THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Effect of Managerial Competence, Firm-Level Institutions and Human Resource Management Bundles on the Performance of Publicly Quoted Companies in Kenya

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Abstract:
The objective of the study was to determine the effect of managerial competence, firm-level institutions and human resource management bundles on the performance of publicly quoted companies in Kenya. The corresponding hypothesis was formulated and tested. The study targeted Human resource managers of each of the 64 publicly quoted companies as at December, 2014, and 34 of them responded. The study adopted the positivist research philosophy and a descriptive survey design. SPSS Version 21 was used to analyze data using regression analysis. Research findings from the test of hypothesis established that managerial competence, firm-level institutions and human resource management bundles have positive effect on firm performance. The study finding supports the Resource-Based View, Ability - Motivation theory and Knowledge Space Theory. The study recommends further investigation of the study variables in non-governmental organizations, small and medium sized enterprises and faith-based organizations.

Keywords: *Competence, managerial competence, firm-level institutions, human resource management bundles, company performance, publicly quoted companies*

1. Introduction

According to Kagire and Munene (2007), competence is associated with individuals' efficiency and effectiveness in their work or their ability to perform to a given performance standard. Firm-level institutions constitute the internal organizational environment which defines the context in which strategic decisions are made and implement (Machuki, Leting' & Aosa, 2012) whereas a human resource management bundle represents combinations of interrelated and internally consistent human resource practices, complementary to each other (Tadick & Pivac, 2014). Company performance refers to a combination of financial and non-financial measures which offer information on the extent to which organizational goals and objectives have been accomplished (Lebans & Euske, 2006). According to Knowledge Space Theory, competencies predict performance outcomes and provide an explanation for discrepancies in performance (Korossy, 1999). Thus, determining a set of problems and identifying a set of corresponding competencies can significantly assist firms to enhance their performance. According to the Resource-Based View, Barney (1991) noted that managerial competence is a resource relevant for competitive advantage since it supports competitive advantage as it mainly fulfills the requirements of being valuable, rare, in-imitable and non-substitutable. The Resource-Based View justifies variations in performance between companies because of knowledge asymmetries (Hoopes, Madsen & Walker, 2003).

Empirical research has shown a positive relationship between competence and firm performance (Ismail & Abidin, 2010), firm-level institutions and organizational performance (Machuki, Leting' & Aosa, 2012) and human resource management bundles and firm performance (Subramony, 2009). However, these studies were carried out in different contexts, the variables were operationalized differently and focused on one predictor variable. The extant study operationalized the variables differently and focused on the combined effect of the predictor variables on the performance of publicly quoted companies in Kenya.

2. Managerial Competence, Firm-Level Institutions and Human Resource Management Bundles

Managerial competence consists of social competence, functional competence and cognitive competence. The study selected the three competencies because they are related to management jobs (Viitala, 2005). Firm-level institutions comprise of systems, leadership style, procedures, structure, policies, and culture (Machuki *et al*., 2012). This study adopted organizational culture, leadership style, organizational policies, organizational procedures and organizational structure as firm-level institutions because they play a crucial role in organizational performance. Skill- enhancing bundles, motivation-enhancing bundles and empowerment bundles were chosen because of the influence they have on organizational performance (Subramony, 2009).

Organizational culture has been adopted as a firm-level institution because a company's culture influences everything that a company does and is the central driver of superior business performance (Gallagher & Brown, 2008). According to Tichy (1982, p.13), "culture is the glue that holds an organization together". The current study has adopted the operationalization of culture by the Human Factor

International (2011) whose indicators of culture were individual performance, leadership, customer focus, organization structure, communication, conflict management, human resource management, participation, innovation, decision making, professionalism, organizational goal integration and fun.

Leadership is one of the critical elements in enhancing company performance and the main cause of competitive advantage for any kind of organization (Zhu, Chew & Spangler, 2005). Organizational policies and procedures provide the framework within which an organization operates, defining what they do and how they do it (Dale, 2007). According to Miller, Walker and Drummond (2002), leadership style is the archetype of relations between leaders and subordinates. McGuire (2005) explored basic leadership styles of different managers and came up with charismatic, persuasive, consultative, transactional, transformational and delegating managerial leadership styles. Contemporary literature on leadership mainly focuses on transactional and transformational leadership, hence the choice for this study. As defined by Burns (1978), transformational leadership is a process in which leaders and followers help each other to advance to a higher level of morale and motivation. Transformational leadership has also been defined as the process in which the leaders are able to move the organization toward the ideal standpoint by coordinating the employees and integrating all system components (Cacioppe, 2000). Transformational leadership comprises four factors: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence is generally defined with respect to follower reactions to the leader as well as the leader's behavior. Inspirational motivation occurs when leaders provide symbols and simplified emotional appeals to increase awareness and understanding of commonly desired goals. Intellectual stimulation involves encouraging followers to question their old ways of doing things whereas individualized consideration is seen when followers are treated differently but equitably on a one-to-one basis (Bass, 1998). Transformational leaders build strong leaders on teams that are motivated, focused and highly effective in setting and implementing powerful goals, working within the framework of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Ballou, 2012).

Transactional leadership focuses on the exchanges that occur between leaders and followers (Bass 1985; Burns, 1978). In this leadership, leaders lead primarily by using social exchanges for transactions (Robbins, Judge & Sanghi, 2007). These exchanges allow leaders to accomplish their performance objectives, complete required tasks, maintain the current organizational situation, motivate followers through contractual agreement, direct behavior of followers toward achievement of established goals, emphasize extrinsic rewards, avoid unnecessary risks, and focus on improved organizational efficiency. Transactional leadership has two fundamental dimensions: contingent reward and management-by-exception. Contingent reward implies that the leader and follower have a reciprocal understanding of the rewards or sanctions for performance or non-performance. The emphasis of contingent reward is on completing tasks that have been agreed upon based on previous expectations. In effect, the leader relies heavily on using contingent positive and negative reinforcement (Bass, 1985). In management-by-exception, the leader takes action only when major deviations from plans are evident (Bass, 1985). Transactional leadership allows followers to fulfill their own self-interest, minimize workplace anxiety, and concentrate on clear organizational objectives such as increased quality, customer service, reduced costs, and increased production (Sadeghi & Pihie, 2012)

Organizations have different policies which give guidelines on how things are done. Policies refers to principles established for leading a company, a general course of action in which some practices are developed collectively, in a constructive way, aiming to reach certain objectives (Singar & Ramsden, 1972). Organizational policies prescribe the acceptable methods or behaviors and identify the attitude, expectations and values of the organization concerning how individuals are treated as well as serve as point of reference for the development of organizational practices and for decisions made by people (Armstrong, 2009). When a policy is identified, procedures are written to describe how it will be applied. Procedures are a set of written instructions that describe the recommended steps for a particular policy (Edwards, 2008). They explain how to apply rules and regulations and define the course of action arising from the policy decision. Organizational structure is about the way people are grouped and how their work is coordinated and controlled (Wang, 2005). It also refers to formal design between individuals and groups regarding the allocation of tasks, responsibilities and authority within the organization (Greenberg, 2011).

The notion of a bundle indicates that practices within bundles are interrelated and internally consistent and that more is better than one on the effect on performance. The human resource system, having internally consistent HR. practices creates synergy in a sense that each HR. practice supports the effectiveness of other practices (Chadwick, 2010). Universalistic perspective assumes that there is an identifiable set of best practices for managing employees that have universal additive positive effects on corporate performance (Pfeffer, 1994). The extant study adopted universalistic bundles, which comprise only practices combined in an additive manner. In an additive relationship, a number of practices generate greater effects on an outcome than the effects generated by one single practice (Alcazar, Fernandez & Gardey, 2005). The choice of the skill, motivation, and empowerment-enhancing bundles is justified by the fact that most HR. practices have performance - enhancing effects if they are combined into skill-enhancing bundles that supplement the knowledge and proficiency levels of the staff, motivation-enhancing bundles that provide employees with adequate levels of direction and incentives and empowerment-enhancing bundles that enhance the autonomy of the workforce and their accountability levels (Subramony, 2009).

As stated by Ostroff and Bowen (2002), skill - enhancing bundles are combinations of HR. practices primarily related to staffing and training that focus on increasing the collective knowledge, ability and skill levels of the employees. According to Kinnie, Hutchison, Purcell and Swart (2006), motivation-enhancing bundles help direct employees' efforts toward the realization of work objectives and provide them with the incentive needed to engage in high levels of performance. Motivation-enhancing bundles include the use of such practices as performance appraisals that assess individual and group performance and the use of internal promotion systems that focus on employee merit (Huselid, 1995). The human resource practices in the three bundles correspond to the main objectives of strategic HRM such as to recruit strong performers and provide them with abilities and confidence necessary for work effectiveness , to monitor the progress of performers towards the required performance targets and reward them well for meeting or exceeding the set targets (Batt, 2002). Empowerment-enhancing bundles delegate decision-making authority through autonomous work teams and facilitation of employee participation and hearing their voice through upward forms of communication (Wood & Wall, 2007). The practices constituting the chosen bundles derive from the list of practices contained in a meta-analytic investigation of the effects of human resources management bundles on organizational performance (Subramony, 2009). An additive approach generates an HR. composite index for analysis by averaging the set of HR. practice scales or counting HR. practices that are present in a system (Huselid, 1995). This study adopted the additive approach to combining practices because combining practices additively ensures that the sum of normally distributed variable scores is normally distributed .

3. Company Performance

Firms measure firm performance differently. Some measures of firm performance include return on investment (ROI), market share and market share growth (Droge & Vickery, 1994), market share, sales, export proportions and growth rates in domestic and export sales growth (Sharma & Fisher, 1997). Other studies have measured firm performance through profitability, gross profit, revenue growth, stock price, sales growth, export growth, liquidity and operational efficiency and the Balanced Scorecard (Anwar *et al*., 2012; Kaplan & Norton, 1992). The Balanced Scorecard adopted by the current study examined firm performance from the perspective of the customer, learning and growth, internal business processes, environment and finances (Anwar *et al*., 2012; Kaplan & Norton, 1992). The selected tool is appropriate for this study because it is a multidimensional approach, which does not leave any key functional area in the organization unturned (Anwar, Djakfar & Abdulhafidha, 2012).

4. Publicly Quoted Companies in Kenya

Publicly quoted companies are those listed on the Nairobi Securities Exchange. The Publicly quoted companies, formerly known as Nairobi Stock Exchange until July 2011, was formally recognized in 1954 by the London Stock Exchange as an overseas stock exchange (Nairobi Stock Exchange, 1996). It has grown to become a major financial institution as it has the fourth largest trading volume across the African continent and plays an important role in the growth of Kenya's economy (Olweny & Kimani, 2011). There were 64 publicly quoted companies as at 31 December 2014 (*NSE Handbook*, 2014). Since these firms represent key sectors of the Kenyan economy, which include Agriculture, Commercial, and Services Sector, Financial, and Investment sector and Development industry and Allied sector, publicly quoted companies were the target for the study. The choice of listed companies for the study is further justified by the requirements for listing which include among others, that for a company to be listed, it must be a company limited by shares and registered under the Companies Act (Cap. 486) as a public limited company and to publish audited financial statements regularly in compliance with international financial reporting standards at the end of each accounting period (The Companies Act,2015). For the purpose of compliance, the listed firms issue their audited financial statements, which this study used to measure their financial performance (2012-2014). The group of firms listed on the NSE was considered appropriate for the study because various stakeholders expect them to perform and for them to perform satisfactorily, they would need resources and in particular human resources. The shareholders hold these companies accountable and expect them to facilitate generation of fair profits. The Government of Kenya aims to achieve and sustain an annual growth rate of 10% for it to realize the Kenya Vision 2030 (GOK, 2007) and therefore expects the NSE to play its role as a robust securities market. The NSE, on its part, expects the listed companies to perform and meet the expectations of the stakeholders by enhancing their efficiency and competitiveness. To address the expectations of stakeholders, managers of the listed companies should be competent enough to achieve organizational goals.

5. Managerial Competence, Firm-level Institutions, Human Resource Management Bundles and Firm Performance

The study conducted by Monari's (2013) study focused on employee attributes, organizational factors, time management tendencies and employee performance in Chartered Universities in Kenya established a relationship among employee attributes of satisfaction, empowerment, motivation, commitment, competence and employee performance as exhibited by effectiveness and efficiency. A study on emotional intelligence and faculty's academic performance, it was found that social competence and individual competence have a positive effect on academic performance of faculty members (Nooraie & Arsi, 2012).

Using cognitive, functional, and social dimensions of employee competence, Ismail and Abidin (2010) investigated the impact of workers' competence on their performance in the Malaysian Private Sector, and the outcome of the study showed that employees competence has a positive influence on their performance. In another study, social skill was found to be the strongest contributor in explaining the extension workers' performance (Thach, Ismail, Jegak & Idris, 2008). A study by Tiraieyari *et al*. (2009) to establish the relationship between technical skill and job performance, showed that job performance of extension workers was positively related to technical aspects of their job (R- Squared = 0.356, $p = 0.001$). Similarly, the result of regression analysis in the study of analysis of the job performance of the agricultural extension experts of Iran by Rezaie, Alambeigi, and Rezvanfar (2008) established that competence contributes 48.6% of the variance in job performance of extension workers.

Firm-level institutions play a significant role in sustaining corporate performance Barney (1991). Companies should therefore make proper use of their firm-level institutions to enhance their performance. Organizational culture provides sustainable aggressive advantage (Barney, 1991). Barney established that for culture to lead to superior organizational performance and create competitive advantage, it must be rare, have attributes and be imperfectly imitable. As established by a study conducted by Gordon and DiTomaso (1992), there is a positive link between culture and firm performance. Obiwuru, Okwu, Akpa and Nwankwere (2011) conducted a study on effects of leadership style on organizational performance using selected small scale enterprises in Ikosi-Ketu Council Development Area of Lagos State, Nigeria and found that transformational leadership style had positive but insignificant effect on performance. Kim and Lee (2012) found evidence that HRM policies and practices improve strategic capabilities and firm performance in management consultant firms in South Korea.

North (1994) suggests that organizational structures become institutionalized over time and these have an effect on performance. A study carried out on the NSE established that structures had no statistically significant individual effect on profit before tax, new product introduction, market share and product/service quality (Machuki *et al*., 2012). Csaszar (2012) found a significant relationship between structure and organizational performance. Organizational procedures were found not to have a statistical significant effect on organizational performance (Machuki *et al*., 2012). In the same study, organizational procedures were positively related to market share but negatively related to operational efficiency, product/service quality and profit before tax. Organizational structures were found to be positively related to operational efficiency, new product introduction and sales volume and negatively related to product/service quality, ROI, market share and earnings per share

Several studies have been conducted to show the effects of HRM bundles on firm performance. According to Chadwick (2010), the whole HRM system has a quality impact in enhancing the overall firm performance as compared to the sum of its practices individually. This means that all practices in the HRM system strengthen each other to increase the overall firm performance. In their study, Ichniowski, Shaw and Prennushi (1997) established that there were greater effects on firm performance when bundles are used than when HRM practices are explored individually. Delaney and Huselid (1996) tested the complementarities among HRM practices by analyzing the interaction effects of all possible combinations of HRM practices on perceived firm performance. However, their study did not yield any positive results.

For the purpose of this study, the following hypothesis was formulated: Managerial competence, firm-level institutions and human resource management bundles have a positive effect on performance of publicly quoted companies in Kenya.

6. Methodology

This study adopted a positivist philosophical tradition and a cross-sectional descriptive survey of all the 64 publicly quoted companies as at 31 December, 2014. Primary data was collected from human resource managers or equivalent persons. Secondary data on financial performance (ROA) of publicly quoted companies extracted from the audited accounts for a three-year period, 2012-2014. Instrument validation was achieved through validity and reliability tests. Professionals in human resource management censured content validity. The researcher confirmed face validity by checking the coverage of all the areas of investigation in the questionnaire and by adopting already tested instruments used by similar studies. This was done to compliment the validity tests done by previous studies from which the research instrument was adapted. A reliability test of the collected data was performed using Cronbach Alpha. The overall Alpha coefficient for unstandardized scale items was 0.895 and 0.949 for the standardized. The Cronbach alpha coefficients for the variables of the study were as follows: performance had 0.734, managerial competence had 0.876, firm-level institutions had 0.932 and HRM bundles had 0.920. All the constructs were reliable since their Cronbach alpha was above 0.70, which was used as a cut-off point for reliability (Nunnally & Bernstein, 1994).

7. Results and Analysis

The study used both descriptive and inferential statistics to analyze data from the questionnaires and from the published audited accounts. Multiple regression analysis was used to establish the nature and magnitude of the relationship between the independent variables and the dependent variable and to test the predicted relationship. The value of R squared shows the amount of variation in the dependent variable caused by the independent variable. The Beta values show the amount of change in the dependent variable attributable to the amount of change in the predictor variable. The F-statistics measure the goodness of fit of the model. The statistical significance of the hypothesized relationship was interpreted based on R^2, F, t, β and p values. The regression model used was: $\mathbf{Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon}$, where Y=Firm performance; $\beta_{0=}$ Intercept; β_{1-} $\beta_{4-=}$ Coefficients; X_1 = Managerial competence; X_2=Firm-level institutions, X_3= Human resource Management Bundles and **ϵ=**Error term**.**

7.1. Study Response Rate

The target population of the study was 64 publicly quoted companies as at 31 December, 2014. These companies form the unit of analysis for the study as each company has a unique set of management competencies, firm-level institutions and human resource management bundles. Out of the 64 questionnaires issued to Human Resource Managers or equivalent officers, a total of 34 were filled and returned in a form usable for analysis, constituting a response rate of 53.1 %. The study response rate of 53.1 % was considered adequate for purposes of data analysis compared to a previous study done in the same area by Sagwa (2014) who had 60 %.

7.2. Profile of Firms

Table 1 shows the distribution of firms by ownership, number of employees and year of establishment.

Ownership	Frequency	Percentage	Year of Establishment	Frequency	Percentage
Locally Owned	23	67.65	1-30	3	9.82
Foreign Owned	11	32.35	31-60	18	51.94
Total	34	100	61-90	6	17.65
			Over 90	7	20.59
Less than 100	6	17.65	TOTAL	34	100
100 to 300	3	8.82			
301 to 500	5	14.71			
501 to 700	4	11.76			
Over 700	16	47.06			
TOAL	34	100			

Table 1: Distribution of Companies by Ownership, Number of Employees and Year of Establishment

As indicated in Table 1, publicly quoted companies are either owned by locals or foreigners and their years of establishment and number of employees differ. The information on firm ownership shows that publicly quoted companies may be classified depending on who owns a majority of shares between local and foreign investors. Those with over 50 % local ownership are referred to as majority locally-owned and those with over 50 per cent foreign shareholding are referred to as majority foreign-owned. Out of the 34 that responded, 23(67.65%) were majority owned by local investors, whereas 11(32.35%) were majority owned by foreign investors. This implies that Kenyan publicly quoted companies consist of locally owned companies. With regard to the level of employment, Table 2 shows that 47.06 per cent of publicly quoted companies had more than 700 employees. The table further shows that cumulatively 73.53 % of the firms had more than 300 employees. The fact that there are 75.53 % of the firms with more than 300 employees implies that a majority of publicly quoted companies in Kenya are large and mature. From the analysis in Table 3, it is evident that firms that have been in existence for 1-30 years accounted for 9.82 %, 31-60 (51.94%), 61-90 (17.65 %) and over 90 years, (20.59 %). The analysis shows that most of the firms were between 31-60 years in terms of age implying that they are mature and established.

7.3. Correlation Analysis

A correlation matrix was produced in order to ascertain the nature and strength of the relationship between values of the study variables. Correlation analysis was done using Pearson-Product Moment Correlation. Multicollinearity becomes a problem if the correlations are in excess of 0.9 (Field, 2005). Table 2 shows the correlation coefficients for managerial competence, firm-level institutions, human resource management bundles and company performance.

Correlations					
Variables		Managerial competence	Firm -Level Institutions	HRM Bundles	Company Performance
Managerial competence	Pearson Correlation	1			
	Sig. (2-tailed)				
Firm Level Institutions	Pearson Correlation	.880**	1		
	Sig. (2-tailed)	.000			
HRM Bundles	Pearson Correlation	.771**	.873**	1	
	Sig. (2-tailed)	.000	.000		
Company Performance	Pearson Correlation	.765**	.807**	.840**	1
	Sig. (2-tailed)	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed)					

Table 2

7.4. Correlation Matrix for all Variables

The correlation results in Table 2 showed positive and significant relationship between managerial competence and company performance ($r = 0.765$, $p<0.01$), firm-level institutions and company performance ($r =0.807$, $p<0.01$), HRM bundles and company performance ($r =0.840$, $p<0.01$), firm-level institutions and managerial competence ($r = 0.880$, $p<0.01$), HRM bundles and managerial competence ($r = 0.771$, $p<0.01$) and HRM bundles and firm-level institutions ($r= 0.873$, $p<0.01$). As evidenced in Table 2, correlation coefficients were between 0.765 and 0.880. Correlation values (off-diagonal elements) of at least 0.9 are sometimes interpreted as indicating a multicollinearity problem (Hair et al., 1998). From the results, the correlations are below 0.9. Therefore, the study variables were not highly correlated as to cause multicollinearity. These correlation results showed that the use of regression analysis for the test of hypotheses was justified.

7.5. Test of the Hypothesis

The study sought to determine the effect of managerial competence on the performance of publicly quoted companies. This was done by testing the hypothesis that managerial competence, firm-level institutions and human resource management practices have a significant effect on firm performance by performing multiple regression analysis. Table 3 presents the results of the analysis.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.861	0.741	0.715	6.70395		
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3859.831	3	1286.610	28.628	0.000
	Residual	1348.287	30	44.943		
	Total	5208.118	33			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	32.730	9.244		3.541	0.001
	MC	0.180	0.149	0.235	1.203	0.238
	FLI	0.037	0.089	0.106	0.414	0.682
	HRMB	0.240	0.081	0.566	2.970	0.006

a. Dependent Variable: Firm Performance.
b. Predictors: Managerial competence (MC)
c. Firm-Level Institutions (FLI)
d. Human Resource Management Bundles (HRMB)

Table 3: Multiple Regression Results for the Effect of Managerial competence, Firm-Level Institutions and Human Resource Management Bundles on the Performance of Publicly Quoted Companies in Kenya

8. Discussion

From the results in Table 3, R=0.861, meaning that there was a strong positive correlation between managerial competence, firm-level institutions, human resource management bundles and company performance. The R-squared is 0.741, indicating that 74.1 % of the variation in company performance is explained by variation in managerial competence, firm-level institutions and HRM bundles and 25.9 % is explained by other factors that are not part of the study. The ANOVA results indicate that the model is statistically significant ($F= 28.628$, $p<0.05$). The standardized coefficients show that the effect of HRM bundles on company performance is positive and significant ($\beta=0.566$, $t=2.970$, $p<0.05$). The beta value implies that for one unit increase in the use of human resource management bundles, company performance increased by 0.566. The standardized coefficients show that the effect of managerial competence and firm-level institutions on company performance is positive and insignificant ($\beta=0.235$, 0.106, $t =1.203$, 0.414, $p < 0.05$). The beta values for managerial competence and firm-level institutions indicate that for one unit increase in their use, company performance increased by 0.235 and 0.106 respectively. The findings therefore confirm the hypothesis that managerial competence, firm-level institutions and HRM bundles have a significant effect on the performance of publicly quoted companies in Kenya.

The study findings agree with the result of a study by Rezaie *et al*. (2008) who established that competence contributed 48.6 % of the variance in job performance of extension workers. Though the respondents were extension workers, the study compares favorably with the current study where managerial competence contributed 58.5 % of the variation in firm performance. The study results are also consistent with the findings of a survey carried out by Ismail and Abidin, (2010) on the impact of workers' competence on their performance in the Malaysian private service sector, which established that employee competence had a significant effect on performance (R squared =0.323). The study findings on the effect of firm-level institutions on company performance differ with those of Machuki *et al.* (2012) whose findings established that the effect of firm-level institutions on organizational performance was not statistically significant. The finding that HRM bundles affect firm performance supported findings by Subramony (2009) who established that HRM bundles have significant larger outcomes than their individual component practices and are positively related to organizational performance.

9. Conclusion

The study investigated the effect of managerial competence, firm-level institutions and human resource management bundles on the performance of publicly quoted companies. The study was conducted through a cross-sectional survey. The study employed both descriptive and inferential statistics to analyze the data. Multiple regression analysis was used to determine the effect of managerial competence, firm-level institutions and human resource management bundles on firm performance. The study tested and confirmed the hypothesis that managerial competence, firm-level institutions and HRM bundles have a positive effect on the performance of publicly quoted companies. This implies that publicly quoted companies that invest in competence development of their managers, align their firm-level institutions and appropriately bundle their HR. practices expect an improvement in their performance.

10. Acknowledgements
The researcher expresses his gratitude to all the firms and individual persons who participated in this research.

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