



**Influence of strategic human resource utilization on organizational performance of  
Machakos County Government, Kenya.**

**By**

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**Abstract**

The study sought to assess the influence of strategic human resource utilization on organizational performance of Machakos County Government, Kenya. The study used a descriptive survey design because the study requires an in-depth understanding of the influence of organization resources on the organization's performance regarding Machakos County. The target populations for this study were all the 154 management staff of Machakos County and were drawn from all the management levels. The study used stratified sampling method to select 110 out of 154 respondents. Data was collected through the use of structured questionnaires. The analysis included both descriptive and inferential statistics. Descriptive analysis included percentages, Mean and Standard Deviation while inferential statistics that was based on linear regression and was used to establish the relationship between human resources utilization and its performance and helped in drawing a conclusion on the relations between variables and the nature of relationship based on a 95% confidence level. The findings shows that strategic human resource utilization ( $P < 0.016$ ) have a positive and significant influence on the performance of Machakos County government, Kenya. The study recommended that there is need for the county government to continue investing in human resources in order to improve its performance. The county government needs to continue in frequent staff training in both short and long term training so that the county government staff can have the required skills and competencies not only to improve the performance of the county government but also be able to handle emerging issues in service delivery. The county government staff needs to have the necessary training in modern technology and emerging issues in work environment.

**Key Word: Human Resource Utilization, Performance of the county government, County Governments**

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### **1.1 Introduction**

### **1.2 Background of the Study**

Effective use of the available resources is crucial if the organization is going to meet its goals and objectives. According to Heneman, Judge and Muller (2015), organizational resources are all assets that an organization has and is available for utilization in the production process; they include combination of natural resources, physical, financial and human capital. The more a firm invests in resources, the more it can perform well. If the organization invests and manages its resources well, then it can achieve high levels of performance. Organizational resources remain crucial in determining its performance. It is therefore crucial to strategically manage the organization resources in order to achieve the required performance. Deshpande, Farley, and Webster (2017), argue that while the management of different organizational resources requires different approaches, it calls for deeper understanding and proper resource utilization for companies to achieve the desired performance.

Companies in South Africa are drawing knowledge based on good practices throughout the continent and world, coming up with contextualized measures to enhance capacity in resource utilization, promotion of innovation, and improvement of resource utilization which are vital in enhancing organizational performance in the country (Azuayi, 2016). Notably, Matimbwa (2019) posits that organizations in Tanzania are facing challenges in achieving effective resource utilization. Many organizations have resorted to outsourcing Human Resource functions in organizations. This is despite the reality that the practice is still evolving in the country. Umar and Abu (2019) point out that the rationale for outsourcing is essentially the same in public and private sectors. They further assert that organizations should be aware of the HR functions to be outsourced. Secondly, they subscribe to the idea that, an organization should have laid down

procedures and steps that give direction in HR outsourcing decisions. Finally, the organization needs to have a useful hierarchical categorization and logical framework on how to assess and analyze outsourcing.

Like other countries, organizations in Kenya have not properly utilized their resources to achieve the company's optimum performance. Performance of Kenyan state corporations remains crucial for micro and macro-economic development of the country. The government of Kenya realizes that for a long time poor performance has been realized in the government organizations, with emphasis on the public resources management that make the government not to realize its sustainable economic growth objectives (GoK, 2005). This is why performance of public institutions have been of great concern to many stakeholders including management practitioners, government and the public at large. This is partly due to dwindling resource base and growing need for public services (GoK, 2013). Therefore, strategic human resource utilization could be a recipe for better performance.

The study will focus on human resource utilization in the Machakos County. While all the other resources are important, human resource is crucial for the county government of Machakos to achieve the desired performance which includes delivery of quality and timely services to the people of the county.

### **1.3 Statement of the Problem**

In any sector, organizational resources remain crucial in determining the firm's performance. While the management of different organizational resources requires different approaches, it calls for deeper understanding and proper resource utilization for organizations to achieve the desired organization's success. However, superior organizational performance relies not only on the firm's resource endowment but also on the efficiency with which the resource endowment may be utilized (Dehning & Richardson, 2018).

Effective utilization and optimization of human resource is crucial for its performance. Adeyeyetolulope (2015) investigated the impact of technological innovation on organizational performance and established a positive relationship between performance variables such as resource availability, staff quality, productivity, sales revenue, financial strength, public image,

and goodwill. While the available empirical findings show mixed findings on the correlation between organizational resources and organizational performance with some of the mixed results indicating both negative effects while others show a positive relationship. Moreover, most of the studies have been carried in other parts of the world and may not reflect the situation in county government in Kenya. The choice of the Machakos County provides ideas of fair inclusion and sectorial representativeness which is a key ingredient towards universal theory formation.

Given the inconsistencies in the findings and non-existence of any remarkable research on the relationship between human resources and its influence on organizational performance, the researcher wishes to conduct research to assess the influence of strategic human resource utilization on the organization's performance of Machakos County in Kenya.

## **1.4 Literature Review**

### **1.4.1**

**Organization Theory:** Through the theory the study explored how human resources management at different level would influence the management of other resources which then impact on the overall organization performance.

**Resource-Based Theory:** Through the Resource-Based Theory the study shows how organization can strategically manage their resources to give it a competitive advantage and improve its overall performance.

#### **1.4.1 Influence of Human Resources on Organizational Performance**

In the USA, one of the basic goals of Human Resource Management (HRM) is to increase the performance of organizations. Vermeeren and Tummers (2014) carried out a study on Human Resource Management and its effects on employees, organizational and financial outcomes in health care organizations in the United States of America (USA). While using unique dataset, based on the 'Axis Benchmark in Healthcare', a benchmark study conducted in Dutch home care established that nursing care and care homes. Analysis was done study using data from autumn 2010 to autumn 2011 where a total of 162 organizations participated during this period which approximately represented 35% of all Dutch care organizations. The study established that Human Resource (HR) practices are related to improved financial outcomes measured in the net

margin; organizational outcomes measured in terms of client satisfaction; and HR outcomes measured in sickness absence. The findings of the study also established that Human Resource outcomes and organizational outcomes proved substantially larger than their impact on financial outcomes.

Human resources can be advantageous to organizational performance if utilized well. A study by Cooke and Sani (2012) while adapting a qualitative approach used a semi-structured interview design to collect from 16 Chinese and Indian middle and senior managers and four human resources (HR) director of regional headquarters of foreign multinational firms. The study revealed that most Chinese organizations do not see data management as an issue. The study focuses on conflict avoidance rather than value addition to the business. On the other hand, managing diversity in India is of greater significance for firms, both legally and financially and therefore should be considered. In comparison with Chinese firms, Indian managers are seen to be much more familiar with the notion of diversity.

Osemeke (2017) carried out a study on the impact of human resource management practices on organizational performance: A Study of Guinness Nigeria Plc used T-tests to examine the relationship between the selected HR practices and organizational performance. The findings of the study show that from the perceptions of the respondents, there exists a positive relationship between effective recruitment and selection practices, effective performance appraisal practices and Guinness's performance. However, this study was carried out in the context of corporate sector while this study focuses on the public sector.

An empirical investigation was conducted by Mwangi (2015) to probe the effect of outsourcing human resource management functions in Tanzania: A case study of precision air, Dar es Salaam. The study through a case study sought to bring out the understanding of how outsourcing is executed at Precision Air. The study also sought to find out the significance of outsourcing at Precision Air and determining the challenges facing Precision Air when performing outsourcing of HR functions. The study findings indicate that Precision Air has laid down procedures that must be followed in any outsourcing decision. Challenges faced by Precision Air in HR outsourcing included loss of organizational learning, loss of command on the outsourced activities and disintegration of internal competence. Other challenges cited by the

study included loss of control in decision making, motivation loss of employees regarding the outsourced services and loss of employee loyalty.

Kiangoi (2015) carried out a study to determine the impact of human resource practices on organizational performance at Tata Chemicals Magadi Limited, in Kenya. The study employed a descriptive research design to get the necessary data. The study concluded that the application of HR practices do indeed have a positive impact on the performance of an organization. It is also important that the practices be integrated to make them more efficient. The study further recommends that researchers should invest studies to find out the impact of other human resource practices.

### **1.5 Methodology**

The study used a descriptive survey design because the study requires an in-depth understanding of the influence of organization resources on the organization's performance regarding Machakos County. The target populations for this study were all the 154 management staff of Machakos County and were drawn from all the management levels. The study used both probabilistic and non-probabilistic sampling methods to select the sample size for this study where the study through stratified sampling selected 110 out of 154 respondents. Data was collected through the use of structured questionnaires. The analysis included both descriptive and inferential statistics. Descriptive analysis included percentages, Mean and Standard Deviation while inferential statistics that was based on linear regression and was used to establish the relationship between human resources utilization and its performance and helped in drawing a conclusion on the relations between variables and the nature of relationship based on a 95% confidence level.

### **1.6 Findings**

The data was analyzed through both descriptive and inferential statistics.

### 1.6.1 Descriptive Statistics

**Table 1.1 Effects of Human Resource on the Performance of County Government**

Human Resources	SA&A	Neutral	SD&D	Mean	Standard Deviation
The county government has investment more on its Human Resource	78.8	11.8	9.4	3.95	.987
The county government has enough staff	50.1	22.4	23.5	3.36	1.299
Every department has enough staff to perform their duties	87.1	5.9	7.1	4.26	.902
The county government staff have the necessary skills required to perform their duties	56.5	25.9	17.6	3.52	1.076
There is frequent staff training in both short and long term training	15.3	12.9	71.8	3.84	1.132
The county government staffs have the necessary training in modern technology and demerging issues in work environment.	75.3	20.0	4.7	4.13	.936

**Source: Study Findings (2020)**

The findings of the study indicated that 78.8% of the respondents felt that the county government has investment more on its Human Resource, 11.8% were neutral while only 9.4% of the respondents felt that the county government has not investment more on its Human Resource. The response registered a mean of 3.95 and a difference in response of 0.987 standard deviation. This indicated that there was an average difference in response on whether the county government has investment more on its Human Resource.

On whether the county government has enough staff, the findings of the study indicated that 50.1% of the respondents felt that the county government has enough staff, 11.8% were neutral while only 9.4% of the respondents felt that the county government has no enough staff. This indicated a mean of 3.36 and a standard deviation of 1.299. This indicated that there was a high difference in response on whether the county government has no enough staff.

The findings of the study indicated that 87.1% of the respondents felt that every department has enough staff to perform their duties, 5.9% were neutral while another 7.1% of the respondents felt that every department has no enough staff to perform their duties. The response registered a

mean of 4.26 and a standard deviation of .902. This showed an average response difference on whether every department has no enough staff to perform their duties. On the other hand, the findings of the study indicated that 56.5% of the respondents felt that the county government staff have the necessary skills required to perform their duties, 25.9% were neutral while 17.6% of the respondents felt that the county government staff do not have the necessary skills required to perform their duties. The response in this part indicated a mean of 3.52 and a Standard deviation of 1.076 which indicated that there was slightly average deference in terms of responses.

On whether there is frequent staff training in both short and long term training, the findings of the study indicated that only 15.3% of the respondents felt that there was frequent staff training in both short and long term training, 12.9% were neutral while 71.8% of respondents felt that there was frequent staff training in both short and long term training. The response in this part indicated a mean of 3.84 and a standard deviation of 1.132 which meant that there was high difference in terms of response on whether the frequent staff training in both short and long term training.

The results of the study also indicated that the county government staffs have the necessary training in modern technology and emerging issues in work environment where 75.3% of the respondents agreed, 20.0% were neutral while 4.7% of the respondents felt that the county government staffs does not have the necessary training in modern technology and emerging issues in work environment. The response indicated a mean of 4.13 and a standard deviation of .936 which indicated that there was an average difference in response on whether the county government staffs have the necessary training in modern technology and emerging issues in work environment

The findings of the study indicated that the county government has invested in human resource and has achieved high levels of performance. Kiangoi (2015) findings that effective application of HR practices do indeed have a positive impact on the performance of an organization and therefore ability of every de department has enough staff to perform their duties and that county government staff have the necessary skills required to perform their duties.

### **1.6.1 Inferential Analysis**

Pearson correlation analysis and regression model were used, which took the form of;



$$OP = \beta_0 + \beta_1 HR_1 + \epsilon$$

Where: OP = Performance of County Governments

HR = Independent Variables

$\epsilon$ . = Error Term

$\beta_1$  = Regression co-efficient of four variables

**Table 4.9 Effects of Human Resource Utilization on performance of Machakos County Government: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460 <sup>a</sup>	.328	.396	.62690

The coefficient of determinant (R-squared) of .068 that presents a 32.8% of the total variation in Human resource utilization on performance of Machakos County Government, Kenya. On the other hand, the Adjusted R Squared of .396 indicates human resource utilization, in exclusion of constant variable, explained in the changes in in the performance of Machakos County Government by 39.6 %. The remaining (60.4%) can be explained by the factors such as financial resource utilization, technological resource utilization and operation resources utilization which have not been included in the regression model under investigation.

**Table 4.10 Effects of human resource utilization on performance of Machakos County Government: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.369	1	2.369	6.028	.016 <sup>b</sup>
1 Residual	32.619	83	.393		
Total	34.988	84			

a. Dependent Variable: Performance of County Government

b. Predictors: (Constant), Human Resource Utilization

The table 4.9 above that shows a regression output of human resource utilization, financial resource utilization as valid ( $F(1, 83) = 6.028, P < .016$ ). This means that human resource

utilization can be used as predictor in explaining the variation in the performance of Machakos County Government, Kenya. The ( $P < 0.016$ ) which is less than the critical value of 0.05 leads us to reject the null hypothesis and accepting the alternative hypothesis that strategic human resource utilization have a positive and significant influence on the performance of Machakos County Government.

**Table 4.11 Effects of Human resource utilization on performance of Machakos County Government: Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.574	.428		6.016	.000
Human Resource Utilization	.266	.108	.260	2.455	.016

From the regression analyzing, the findings of the study indicated that:  $Y = 2.574 + .266X + \epsilon$ . This indicates that a .266 change in Human Resource Utilization will have unit change in the performance of Machakos County Government.

Where; Constant 2.574 that indicates that if Human Resource Utilization factors are all rated at zero, the performance of Machakos County Government would stay at 2.574.

**1.7 Conclusion**

The results indicated that human resource utilization, financial resources utilization, operational resources utilization and technical resource utilization influence the performance of Machakos County Government. The more the county governments invest in organization resources the more they are able to achieve high levels of performance. While the county government has adequate staff, they are not frequent staff training in both short and long term training and that the county government staffs have the necessary training in modern technology and emerging issues in work environment.

The study also established that the strategic human resource utilization ( $P < 0.016$ ) have a positive and significant influence on the performance of Machakos County Government.

**1.8 Recommendation**

There is need for the county government to continue investing in human resources in order to improve its performance. The county government needs to continue in frequent staff training in both short and long term training so that the county government staff can have the required skills and competencies not only to improve the performance of the county government but also be able to handle emerging issues in service delivery. The county government staff needs to have the necessary training in modern technology and emerging issues in work environment.

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