

Effects of Resource Allocation on Performance of Nyandarua County Assembly

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Abstract- Evaluation report for the 2013-2017 strategic plan for Nyandarua county assembly released that a number of plans did not meet the set standards. The oversight role was low, there was need to enhance representation of the public and the legislation represents the interests of the general public. The evaluation reported painted a dim picture and hence need for research to understand reasons for low performance and how to change it. The study sought to assess the effect that resource allocation has on performance of the Nyandarua County Assembly. The study was anchored on resource-based view theory and applied the descriptive research design. Data was collected from management team and members of the Nyandarua county assembly and thereafter entered into SPSS v.25.0 for analysis. The descriptive and inferential analysis with regression and correlation analysis was conducted. The findings from the regression analysis showed that 0.721 (72.1%) of the performance of the Nyandarua county assembly was associated with resource allocation. The Pearson correlation analysis results indicate that resource allocation had a positive and strong effect to performance with r value of 0.698 and p -values of 0.000. The study then concluded that resource allocation had positively affected the performance of Nyandarua county assembly. The study, therefore recommends that Nyandarua county assembly and other county assemblies to adopt resource allocation as a strategy for improvement of their performance.

Index Terms- Resource allocation, Performance, Financial resources, Human resources

I. INTRODUCTION

The key objective of allocation of resources is the attainment of firm's objectives. Tele and Gachunga (2019) revealed that strategic human resource management was one of the key determinants in implementing any organization's strategic plan. Successful strategy implementation leads to high performance in the firm. When it comes to counties, it is recommended that they deploy latest technology resources and all the resources to be allocated in various unites and departments being part of the overall strategy.

In South Africa, Nkosi (2015) found out that absence of enough financial resources is the main factor that determines the

level of strategy implementation and is therefore a very significant element to be considered for the success in strategy implementation. Financial resources were succeeded by the inadequacy of organizational structure which strongly supports the implementation of strategy. Thus, the only way for organizations to attain high performance outcomes, is through successful strategy implementation that relies on financial resources. In Namibia, Shopati, Mitonga and Aiping (2018) discovered that firm resources that included human, financial and technological were critical success factors for cross checking with each stage of strategy implementation and organizational performance.

Mwanthi (2018) noted that high performance of Kenyan universities depends on resource allocation and elements of organizational leadership and communication. Resource allocation significantly improved the performance. Kihara (2017) noted that performance of small and medium enterprises in Kenya which are in manufacturing sector, depends on human and technological resources, structure and leadership style. These elements were closely related to organizational outcomes in the SMEs in Kenya's manufacturing sector.

Organizational performance was defined by Owiti (2014) as the firm's ability to attain its goals through the application of resilient governance, thorough management and determined dedication to achieve results. Organizational performance is composed of real outcome of a firm which is measured using the projected aims and objectives (Ebongkeng, 2018). Firm performance may be explained through how well a firm achieves its goals. In this study, performance will be performing oversight function on the county executive and legislation at the county assembly of Nyandarua, Kenya.

There are a total of forty seven (47) county assemblies in Kenya and their formation was to represent the citizens, legislate and play the oversight role to the county executive. It is also tasked with the mandate to enhance the institutional capacity including improving the image of the institution, attracting and retaining a competent human resource. Proper functioning at the county assembly relies on formulating and implementing a strategic plan that normally covers a period of five years which is commensurate with the life of county assembly. Since the inception of the Nyandarua County Assembly in the year 2013, a strategic plan which covered the period 2013-2017 this was implemented to 90%. Presently, the assembly is in the implementing its second

strategic plans which covers the period 2018-2022 which was made taking into consideration challenges and milestones in the first strategic plan, (Nyandarua County Assembly, 2018).

II. STATEMENT OF THE PROBLEM

In evaluation of the first strategic plan in Nyandarua county assembly (2013-2017), it was established that a number of plans did not meet the set standards of performance. County assembly oversight role in the county government was to be improved by the year 2017, representation of the public by the county assembly was to be enhanced to ensure that legislation represents the interest of the general public, 25% level was attained, (Nyandarua County Assembly economic outlook report of 2018). From the aforementioned performance related problems, it paints a dim picture on matters at the county assembly. It is not yet clear what is responsible for the low level of performance in the county assembly.

However, there were scant literature found that concentrated on the performance of county assembly or any other legislative body leaving a gap in knowledge on how resource allocation is related to organizational performance. More so in a legislative body in which this proposed study seeks to bridge the gap in knowledge in which it is the motivation factor to the researcher to carry out this research. The researcher therefore sought to answers on the effect of resource allocation and performance in county assembly performance, a case study of Nyandarua county assembly.

Research question: what is the effect of resource allocation on performance of Nyandarua county assembly?

III. LITERATURE REVIEW

3.1 Theoretical Review Resource Based Theory

It was first established by Barney (1991). It is a widely cited theory and an influential theory in management explaining the internal sources of an organization's sustained competitiveness. It argues that a firm ought to transact with stakeholders of the organization and the surrounding environs with the intention of obtaining resources. The theory argues that stakeholders who do not have crucial resources are forced to develop relationships with others in order to get the resources needed. The theory further posits that institutions are seen as alliances that align their structure and pattern with other actors in the industry to get and maintain resources required. Medcof (2001) argues that an entity acquiring resources from outside is made through a drop in organization's dependence on other and/or raising the dependence of other actors. The theory also maintains that every organization has at least four kinds of resources; human, physical, financial and technological resources.

The resource-based theory is established on fundamental assumptions. It is presumed that an entity is composed of internal and external alliances which emanates through social exchanges that are made to affect and manipulate the behavior. It is assumed that the environment has limited valuable resources that are important to the sustainability of an entity. It is assumed that entity

seeks to attaining control over the limited and valuable resources hence maximizing the dependence on other entities. A set of resources a firm possesses dictates the goods and services that an organization potentially can offer. This implies that sustainability of an entity depends on the level of resources it possesses. In the same manner, it is concluded that an entity has the ability to expanding its human, financial, physical and technological resources over time, and as a result, the productive opportunity in the firm will change in the same manner, (Barney, 2001).

In applying this theory to this study, the researcher ground the objectives of resource allocation to the theory. According to the theory, among the resources an entity has, are the financial resources and human and physical. Nyandarua County Assembly is allocated resources from the county government which used to acquire other resources such as human, physical and technological ones.

3.2 Empirical Review

Donna and Wanjira (2018) sought to establish the relationship between strategy implementation and performance of institutions of higher learning in Kenya. The study variables were strategic resource allocation, strategic communication, monitoring and control and strategic leadership. Discovering noteworthy relations existed between resource allocation, monitoring and control of strategies, and strategic communication on the performance of institutions of higher learning. The study further established that strategic leadership were not related to the performance of institutions of higher learning and to a noteworthy extent, strategic leadership was establish to be a preceding variable.

Chebet, Kimutai and Kemboi (2017) researched on the link between resource provision and performances of hospitals. Targeting 340 employees who are working in hospitals in Kericho County, the study applied stratification to select 181 respondents. Structured questionnaire was employed to collect data from the selected respondents and subsequently analyzed for descriptively and inferentially. It was discovered with the introduction of county governments in Kenya, there has been better resource allocation to the county activities and have registered an improvement. It was further discovered that resource allocation explains the biggest percentage on performance.

In another descriptive study by Omollo, Ngacho and Onyango (2017) to examine allocation of resources the organizational performance of South Nyanza Sugar. The study targeted 994 employees working in Sony Sugar Company where a sample of 329 was taken for the research. Both quantitative data and qualitative data was collected with the help of questionnaire. The results show that resource allocation played an important role in performance of the sugar company. Resource allocation enabled implementation of strategies and it had high effects on performance of the organization.

Hantiro and Maina (2020) research was to establish the relations that implementing strategies in County Government of Tana River and its performance. The management employees of the county government of Tana River were targeted for the study which 166 in total and from which 66 of them participated in the study. The study discovered that allocation of resource is an activity for the top management which enables the strategy execution to take place. The key objective of allocation of

resources is the attainment of firm’s objectives. Budgeting for all its entire activities is to a key element to be acknowledged and embraced. The counties should deploy latest technology resources

in order to serve the needs of the people. There is need for the county to formulate policies and procedures for even resources allocated to various units and departments.

3.3 Conceptual Framework

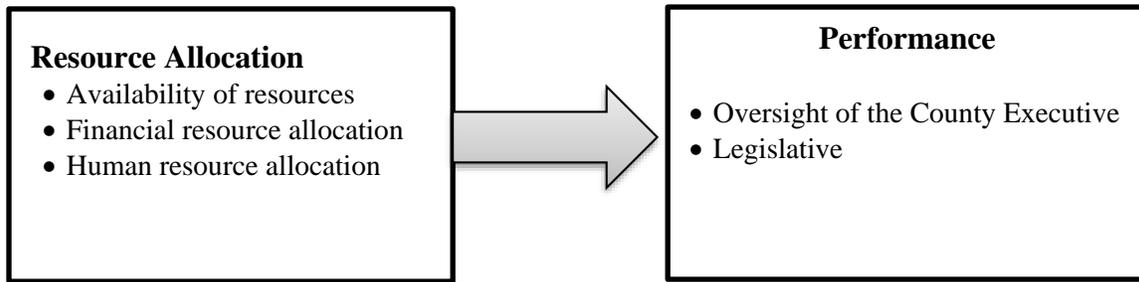


Figure 1: Conceptual Framework

IV. RESEARCH METHODOLOGY

Descriptive research design was considered useful for this prosed study, as it was used to describe the characteristics of a given population or phenomena under study at the same time it allows the researcher to acquire a vivid understanding of the subject that that is being investigated as it exists (Avella, 2016). The target population was therefore comprised of the member of the county assembly in different management levels; 5 top level management, 15 middle level management staff and 20 lower level management staff and 39 members of the county assembly. Using the Krejcie and Morgan (1970) formula, 66 out of 79 respondents were included in the study and filled the

questionnaire. The questionnaire was piloted tested and found to be valid and reliable thus fit for use in the study.

The data was collected and later entered into SPSS version 25 where descriptive analysis produced means, frequencies and standard deviation and inferential statistics where Kearn Pearson correlations and regression analysis were computed to deduce properties of the objectives for making conclusions. The regression analysis followed this format

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

Y = Performance

β_0 = Constant

β_1 = Resource Allocation

V. RESULTS AND DISCUSSIONS

5.1 Descriptive Analysis

Table 1: Resource Allocation

Resource Allocation	Mean	SD %	D %	N %	A %	SA %	Std. Dev.
County assembly always receives adequate funds from the county government	3.603	33.2	22.9	4.4	17.0	22.5	0.871
There are sufficient personnel in the county assembly to discharge the mandate of the institution	4.411	8.6	11.2	6.5	17.2	55.9	0.915
All the physical resources required have adequately been provided to the employees	3.327	10.1	32.9	13.6	19.3	24.1	0.741
Whenever resources are not sufficient, additional funding is obtained from other financing institutions	2.982	34.5	23.9	12.1	20.3	9.2	1.021
All the resources allocated to the county assembly are spent in prudent and accountable manner.	3.672	19.3	15.8	10.7	29.2	25	0.865
As the rule of thumb, financial reporting is periodically done	4.120	0	9.9	21.6	29.2	40.3	1.241
Sometime new staff are hired on contract basis	4.206	0	3.2	0	31.8	65	0.884
There are times where the county assembly outsource some of the task	3.672	0	6	14.8	44.1	35.1	0.867
There is a direct effect of resource allocation on performance of the county assembly	4.248	0	0	4.4	39.2	56.4	0.689
Total	3.804	21.14	15.72	11.01	24.47	37.05	0.899

Table 1 show that the overall mean score on resource allocation at the county assembly is 3.804 whereby the variation in responses was reported at 0.899. In general, 61.52% respondents agreed on the fact that resource allocation affected performance of the county assembly and of these respondents 37.05% strongly agreed with the statement. However there were a few of the respondents at 21.14% who strongly disagreed and 15.72% disagreed on resource allocation affecting performance at the county assembly. The results are similar to findings of Donna and Wanjira (2018) noting that resource allocation is linked to

performances; Chebet, *et al.* (2017) noted that better resource allocation to counties has seen improvement in activities. Omollo, *et al.* (2017) discovered that resource allocation as a factor had high effects on performance due its ability to influence implementation of strategies. Hantiro and Maina (2020) argue that allocation of resources is the mandate of the top management and it enabled execution of strategy and attainment of the objectives of the firm.

Table 2: Performance

Performance	Mean	SD %	D %	N %	A %	SA %	Std. Dev.
County assembly is performing its oversight role successfully	3.551	1.1	9.7	35.5	40.9	12.9	0.569
The oversight role of the county assembly has kept the county discharge its role effectively	3.982	5.4	7.5	23	43.7	20.4	0.961
County assembly has the capacity to pass legislations as provided for in the constitution.	4.258	2.2	1.9	1.1	54.7	40.2	0.734
County assembly builds institutional capacity including enhancing the image of the institution	4.155	8.0	3.5	21.2	51.1	16.1	0.796
County assembly is attracting and retaining a competent human resource as enhancement of institutional capacity	3.896	2.3	5.5	6.2	55.6	30.4	0.800
County assembly passes legislation that are important for the county government to perform its role	3.896	2.2	9.7	1.1	49.5	37.6	0.898
Implementation of strategies influences performance of county assembly	4.344	8.3	4.5	5.6	19.2	62.4	0.957
Total	4.011	4.21	6.04	13.38	44.95	31.42	0.816

Table 2 indicates that performance of the county assembly was influenced by resource allocation with high response score averages of 4.011 and the standard deviation at 0.816. There were 44.95% of the respondents who agreed with statement on improved performance and 31.42% of the respondents strongly agreed with it. Some 13.38% of the respondents were neutral on performance outcomes in the county assembly but 6.04% and 4.21% of respondents disagreed and strongly disagreement

respectively on performances of the county assembly. Similarly results were shared by Ebongkeng (2018) and Mwanthi (2018) noting that performance of organizations is affected by resource allocation. Hossain (2019) mentioned that performance was measured in terms of satisfaction of the customers and Zaidi, et al. (2018) defined performance as growing customer numbers and profitability of the firm.

5.2 Inferential Statistics

Pearson Correlation Analysis

Table 3: Pearson Correlation Analysis

	Performance	Resource Allocation	Communication	Monitoring & Evaluation	Organizational Leadership
Performance	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	59			
Resource Allocation	Pearson Correlation	.698**	1		
	Sig. (2-tailed)	.000			
	N	59	59		

Table 3 indicates that resource allocation had r value of 0.698 and the p-value was at 0.000. This implies that the relation between resource allocation and performance is positive and significant.

Regression Analysis

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 ^a	.739	.721	2.62000

a. Predictors: (Constant), Resource Allocation

Table 4 shows that R is at 0.859 meaning that the coefficient of the correlation is strong between resource allocation and performance. The model is fit based by the findings of the R²

and adjusted R² shows that 0.721 or 72.1% of the performance changes in the county assembly of Nyandarua is based on resource allocation. There are other factors that account for performance at the county assembly based on the residual effect of 27.9%.

Table 5: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1163.922	4	290.981	87.606	.000 ^b
Residual	411.863	54	7.627		
Total	1575.785	58			

. Dependent Variable: Performance

b. Predictors: (Constant), Resource Allocation

Table 5 shows that F calculated is at 87.006 and the figure is greater than F critical which is 2.542. $F_{\text{calculated}} > F_{\text{critical}}$ (87.006 > 2.542) an indication that the model is fit for use in the current

study. The p-values of 0.000 indicate that resource allocation affects performance of Nyandarua county assembly.

Table 6: Regression Coefficient

	Un-standardized Co-efficient		Standardized	Co-	Sig.
	B	Std. Error	Beta		
(Constant)	6.244	1.026		T	
Resource Allocation	.584	.042	.804	13.905	.000

a. Dependent Variable: Performance

The resultant equation is:

$$Y = 6.244 + 0.584X_1 \text{ Resource allocation} \dots\dots\dots (i)$$

Where Y = Performance and X₁ =Resource allocation

Table 6 shows that at constant, the performance of the Nyandarua County Assembly is at 6.244 and when there is a unit increase in resource allocation, the performance increases by 0.584. The p-values imply that the resource allocation had a significant effect to performance as $0.000 < 0.05$

getting additional funding from other departments and physical resources and facilities. Resource allocation also looked at financial reporting, prudent use of resources, outsourcing and hiring staff on contractual basis that led to improved performance at the county assembly.

5.3 Discussions

The study participants indicated that other revenue sources for the county assembly other than allocation from the county government; included grants are given in form of cash or materials for funding programs, projects or initiatives that benefit the county assembly and local Nyandarua residents. The other sources of funds came from revenue collection from businesses enterprises operating in the county, parking fees, levies and CEES. The county assembly gets gifts from well-wishers and goodwill that is consumed in covering the expenses incurred during the implementation of different strategies. These other sources of revenues helped during strategy implementation and led to improved performances at the county assembly. According to Hantiro and Maina (2020) allocation of resources is the mandate of top management team and it facilitated the execution of strategy and attainment of the set objectives.

Thus, the study concluded that county assembly did oversight role successful and it was able to attract and retain competent human resources. Furthermore, the study concluded that resource allocation affected performance of the county assembly. Adequate funds, sufficient personnel, physical resources, prudent use of resources, outsourcing and financial reporting improved performance of the county

6.2 Recommendations

Basing on the findings and conclusion, this study recommends that the Nyandarua county assembly and county assemblies adopt resource allocation strategy as a way to improve their performance. The county assemblies should especially adopt resource allocation since it had the strong correlation to performance and the assemblies should embrace the resource allocation elements of adequacy of financial resources, sufficient of personnel, physical resources, outsourcing, prudent use of resources and timely financial resources.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

The study found out that resource allocation had a positive and significant relationship to performance at Nyandarua County Assembly. Resource allocation covered aspects such as county assembly receiving adequate funds, having sufficient personnel,

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