

**RESOURCE MANAGEMENT AND FIRM PERFORMANCE OF TYRE FIRMS IN
KENYA**

KAREN MUKAMI

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UNIVERSITY**

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DECLARATION

This research project is my own work and has never been submitted to any other institution of higher learning (apart from this) for an award of a degree.

Signature _____

Date _____

KAREN MUKAMI KAIBUNG'A

D53/CTY/PT/27997/2014

This research project has been submitted for examination purposes with my approval as University Supervisor.

Signature _____

Date _____

DR. SAMUEL MAINA

Lecturer

Department of Business Administration

School of Business

Kenyatta University

DEDICATION

I dedicate this research project to my friends for their inspiration and motivation throughout the process of preparing my research project. I appreciate my family for moral and financial support and their prayers.

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ABBREVIATIONS AND ACRONYMS

FRM:	Financial Resource Management
HCM:	Human Capital Management
HELB:	Higher Education Loans Board
HRM:	Human Resource Management
TRM:	Technological Resource Management
IM:	Inventory Management
IT:	Information Technology
KMTC:	Kenya Medical Training College
NACOSTI:	National Commission for Science, Technology and Innovation.
RBV:	Resource Based View Theory
RM:	Resource Management
SMEs:	Small and Medium Sized Enterprises
SPSS:	Statistical Package for Social Sciences
UTAUT:	Unified Theory of Acceptance and Use of Technology

OPERATIONAL DEFINITION OF TERMS

Financial Resource Management:	Is the process of ensuring funds are properly allocated, as well as ensuring that there is adequacy of funds and timely release of funds in tyre manufacturing firms have adequate funds
Firm Performance	Refers to the organizations' ability to make use of its available resources in order to attain specific objectives, that comprise increase in market share, customer satisfaction as well as delivery of goods to customers on time
Human Capital Management:	Is a collection of process that makes sure there is proper adequate staff and enhancing competency employees' skills as well as performance reviews
Inventory Management:	Is the process of purchasing raw material, controlling stock and store management in tyre manufacturing firms
Performance:	Is defined as the process where tyre manufacturing firms' internal business process, customer satisfaction as well as financial performance are analyzed
Resource Management:	It deals with advancement of organization resources via technological resource management, human capital management, financial and inventory resource management in an efficient and effective way.
Technological Management:	Resource Deals with managing of advancement in supply chain technology, manufacturing technology and information system in tyre manufacturing firms

ABSTRACT

In the last two decades, there has been an influx of new entrants in Kenyan tyre sector with key players being Kingsway Tyres Limited Sameer Africa Limited as well as Auto Express Limited among others, which import quality and cheap tyres from Asian countries including China. In response, Kenyan tyre firms have greatly invested in technological resources, inventory management and human capital to ensure survival within the industry. Nevertheless, despite this investment, there has been a decline in performance of market share and customer satisfaction. Therefore, this study examined how resource management influences firms' performance of Kenyan tyre firms. The study also sought to assess the effect of financial resource management, human capital management, technological resource management and inventory management on firm performance of tyre firms in Kenya. This study deployed descriptive research design. Moreover, the study population comprised of 170 heads of finance, human resource, sales and marketing, warehouse, IT and audit departments in 29 Kenyan tyre firms. Krejcie and Morgan sample size determination formula was deployed to determine the sample size. Moreover, stratified random sampling was employed to select a total of 118 individuals from study population. Primary data which was collected using questionnaires was deployed during the study. Questionnaire was employed to gather primary data. Questionnaire composed of close ended as well as open ended questions. Quantitative data was collected using close ended questions while qualitative data was obtained by employing open ended questions. Moreover, quantitative data was then analyzed using inferential as well as descriptive statistics through the support of SPSS version 22. Additionally, descriptive statistics concentrated on computation of percentages, frequency distribution, standard deviation and mean. Inferential statistic focused on multivariate regression analysis, which was deployed to determine an association between independent study variables and dependent study variable. Results were then given in tables as well as figures (pie charts and bar charts). The study found that financial resource management has a very strong and positive influence on performance of Kenyan tyre firms. Moreover, study discovered that human capital management has positive as well as significant effect on firm performance of tyre firms. Further, the study found that technological resource management has positive as well as significant effect on firm performance of tyre firms in Kenya. The research found that inventory management has a positive as well as significant influence on firm performance of tyre firms in Kenya. Therefore, this study recommends adoption of resource management by the tyre firms to maximize utilization of resources, minimize wastage and improve the firm overall performance. In addition, tyre firms in Kenya should organize for regular employee training so that they can be equipped with proper knowledge as well as skills on how they should relate with customers in order to increase customer retention.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Today, industries function in a highly turbulent and competitive business arising from globalization, market liberalization rapid technological change (Julienti, Bakar& Ahmad, 2010). Additionally, in the business world, high level of uncertainties has been as a result of globalization and therefore business entities are subjected to external effects, non-consistent flow of resources and dynamic changes. Further, customers are more knowledgeable, more flexible and complicated to change to competitors providing products of high quality as a result of dynamic competition within the business sector (Wangari, 2014). Therefore, firms must make sure there is proper resource management in order to survive in present turbulent and competitive business environment (Moise, 2015).

The major idea behind resources management and performance presupposition is that human resource(HR) practices influence the employees' behavior and attitudes, which consequently influence firm's performance in productivity, internal business process as well as customer satisfaction (Whitney, 2019). Financial resource management has a potential of ensuring capability plans' maximization with an intention of making sure that manufacturing companies are able to balance their scarce available resources thus ensuring minimum machine working time, maximum customer satisfaction as well as use of resources and inventory control which minimizes overall costs (Mirzaei, Barari&Zarrabi, 2019).

In an organization, firm performance is viewed at in following dimensions; market share (Market performance), financial performance, (profitability) and return of shareholders. The determinants

of financial performance include profits, ROI, ROA and ROE. Performance of product market stresses on firms' sales and market share. Richard et al. (2009) argue that economic value added and total shareholder return are indicators in shareholder return. Today, performance of organizations is done by use of balanced scorecard technique where performance of an organization is tracked and also measured in terms of company performance, customer service, financial performance, employee stewardship, social responsibility, firm engineering and performance measurement systems (Upadhaya, Munir & Blount, 2014).

Due to weak performance in orders distribution in tyre companies, majority of tyre manufacturing firms are incurring extra costs arising from costs of raw materials, inventory management as well as transportation costs. These manufacturing companies are capable of minimizing production costs by developing optimal production plans which will include future expected demand therefore reducing the extra costs involved in giving orders on basis of transport modes and customer location (Li *et al.*, 2018). Tyre manufactures can automate or adjust decision concerning production capacity and buying of raw material of tyres with regard to technological resource management, depending on market price and market demands instead of following planners. This can lead to minimized wastage and maximum use of resources and improvement in their general performance (Ayse, 2010). Ankit (2018) found that work resources, cost resources and material resources are employed to measure resource management. Ronda (2019) revealed that financial resource, technological resources human capital and inventory management are indicators of resource management (RM).

1.1.1 Resource Management

The RM influences success of any firm. A firm must have a proper management of resources for it to survive, irrespective of whether it is a profit-making or non-profit making firm (Asara, 2009). Resource management in a firm deals with advancement of firm resources in an efficient and effective way. Organization resources consist of human resources, IT resources, natural resources, inventory resources and financial resources (Demba, 2013).

Ng'ang'a (2017) revealed that human capital management, financial resource management, physical resource management and technological resource management are all elements of resource management. Lee (2018) noted that resource management consists of human capital management, financial resource management, physical resource management and technological resource management. Mwai, Namada and Katuse (2018) found that management of resources consists of human capital management, inventory management, financial resource management and technological resource management.

Human Resource is an important component in any organization and the performance of firms relies on the way human capital is managed. Through proper management of the human resource, an organization will be able to achieve its target goals. HRM has a unique assumption which holds that improvement in any organization is brought by the human resource in that organization (Mwaniki & Gathenya 2015). Managing human resources comprises of obtaining new staff, developing new employees, training new employees, appraising of staffs, compensating them, ensuring labor relations, health safety as well as fairness concerns (Saeed *et al.* 2013). HCM is dynamic according to (Bowen & Ostroff, 2004) and comprises of tasks such as working, planning of employee's needs, employee recruitment, determining employee wages

and salaries, solving staffs disputes, creating a favorable working environment as well as ensuring safety of employee.

Regardless of the firms' size, inventory management is relatively crucial in any organization. In supply chain among the major success factors is inventory management. The most difficult role in inventory control management is balancing inventory demand and inventory supply. All business organizations wishes to retain adequate inventories which complements inventory demand in order to ensure no customer is unserved or unsatisfied due to stock-out. Nevertheless, companies usually prefer not to keep excess inventory because it will be too uneconomical to carry the stock (Coyle, Bardi, and Langley, 2003). Therefore, in the modern competitive and dynamic business world, inventory control management is very important. This entails cutting holding costs via maintenance of required stock (stock control); moreover, it is concerned with purchasing of raw materials and stored inventories management (Koin, Cheruiyot, and Mwangangi, 2014).

Marembo (2013) argue that organizations manage financial resources by accounting for all transactions, fixed asset management, risk management, capital structure management, cash budgeting, allocation of funds, adequacy as well as timely release of funds. In Kenya, Demba (2013) found that performance of KMTC was greatly influenced by tracking and reporting of financial records, moreover, annually budgeting processes further influenced performance and finally internal controls had weak influence on KMTC financial performance.

Technology is necessary for both private and private firms as it allows organizations to meet the needs of their clients fast and effectively. Firms should share knowledge among each other if they want to effectively respond to environmental threats (Bowen & Ostroff, 2004). The

efficiency of operations in a tyre firms is subject to proper matching of the available information technology and the firms' functions. Information technology alignment such as information technology compatibility, information technology flexibility, network connectivity improves firm performance in volatile markets. In addition, information technology is a paramount source of value for firms and it allows for improved performance (Mwaniki & Gathenya 2015).

1.1.2 Firm Performance

Gawankar, Kamble and Raut (2015) found that majority of the firms employ a balanced scorecard in order to manage organizational resources by use of a framework designed by tracking indicators of key performance. The performance indicators include tracking market goals, financial performance, customer attitude, customers' satisfaction, evaluation of operational objectives designed at ensuring customer satisfaction, tracking innovativeness within the organization which emphasized on drivers of future success such as human capacity, information systems and organization capital. The indicators of financial performance follow a particular sequence and depend on the other; improvement in organizations' internal processes is attained through development in terms of innovation and learning. Internal processes are further done through balanced scorecard of key performance indicators that ensures efficiency in operations therefore improved customers' satisfaction and improvement in the firm performance (Elmaci, 2014).

Mark, Scott, James and David (2016) revealed that the measures of firm performance involve three dimensions: customer satisfaction, machinery efficiency as well as staff productivity. Nilesh (2015) found that market share, internal business process and service delivery are all measures of firm performance. Predrag *et al.* (2015) suggests that efficiency (delivery time), customer satisfaction and productivity are the measures of firm performance. Kamau (2016)

revealed that firm performance can be measured in terms of efficiency in internal process of a business, customer satisfaction as well as market share. In this study, performance was measured in terms of customer satisfaction, market share and tyre delivery time.

1.1.3 Tyre Firms in Kenya

The Kenyan tyre firms have been in existence for over forty years. The Firestone East Africa Limited (currently Sameer Africa Limited) was the pioneer company which enjoyed almost 20 year's monopoly with 'Firestone' as its flagship brand. Later, upon market liberalization in 1990's, other players became part of the industry for example, Autoexpress Kenya Limited (currently Nyanza petroleum Limited), Kingsway Tyres, Treadsetters Tyres Limited among others. In the market today, there are more than 10 key formal players, some very small to large international business groups as well as many informal dealers some of them import various tyre brands with no specific loyalty to a particular brand. Indigenous Kenyans own most of the firms.

A significant growth in local tyre industry took place after 1992, when liberalization of the economy took place in Kenyan. The pace of new entrants had been slowed by entry barriers which were exemplified by support for local manufactures by the government and importation difficulties of finished products, then Firestone East Africa Limited. Economy liberalization resulted into elimination of entry barriers and the rate of new entrants increased with rise in industry players heightening to the recent estimate of almost 10 formal players as well as large number of informal players. In tyre industry the importation of cheap tyres has been increasing, and has negatively affected the demand for local tyres as people go for cheaper tyres. Since 2013, the performance of Kenyan tyre manufacturing companies has been unpredictable. In

2013, the sector had a 5.6 % growth; nevertheless, in 2014 this growth declined to 3.2%. The sector maintained a 3.5 percent growth in 2015.

1.2 Statement of the Problem

In present competitive and dynamic world, managing firm resources is quite important for better firms' performance whether in long term or short term. It is increasingly essential for firms to give a clear perspective on drivers of resources and organizational trends in order to maintain investor's confidence as well as provide an insight to top managers. As major component that highly affects firm performance, resource management continues to be limited and scarce for majority of the firms. Extended technological management, financial management and inventory management influences firms' performance significantly (Brigham, 2017).

In the Kenyan tyre manufacturing sector, Sameer Africa has been enjoying monopoly since 1969 (Sameer Africa Limited, 2016). However, in the last two decades an influx of new entrants has been experienced in the industry with key competitors importing cheap tyres from Dubai and China among other countries. As a result, Sameer Africa joined other firms in importation of tyres instead of manufacturing them. Some of the multinationals companies that have joined Kenya market include Tread setters, Apollo and Michelin among others. Customer satisfaction and market share have been influenced by the increase in number of players within this industry (Feisal, 2016). The Kenyan tyre firms have greatly invested in technological resources, inventory management and human capital to ensure survival within the industry. Nevertheless, despite this investment, a decline in performance (market share and customer satisfaction) is still being experienced in Kenyan tyre firms. For example, Warutumo (2017) found that in 2017 customers were not satisfied with shapeless tyres even though they were cheaper. Additionally, Shah (2019)

that noted in 2018 the tyre industry had a 50% decrease in sales. Therefore it is essential to research on influence of resource management on firm performance in Kenyan tyre industry.

Numerous investigations have been performed in Kenya concerning resource management and firm performance. For example; Gitahi and K'Obonyo (2018) investigated on how resource management influences firm performance of listed companies in NSE. Ng'ang'a (2017) examined the effect of firm resource management on firm performance in Kenyan tourism government agencies. Njagi, Muathe and Muchemi (2018) carried out a research on resource management and Performance of government owned Health Institutions within Embu County. Moreover, Kipkoech and Kimencu (2018) assessed the effect of resource management on performance of insurance industry located in Nairobi County. Nevertheless, these researches were limited to particular institutions and therefore the findings cannot be generalized to Sameer Africa Limited. Therefore, this study will evaluate whether RM influences firm performance in Sameer Africa Limited. Therefore, it is essential to understand how resource management impacts the performance of Sameer Africa limited.

1.3 Objectives of the Study

1.3.1 General Objective

The general study objective was to examine the effect of resource management on firm performance of tyre firms in Kenya.

1.3.2 Specific Objectives

The specific objectives of the study were;

- i. To assess the effect of financial resource management on firm performance of tyre firms in Kenya.

- ii. To examine the effect of human capital management on firm performance of tyre firms in Kenya.
- iii. To determine the effect of technological resource management on firm performance of tyre firms in Kenya.
- iv. To assess the effect of inventory management on firm performance of tyre firms in Kenya.

1.4 Research Hypothesis

The following are the null hypotheses that were tested in this study;

H₀1: Financial resource management has no significant effect on firm performance of tyre firms in Kenya.

H₀2: Human capital management has no significant effect on firm performance of tyre firms in Kenya.

H₀3: Technological resource management has no significant effect on firm performance of tyre firms in Kenya.

H₀4: Inventory management has no significant effect on firm performance of tyre firms in Kenya.

1.5 Significance of the study

Findings of on-going study are beneficial to management of Sameer Africa Limited, Kenyan government, policy makers, other researchers as well as academicians. The study's findings may benefit the policy makers as it gives important information concerning influence of RM on performance of Kenyan tyre firms. Henceforth, policy makers will gain from the on-going study because it provides detailed information that can be employed in formulation of HCM, FRM, inventory management and technological resource management policies which may increase firm performance of Kenyan tyre firms.

An exploration approach is provided by the findings of this study to the tyre manufacturing firms that may help them to better understand applicability of HRM, FRM, inventory management, technological resource management and factors influencing firm performance of Kenyan tyre firms. To the management of tyre manufacturing companies, the on-going study provides information on how resource management influences firm performance. The information can also be deployed to establish new resource management measures that influence the performance of tyre manufacturing firms. Moreover, the on-going study recommends on how the tyre manufacturing firms' management can use resource management to enhance the overall firms performance.

The present research adds more information to existing body of knowledge on how resource management influences the firm performance of Kenyan tyre manufacturing firms. Specifically, this study provides substantial information regarding the influence of HCM, FRM, inventory management and technological resource management on the performance of tyre manufacturing firms. Additionally, to other scholars, academicians and researchers, the on-going study provides research material for developing the literature review. Furthermore, the study forms basis for performing additional studies on ways in which firm performance is influenced by resource management.

1.6 Scope of the study

This stud focused on four elements of resource management of tyre industry: human capital management, financial resource management, inventory management and technological resource management. In this study, the unit of analysis was all Kenyan tyre firms with a minimum of two branches in Kenya and taking part in importation as well as distribution of tyres. There are

twenty nine tyre firms located in Kenya with a minimum of 2 branches and are involved with importation as well as distribution of tyres. Moreover, the study population was 170 heads of finance, human resource, sales and marketing, audit, warehouse and IT departments in twenty nine Kenyan tyre firms. The study was conducted between June 2020 and December 2020.

1.7 Limitation of the study

The tyre firms' management in Kenya was reluctant to allow the researcher to undertake the study because of confidentiality of the information relating to firm competitiveness as it can be employed by competitors to formulate strategies against them. Nonetheless, the researcher got a letter from Kenyatta University as evidence that the data will be deployed for learning purposes. Additionally, the company's top managers were assured that they will be given a copy of research findings. Participants were also not willing to provide information needed because of fear. However, researcher assured departmental heads that information given was particularly to be employed for learning purposes and will not be accessed by unauthorized persons.

1.8 Organization of the Study

This research project comprises of five different chapters. First Chapter focused on study background, problem statement, study's general as well as specific objective, research questions, justification, scope as well as limitations of on-going study. Moreover, chapter two focused on review of related literature. Specifically, the chapter focused on empirical review, theoretical review as well as research gaps. Moreover, the conceptual framework was presented in this chapter. Chapter three comprise of research design, study population, sampling design, data collection tools, procedures of data collection and finally data analysis as well as presentation. Chapter four presents the results, interpretations as well as discussion of findings as per objectives of the study. The chapter showed the analysis of the response rate, general data, descriptive and inferential statistics. Additionally, the chapter also interprets and discusses findings. The fifth chapter provides a summary of previous chapters together with conclusions

made. It comprises recommendations from the results obtained from the research and future research recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter sets out related literature on influence of resource management on firm performance. The chapter comprises of theoretical as well as empirical review on the effect of inventory management, HCM, FRM and TRM on firm performance.

2.2 Theoretical Review

This section will focus on theoretical review relating to effect of inventory management, FRM, TRM and HCM on firm performance. In this study, the theories that were employed are human capital theory, UTAUT, Queuing theory as well as RBV theory.

2.2.1 Human Capital Theory

The above theory was developed by Becker in 1962 and later it was collaborated by Theodore Schultz and Jacob Mincer (Bartocho, 2016). According to this theory, productivity of employees is improved through education or training by imparting them with essential knowledge and skills, thus increasing lifetime earnings of employees by raising their future income. The staff skill at the present area of work is enhanced by specified training competencies. The three major components which are included in human capital theory are favorable working environment, advancement of opportunities and training investment. Becker also recognized how staffs' burn out level in respective firms is influenced by general and specific training. Additionally, the proponents of this theory found a direct relationship between labor cost and firms' profitability

(Holden & Biddle, 2017). The human capital theory assumes that education impacts labor's marginal productivity, which in turn determines earnings.

The theory indicates that staffs enhance their knowledge and skills by investing fully in education and training and adopting other competencies. According to Becker, human capital investment is beneficial to any firm since it improves staff health, knowledge and skills. Becker employed the principles of human capital to show that substantial compensation may be generated by different firms by adopting theory concept. Coff and Raffiee (2015) argue that this theory was developed by Theodore with the purpose of outlining the significance of management leaders of specific firm to invest in job creation opportunities, education as well as ethical practices. Additionally, Schulz developed the principles of this theory to outline the importance of investing on training and education (human capital) was more successful than physical capital. The supporters of this theory state that productivity of employees is improved through training and education. Additionally, as proponents of the theory of human capital, Holden and Biddle (2017) indicate that training and education is an investment that leads to low risks and high returns than those given by physical and financial capital.

This theory was deployed in on-going study to explain how HCM influences performance of manufacturing firms. Directors, employees and heads who constitute human capital of an organization are fundamental to success of that organization. In an organization, HCM department play an essential role in managing human capacity, the department is required to ensure training as well as development, acquisition of human resource and manage human resource to ensure optimization. Moreover, the department is responsible of human resource strategy and planning and analytics and reporting. Hence, this theory indicates the role of HRM in offering training as well as education which consequently improves firms'

performance. HRM must carry out its function in acquisition, development as well as retention of firms' human capital. The staffing function of HRM should as well be effective during the search, recruitment and acquisition of employees with human capital important for firm's requirements (Coff&Raffiee, 2015).

2.2.2 Unified Theory of Acceptance and Use of Technology (UTAUT)

UTAUT theory was expounded via the seminal work of Venkatesh, et al. (2003). It's a unified model which is developed from 8 acceptance technology models. The new model was as a result of the fast advancement in technology. UTAUT model attempted to show case technological acceptance as well as utilization as evident in some setting such as consumer technologies. Afterwards, UTAUT 2 was expounded as an expansion of UTAUT. Moreover, UTAUT 2 has the following factors that affect behavior intention and use such as performance expectancy, routine, facilitating condition, price value, peer pressure, hedonic motivation as well as effort expectation. In this study, UTAUT 2 was employed since it is the most current and it has developed from the development of UTAUT 1 (Nair, and Leong, 2015). The UTAUT theory assumes that organizations have an access to technology, have the internet and are willing to utilize it.

Behavioral intention refers to a person's intention to behave in a certain manner which can be deployed to forecast other behaviors more so when individuals' actions are voluntary. Moreover, behavioral intention refers to the likelihood of performing act and so the reason of a certain usage behavior. Therefore, it is true that intentions are motivational behavior influencers and they further show the effort that persons are ready to put in order to act in a certain behavior. Behavioral intention was noted to be the major factor that influenced the usage of mobile

services by an individual. The best signs of future use of services were found to be usage intentions (Venkatesh, Thong & Xu, 2012).

Performance expectancy outlines degree to which people benefit after utilizing technology to carry out a certain activity. Effort expectancy refers to the simplicity usage of a technology. Social influence is concerned with individual view on usage of a specific information system. The insight that technical infrastructure and firm gives the required support to ensure the usage of technology is successful is what is referred to as facilitating conditions. Hedonic motivation refers to pleasure derived from utilizing a technology (Colbert, 2014).

This theory was deployed in on-going study to explain effect of TRM on firm performance of manufacturing firms. When technological resources are effectively managed they minimize cost of production and enhance the operational efficiency hence leading to overall increase in firm performance. Since firms are crucial in explosion of ICT, it is essential to understand human behavior. A broad knowledge on the influence of human behavior is important and can assist manufacturing firms to manage their technological resources effectively (Gumusoglu&Akay, 2017).

2.2.3 Queuing Theory

Queuing theory was coined in 1909 by Agner Erlang Krarup. The model emphasis on mathematical disciplined associated with queuing processes. Moreover, this theory helps a person to mathematically establish the occurrence of stacking processes (Xie, Cao & Ong, 2016). The model is concerned with how to obtain and calculate different measures of procurement performance like determining the duration spent on receiving or waiting services, the average wait times in categorization of products, (Iman&Borimnejad, 2017). Hill (2014) suggest that the

techniques that are commonly deployed to optimize processes of handling systems and layout design focuses on reduction of cost which is incurred when handling materials. The reason being inherent variability leads to accumulation of roles in different stages of production and consequently influences firm's competitive strategies including cost, quality and time. Therefore, firms should incorporate or integrate methods that simultaneously optimize their material handling procedure and layout designs (Xie, Huang & Ong, 2016). Moreover, this theory can further be employed to model differences on material handling systems by employing genetic algorithms that resolve incorporated optimization issues. Additionally, the model describes how optimization strategies can be employed to improve production systems' efficiency expressed in total task that are in progress, total-traveling duration and efficiency of material-handling devices. The queuing theory assumes that customer arrivals follow an exponential distribution, and customers are endless and patient.

In the on-going study, queuing model was employed to explain the existing association between inventory management and firm performance. Moreover, the theory helps a firm to enhance on its material-handling systems and layout design that minimizes storage cost. Effective inventory management leads to reduction of physical storage space, labor force and duration of time which is spent to store as well as regain manufacturing resources including raw material resulting to reduction of inventory cost which eventually leads to improvement in firms' performance. Mathematical analysis of numerous processes is held by this theory. The processes involve; Arrival in the queue, storage process (queuing for service), and acquiring services in front of queue. Additionally, the theory accommodates deriving measures of performance, and calculating numerous measures including average time which is spent for waiting services,

average number of individuals waiting to be served in the queue, and the possibility of not being served or missing a service (Iman&Borimnejad, 2017).

2.2.4 RBV Theory

RBV was propounded in 1984 by BirgerWernerfelt. This theory describes competitive advantage within a firm, it states that competitive advantage can only be achieved using available resources as well as capabilities within the firm. Colbert (2014) argues that the difference between capabilities and firms' resources is that capabilities are unique type of resources that are part of the firm, they are specific to a firm as well as non-transferrable. These resources aim at improving other resources owned by a firm. Whereas resources are items and assets owned by the firm, capabilities are organizations' ability to utilize these resources, capabilities occurs from the creation of firm's resources. Resources determine the success of a firm. The firm is capable of succeeding if the available resources are relevant to its strategy and operations (Furrer, Sudharshan & Alexandre, 2008). The firm is defined in terms of knowledge and resources it has in RBV. It is a way of enhancing an appreciation of the firms' role to our market understanding. RBV Theory assumes that customers arrive in an exponential distribution, and they are inexhaustible and patient. The second assumption of RBV is that, at least in the short run, resources are not movable and do not shift from company to firm. Companies cannot duplicate rivals' resources or use the same techniques because of this immobility.

The advocates of RBV theory suggest that it is only the valuable resources that have the capability of providing a firm with sustainable competitive edge. RBV emphasis on internal factors that the firm can control instead of external factors that are hard to control. The firm's resources and capabilities are basis for building form strategy. The firms' unique resources and

relationships define its competitive position. Firms are different as they have diverse capabilities, resources and assets to employ (Rashidirad, Soltani&Salimian, 2015).

The research will adopt RBV theory to explain the influence of FRM on firms' performance. In order to formulate unique strategies which can enhance the performance, the manufacturing firms should utilize all sources of competitive advantage maximally. It is if only FRM are valuable as well as differently spread all over firms that are striving to outdo each other and if there is mobility of skills for managing market and technical risk that they can be sources of sustainable competitive advantage. The performance of competing companies differs because resources have diverse intrinsic levels of efficiency. The RBV theory sheds light on the importance for manufacturing firms to obtain, employ as well as manage financial resources to ensure overall enhancement in their performance (Colbert, 2014).

2.3 Empirical Review

This subsection sets out empirical review on influence of TRM, HCM inventory management and FRM on firm performance.

2.3.1 Financial Resource Management and Firm Performance

In Iran, Zahra and Mohammad (2013) examined how FRM influences firm performance. The researcher employed descriptive research design. The findings showed an effect of FRM on organization development. Findings revealed that adequacy and proper allocation of funds, as well as timely releases of funds influences organization development significantly. Nevertheless, the research study was conducted in Iran therefore, the findings were not applicable to this study due to disparity in unit of analysis and target area under study.

Ilyaet *al.* (2013) evaluated the effect of FRM on organizational performance of forty eight leading banks across the world. Moreover, descriptive-survey research design was employed. The research indicated that financial resource management influences the performance of leading banks significantly. Additionally, management of banks' financial resources plays an important function in economy of financial sector. The results further revealed that before financial crisis the exercise was very simple due to more limitations in financial constraints and also there were minimal severe outcomes because of any sub-optimal decisions. The study also noted that FRM made capital easily available and retrospect was quiet cheap. The researcher focused on banking sector which differ from tyre manufacturing firm, therefore the findings cannot be generalized to the on-going research due to disparities in targeted audience and institutional frameworks in the two states.

In Turkey, Chi and Bump (2018) evaluated whether FRM influences performance of international health firms. Moreover, the research employed descriptive research design and revealed that FRM has an effect on health firms' performance. The results further revealed that FRM such as timely release and allocation of funds improved the performance of international health firms. This investigation was limited on Turkey health sector while present study focused on manufacturing sector, therefore, the findings cannot be generalized.

Ingo (2013) examined how FRM influences performance of HELB in USA. Descriptive research technique was deployed by the researcher and found that FRM influences the performance of higher education systems significantly. The research further showed that application of competitive elements and formula funding during the allocation of public funds has a significant influence on the performance of HELB. However, it is unwise to apply the findings to on-going

study, due to disparities in institutional frameworks in manufacturing firms and HELB in both countries.

In USA, Russell and Daniel (2018) assessed how FRM influences organizational performance of various tourism firms. The research employed descriptive research method. Findings found that FRM significantly influences tourism firms' performance. The research further indicated that allocation of funds via sponsorship in tourism, sport and leisure service companies is an efficient way to acquire revenue thus enhancing the performance of tourism sector. The researcher examined the tourism firms situated in USA that differs from tyre manufacturing firm hence, due to disparity in unit of observation it is imprudent to apply the results to the on-going study.

Akinyi (2013) examined how FRM influences organizational performance of KMTC. Descriptive research method was employed in the research. Findings revealed that FRM significantly influences performance of KMTC. The research found that financial management via budgeting affects organization performance of KMTC. The results further showed that financial management via internal accounting and record keeping significantly influences organizational performance. The research was only limited to KMTC, therefore the findings cannot be applied to on-going research as a result of disparity in legal jurisdictions and institutional frameworks governing KMTC and Kenyan manufacturing sector.

In Kenya, Wanyonyi (2014) assessed the impact of FRM on organizational performance of government owned secondary schools within Bungoma County. Descriptive research technique was deployed. Findings found a significant effect of FRM on performance of government owned secondary schools. Additionally, the study showed that accounting, auditing, budgeting as well as internal control system influences performance significantly. The study focused on education

sector that is distinct from manufacturing firms in term of operation and functionality; hence, the findings cannot be applied to the on-going study.

In India Trivedi and Raval (2015) assessed the FRM and organization performance. Moreover, a cross-sectional survey research design was deployed. Findings showed that FRM influence significantly organization performance. Additionally, the results found that FRM increases profitability, enhances financial outcome and reduces operating cost and operational outcome hence improving firm performance. Cross sectional research design was deployed in this research while on-going research will employ descriptive research design, hence, these findings are not be applicable to the on-going study.

2.3.2 Human Capital Management and Firm Performance

In China, Nausheen *et al.* (2014) examined how HCM influences performance of service industry. The research employed descriptive research design. The findings indicated that HCM influences organizational performance of service industry operating in China. The study further found that staff training as well as advancement enhances the organization growth and quality of service delivery. Additionally, the study showed that employee recruitment as well as employee selection techniques that service industry employed have contributed to firm performance. Since the study emphasized on servicing firms that differ from manufacturing firms, therefore, the results are cannot be applied to the on-going study due to disparity in targeted audience.

In Pakistan, Jamal and Iqbal (2011) researched on HCM and firm performance. The research adopted descriptive study design. Results revealed that HCM influences significantly the firm performance. The results further found that workforce optimization, learning capacity and knowledge accessibility influence organizational performance positively and significantly.

Nevertheless, Pakistan and Kenyan firms operate under diverse legal framework as well as economic environment hence, findings are not generalizable to the on-going study.

In Pakistan, Muhammad and Muhammad (2017) examined the effect of HCM on firm performance. Descriptive survey design was employed during the research. Findings revealed that HCM influences significantly the organization performance. Additionally, HRM through performance appraisal, training, employee participation and compensation have significant effect on firm performance. Nevertheless, the researcher failed to employ skills, rewards and competence as indicators of HCM, therefore, the results are cannot be applied to the current study.

In Norway, Cathrine (2015) examined how HCM influences the performance of banking sector. The researcher deployed descriptive research design. The research revealed that HCM influences significantly the performance of banking industry. Moreover, the study revealed that employee adequacy, competence, rewards and skills influences significantly the organization performance. The research was limited to banking industry in Norway that differs from Kenyan tyre manufacturing firms hence it is unwise to apply the results to the on-going study.

In Jordan, Khadra and Ishaq (2018) evaluated whether HCM influences organizational performance of telecommunication firms. Descriptive survey design was deployed during the research. The findings revealed that HCM impacts the performance of telecommunication firms. Additionally, competence, commitment and motivation had positive as well as significant influence on performance of telecommunication companies. Nevertheless, the research emphasized on telecommunication that differs from Kenyan manufacturing companies,

therefore, the findings cannot be applied to the on-going study due to disparity in unit of observation.

In Gambia, Keita (2013) evaluated on the effect of HCM on performance at electricity and water electricity Generation firm. The study employed exploratory research technique. Findings revealed that HCM influences the performance of electricity and water Generation Company significantly. The study further found the indicators of HRM (hiring, training, teams that are self-managed, as well as information sharing) influences operational performance positively. Nonetheless, the indicators of HRM employed in this research are diverse from those deployed in the on-going study. Therefore, the findings cannot be applied to the on-going study.

In Nigeria, Osemeke (2012) assessed the HCM and performance of Guinness Brewery Company. The study deployed a cross-sectional research design. Moreover, findings revealed that HRM affects organization performance of Guinness Company significantly. The study as well found that top managers of Guinness company in Nigeria ensured loyalty of policy standards as well as performance appraisal are carried out frequently. The findings revealed that organization performance is affected by the extent of staff appraisal and performance management. To ensure present and future organization performance, the top managers should ensure implementation of appropriate programs for staff development and employee training. Additionally, when top managers are implementing and performing review of the reward strategy, they should consider balance and fairness between non-financial rewards and financial rewards. The research was limited to Guinness company in Nigeria that differ from tyre manufacturing firms in terms of organization structure, operationalization and functionality, hence, findings cannot be applied to the current research.

In Kenya, Sagwa, Obonyo and Ogutu (2015) assessed on HCM and companies performance of quoted in NSE. Moreover, the research deployed descriptive research design. Results showed that HCM influences organizational performance of companies. Additionally, the research revealed that HRM lead to enhancement in employee commitment, behavior and competence therefore, positively influencing firms' performance. Nevertheless, the firms quoted in NSE operate under diverse institutional frameworks hence the findings cannot be applied to the on-going study.

In Kenya, Ngui (2014) assessed the influence of HCM on organizational performance of financial sector. Descriptive research technique was used. It was indicated that HCM influences financial organizations performance significantly. This research further found that firm profitability as well as market share was influenced by employee training programs, recruitment arrangements, teamwork settings, and incentive arrangements. The study failed to use adequacy of staff as the components of human capital management (incentive arrangements, teamwork settings, recruitment and training programs) therefore, the findings are not generalizable to the present study.

2.3.3 Technological Resource Management and Firm Performance

Paul and Suresh (2018) examined the impact of TRM on organizational performance of USA firms. Moreover, survey research design found that TRM influences performance of various firms. Additionally, results indicated that planning technology, product design and management of information exchange influences significantly the organizational performance. Due to disparity in the level of institutional frameworks and economic advancement between

manufacturing firms situated in USA and Kenya, study findings cannot be employed to the present research.

Uwizeyemungu, Josée and Placide (2015) investigated on influence of TRM on the performance of manufacturing SMEs within Canada. Moreover, the study employed descriptive survey. The research revealed that TRM positively as well as significantly influences organizational performance of SMEs. Additionally, firms' technological resource managers who were more involved in optimizing innovative abilities via improved manufacturing technology requested for awareness of organizations' size, age and specialization. Nonetheless, the results are not applicable to the present research due to disparity in targeted area of interest as well as legal jurisdictions governing manufacturing SMEs firms in Canada and Kenya.

In Turkey, Burcu, Basak and Ahmet (2016) examined how TRM influences the performance of selected manufacturing firms. Moreover, the researcher deployed descriptive research technique and found that TRM influences organizational performance of firms significantly. The research further revealed that advanced TRM techniques improves workplace satisfaction, minimizes administrative cost, and reduces supply cost hence improving overall organization performance. Additionally, the research focused on manufacturing sector situated in Turkey which differ from that of Kenya with respect to organization structure, firm size and institutional framework, hence, the study findings cannot be applied to on-going research.

In Egypt, Muhammed (2013) examined how TRM influences organizational performance of oil companies. The researcher deployed descriptive study design. This research showed that TRM impacts organizational performance of oil companies. Additionally, results indicated that advancement in supply chain technology, information system management and manufacturing

have significant influence on organizational performance of oil companies. Furthermore, the researcher found that management of IT employees; IT and network application influences performance of oil companies significantly. This research was based on oil firms situated in Egypt whereas the present study will focus on tyre manufacturing firms, therefore, due to disparity in unit of observation, the results cannot be applied to the on-going research.

Saberi, Yusuf and Megat (2010) examined influence of TRM on firms' performance in Malaysia. The researcher adopted survey research design. Results revealed that TRM influences performance of manufacturing firms significantly. Additionally, TRM impacts performance of companies significantly. Furthermore, human resource, operational strategy, organization structure and culture should be incorporated in order to improve the performance of improved manufacturing technology. Cross-sectional survey was employed in this research while the on-going study will deploy descriptive research design; therefore, the results cannot be applied to the current study due to diversity in research methodology.

Barasa *et al.* (2019) assessed the influence of TRM on firms' performance in Sub-Saharan Africa. Moreover, the researchers employed cross-sectional survey research design. The study indicated that TRM has significant impact on firms' organizational performance. Findings further revealed that in regard to supply chain technology and management information system incorporation of absorptive capacity improving inputs is fundamental in enabling technical efficiency in African manufacturing companies. Nevertheless, the research was limited to SSA. Henceforth, the findings cannot be applied to Kenya due to disparity in unit of analysis as well as study population.

In Kenya, Njagi (2018) examined influence of TRM on performance of government owned institutions in Embu County. The research employed cross section research design. Results revealed that TRM impacts organization performance of government owned health institutions significantly. Furthermore, TRM improved IT integration, functionality, IT alignment, ease of use and compatibility consequently enhanced institutions performance. Additionally, the researcher deployed cross-sectional research design whereas the on-going research deployed descriptive research design therefore, the results are not applicable to the current research due to disparity in research design. Further, the researcher examined the health institution within Embu County that differs from tyre manufacturing firms situated in Nairobi County, therefore, the research findings cannot be applied to the on-going study.

In Kenya, Kiptoo and Koech (2019) evaluated the influence of TRM on performance of manufacturing firms within Kwale County. Moreover, the researcher employed descriptive research method. The research revealed that TRM significantly influences the firms' organizational performance. Additionally, the research indicated that TRM entailed bench marking with best technology in order to cut a niche in the firm without certainly reinventing the wheel, re-engineer existing products and manufacture new products continuously so as to automate routine roles and prolong the lifecycle of products to enhance efficiency in the process of production among manufacturing firms. The study focused on manufacturing firms within Kwale County therefore, the results are not applicable to tyre manufacturing companies located in Nairobi County as a result of variation in study population.

Kogo and Kimencu (2018) assessed influence of TRM on performance of insurance companies within Nairobi County, Kenya. Moreover, descriptive research design found that TRM impacts firms' organizational performance. The study further revealed that management of IT

infrastructure and IT skills influences insurance firms' performance significantly. The research examined the insurance firms within Nairobi County. Nevertheless, tyre manufacturing firm runs under diverse institutional framework from insurance firms, hence the findings are not generalizable to the on-going investigation.

2.3.4 Inventory Management (IM) and Firm Performance

In China, Song and Song (2009) assessed how inventory management influences firms' performance. Descriptive research design was deployed. Findings revealed that inventory management had significant effects on firms' performance. This research also revealed that storage management, purchasing of raw material and stock control influences significantly the companies' performance. The study examined the manufacturing firms located in China that run under diverse economic environment that is different with that of Kenya, therefore, the results to this research cannot be applied to the on-going research.

In Jordan, Ashraf and Muhannad (2017) assessed on the impact of IM on companies' performance. Descriptive research technique was deployed during the research. The study indicated that inventory management impacts firms' performance. The study further showed that management of finished products stock, inventories for finished products and inventories of continuing work influences performance of the firm. Nonetheless, the study did not employ stock control and store management as the elements of inventory management therefore, results are not applicable to the on-going research.

In Nigeria, Agu, Ozioma and Eke (2016) assessed on whether inventory management influences the firms' performance. Descriptive research design revealed that inventory management impacts significantly the organization performance. The study further revealed that consumers' demand

and storage management have significant influence on firms' performance. The researcher targeted on Nigerian manufacturing firms but not Kenya therefore its findings cannot be applied to Kenya as a result of differences in legal jurisdiction governing manufacturing companies in the two states.

In Ethiopia, Atnafu, Assefa and Liu (2018) investigated how inventory management influences the performance of micro as well as small enterprises (MSEs). Moreover, the researchers deployed descriptive research design. Findings indicated that inventory management influences the performance of MSEs in manufacturing subsector significantly. Additionally, the results found that demand forecasting and management of economic order quantity has an effect on organizational performance of MSEs. This study focused on MSEs located in Ethiopia therefore its findings cannot be applied to Kenya as a result of variation in unit of observation and study population.

In Ghana, Bawa, Effah and Kissi (2018) examined the influence of IM on firms' organizational performance. Descriptive research design was deployed. Findings indicated that inventory management has an effect on organization performance. The results further indicated that inventory management in regard to store management; purchase of raw material and stock control impacts organizational performance significantly. Manufacturing firms in Kenya and Ghana operate under diverse institutional structure and economic environment, it is therefore unwise to apply the results to the on-going study.

In Kenya, Ondimu, Rotich and Kipkirui (2018) carried out a research to evaluate whether inventory management influences organizational performance of quoted companies. Descriptive survey research design indicated that inventory management influences financial performance of

quoted firms significantly. Additionally, management of inventory holding cost, inventory conversion period as well as optimal inventory orders influences companies' organizational performance in Kenya. Nonetheless, the researcher did not employ procuring raw material, store management and stock control as indicators of inventory management therefore, the results are not applicable to the on-going study.

In Kenya, Musau *et al.* (2017) conducted a study to assess how inventory management influences the performance of textile companies. Moreover, cross-sectional research technique showed that that inventory management impacts organization performance significantly. The research as well showed that capacity utilization, stock out, stock availability as well as stock coverage influences significantly the organization performance. The study focused on textile manufacturing firms that vary from tyre manufacturing firms; therefore, it is unwise to generalize the results to on-going research as a result of disparity in target area. Moreover, the researcher employed cross-sectional research design whereas the current research will deploy descriptive research design, hence the results cannot be applied to the on-going study because each research technique has its own limitation.

In Kenya, Muhande and Amuhaya (2017) assessed the impact of inventory management on companies' performance. Descriptive research design was deployed. The study found that inventory management influences organization performance significantly. The research also found that material requirement planning; stock control and storage management impacts companies' operational performance significantly. Nonetheless, the study did not employ procurement of raw material as an indicator of inventory management, therefore; the results cannot be applied to the on-going study.

In Kenya, Ouma and Mwangangi (2018) evaluated on inventory management and organizational performance of soft drinks companies. Descriptive research design revealed that inventory management influences organizational performance of Kenyan soft drinks companies. The results as well found that optimal stock management; storage management and raw material management significantly influence organizational performance of Kenyan soft drink companies. The study was limited to soft drink companies that differ from tyre manufacturing firms; hence, its results are not applicable to the on-going research due to difference in targeted audience.

2.4 Summary of Research Gaps

This chapter has reviewed related literature linked to current research. Numerous past studies showed the influence of HCM FRM, TRM and inventory management on performance. Nevertheless, the studies have been carried out in diverse countries, institutions and sectors and used diverse target populations, hence hampering the generalization of study findings.

Table 2.1: Summary of Research Gaps

Author	Study	Study findings	Research gaps	Focus on the Study
Financial resource management				
Chi and Bump (2018)	Influence of FRM on performance of international health firms located in Turkey	The research revealed that FRM influences firm performance located in Turkey significantly	<ul style="list-style-type: none"> • The research focused on health firms, which differ from manufacturing firms therefore, the findings are not applicable to the on-going study • The research was carried out in Turkey, which is a developed country therefore, the results cannot be employed in Kenya since it is a developing country. • Additionally, the study was limited on the timely release and allocation funds and hence failed to outline the significance of adequacy of funds. 	<ul style="list-style-type: none"> • The research will focus on effect of FRM on performance of Kenyan tyre firms
Russell and Daniel (2018)	Effect of FRM on performance of tourism companies in USA	The researcher noted that FRM influences firm performance in USA significantly.	<ul style="list-style-type: none"> • The research was performed in USA which is a developed country hence the results are not applicable Kenya since it is a developing country and because of differences in economic environment between two countries • The research was based on tourism firm therefore results are not applicable to tyre firms as a result of disparity in institutional frameworks 	<ul style="list-style-type: none"> • The researcher focused on impact of FRM on performance of Kenyan tyre firms

			<ul style="list-style-type: none"> The study focused on allocation of fund and did not address timely release and adequacy of funds therefore findings are not applicable 	
Trivedi and Raval (2015)	Effect of FRM on performance of firm in India. The researcher deployed cross-sectional survey research design	Results showed that FRM significantly affects firm performance.	<ul style="list-style-type: none"> The research was carried out in India which is a developed country therefore the results are not applicable to a developing country including Kenya. Cross sectional survey design was deployed in the research while on-going study will utilize descriptive survey design thus results are not applicable due to disparity in study designs 	<ul style="list-style-type: none"> This study will address the effect of FRM on tyre manufacturing firms 'performance in Kenya. Moreover, descriptive survey design will be deployed
Human capital management				
Khadra and Ishaq (2018)	The effect of HCM performance of telecommunication firms located in Jordan.	The research showed that HCM significantly influences performance of telecommunication firms	<ul style="list-style-type: none"> The research was conducted in telecommunication firm hence the results are not applicable to tyre firms in Kenya as a result of disparity in institutional framework The study was conducted in Jordan which is a developed country therefore, it is unwise to generalize the results to Kenya since it is a developing country The research failed to address the 	<ul style="list-style-type: none"> The on-going study will examine the whether HCM influences the performance of Kenyan tyre firms

			effect of employee adequacy, competence and skill on firm performance hence its findings are not applicable to the on-going research	
Muhammad and Muhammad (2017)	Influence of HRM on the performance of a firm in Pakistan	Results showed that HCM influences firm performance significantly	<ul style="list-style-type: none"> • The research was conducted in Pakistan hence the results cannot be deployed to on-going research due to differences in economic environment and geographical boundaries between Pakistan and Kenya. • The study addressed the effect of performance appraisal, staff compensation and training on performance and did not address staff adequacy, competence, skills and rewards which are the indicator in on-going study hence the results are not applicable to this study 	<ul style="list-style-type: none"> • The on-going study will examine whether HCM influences the performance of Kenyan tyre firms
Sagwa, Obonyo and Ogutu (2015)	Impact of HCM on performance of quoted firms within Kenya	Findings discovered that HCM influences performance significantly.	<ul style="list-style-type: none"> • The study examined all firms quoted in NSE. Therefore, the results are not applicable to tyre firms as a result of disparity in institutional frameworks in diverse firms • The study failed to show the effect of staff adequacy, competence, rewards and skills on firm performance thus it is unwise to generalize its findings to the current 	<ul style="list-style-type: none"> • This research will assess how HCM influences the performance of Kenyan tyre manufacturing firms

			investigation	
Technological Resource Management				
Paul and Suresh (2018)	Effect of TRM on performance of firms in USA. The study deployed Survey research design	The research revealed that TRM influence performance significantly	<ul style="list-style-type: none"> • The research was conducted in USA which is a developed country therefore the results are not applicable to Kenya because of differences in economic environment between two countries • This study deployed Survey research design whereas the on-going study will employ descriptive survey design therefore, the results are not applicable as a result of variation in research designs • The study did not examine the impact of modern manufacturing technology and supply chain technology on firm performance therefore, the results are not applicable to the on-going study. 	<ul style="list-style-type: none"> • This research will examine the impact of TRM on performance of Kenyan tyre firms
Barasa <i>et al.</i> (2019)	Effect of TRM on firms' organizational performance in SSA. The researcher employed cross-sectional survey design	Research found that technological resource management significantly influences performance	<ul style="list-style-type: none"> • The study was performed in Sub Saharan countries thus the results are not applicable to Kenya as a result of variation in topographical boundaries. • Further the researcher deployed cross-sectional survey research 	<ul style="list-style-type: none"> • This research will examine the effect of TRM on performance of Kenyan tyre firms.

			<p>design whereas the on-going study will employ descriptive survey design therefore the results are not applicable to the on-going study.</p> <ul style="list-style-type: none"> • The study addressed impact of MIS and supply chain technology on performance and did not address the impact of TRM and modern manufacturing technology therefore results cannot be applied to the on-going study. 	
Kiptoo and Koech (2019)	The influence on TRM on firms' performance within Kenya	This research revealed that TRM significantly influences firms' performance.	<ul style="list-style-type: none"> • The research was performed in Kwale County which differs from Nairobi County in terms of topographical location therefore, the results are not applicable to the on-going study. • The research only addressed the impact of TRM and did not address other technological measures therefore the results are not generalizable to on-going research. 	<ul style="list-style-type: none"> • The on-going study will focus on impact of TRM on performance of Kenyan tyre firms.
Inventory Management				
Bawa, Effah and Kissi (2018)	Influence of inventory management on firms' performance in Ghana	This research revealed that inventory management significantly influences performance of firms	<ul style="list-style-type: none"> • The research was conducted in Ghana therefore its results are not generalizable to on-going research as a result of variation in topographical boundaries between Ghana and Kenya 	<ul style="list-style-type: none"> • This study will examine the impact of IM on performance of Kenyan tyre firms

			<ul style="list-style-type: none"> The study was based on manufacturing firms located in Ghana which differ in terms of institutional framework from Kenyan tyre firms hence the findings are not applicable to the on-going study 	
Atnafu, Assefa and Liu (2018)	The impact inventory management on MSEs in Ethiopia	Results indicated inventory management impacts performance of MSEs significantly	<ul style="list-style-type: none"> This study focused on MSEs therefore the results are not applicable to manufacturing firms as a result of disparity in study population The research was done in Ethiopia therefore results are not generalizable to the on-going due to diversity in topographical boundaries between Ethiopia and Kenya. The research failed to indicate the effect of inventory management, store management and stock control hence the results are not generalizable in the on-going study 	<ul style="list-style-type: none"> The on-going study will focus on impact of IM on performance of Kenyan tyre firms
Ouma and Mwangangi (2018)	Influence of inventory management on performance of the firm The study population was Kenyan soft	Findings showed that inventory management has influences performance significantly	<ul style="list-style-type: none"> The research targeted on soft drinks companies whereas the on-going research will target Kenyan tyre firm therefore findings cannot be applied to the on-going study due to variation in study population The research employed raw material 	<ul style="list-style-type: none"> This present study will examine the impact of IM on the performance of tyre firms within Kenya.

	drinks companies		management and optimal stock management as indicators of inventory management which varies from the indicators deployed in this research hence results cannot be applied	
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2.5 Conceptual Framework

The researcher examined whether RM influences firm performance of Kenyan tyre firms. Independent variables were FRM, TRM, HCM and inventory management. The dependent variable was firm performance of Kenyan tyre firms.

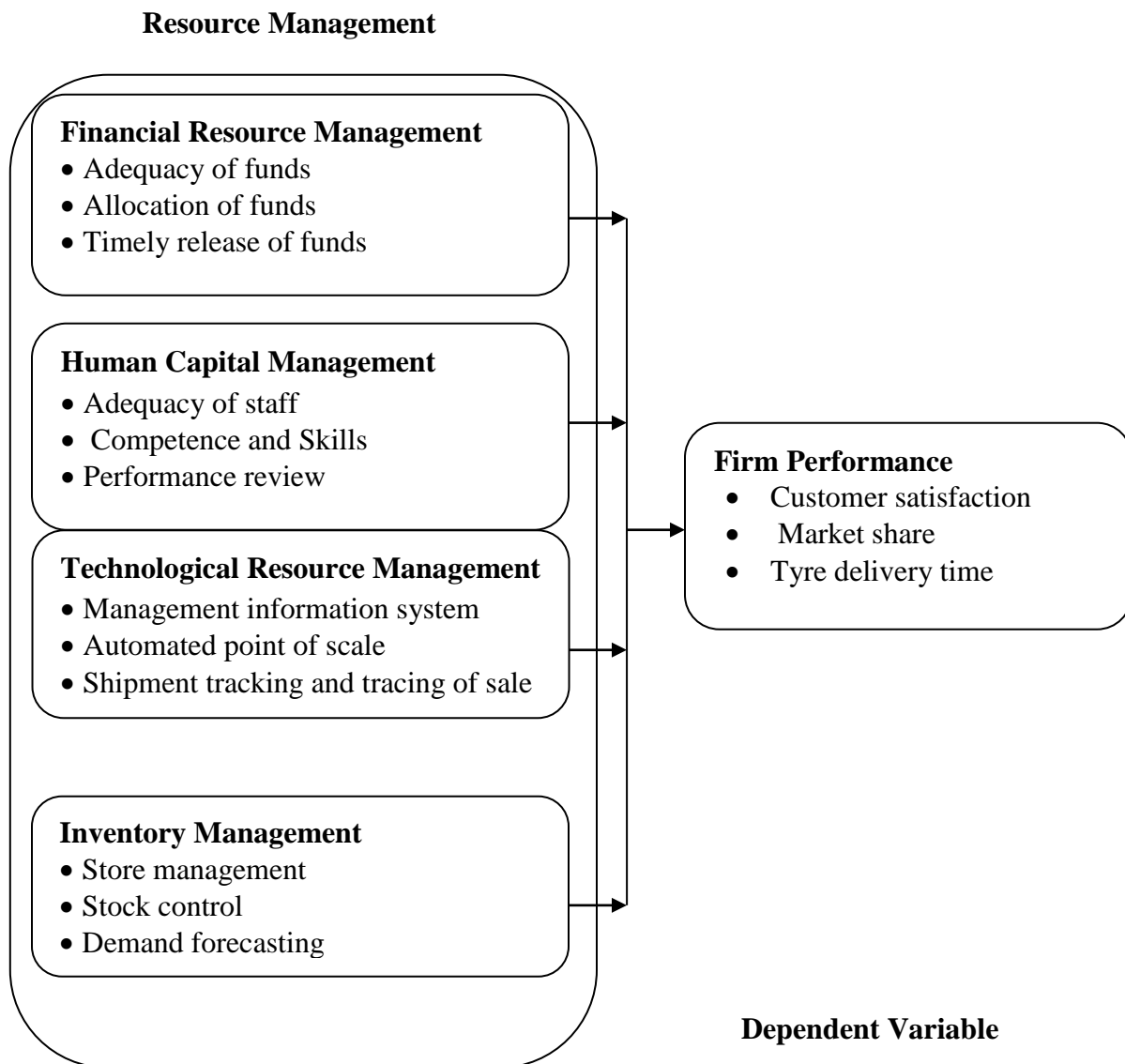


Figure 2. 1: Conceptual Framework

Source: Author (2020)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section sets out research methodology. Precisely, this chapter comprises presentation of research design, study population, sample as well as sampling technique, research tools, procedure of collecting data, pilot test, data analysis as well as presentation.

3.2 Research design

The on-going research adopted descriptive research technique. Bhattacharjee (2012) suggests that descriptive research design describes the features of behavior of components under investigation. Additionally, it refers to technique of gathering data via interview as well as questionnaire so as to describe the features of components under study. This design indicates that the purpose of the study is to explain the phenomenon being investigated instead of describing (Creswell, 2006). Descriptive research technique is beneficial in that it provides details description on attributes of phenomenon under the study. Moreover, it assists the researcher to collect data that can be employed to describe characteristics of components being studied. This type of research design is very reliable in providing answers to questions of where, who, how and when, that are related to the phenomenon under investigation. The descriptive research design will be adopted in this research as it enables the integration of both the qualitative and quantitative methods of data collection.

The researcher used explanatory research design. Bryman and Cramer (2012) argue that the design is as well referred to as causal research design and the aim of doing it is to indicate the nature and extent of the association. Explanatory research focuses on analysis of the research problem so as to reveal sequence of association between dependent and independent study

variables. Moreover, the research should be capable of adapting new data that he or she acknowledges as the subject of the study in time of research (Creswell & Creswell, 2017). The emphasis of an explanatory research is to analyze a particular situation in order to describe the patterns of correlation between variables.

3.3 Target Population

Target population is a set of elements, persons or things that are employed to generalize findings of the study (Kothari, 2004). It is further described as a collection of variables or elements with common features that can be deployed to generalize the findings of a particular research (Bryman& Cramer, 2012). In on-going study, the unit of analysis was all Kenyan tyre firms with a minimum of 2 branches and taking part in importation as well as distribution of tyres. According to KMIA (2019), in Kenya, there are twenty nine tyre firms with minimum of 2 branches and are involved in importation as well as distribution of tyres. The study population was the heads of sales, marketing, human resource, IT, finance, warehouse and audit departments. Out of 29 tyre firms, 29 have finance departments, 23 have human resource departments, 21 have marketing departments, 29 have sales departments, 29 have warehouse departments, and 22 have IT and 17 have audit departments. Therefore, the study population was 170 departmental heads in 29 tyre firms in Kenya.

Table 3. 1: Target population

Departments	TargetPopulation	Percent
Human Resource	23	13.53
Finance	29	17.06
Warehouse	29	17.06
Marketing	21	12.35
Sales	29	17.06
Audit	17	10.00
IT	22	12.94
Total	170	100.00

Source: KMIA (2019)

3.4 Sample and Sampling Technique

As stated by Egbert (2015), the sample size is required to give detailed information concerning the components under study and which can be easily analyzed by a particular researcher. The sample size was determined using Krejcie and Morgan sample size determination formula. The formula was;

$$n = \frac{x^2NP(1 - P)}{(ME^2(N - 1)) + (x^2P(1 - P))}$$

Where:

n=sample size

x^2 = Chi-square for specified level of confidence at 1 degree of freedom

N=Population size

P = Proportion of study population with desirable attributes. Because this proportion is not known, 0.5 was employed.

ME= Error margin

$$n = \frac{1.96^2 170 * 0.5 * 0.5}{(0.05^2 * 169) + (1.96^2 * 0.5 * 0.5)}$$

$$n = 118$$

The current study employed stratified random sampling technique to select 118 respondents. Stratified random sampling emphasizes on sub-division of the whole population into smaller groups with common features (stratum) (Bhattacharjee, 2012). In the on-going research, strata were distributors and departments in Sameer Africa. Stratified random sampling method is beneficial as it assists a particular study to represent the exert characteristics or attributes of the population being investigated.

Table 3. 2: Sample Size

Departments	Target Population	Sample Size
Human Resource	23	16
Finance	29	20
Warehouse	29	20
Marketing	21	15
Sales	29	20
Audit	17	12
IT	22	15
Total	170	118

Source: KMIA (2019)

3.5 Research Instrument

Basically, there are two types of data: primary as well as secondary data. The on-going study used primary data. Primary data is advantageous as it helps a particular researcher to gather relevant information to the topic being investigated hence improving the accuracy of a research (Greenfield & Greener, 2016). Primary data can be acquired through observation, interview guide, discussion groups and questionnaire. The present study employed questionnaire to collect data. The study deployed questionnaire as it saves time for collecting data and is also cheaper. Each questionnaire comprised of open-ended as well as close-ended questions. Close ended questions were used because they save time when collecting data. In this research, open ended

questions enabled the participants to provide their opinions without fear and enabled the researcher to comprehend the feeling of participant. Questionnaire was categorized into six sections. First section focused on participants' 'biographic data, second to fifth section contained questions on independent variable whereas last section contained questions on dependent variable. Moreover, structure questions used ordinal, Likert as well as nominal scale.

3.6 Data Collection Procedure

The researcher acquired letter from NACOSTI. Moreover, every participant received transmittal letter that requested for voluntary participation in the process of data collection. Additionally, the researcher contacted the management at Sameer Africa Limited in order to schedule on date of data collection. Drop and picking technique was deployed to distribute questionnaires to the participants. Moreover, the researcher conducted a daily follow up so as to encourage complacent respondents to fill in their research tool. The participants were given 14 days to fill in and return their research tool to the researcher.

3.6.1 Pilot Study

Pilot test was done so as to examine whether data collection instrument could give similar results when employed to measure similar items in similar conditions. Additionally, pilot study enhanced elimination of ambiguous questions as well as ensured that all question are related to the topic being studied. 10% of the sample size (11 employees in the same department at Kingsway Tyres Limited) was included in pilot study. When carrying out a pilot study, 10% of the sample size should be deployed (Hertzog, 2018).

3.6.2 Validity of Research Instruments

Validity is the degree to which finding of a given measure represents features of elements being investigated (Metsamuuronen, 2017). There are two types of validity: face as well as content validity. The process of assessing whether questions of the research are misunderstood is what is referred to as face validity. To improve face validity, pilot study was deployed. Content validity is the extent to which research tool embodies facets being studied in specific social construct (Greenfield & Greener, 2016). In the present study, content validity was improved by seeking advice from university supervisor to ensure that the research instrument was valid.

3.6.3 Reliability of Research Instruments

Reliability refers to the process of examining whether research tools generates consistent findings when employed in similar conditions or settings. Internal consistency measured reliability in the research tool. Moreover, Cronbach alpha's was deployed to measure internal consistency. Cronbach's alpha value range from 0-1. Cronbach alpha above 0.6 denotes good reliability (Metsamuuronen, 2017). The researcher ensured that Cronbach alpha of all components being investigated were more than 0.7.

3.7 Data Analysis and Presentation

Data analysis is a process of evaluating data using statistical tools. In the on-going study questionnaire comprised of quantitative as well as qualitative data. The qualitative data was then analysed by employing thematic analysis and findings presented in consistent manner. Descriptive as well as inferential statistics were deployed to analyse quantitative data with assistance of statistical software known as SPSS version 22. Additionally, descriptive statistics emphasized on calculation of Percentage, standard deviation and mean. Inferential statistics

focused on correlation as well as regression analysis. Figures and tables were employed to present the results. Moreover, correlation analysis assessed strength of association between study's elements. Regression analysis determined association between the study's variables. Confidence interval of the on-going study was at 95 percent. Significant level was 0.05. Regression model was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby;

Y = Firm Performance of tyre firms

β_0 = Constant

β_1 - β_3 = Determination coefficients

X_1 = FRM

X_2 = HCM

X_3 = TRM

X_4 = Inventory management

ε = Error term

3.8 Ethical Considerations

The researcher is familiar with ethical principles as stipulated in constitutional rights therefore, the privacy of all respondents was considered during the research to enable the participants to cooperate during the process of collecting data. Confidentiality of the information given was ensured by the researcher by locking all the questionnaires in a secure room and accessibility of the room was allowed to the authorized persons only. Moreover, the researcher ensured that departmental heads voluntary participated during the research study as unwilling person were not

be compelled to take part in the data collection process. Additionally, respondents were updated on the benefit and purpose of conducting the study in order to ensure maximum participation. Additionally, permit of data collection was acquired from NACOSTI, the university and the management of Sameer Africa before engaging respondents in the process of data collection. The researcher further acknowledged other scholars' work and avoided plagiarism.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF THE RESULTS

4.1 Introduction

This section covers on data analysis, results interpretation as well as presentation and discussion of study findings based on general and also specific objectives. General objective of the study was to examine the effect of resource management on firm performance of tyre firms in Kenya. Additionally, the study sought to find out the effect of FRM, HCM, TRM and IM on firm performance of Kenyan tyre firms. Results were presented in tables and figures.

4.2 Response Rate

Sample size of on-going study comprised of 118 heads of finance, Human Resource, Sales, marketing, audit, warehouse, and IT department in tyre firms in Kenya. Responses were depicted in Table 4.1.

Table 4. 1: Response Rate

Departments	Sample Size	Responses	Response rate
Human Resource	16	13	81.25
Finance	20	16	80.00
Marketing	15	14	93.33
Warehouse	20	18	90.00
Audit	12	11	91.67
Information Technology	15	12	80.00
Sales	20	16	80.00
Total	118	100	84.76

Source: Research Data (2020)

Out of 118 questionnaires that the researcher distributed, 100 questionnaires were completely filled and returned which resulted to 84.75 % response rate. As indicated by Creswell (2006), response rate that is more than 50% is considered sufficient for data analysis as well as reporting

whereas that which is beyond 70 percent is termed as excellent. Therefore, in this study the response rate was within acceptable limits for making conclusions as well as recommendations.

4.3 Reliability Test Results

Internal consistency measured reliability in the research tool using Cronbach alpha's. Reliability test results were as presented in Table 4.2.

Table 4. 2: Reliability Test Results

Variable	Cronbach's Alpha	Interpretation
FRM	0.872	Excellent
HCM	0.754	Excellent
TRM	0.760	Excellent
Inventory Management	0.824	Excellent
Performance of Tyre Firms	0.942	Excellent

Source: Research Data (2020)

From the findings, the construct financial resource management had average Cronbach's reliability alpha of 0.872, human capital management had Cronbach's reliability alpha of 0.754, technological resource management had an average Cronbach's reliability alpha of 0.760, inventory management had a Cronbach's reliability alpha of 0.824 and performance of Tyre firms had average Cronbach's reliability alpha of 0.942. This implies that the study questionnaire met reliability criteria ($\alpha > 0.7$).

4.4 Respondents' Demographic Information

Respondents' Demographic information included gender, education level as well as duration of time in tyre firms in Kenya.

4.4.1 Respondents' Gender

The heads of departments were requested to point out their gender. Results obtained were depicted in Figure 4.1.

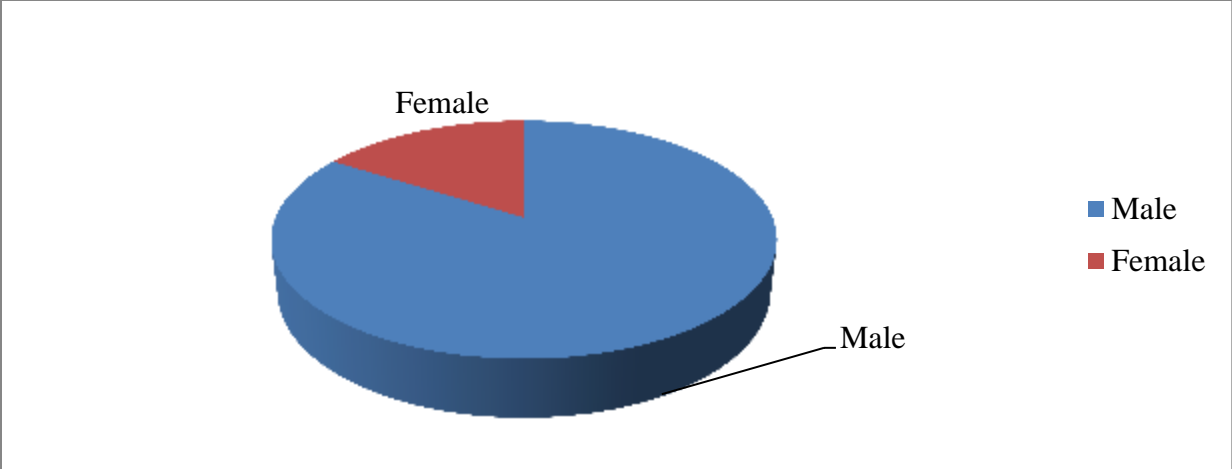


Figure 4. 1: Respondents’ Gender

Source: Research Data (2020)

From the study findings 84% of respondents pointed out that they were male and 16 % specified they were female. This implies that most of the heads of departments in tyre firms in Kenya were male.

4.4.2 Respondents’ Education Level

Heads of departments were required to specify their highest education level. Findings were shown in figure 4.2.

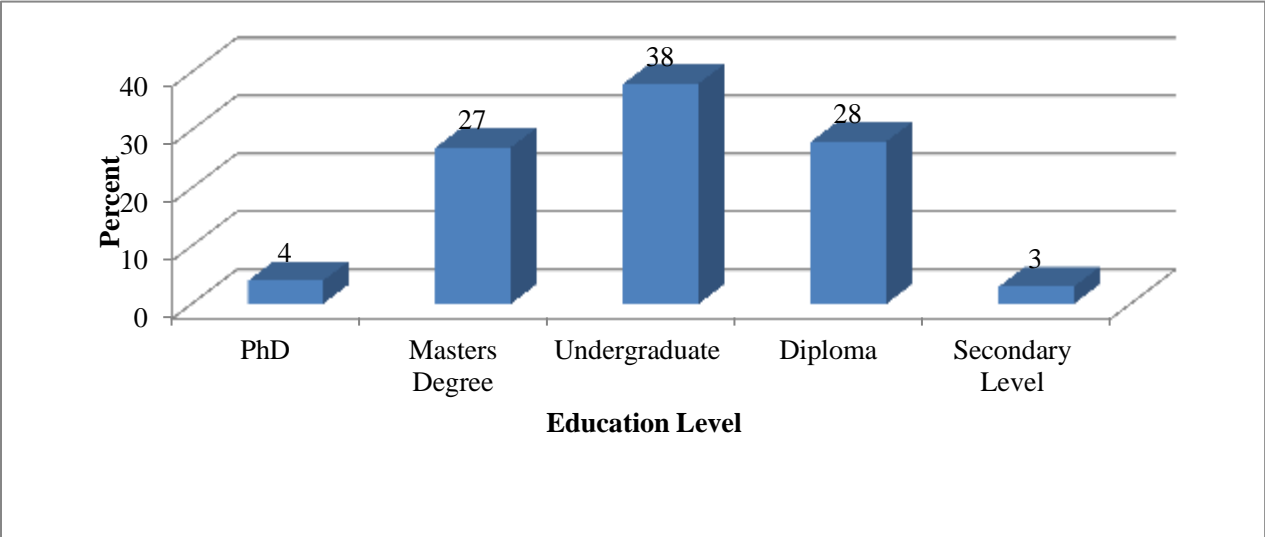


Figure 4. 2: Respondents' Education Level

Source: Research Data (2020)

From the results, 38% of departmental heads indicated they had undergraduate degrees, 28% had diplomas, 27% had master's degrees, 4% had PhDs and 3% had secondary level of education. This denotes that most of the departmental heads in tyre firms in Kenya had undergraduate degrees as their highest level of education.

4.4.3 Respondents' Duration in the Organization

The departmental heads were required to point out the duration in which they had been working in tyre firm. Results were as shown in Figure 4.3.

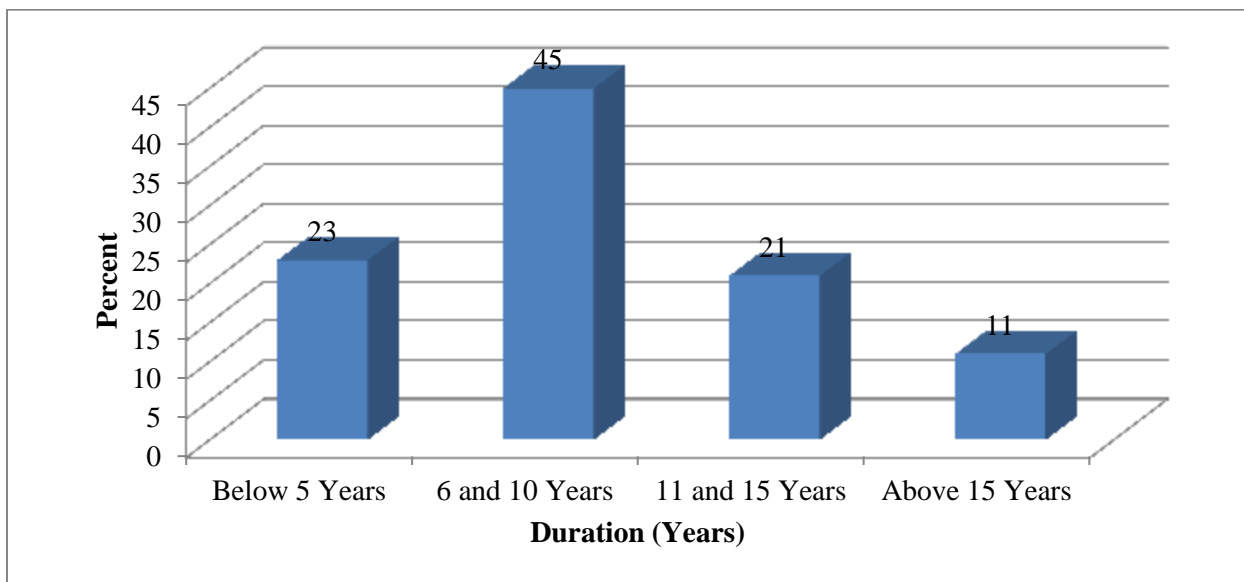


Figure 4. 3: Respondents' Duration in the Organization

Source: Research Data (2020)

From the findings 45% of the respondents revealed they had been working for between 6 and 10 years, 23% revealed for below 5 years, 21% revealed for between 11 and 15 years, and 11%

revealed for above 15 years. This implies that large number of department heads in tyre firms in Kenya had been working in their firms for between 6 and 10 years.

4.5 Descriptive statistics

Quantitative data was obtained from the closed questions as well as items which were measured by using 5-point Likert scale, where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized moderately agree, 4 symbolized agree and 5 symbolized strongly agree. Bhattacharjee (2012) suggest that in a 5 scale Likert questions, the interpretation of arithmetic mean, strongly agree (SA) is from 4.5 to 5.0, agree (A) is from 3.5 to 4.5, moderately agree is from 2.5 to 3.5, disagree is from 1.5 to 2.5 while strongly disagree is from 1 to 2.5. Likert scale consists of categorical data (ordinal), therefore, cannot be employed in carrying out inferential statistics including regression analysis and correlation analysis that require the usage of continuous data. The averages of responses (in Likert questions) in all variables were obtained so as to acquire continuous data. By use of transformation option, SPSS was configured to automatically provide averages by use of the formula below.

$$\text{Composite index} = \text{Mean} (\text{Statement 1}, \text{Statement 2}, \text{Statement 3}, \dots, \text{Statement K})$$

4.5.1 Financial Resource Management

The first study objective was to assess effect of financial resource management on firm performance of tyre firms situated in Kenya. Heads of departments were requested to point out how FRM affects performance of tyre firms in Kenya. A five point Likert scale where 5 denotes Strongly Agree, 4 denotes agree, 3 denotes moderately agree, 2 denotes disagree and 1 denotes strongly disagree was used during the study. Results were as depicted in Table 4.3.

Table 4. 3: Financial Resource Management

	Mean	Std. Deviation
The firm ensure that there are sufficient cash flow to meet its daily operational needs	3.900	0.577
In our firm, there is a systematic capital allocation procedure needed to invest the cash raised from divestments	3.100	0.674
The main focus on capital allocation process is based on Divestment of underperforming assets	2.140	0.603
Manufacturing firms have adequate fund to cater for purchase of production materials	3.840	0.762
There is adequate fund to cater for business operation of the firm	2.120	0.715
In our firm, there is a plan to increase capital	3.020	0.804
Funding for equipment maintenance is released on time	3.000	0.681
Employees in the manufacturing firm are paid on time	4.560	0.067
The manufacturing firm promptly identifies resource that need funding	2.160	0.735
Aggregate mean score and standard deviation	3.093	0.735

Source: Research Data (2020)

As shown by Table 4.3 the participants strongly agreed that employees in manufacturing firm are paid on time by an aggregate mean score of 4.560 and a Std dv of 0.067. Additionally, the participants agreed the firms ensured that there are sufficient cash flow to meet their daily operational needs and have adequate funds to cater for purchase of production materials with mean scores of 3.900 and 3.840 respectively. Small standard deviations of 0.577 and 0.62 respectively indicate there were little variations in their opinions.

Further, the respondents moderately agreed that in their firm, there is a systematic capital allocation process and there is a plan to increase capital with a mean of 3.100 and 3.020 respectively. The standard deviations of 0.674 and 0.804 indicate little variation in the respondents' opinions. In addition, the respondents moderately agreed that funding for equipment maintenance is released on time. This is indicated by an aggregate mean of 3.000 and Std dv of 0.681.

Nevertheless, departmental heads disagreed with the statement indicating that the manufacturing firm promptly identifies resource that need funding, they also disagreed with the statement indicating that the main focus on capital allocation process is based on Divestment of underperforming assets. The respondents further disagreed that there is adequate fund to cater for business operation of the firm. This is shown by a mean of 2.160, 2.140 and 2.120 respectively. The small standard deviations of 0.735, 0.603 and 0.715 respectively indicate there were little variations in their opinions.

Financial resource management had an aggregate mean of 3.093 and aggregate Std dv of 0.735. These statements are supported by the findings of Chi and Bump (2018) who found that financial resource management such as timely allocation and release of funds affects organization performance. In addition, Akinyi (2013) revealed that financial resource management through time allocation, adherence to the allocation policy and adequacy of financial resources influence organization performance.

4.5.2 Human Capital Management

The second objective was to examine effect of HCM on firm performance of Kenyan tyre firms. Heads of departments were requested to indicate how HCM influences on firm Performance of Tyre Firms. A 5 point Likert scale where 5 symbolize Strongly Agree, 4 symbolize agree, 3 symbolize moderately agree, 2 symbolize disagree and 1 symbolize strongly disagree was used during the study. The study findings were shown in Table 4.4.

Table 4. 4: Human Capital Management and Firm Performance of Tyre Firms

	Mean	Std. Deviation
Our firm employ competent staff so as to improve on its competitiveness	3.740	0.895
The firm purchases quality raw materials used in production	3.920	0.631
New production equipment is purchased by our firm due to demand of products	1.160	0.564
The organization allocate funds for improvement of technological infrastructure	3.000	0.804
The firm assign support personnel to its customers	3.900	0.611
Staff in our are trained on how to use advanced production system introduced by the firm	3.100	0.759
The organization assess the performance of the staff frequently	3.880	0.686
The results of the performance review are discussed with the staff	2.980	0.864
The performance review results are used in developing training programmes	2.420	1.103
Aggregate mean score and standard deviation	3.122	0.769

Source: Research Data (2020)

As depicted by Table 4.3, the departmental heads agreed that the firm purchases quality raw materials used in production and assign support personnel to its customers with mean scores of 3.920 and 3.900 respectively. Small standard deviations of 0.631 and 0.611 respectively indicate there were little variations in their opinions.

Further, with an aggregate mean of 3.880 and 3.740 respectively, departmental agreed that the organization assess the performance of the staff frequently and employ competent staff so as to improve on its competitiveness. The standard deviations of 3.880 and 3.740 indicate little variation in the respondents' opinions. In addition, the respondents moderately agreed that staffs in the organization are trained on how to use advanced production system introduced by the firm. This is depicted by an aggregate mean of 3.100 and Std dv of 0.759.

Additionally, departmental heads moderately agreed that the organization allocate funds for improvement of technological infrastructure and the results of the performance review are

discussed with the staff. This is shown by an aggregate mean of 3.920 and 3.900 respectively. Small standard deviations of 3.000 and 2.980 respectively indicate there were little variations in their opinions.

Nevertheless, the respondents disagreed with the statement indicating that performance review results are used in developing training programmes, they also disagreed with the statement indicating that new production equipment is purchased by the firm due to demand of products. This is shown by a mean of 2.420 and 1.160 respectively. The small standard deviations of 1.103 and 0.564 respectively indicate there were little variations in their opinions.

Human resource management had an aggregate mean of 3.122 and aggregate Std dv of 0.769. These statements are in line with the findings of Jamal and Iqbal (2011) who revealed that human resource management influences organization performance. Further, Muhammad and Muhammad (2017) revealed that human resource management through training, compensation, and performance appraisal and employee participation have positive as well as significant impact on firm performance.

4.5.3 Technological Resource Management

The third study objective was to assess influence of technological resource management on firm performance of Kenyan tyre firms. Departmental heads were asked to establish effect of technological resource management on firm performance of tyre firms. A 5 point Likert scale where 5 denotes Strongly Agree, 4 denotes agree, 3 denotes moderately agree, 2 denotes disagree and 1 denotes strongly disagree was used during the study. The results were as depicted in Table 4.5.

Table 4. 5: Technological Resource Management and Firm Performance

	Mean	Std. Deviation
The firm uses computerized information system for records of manufactured tyres	2.960	0.920
Cash flow plan and forecasting is generated from the system	3.900	0.674
The firm uses accounting software to general financial reports	2.160	0.838
Our firm uses technology in the tracking and tracing of imported goods	3.880	0.686
The firms uses transportation management system	3.900	0.732
Technology used gives real-time and detailed progress of all shipments.	3.080	0.748
The organization has scheduling pickups at regional distribution centres	2.160	0.707
Our firm uses radio frequency identification system	3.140	0.804
The organization used automated point of sale to increase efficiency in delivery	3.000	0.854
The organization used automated point of sale to reduce errors and increase accuracy	3.880	0.844
Aggregate mean score and standard deviation	3.206	0.780

Source: Research Data (2020)

As shown by Table 4.5, the departmental heads agreed that cash flow plan as well as forecasting is generated from the system and the firm uses transportation management system with mean scores of 3.900 and 3.900 respectively. Small standard deviations of 0.732 and 0.674 respectively indicate there were little variations in their opinions.

Further, by a mean of 3.880, the departmental heads agreed that the firm uses technology in the tracking and tracing of imported goods and automated point of sale to reduce errors and increase accuracy. The standard deviations of 0.686 and 0.844 indicate little variation in the respondents' opinions. In addition, the respondents moderately agreed that the firm uses radio frequency identification system and automated point of sale to increase efficiency in delivery. This is shown by a mean of 3.100 and 3.000 respectively. The standard deviations were 0.804 and 0.854 respectively.

In addition, the respondents moderately agreed that technology used gives real-time and detailed progress of all shipments and the firm uses computerized information system for records of

manufactured tyres. This is shown by aggregate mean of 3.080 and 2.960 respectively. Small standard deviations of 0.748 and 0.920 respectively indicate there were little variations in their opinions. Nevertheless, respondents disagreed with statement indicating that the firm uses accounting software to general financial reports. This is shown by a mean of 2.160 and standard deviations of 0.838.

Technological resource management had an aggregate mean of 3.206 and aggregate Std dv of 0.780. The statements are supported by the findings of Muhammed (2013) who revealed that technological resource management influences firm performance. Barasa *et al.* (2019) argued that adoption of technological systems facilitates organizational effectiveness and efficiency in its operations.

4.5.4 Inventory Management

The forth objective of on-going study was to establish effect of IM on firm performance of Kenyan tyre firms. The heads of departments were requested to specify the effect of IM on firm performance of tyre firms. A 5 point Likert scale where 5 denotes Strongly Agree, 4 denotes agree, 3 denotes moderately agree, 2 denotes disagree and 1 denotes strongly disagree was used during the study. The findings were as depicted in Table 4.6.

Table 4. 6: Inventory Management and Firm Performance of Tyre Firms

	Mean	Std. Deviation
The firm regularly update stocks	3.840	0.735
Inventory information in our firm is accurate	3.080	0.872
The firm ensures there is stock availability at all times	2.160	0.735
The firm uses first in first out technique to management stock	3.860	0.779
The firm has put measures to optimize utilization of its stock capacity	3.780	0.811
Stock management allow flexibility in production scheduling	3.700	1.030
Our firm conducts demand forecasting to determine the expected stock in the future	3.740	0.849
Demand forecasting helps in preventing stock-outs	3.740	0.895
Demand forecasting prevents overstocking in the organization	3.780	0.675
Aggregate mean score and standard deviation	3.520	0.820

Source: Research Data (2020)

As shown by Table 4.6, the departmental agreed that firm uses first in first out technique to manage stock and regularly update stocks with mean scores of 3.860 and 3.840 respectively. Small standard deviations of 0.779 and 0.735 respectively indicate there were little variations in their opinions. Further, by a mean of 3.780, the departmental heads agreed that demand forecasting prevents overstocking in the organization and the firm has put measures to optimize utilization of its stock capacity. The standard deviations of 0.675 and 0.811 indicate little variation in the respondents' opinions. In addition, by an aggregate mean of 3.700 and Std dv=1.030, departmental heads agreed that stock management allow flexibility in production scheduling.

The respondents agreed with aggregate mean of 3.740 that the firm conducts demand forecasting to determine the expected stock in the future and the demand forecasting helps in preventing stock-outs. The standard deviations of 0.895 and 0.849 indicate little variation in the respondents' opinions. Further, the respondents moderately agreed that inventory information in their firm is accurate with a mean of 3.080 and Std dv of 0.872. Nevertheless, the heads of

department disagreed with the statement indicating that the firm ensures there is stock availability at all times. This is shown by an aggregate mean of 2.160 and Std dv = 0.735.

Inventory management had an aggregate mean of 3.520 and aggregate Std dv of 0.820. These statements are supported by the findings of Song and Song (2009) who revealed that inventory management influence organization performance. In addition, Agu, Ozioma and Eke (2016) found that stock management techniques and demand forecasting influence performance.

4.5.5 Performance of Tyre Firms

The heads of department were requested to indicate the performance of tyre firms in terms of financial resource management, human capital management, technological resource management and inventory management on firm performance of Kenyan tyre firms. Results obtained were as depicted in Table 4.7.

Table 4. 7: Performance of Tyre Manufacturing Firm

	Mean	Std. Deviation
Our firm enjoys loyal clients who always come to us for re-purchase of tyres	2.100	0.785
The tyre market in Kenya has been growing over the years	4.560	0.808
The market share of our firm in the tyre industry has been increasing	2.040	0.751
Our firm offer quality services to customers	3.720	1.083
Our firm receives new customers who are referred by others	3.100	0.927
Staff in our firm talk very politely to customers	2.160	0.884
Our firm ensures timely delivery of tyres to customers	3.081	0.895
The time for after sales service has been decreasing over the years	3.719	0.986
The distribution of tyres to our branches and other dealers takes a short time	3.080	0.981
Aggregate mean score and standard deviation	3.062	0.900

Source: Research Data (2020)

As shown by Table 4.7, the departmental heads strongly agreed that tyre market in Kenya has been growing over the years with an aggregate mean score of 4.560, Std dv = 0.808.

Further, with an aggregate mean of 3.720 and 3719, the departmental heads agreed that the firm offer quality services to customers and the time for after sales service has been decreasing over the years. The standard deviations of 1.083 and 0.986 respectively indicate little variation in the respondents' opinions. In addition, the respondents moderately agreed that firm receives new customers who are referred by others and ensures timely delivery of tyres to customers. This is shown by a mean of 3.100 and 3.081 respectively. The standard deviations were 0.927 and 0.895 respectively

In addition, the respondents moderately agreed that the distribution of tyres to other branches and other dealers takes a short time. This is depicted by mean scores of 3.080 and small Std dv of 0.981. Nevertheless, the respondents disagreed with the statement indicating that Staff in the firm talk very politely to customers and the firm enjoys loyal clients who always come for re-purchase of tyres. This is shown by a mean of 2.160 and 2.100 respectively. The small standard deviations of 0.884 and 0.785 respectively indicate there were little variations in their opinions. Further, the respondents disagreed with the statement indicating that market share of the firm in tyre industry has been improving. This is depicted by an aggregate mean of 2.040 and a Std dv of 0.751.

Performance of tyre manufacturing firm had an aggregate mean of 3.062 and aggregate Std dv of 0.900. Upadhaya, Munir & Blount, (2014) indicates that performance in organizations is being done through balanced scorecard method where organization performance is tracked as well as measured in terms of customer service, personnel stewardship, company performance, financial performance, social responsibility, systems of performance measurement and firm engineering.

4.6 Inferential Statistics

Inferential statistics focused on Pearson correlation as well as regression analysis. Specifically, inferential statistics were deployed to evaluate association between dependent (firm performance) and independent study variables (financial resource management, human capital management, technological resource management and inventory management).

4.6.1 Correlation Analysis

In the current study, Pearson correlation analysis was deployed to determine strength of correlation between dependent (firm performance) and independent variables (financial resource management, human capital management, technological resource management and inventory management). The Pearson correlation coefficients range between zero and one whereby the strength of association increases as the coefficients move towards one. The results were as shown in Table 4.8.

Results indicate strong positive correlation between financial resource management and firm performance of Kenyan tyre firms ($r=0.829$, $p\text{-value}=0.000$). Since correlation coefficient was above 0.8, the relationship was considered very strong. Besides that the $p\text{-value}$ was less than the significant of 0.05 attributing to the positive association. The finding conforms to the finding of Trivedi and Raval (2015) that financial resource management influence organization performance in a significant way

Moreover, the results found a strong positive correlation between HCM and firm performance of Kenyan tyre firms ($r=0.865$, $p\text{-value}=0.000$). Since the correlation coefficient of human capital management was above 0.8, the relationship was considered very strong. Besides that the $p\text{-value}$ was less than the significant of 0.05 attributing to the positive association. The findings conform

to the argument of Sagwa, Obonyo and Ogutu (2015) that human capital management lead to improvement in employee behaviour, commitment and competence thus positively affecting firms' performance.

Results show strong and positive correlation between technological resource management and firm performance of tyre firms in Kenya($r=0.866$, $p\text{-value} =0.000$). Since the correlation coefficient of tax collection by suit was above 0.8, the relationship was considered strong. Besides that the $p\text{-value}$ was not more than the significant of 0.05 attributing to the positive association. The finding conforms to the finding of Njagi (2018) that technological resource management significantly influences organization performance of public- health institutions.

Moreover, the results revealed strong and positive correlation between IM and firm performance of Kenyan tyre firms ($r=0.862$, $p\text{-value} =0.000$). Since correlation coefficient of inventory management was above 0.8, the relationship was considered very strong. Besides that $p\text{-value}$ was not more than significant of 0.05 attributing to the positive association. The findings are in line with the arguments of Song and Song (2009) that IM had significant effect on organizational performance of firms.

Table 4. 8: Correlation Coefficients

		Firm Performance	Financial Resource Management	Human Capital Management	Technological Resource Management	Inventory Management
Firm Performance	Pearson Correlation	1	**	**	**	**
	Sig. (2- tailed)					
	N	100				
Financial Resource Management	Pearson Correlation	.929**	1	**	**	**
	Sig. (2- tailed)	.000				
	N	100	100			
Human Capital Management	Pearson Correlation	.965**	.980**	1	**	**
	Sig. (2- tailed)	.000	.000			
	N	100	100	100		
Technological Resource Management	Pearson Correlation	.966**	.984**	.991**	1	**
	Sig. (2- tailed)	.000	.000	.000		
	N	100	100	100	100	
Inventory Management	Pearson Correlation	.962**	.944**	.960**	.958**	1
	Sig. (2- tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data (2020)

4.6.2 Regression Analysis

In on-going research, multivariate regression analysis was deployed to assess association between dependent (firm performance) and independent study variables (financial resource management, human capital management, technological resource management and inventory management).

Table 4. 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.767	.766	.15949

a. Predictors: (Constant), Inventory Management, Financial Resource Management, Human Capital Management, Technological Resource Management

Source: Research Data (2020)

As depicted in Table 4.9, model summary was used to explain variation in dependent study variable (firm performance) that could be explained by inventory management, financial resource management, human capital management, technological resource management (independent variables). The R square was 0.767, implying that 76.7% of firm performance could be explained by inventory management, financial resource management, human capital management, technological resource management.

Table 4. 10: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67.024	4	16.756	658.737	.000 ^b
	Residual	2.416	95	.025		
	Total	69.440	99			

a. Dependent Variable: Firm Performance Of Tyre Manufacturing Firms

b. Predictors: (Constant), Inventory Management, Financial Resource Management, Human Capital Management, Technological Resource Management

Source: Research Data (2020)

The ANOVA is used in the current study to evaluate whether the model employed was good fit for the data. As depicted in Table 4.10, F calculated was 658.737 and the F-critical form F distribution table was 2.47. Since the F calculated was greater than F critical and p-value (0.000) was less than significance level of 0.05, model was considered as good fit for the data.

Table 4. 11: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.457	0.133		3.436	0.012
	Financial Resource Management	0.812	0.188	0.724	4.319	0.000
	Human Capital Management	0.468	0.126	0.371	3.714	0.003
	Technological Resource Management	0.939	0.168	0.911	5.589	0.000
	Inventory Management	0.440	0.175	0.407	2.514	0.023

a. Dependent Variable: Firm Performance of Tyre Firms

Source: Research Data (2020)

The regression equation was;

$$Y = 0.457 + 0.812X_1 + 0.468X_2 + 0.939X_3 + 0.440X_4$$

Hypothesis Testing

The study used both simple and multiple linear regression analysis to determine whether resource management influences firm performance of Kenyan tyre firms. Fitness of the model decision was based on F-statistic and the associated P-values. The decision on either to reject or accept null hypothesis was based on P-values at 0.05 significance level. The statistical analysis, interpretations and discussions are presented in this section.

From the results, financial resource management influenced firm performance positively as well as significantly ($\beta_1=0.812$, p-value= 0.012). The association between financial resource management and firm performance was regarded as significant since p value 0.012 was not more than significant level of 0.05. Since P-value=0.012<0.05 for financial resource management indicate a statistical significant influence on firm performance, the null hypothesis which states that, FRM has no statistically significant effect on firm performance of tyre firms in Kenya was

rejected and the alternative hypothesis which states that, financial resource management has statistically significant influence on firm performance of Kenyan tyre firms was accepted. The finding is in line with finding of Ilya et al. (2013) that financial resource management significantly influences on performance of leading banks across the world.

Results indicated that HCM influences firm performance positively as well as significantly ($\beta_2=0.468$, p-value= 0.003). The relationship was significant since p-value 0.003 was not more than significant level of 0.05. Since P-value=0.003<0.05 for human capital management indicate a statistical significant influence on firm performance, the null hypothesis which states that, human capital management has no statistically significant effect on performance of tyre firms in Kenya was rejected and alternative hypothesis which states that, HRM has statistically significant effect on firm performance of tyre firms in Kenya was accepted. The finding conforms to the finding of Muhammad and Muhammad (2017) that human capital management through training, compensation, and performance appraisal as well as employee participation has influences firm performance positively as well as significantly.

Results indicated that technological resource management influences firm performance positively as well as significantly ($\beta_3=0.939$, p-value= 0.000). The association between technological resource management and firm performance was considered significant since p value 0.000 was not more than 0.05 (significant level). Since P-value=0.000<0.05 for technological resource management indicate a statistical significant influence on firm performance, the null hypothesis which states that, technological resource management has no statistically significant effect on performance of tyre firms in Kenya was rejected and the alternative hypothesis which states that, technological resource management has statistically significant effect on firm performance of tyre firms in Kenya was accepted. The findings

conform to the findings of Saberi, Yusuf and Megat (2010) that technological resource management significantly influences performance of companies.

The results revealed that IM has positive as well as significant effect on firm performance of tyre firms in Kenya ($\beta_4=0.440$, p value= 0.000). The association between inventory management and firm performance was considered significant since p value 0.023 was not more than 0.05 (significant level). Since P-value=0.023<0.05 for inventory management indicate a statistical significant influence of IM on firm performance, null hypothesis which states that, inventory management has no statistically significant effect on firm performance of tyre firms in Kenya was rejected and the alternative hypothesis which states that, inventory management has a statistically significant effect on firm performance of tyre firms in Kenya was accepted. Findings are in line with the arguments of Agu, Ozioma and Eke (2016) (2017) that IM has positive as well as significant impact on organization performance.

4.7 Qualitative Analysis

4.7.1 Financial Resource Management

The departmental heads were requested to indicate in their own view how else financial resource management affects firm performance of tyre firms located Kenya. From the findings, heads of departments indicated that a firm can only achieve competitive advantage by use of the available resources and capabilities in the firm. In addition, financial resources improve other resources that belong to the firm. Moreover, departmental heads revealed that the success of a firm will depend on its resources i.e. if the resources available are relevant to its operations and strategy then the firm is likely to succeed. Further, the firm's capabilities as well as resources are basis upon which a firm strategy is built and valuable resources are able to provide a firm with

sustainable competitive advantage. Financial resource management can be sources of sustainable competitive advantage only if they are valuable and diversely spread all over the companies trying to outdo each other and if there is perfect mobility of skills for managing both technical and market risk. Additionally, departmental heads revealed that lack of adequate funds and delays in releasing funds for various resources affects firm's performance. Furthermore, departmental heads established that poor allocation of funds affects firm's performance

4.7.2 Human Capital Management

The heads of departments in tyre firm were requested to indicate in their own view how else resource management affects firm performance of Kenyan tyre firms. From the results, departmental heads pointed out that employees' productivity is improved through education or training by imparting important knowledge as well as skills, thus increasing employees lifetime earnings by raising their future income. Furthermore, heads of departments in tyre firm indicated that Specified training competencies enhance the staff skills at the current area of work. In addition, employees tend to enhance their skills and knowledge by investing thoroughly in training, education as well as adoption of other competencies. Departmental heads also revealed that education and training are investments that results to high return and low risks than those provided by financial and physical capital. The findings agree with Ngui (2014) argument that employee training programs, recruitment arrangements, teamwork settings, and incentive arrangements results to high return and low risks compared to those given by physical and financial capital. In addition, HRM must perform its essential role in acquisition, growth as well as retention of human capital for a firm. Moreover, departmental heads revealed that employment of old taskforce, using obsolete technological infrastructure affects firm's performance

4.7.3 Technological Resource Management

The heads of department in tyre firm were asked to specify in their own view how else modern technology affects firm performance of Kenyan tyre firms. From the findings, departmental heads revealed that effective management of technological resource improves on operational efficiency and minimizes production cost thus resulting to overall improvement in firm performance. In addition, allocation of funds, adequacy and timely releases of funds significantly influences organization growth. Heads of department also indicated that application of formula, funding and competitive elements in the process of allocating public funds influences the firm performance. Furthermore, financial management through budgeting influences organization performance. Departmental heads also revealed that financial resource management lead to improvement in financial outcome, increased profitability, reduced operating expenses and operational outcome thus enhancing overall firm performance. These findings concur with arguments of Barasa et al. (2019) who indicated that TRM has significant impact on organizational performance. Heads of department indicated that advanced technological management techniques lead to reduction in administrative cost, improved on workplace satisfaction and minimized supply cost thus leading to overall improvement in organization performance. Moreover, departmental heads indicated that lack of modern technology affects firm's performance. In addition, the heads of departments revealed that use of old equipment affects tyre quality leading to losses.

4.7.4 Inventory Management

The heads of departments were requested to point out in their own view how else inventory management affects firm performance of Kenyan tyre firms. From the findings, respondents pointed out that effective IM results to reduction of labor force, physical storage space and

duration spent to store and retrieve manufacturing resources such as raw material consequently resulting to minimization of inventory cost which ultimately result to improvement in overall performance of firms. Moreover, respondents revealed that inventory management system focuses on minimization of cost incurred when handling materials. This is because inherent variability result in accumulation of tasks that are in progress at various production stages and consequently affect firm's competitive strategies such as cost, time and quality. Inventory management with respect to store management; stock control and procurement of raw material significantly influences organizational performance. Respondents also indicated that management of optimal inventory orders, inventory holding cost and inventory conversion period influences organizational performance. Departmental heads as well showed that organization performance in affected by stock coverage, stock out, capacity utilization, and stock availability. Participants further revealed that material requirement planning; storage management and stock control influences companies' operational performance significantly. Further, heads of departments revealed that lack of timely release of funds to purchase raw materials in good time leads to stock outs. Moreover, delays in sourcing raw materials needed in production process affects firm's performance. Departmental heads also revealed that high customs charges raises the cost of acquiring raw materials hence influencing firm's performance. Furthermore, delays in clearance of cargo causes delay in production hence affects firm's performance

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on discussion of the summary of the findings, conclusions as well as recommendations. The main objective was to evaluate effect of resource management on firm performance of Kenyan tyre firms. Moreover, specific objectives were to evaluate effect of FRM, human capital management, technological resource management and IM on firm performance of Kenyan tyre firms.

5.2 Summary of the Findings

The section sets out summary of research findings on the effect of financial resource management, human capital management, TRM and IM on firm performance of tyre firms in Kenya.

5.2.1 FRM and performance of tyre firms

The study findings showed financial resource management has positive significant effect on performance of Kenyan tyre firms ($\beta_1=0.812$, p-value= 0.012). The researcher also found that firm ensure that there is sufficient cash flow to meet its daily operational needs. However, the study findings showed that the departmental heads moderately agreed that there is a systematic capital allocation needed to invest cash raised from divestments in tyre firm. Further the study revealed that the firm main focus on capital allocation process is not based on divestment of underperforming assets.

The study findings further revealed that manufacturing firms have adequate fund to cater for purchase of production materials. The findings also revealed that employees in the manufacturing firm are paid on time. Nonetheless the results showed that the departmental heads moderately agreed that in tyre firm, there is a plan to increase capital. Moreover, the heads of departments moderately agreed that funding for equipment maintenance is released on time. The results further indicated that the resources that need funding are not promptly identified by the manufacturing firm. The study also found that there is inadequate fund to cater for business operation of the firm

5.2.2 Human Capital Management and Performance of Tyre Firm

The study discovered that HRM has positive as well as significant influence on firm performance of Kenyan tyre firms ($\beta_2=0.468$, $p\text{-value}= 0.003$). Results found that tyre firms purchases quality raw materials used in production. Additionally, the study established that the firm employ competent staff so as to improve on its competitiveness. Nonetheless, the study found that the firm does not purchase new production equipment due to demand of products.

The study findings indicated that tyre firm assign support personnel to its customers. The study further established that the organization assess the performance of the staff frequently. Nevertheless, the heads of department moderately agreed that staffs in their firm are trained on how to use advanced production system introduced by the firm. In addition, they moderately agreed that the organization allocates funds for improvement of technological infrastructure and that results of performance review are not discussed with the staff. The study also revealed that the performance review results are not used in developing training programmes

5.2.3 Technological Resource Management and Firm Performance

The findings revealed that technological resource management has positive significant effect on firm performance of Kenyan tyre firms ($\beta_3=0.939$, $p\text{-value}= 0.000$). Moreover, the study further noted that cash flow plan and forecasting is generated from the system. Nevertheless, the study results revealed that the heads of departments moderately agreed that the firm uses computerized information system for records of manufactured tyres. In additionally the study established that the firm does not use accounting software to generalize financial reports

The study findings revealed that tyre firm uses transportation management system. Further, the study found that tyre firm uses technology in the tracking and tracing of imported goods. The study also indicated that the organization used automated point of sale to reduce errors and increase accuracy. Nonetheless, the results indicated that the departmental heads moderately agreed that technology used in the firm gives real-time and detailed progress of all shipments. Moreover, the departmental heads moderately agreed that the firm uses radio frequency identification system and automated point of sale to increase efficiency in delivery. The results also found that the organization has no scheduling pickups at regional distribution centres.

5.2.4 IM and Firm Performance of Tyre Firms

Study findings established that IM has positive and significant effect on firm performance of tyre firms in Kenya ($\beta_4=0.440$, $p\text{ value}= 0.000$). Additionally, study results indicated that the firm regularly update stocks. Nevertheless, the heads of departments moderately agreed that inventory information in tyre firm is accurate. Moreover, the results indicated that the firm does not ensure availability of stock at all times.

The study findings revealed that the firm uses first in first out technique in management of stock. In addition, the results found that the firm has put measures to optimize utilization of its stock capacity and that stock management allow flexibility in production scheduling. From the study, it was found that demand forecasting prevents overstocking in the organization. In addition, the study findings revealed that tyre firm conducts demand forecasting to determine the expected stock in the future. Moreover, the study found that demand forecasting helps in preventing stock-outs.

5.3 Conclusions

The researcher concludes that FRM has positive as well as significant effect on performance of tyre firms in Kenya. Additionally, findings also revealed that allocation of funds, adequacy as well as timely release of funds influence firm performance of tyre firms in Kenya. This implies that improvement in financial resource management (allocation of funds, adequacy and timely release of funds) leads to improvement of firm performance of Kenyan tyre firms.

The study also concludes that HCM has positive and significant effect on firm performance of Kenyan tyre firms. Findings also revealed that acquisition of staff, skill and competence and performance review influence firm performance of tyre firms in Kenya. This implies that improvement in human capital management (acquisition of staff, skill and competence and performance review) leads to enhancement in firm performance of tyre firms in Kenya.

Study further concludes that TRM has positive as well as significant influence on firm performance of Kenyan tyre firms. Findings established that management information system, shipment tracking and tracing as well as automated point of sales influences firm performance of tyre firms in Kenya. This implies that improvement in technological resource management

(management information system, shipment tracking and tracing as well as automated point of sales) leads to improvement in firm performance of tyre firms in Kenya.

The study also concludes that IM has positive as well as significant effect on firm performance of tyre firms in Kenya. Moreover, findings revealed that stock control, stock management and demand forecasting influence performance of tyre firms in Kenya. This implies that improvement in inventory management (stock control, stock management and demand forecasting) leads to improvement in firm performance of Kenyan tyre firms.

5.4 Recommendations

Findings indicated that the firm main focus on capital allocation process is not based on divestment of underperforming assets. This study thus recommends that the management should allocate more capital in adoption of modern technology, employing competent personnel and purchase of quality materials in order to enhance performance of underperforming assets.

Findings further revealed that there is inadequate fund to cater for business operation of the firm and resource that need funding are not promptly identified by the manufacturing firm. Therefore, this study recommends that proper budgeting should be done in order to ensure continuous production and avoid stock-outs and the resources that are in high need of funding should be identified first so that immediate allocation of capital is done to avoid any lose that may occur as a result of shortage.

The study revealed that tyre firm has does not purchase new production equipment due to demand of products. Therefore, this research recommends that the management in tyre firm should buy more equipment in case there is high demand in goods to enable continuous production and also facilitate customer retention.

The study findings further revealed that the performance review results are not used in developing training programmes. Hence, this study recommends that the results obtained from performance review should be considered when setting up training programmes so that the firms' personnel can be impacted with relevant knowledge as well as skills to improve quality of service delivery and overall organization growth

Findings also revealed that the firm does not use accounting software to generate financial reports. This study therefore recommends that the firm should adopt accounting software in processing financial transactions since it helps save time, cost and accuracy is not prone to human accounting error.

The study findings further revealed that the organization has no scheduling pickups at regional distribution centres. This study thus recommends that the firm should place pickups at all distribution centers to provide delivery services to customers which helps in attracting more buyers hence improving firms' performance.

The study findings revealed that tyre firm does not use technology in the tracking and tracing imported goods and also in giving real-time and detailed progress of all shipments This study therefore recommends that the firm should adopt modern technology in order to ensure timely delivery of freight and goods, tracking and tracing of imported goods and monitor the progress of all shipment and enhance accuracy.

Moreover, the study found that the firm does not ensure availability of stock at all times. Therefore, the study recommends that the firm ought to adopt computer information system where information can be easily retrieved on manufactured tyres in order to avoid out-stocking

and also help in making a cash flow forecast to ensure the firm has adequate capital for its operations.

The study findings revealed that the market share in their firm in the tyre industry has been decreasing. Therefore this study recommends that the firm should adopt financial resource management, human capital management, technological resource management and inventory management in order to increase overall firm performance and the market share.

In addition, the findings revealed that staffs in tyre firm do not talk very politely to customers and that the firm does not receive loyal clients who always go back for re-purchase of tyres. Therefore this study recommends that the firm should organize for regular employee training so that they can be equipped with proper knowledge and skills on how to relate with customers in order to increase customer retention.

5.5 Recommendation for Further Studies

This study aimed at to investigate effect of resource management on firm performance of tyre Kenyan firms. However, the researcher was only limited to Kenyan tyre firms hence findings can't be applied to other firms in Kenya. Therefore, researcher recommends that further studies ought to be conducted on effect of resource management in other firms. Additionally, the study found that 76.7% of firm performance could be explained by resource management. As such, further studies should be conducted to assess other factors that influence firm performance.

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APPENDICES

Appendix I: Questionnaire

Instructions:

Please respond to each question by ticking inside the blank space provides. The study will observe confidentiality during data collection process.

SECTION ONE: BIOGRAPHIC INFORMATION

1. Sex

Female Male

2. Please indicate your education level?

- a) Primary
- b) Secondary
- c) Diploma
- d) Degree
- e) Master's degree
- f) PhD

3. Duration in the organization

- a) Below 5 yrs
- b) 6 - 10 yrs
- c) 11 - 15 yrs
- d) Above 15 yrs

SECTION TWO: FINANCIAL RESOURCE MANAGEMENT

4. Please indicate your agreement level on effect of financial resource management on firm performance of Kenyan tyre firms. Use a 5 point Likert scale (5 connotes Strongly Agree, 4 connotes agree, 3 connotes moderately agree, 2 connotes disagree and 1 connotes strongly disagree).

Statement	1	2	3	4	5
Allocation of funds					
The firm ensure that there are sufficient cash flow to meet its daily operational needs					
In our firm, there is a systematic capital allocation process needed to invest the cash raised from divestments					
The main focus on capital allocation process is based on Divestment of underperforming assets					
Adequacy of funds					
Manufacturing firms have adequate fund to cater for purchase of production materials					
There is adequate fund for cater for business operation of the firm					
In our firm, there is a plan to increase capital					
Timely release of funds					
Funding for equipment maintenance is released on time					
Employees in the manufacturing firm are paid on time					
The manufacturing firm promptly identifies resource that need funding					

5. In your own opinion, how else does financial resource management affects firm performance of tyre firms in Kenya?

SECTION THREE: HUMAN CAPITAL MANAGEMENT

6. Please indicate your agreement level on effect of human capital management on firm performance of Kenyan tyre firms. Use a 5 point Likert scale (5 connotes Strongly Agree, 4 connotes agree, 3 connotes moderately agree, 2 connotes disagree and 1 connotes strongly disagree).

Statement	1	2	3	4	5
Acquisition of staff					
Our firm employ competent staff so as to improve on its competitiveness					
The firms purchases quality raw materials used in production					
New production equipment is purchased by our firm due to demand of products					
Skill and competence					
The organization allocate funds for improvement of technological infrastructure					
The firm assign support personnel to its customers					
Staff in our are trained on how to use advanced production system introduced by the firm					
Performance review					
The organization assess the performance of the staff frequently					
The results of the performance review are discussed with the staff					
The performance review results are used in developing training programmes					

7. In your own opinion, how else does resource management affects firm performance of tyre firms in Kenya?
-

SECTION FOUR: TECHNOLOGICAL RESOURCE MANAGEMENT

8. Please indicate your agreement level on effect of technological resource management on firm competitiveness of Kenyan tyre firms. Use a 5 point Likert scale (5 connotes Strongly Agree, 4 connotes agree, 3 connotes moderately agree, 2 connotes disagree and 1 connotes strongly disagree).

Statement	1	2	3	4	5
Management information system					
The firm uses computerized information system to records manufactured tyres					
Cash flow plan and forecasting is generated from the system					
The firm uses accounting software to general financial reports					
Shipment tracking and tracing					
Our firm uses technology in the tracking and tracing of imported goods					
The firms uses transportation management system					
Technology used gives real-time and detailed progress of all shipments.					
The organization has scheduling pickups at regional distribution centers					
Automated Point of Sales					
Our firm uses radio frequency identification system					
The organization used automated point of sale to increase efficiency in delivery					
The organization used automated point of sale to reduce errors and increase accuracy					

9. In your own opinion, how else does modern technology affects firm performance of tyre firms in Kenya?

SECTION FIVE: INVENTORY MANAGEMENT

10. Please indicate your agreement level on effect of inventory management on firm performance of Kenyan tyre firms. Use 5 point Likert scale (5 connotes Strongly Agree, 4 connotes agree, 3 connotes moderately agree, 2 connotes disagree and 1 connotes strongly disagree).

Statement	1	2	3	4	5
Stock control					
The firm regularly update stocks					
Inventory information in our firm is accurate					
The firm ensures there is stock availability at all the times					
Stock management					
The firm uses first in first out technique to management stock					
The firm has put measures to optimize utilization of its stock capacity					
Stock management allow flexibility in production scheduling					
Demand forecasting					
Our firm conducts demand forecasting to determine the expected stock in the future					
Demand forecasting helps in preventing stock-outs					
Demand forecasting prevents overstocking in the organization					

11. In your own opinion, how else does inventory management affects firm performance of tyre firms in Kenya?

SECTION FIVE: FIRM PERFORMANCE OF TYRE MANUFACTURING FIRMS

12. Please indicate your level of agreement on different statements on firm performance of tyre manufacturing firms in Kenya. (5 connotes Strongly Agree, 4 Agree, 3 connotes Moderately agree, 2 connotes Disagree and 1 connotes Strongly Disagree).

	1	2	3	4	5
Market share					
Our firm enjoys loyal clients who always come to us for re-purchase of tyres					
The tyre market in Kenya has been growing over the years					
The market share of our firm in the tyre industry has been increasing					
Customer satisfaction					
Our firm offer quality services to customers					
Our firm receives new customers who are referred by others.					
Staff in our firm talk very politely to customers					
Delivery time of tyres					
Our firm ensures timely delivery of tyres to customers					
The time for after sales service has been decreasing over the years					
The distribution of tyres to our branches and other dealers takes a short time					

Appendix II: Tyre Firms in Kenya

1. Achelis Kenya Ltd
2. Alliance Tire Company Ltd.
3. Apollo Tyres Ltd.
4. AutoXpress
5. BF Goodrich Tyres
6. FairRate Tyres
7. Falcon Tyres
8. Goodyear Tyre and Rubber Industries
9. GT Radial
10. Kenya Masters Auto Tyre Ltd
11. Kiamunyi Tyre Dealers & Accessories
12. Kingsway Tyres Ltd
13. Kumho Tire Co., Inc
14. Kwik-Fit Tyres & Auto Care
15. Maxxis Tyres
16. Michelin North America, Inc.
17. Minja Tyres Automart Ltd
18. Mobi Tyres & Autoservice
19. Park Road Tyre Centre
20. Pirelli & C. SpA.
21. Royal Tyres Ltd
22. Sameer Africa Ltd.
23. Soroya Motor Spares Ltd (Kenda Tyres)
24. Super Ride Auto Tyres Ltd
25. Treadsetters
26. Tyrex Kenya Enterprise Ltd
27. Wabco Tyre Centre
28. Wambu Auto Tyres
29. Yana Tyre Centre



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Website: www.ku.ac.ke

Internal Memo

FROM: Dean, Graduate School

DATE: 29th September, 2020

TO: Karen Mukami
C/o Business Administration Dept.

REF: D53/ CTY/PT/27997/2014

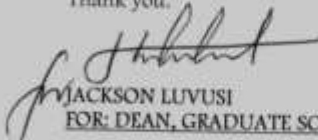
SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 11th September, 2020 approved your Research Project Proposal for the MBA Degree Entitled, "Resource Management and Firm Performance of Tyre Firms in Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.


JACKSON LUVUSI
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Samuel Maina
C/o Department of Business Administration
Kenyatta University

JL/nn



REPUBLIC OF KENYA

Ref No: **691514**



**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Date of Issue: **26/October/2020**

RESEARCH LICENSE



This is to Certify that Miss. Karen Mukami Kaibung'a of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: RESOURCE MANAGEMENT AND FIRM PERFORMANCE OF TYRE FIRMS IN KENYA for the period ending : 26/October/2021.

License No: **NACOSTI/P/20/7384**

691514

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