitative Approaches.* Act Press, Nairobi

[23]. National Tourism Strategy (2013)

[24]. Pearce II, JA & Robinson, RB Jr. (2009). *Strategic management: formulation, implementation and control*. 11th international edition. Singapore: McGraw-Hill.

[25]. Richard, P. J., Devinney, T., Yip, G., & Johnson, G. (2009). Measuring organizational performance: towards methodological best practice. *Journal of Management,* 35(3), 718-804. DOI: 10.1177/0149206308330560

[26]. Rose, R. C., & Kumar, N. (2007). Blockade for career advancement in Japanese organization abroad: The case of Malaysian subsidiaries. *American Journal of Applied Sciences*, 4(1), 8–13.

[27]. Rowe, W.G. (2001). Creating wealth in organisations: The role of strategic leadership .*Academy of Management Executive*, 15(1): 81 – 95.

[28]. Shane, S. & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25, 217-226.