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## Moderating Influence of Organizational Culture on Relationship between Strategic Benchmarking Practices and Organizational Performance of the County Government of Kenya

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### **Abstract:**

*The commercial atmosphere in which firms are functioning in presently is extremely competitive, rapidly changing thus organizations have been forced to consider, and adopt or implement, a wide variety of innovative management programs and techniques. One of the modern approaches for determining appropriate measures is benchmarking. The unit of study was the County Government of Busia which is one of the 47 Counties in Kenya. The study was guided by Theory of Constraint and the Theory of Completion. The researcher used census survey research design. The study population targeted 10 heads of departments and 110 heads of sections from the County Government of Busia. Questionnaires were the main data collection instruments. Reliability of the questionnaire was evaluated using the Cronbach alpha test which gave an alpha average value of 0.7858. When organizational culture was introduced into the model, that is, on the relationship between strategic benchmarking practices and organizational performance, it reduced the influence of the strategic benchmarking practices on organizational performance in County Government of Busia. It was recommended that the management of the County Government of Busia should provide managerial support to its employees and capacity building their staff on the effects of strategic benchmarking practices and how these affect organizational performance. For the County Government to improve on their service delivery, they should apply internal benchmarking, functional benchmarking and competitive benchmarking to achieve service excellence.*

**Keywords:** *Organizational Culture, strategic benchmarking practices (internal benchmarking, competitive benchmarking and functional benchmarking), Organizational Performance and County Government of Busia*

### **1. Introduction**

In a global economy that is always changing, firms have to develop innovative ways of doing things by coming up with fresh competencies since the old ways of doing things become obsolete as a result of environmental changes (Johnson & Scholes, 2003). Owing to the reality that variations are an obligation in organizations, all firms must change accordingly in compliance to the environment if they are to remain relevant. Public service changes are normally necessitated by the need to be more efficient, effective, ethical and meeting the needs of citizens (Rose & Lawton, 2009). The demand for quality public service by citizens has continually forced county government managers to change with the times, portraying change as a non-ending process in organizations. This is the conceptual backbone of benchmarking like following the lead in any industry by borrowing the operating patterns and strategies of the leaders in any industry.

According to Elmuti and Kathawala (2012) different types of benchmarking with suitability depend on operational and strategic objectives. They further categorize benchmarking into four types as internal, competitive, functional, and process benchmarking. The focus of process benchmarking is the best work practices by emphasizing on the similarity of procedures and functions rather than the business practices of the company that one is benchmarking with. This type of benchmarking can be applied to organizations from different departments of the economy. In another conceptual research paper with consistent findings, Bhutta and Huq (2012) describe two additional types of benchmarking: generic and strategic benchmarking. Elmuti and Kathawala (2012) caution that, each organization should be able to assess its personal perception of benchmarking and then plan on how they would wish to apply the process. The

firm should establish whether their main focus is monetary or whether it's on meeting customer needs, since this is the only efficient way to initiate the benchmarking process).

A report by the United Nations (2016) on 14 countries including South Africa and Ghana considered the performance of the County Governments. There were five comprehensive improvement fears that were openly specified by governments to enhance county Government performance: to advance strategy receptiveness and application by dealing with antagonism from vested interest to the implementation of candid policies or decrease of programs; to encourage benchmarking among county Governments to facilitate and foster knowledge sharing to the executives and their officers, to decrease overall spending, upholding the appeal of the investment atmosphere and the competitiveness of public universities; to enhance government image as an employer by enticing adequately skilled workers while preventing collective employment expenses and to enhance delivery of service and enhance confidence of the public by improving the esteem and confidence rendered to government (United Nations, 2016).

Different studies have been conducted in relation to benchmarking and organizational performance. Rodwell and Teo (2004) studied the effect of strategic HRM on health services organizations' performance by reviewing several characteristics of management in the health industry. Senior Australian managers' data tested the connections between managerial concepts like benchmarking and the implementation of human capital-improving HR practices and performance. It emerged that private health service organizations exhibited a greater level of performance than the public ones. It was also observed that the existence of a SHRM culture and the implementation of human capital-improving HR practices as well as the manifestation of internal and external positioning can meaningfully back performance in the health sector. Their study focused on the health sector while this study will focus on the public governance sector.

Elmuti and Kathawala (2012) asserted that internal benchmarking is a comparison of a business process to a similar process inside the organization to acquire the best internal business practices. In the private sector, a retail food store chain selects its most profitable store as a benchmark for the others. Increased productivity should lead to improved products or services that meet or exceed customers' requirements to enable the organization remain competitive in business. In fact, the end-result of any typical work process, whether distributing a physical product or a service, should be something of worth that meets the requirements of the next client in the process or those of the end-user. The foregoing benefits of benchmarking should enable the organization that applies benchmarking to rise to a position of competitive advantage. The organization must understand the competition through competitive benchmarking of products, services or work processes; and develop effective plans to deliver those products and services competitively (Camp, 2010). That means the company must consistently deliver products or services of superior quality at a lower cost than its nearest rival to maintain its competitive advantage.

Competitive benchmarking involves the comparison of the company's commodities, services or processes with those of direct competitors in the same market such as comparing McDonald's versus Burger King or Kenya Breweries Ltd versus Keroche Breweries Ltd (Camp, 2010). According to Elmuti and Kathawala (2012), this category of benchmarking is quite complicated to undertake, for the reason that access to information about competitors' processes is not easy. This variety of benchmarking presents an opportunity to know yourself and your competition well; join forces against another common rival (Camp, 2010).

Functional benchmarking is where business functions like product, sales, accountancy logistics among others are compared and investigated. In this version the organization is compared to clienteles, dealers or any other company in the same business or is the evaluation of processes or function beside non-competitor organizations in the same sector. In this study it shall be measured by committee to committee benchmarking, department to department benchmarking and Benchmarking on responsibility. Internal benchmarking is a process in which a company or an organisation looks within its own business to try and determine the best practice or methodology for conducting a particular task. The aim is to find the best practice available to get the job done with minimum effort or resources.

Pearce and Robinson (2003) refer to organizational culture as the set of important assumptions (often unstated) that members of an organization share in common. Most authors concur that the concept of organizational culture refers to the shared values, underlying assumptions, and behavioural expectations that govern decision-making. In other words, culture creates social order, continuity, and a collective identity that generates commitment to rules about how we do things, and how to get the job done within organizations. Every organization has its culture. Organizational culture has been defined as the basic beliefs commonly-held and learned by a group, that govern the group members' perceptions, thoughts, feelings and actions, and that are typical for the group as a whole. Organizational culture may also be defined as a system of assumptions, values, norms, and attitudes manifested through symbols, which the members of an organization have developed and adopted through mutual experience and which help them to determine the meaning of the world surrounding them and how to behave in it (Cameron & Quinn, 2011).

## 2. Statement of the Problem

The commercial setting in which county governments are functioning in presently is extremely competitive and quickly transforming. Organizations have no obligation but to contemplate and embrace a variety of inventive management plans and procedures. Various studies have been conducted regarding the application of benchmarking practices. One of the modern approaches for determining appropriate measures is benchmarking. However, the value of benchmarking is most effectively utilized when it is integrated into organizational strategy and incorporated into all performance improvement efforts. Most organizations in Kenya according to the Institute of research and Strategy (2018) have poor frameworks for conducting benchmarking and thus the results of such interventions are less likely to be of strategic value. In an Info track survey of August (2019) 73.7% of interviewed citizens of Busia County said that they do not see the value of benchmarking by the leaders. In the same report, the county government of Busia was also faulted for

spending so little on development projects 24% in the financial years 2018/2019 (Controller of Budget Report, 2019). These disparities could be accredited to poor planning in the county government of Busia. Several studies gave differing opinions on this subject matter.

From analysis of many studies that have been done on benchmarking practices, there is general agreement that very few empirical research has been done on how benchmarking influences performance of Kenyan county governments in the devolved system. This is despite the county governments allocating massive resources towards their operations since inception. There has been reported mass corruption by the county government by the auditor general despite the counties having been allocated millions of shillings for training and benchmarking (Auditor General Report, 2018). The County Government of Busia according to the Controller of Budget Report of (2018) has been faulted for over spending on benchmarking visits yet the results of their visits cannot be directly seen to interpret on development. The County Government of Busia has been rebuked for their exorbitant trips with no meaningful outcomes on development. This brings questions on the authenticity of benchmarking to influence development. It was on the basis this context that the present study sought to determine the influence of benchmarking exercises on performance of the County Government of Busia.

### 3. Theoretical Framework

#### 3.1. Theory of Constraints

The theory of constraints (TOC) is an overall management philosophy introduced by Goldratt in 1986 his book titled *The Goal* that is geared to help organizations continually achieve their goals. Goldratt adapted the concept to project management with his book *Critical Chain*, published in 1997 (Cox & Goldratt, 1986). This theory shall anchor the variable on process benchmarking and challenges facing benchmarking since it is a management attitude that has been successfully implemented on manufacturing methods and processes to increase organizational efficacy. It can successfully to service industries; amenities can enhance their processes like manufacturers. The theory emphasizes on quality in making decision, measuring performance systems and mind-sets of organizations (Boyd and Gupta, 2008). Benchmarking is an outward concentration on internal happenings, tasks or processes with the aim of achieving unceasing improvement. This gives a company a competitive advantage and this is the justification of the theory of competition as a basis.

Businesses respond to surrounding aspects, one major one being competition. They have to react tactically to external factors to maintain sustainability. Greater competition undermines an industry's competitiveness, and rising players' profitability. Therefore businesses concentrate on obtaining a competitive edge in order to allow them to react and contest excellently in the marketplace. Through recognizing their core strengths, companies will concentrate on areas that give them a lead over rivals, and deliver a competitive advantage. While a company does not want competition from other firms, most will eventually face a degree of competition. The amount and type of competition depend on the market in which the undertaking operates (Hamel and Prahalad, 1994). A business has competitive benefit every time it possesses superiority over its competitors in acquiring regulars and shielding against competitive powers. This theory will shape this study because it emphasizes the need to integrate quality in decision making and measurement of performance so that the value of practices such as benchmarking can be seen. The value of benchmarking to Busia County government will most efficiently be used when it is assimilated into organizational strategy and merged into all performance enhancement energies.

#### 3.2. Contingency Theory

Contingency theory was developed in 1950 by the findings of leadership behaviour research conducted by researchers from Ohio State University (Nohria & Khurana, 2010). The report showed that effective leadership behaviour evolves around building good rapport and interpersonal relationships (Consideration); and Initiation of structure that ensures task completion and goal attainment. As every company faces its own set of internal and external constraints as well as special environmental incidents that effect in distinctive levels of environmental uncertainties, there is no one optimal organization design for every company because every company has different organizational culture and different perspective towards risk. Benchmarking is recognized as an essential tool for continuous improvement of quality. A large number of publications by various authors reflect the interest in this technique. Reviews of literature on benchmarking have been done in the past by a few authors. However, considering the contributions in the recent times; a comprehensive review is attempted here. Originally, the term, "benchmark" derives from land surveying where a mark, cut in the rock, would act a reference point. In the business would, a benchmark is a standard of excellence against which to measure and compare.

Contingency theory has sought to formulate broad generalizations about the formal structures that are typically associated with or best fit the use of different technologies (Nohria & Khurana, 2010). This perspective originated with the work of (Woodward, 1958) who argued that technologies directly determine differences in such organizational attributes as the span of control, centralization of authority, and the formalization of rules and procedures. The theory upholds an approach to the study of organizational behaviour in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations (Bastian & Andreas, 2012). The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system.

#### 4. Empirical Literature of Work-Life Balance and Organizational Performance

Min *et al.* (2002) used an empirical study to carry out external (competitive) benchmarking to prove that dynamic benchmarking can be used as a service improvement tool in hotels. The researchers used two key dimensions: guest room values and front office service attributes to determine the “best practice” hotel among Korean luxury hotels in a study carried out in Seoul, South Korea in the year 2000. Findings from this study indicate that the most important attribute in determining hotel service quality is cleanliness of a guest room; followed closely by courtesy of hotel employees; quietness of a guest room; handling of complaints; and comfort of bed/pillows. The study also found that due to increasing competition in the hotel industry, hotels need to continuously improve service standards by applying dynamic benchmarking to achieve service excellence.

Ayiecha and Senaji (2014) investigated the moderating effect of organizational culture on the implementation of turnaround strategy through a desktop research. Specifically, literature on turnaround strategy, its implementation, the factors at play during implementation with reference to business process reengineering as an independent variable and organizational culture’s moderating effect on turnaround implementation strategy. Suphattanakul (2017) evaluated the role of transformational leadership in effective strategic implementation. This study emphasizes on the moderating effect of organizational culture on the relationship between transformational leadership and effective strategic implementation. This study uses the case study of municipalities in Trang Province in Thailand. This research employs quantitative methods. The questionnaires are collected from administrative officials of municipalities in Trang Province. The study indicated that organizational culture is a significant moderator.

Abazeed (2017) designed to explore the extent of benchmarking culture in industrial companies and its impact on operational performance. A sample consisted of 50 industrial companies was drawn randomly from Amman and Irbid. A questionnaire-based survey was conducted to collect data from employees working at these companies. The results indicated that functional benchmark play an important role in performance improvement. Therefore, Jordanian organizations, particularly industrial companies, are called to consider benchmarking culture in their way to improve organizational performance.

Asrofah, Zailani and Fernando (2010) examine best practices that contribute to the effectiveness of benchmarking in Indonesian manufacturing industries. A total of 250 questionnaires are distributed to representatives of the Badan Pengelola Industri Strategis (BPIS) registered companies, specifically to the quality managers or production managers that are involved in the benchmarking process in companies. In total, 155 responded to the questionnaire; that gives a response rate of 51.67 percent. Analysis of the data has shown that some benchmarking practices, for example, the manufacturing process, and organizational and environmental factors do significantly influence the effectiveness of benchmarking

In another study Sajabi (2012) analyzed benchmarking practices used by commercial banks in Tunisia. He sought to investigate whether commercial banks in Tunisia benchmark, and if they do, in what specific areas of their operations, evaluate the success as well as the challenges they encounter in their quest to benchmark. The paper concluded that benchmarking has had a tremendous effect in improving the operations of many firms and will continue to play a critical role in their success going into the future. The Rwandan oil industry has been analyzed by Murage (2011) as a functional benchmark. This study employed the purposeful sampling with multiple regression analysis with a sample of 432 respondents. The study shows that petrol stations use differentiation as a way to obtain competitive advantages over other petrol stations.

In a separate study, Nassar (2012) sought to investigate the current state, understanding and opinions of benchmarking in the Egyptian hotel sector in order to establish perceived benefits, obstacles and possible improvements. The researcher used the descriptive approach with a structured self-administered questionnaire to conduct the research. Findings reveal the current benchmarking practices in three major areas. According to the research, most hotels in Egypt have benchmarking experience regardless of their location or size. The hotels demonstrate a positive attitude towards benchmarking; and perceive it to be a useful tool in assessing performance as well as a means of increasing competitiveness and quality. The study also found that implementation of benchmarking faces some challenges, including: lack of capacity to carry out such a qualitative study; time constraints; competitive barriers; cost; resistance to change; and lack of knowledge sharing among hotels

Catherine (2017) assessed the role of benchmarking on the performance of supply chain management. The study was guided by the following specific objectives; to identify the internal benchmarking applied by supermarkets in Kisii County. The study adopted a case study design which helped in obtaining the role of benchmarking in the supply chain management in supermarket. The target population of the study was 200 employees from the selected supermarkets with a sample size scaled down to 20 employees due to time constraints using stratified random sampling. The study used primary data which was obtained by the use of the questionnaire with open and closed ended questions administered by the researcher. The study established that internal benchmarking practices have been applied in the supermarkets in Kisii County. Based on the research findings, the study concludes that process benchmarking leads to improve the performance of supermarkets in Kisii County.

Ng'otho (2016) examined the relationship between benchmarking and performance at Barclays Bank of Kenya. Primary data was collected by use of a questionnaire. A sample of 50 respondents was used out of which 37 responded. The correlation analysis showed that prior experience with benchmarking; the commitment of the organization to benchmark, and internal preliminary competitive analysis had high association with benchmarking. This finding also show that indeed performance is related to benchmarking and the relationship is positive, that is, the more you benchmark the higher your performance increases. This research therefore found that for banks to achieve improved profitability, good

return on assets, increased customer satisfaction, decreased costs, increased productivity, increased market share, and enhanced competitive advantage, it is essential that they pursue the benchmarking technique.

Mungai (2016) sought to establish the correlation linking benchmarking practices and the performance of supermarkets in Nairobi County. The study adopted a descriptive research design. The target population for this study was all the 32 supermarkets in Nairobi County. Primary data was obtained using self-administered questionnaires. The study established that benchmarking practices has been applied in the supermarkets in Nairobi County. The research summarizes that in order to improve on functional benchmarking supermarkets compare the business functions with others which have led to incremental innovation. Based on the research findings, the study concludes that process benchmarking leads to improve the performance of supermarkets in Nairobi County.

Mutuku (2010) investigated the relationship between benchmarking and financial performance of SACCOS. This study adopted a causal research design in order to meet its objective. The population of interest of this study was selected using random sampling method to come up with a sample size of thirty five (35) SACCOS. The study used both primary and secondary data. The study further concludes that internal benchmarking enhances the overall business performance realized by the SACCOS by helping to change internal paradigms and "see out of the box". The study finally concludes that financial benchmarking had the highest relationship with the Sacco performance.

## 5. Methods

Descriptive survey design was adopted. Research was conducted in the County Government of Busia, Kenya. The target population comprised of 120 respondents covering 10 heads of departments and 110 heads of section from the County Government of Busia who were actively involved in strategic benchmarking (Human Resource Department of Busia County Government, 2019). The census survey method formed the basis for the sample size. Primary data (quantitative data) was collected with the use of the structured questionnaires. Reliability analysis was conducted to test for reliability of the questionnaire items. Cronbach's alpha coefficients of all the constructs were found to be above 0.7 (alpha coefficient = 0.7858), therefore, the test items were retained and used in this study hence considered reliable. The study used construct validity and content validity. Data analysis used both descriptive and inferential statistics where inferential statistics tested the following research hypothesis at p-value of 5% (0.05) at confidence interval of 95%:  $H_0$  Organizational culture has no significant moderating influence on the relationship of strategic benchmarking practices and organizational performance in County Government of Busia.

## 6. Findings and Discussions

The study sought to establish the moderating effect of organizational culture on the relationship between strategic benchmarking practices and organizational performance in County Government of Busia. This objective was realised when the means of strategic benchmarking practices and organizational culture were regressed against the mean of organizational performance. Its hypothesis was:  $H_0$  Organizational culture has no significant moderating influence on the relationship of strategic benchmarking practices and organizational performance in County Government of Busia.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.643 <sup>a</sup>	0.414	0.396	0.48057	0.414	23.517	3	100	0000
2	0.658 <sup>b</sup>	0.433	0.410	0.47506	0.019	3.334	1	99	0.071
1. Predictors: (Constant), OBJ1, OBJ2, OBJ3									
2. Predictors: (Constant), OBJ2, OBJ1, OBJ3, Interaction Term (X*N- Organizational Culture)									
Dependent Variable: Organizational performance									

Table 1: Moderated Results of Organizational Culture on the Relationship between Strategic Benchmarking Practices and Organizational Performance

- Internal Benchmarking (OBJ1), Functional Benchmarking (OBJ2) And Competitive Benchmarking (OBJ3) (Unmoderated Model)
- Internal Benchmarking (OBJ1), Functional Benchmarking (OBJ2), Competitive Benchmarking (OBJ3) and Organizational Culture - Interaction Term (Moderated Model)

Unmoderated results in Model 1 are as shown in the Table 1. Results illustrated that strategic benchmarking practices, that is, internal benchmarking, functional benchmarking and competitive benchmarking contributed positively and significantly ( $p < 0.05$ ) to organizational performance in County Government of Busia and accounted for 41.4% variation in employee performance ( $R^2 = 0.414$ ) and F change (3,100) = 23.517,  $p < 0.000$ . Introduction of the interaction term, organizational culture to the model 2 was found to explain 43.3% of variations in organizational performance in County Government of Busia with R square change of 1.9% (0.019), F change (1,99) = 3.334,  $p < 0.071$ . Results illustrated that there was a statistically significant and positive moderating influence of organizational culture on the relationship between strategic benchmarking practices and organizational performance in County Government of Busia. These results implied that if organizational culture of the County Government of Busia could be improved in addition to the prevailing strategic benchmarking practices (internal benchmarking, functional benchmarking and competitive benchmarking), then organizational performance in County Government of Busia, would drastically improve.

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.293	3	5.431	23.517	0.000 <sup>b</sup>
	Residual	23.095	100	0.231		
	Total	39.388	103			
2	Regression	17.046	4	4.261	18.883	0.000 <sup>c</sup>
	Residual	22.342	99	0.226		
	Total	39.388	103			
1. Predictors: (Constant), OBJ1, OBJ2, OBJ3						
2. Predictors: (Constant), OBJ2, OBJ1, OBJ3, Interaction Term (X*N- Organizational Culture)						
Dependent Variable: Organizational performance						

Table 2: Moderated Results of Organizational Culture on the Relationship between Strategic Benchmarking Practices and Organizational Performance

1. Internal Benchmarking (Obj1), Functional Benchmarking (Obj2) and Competitive Benchmarking (Obj3) (Unmoderated Model)
2. Internal Benchmarking (Obj1), Functional Benchmarking (Obj2), Competitive Benchmarking (Obj3) and Organizational Culture - Interaction Term (Moderated Model)

The ANOVA results (see Table 3) were used to determine the significance of the model. Unmoderated results in Model one (1) signposted that there was a statistically significant ( $p \leq 0.05$ ) difference between strategic benchmarking practices and organizational performance in County Government of Busia {F (3,100) = 23.517,  $p = 0.000$ }. In Model 2, introduction of the organizational culture to the relationship between strategic benchmarking practices and organizational performance in County Government of Busia was found to be positive and significant {F (4,99) = 18.883,  $p = 0.000$ }. Regression unmoderated results in Table 3 in Model 1, indicated that the overall strategic benchmarking practices had a significant ( $p \leq 0.05$ ) and positive influence on organizational performance in County Government of Busia on the model with exception of the competitive benchmarking: Objective 3 ( $\beta = -0.034$ ,  $\beta = -0.047$ ,  $t = -0.223$ ,  $p = 0.824$ ), which had negative and insignificant influence on organizational performance in County Government of Busia;

Coefficients <sup>a</sup>								
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for $\beta$	
		$\beta$	Std. Error				Beta	Lower Bound
1	(Constant)	1.979	0.225		8.788	0.000	1.532	2.426
	OBJ1	0.962	1.797	1.346	0.535	0.05	4.527	2.604
	OBJ2	1.460	1.792	2.030	0.815	0.0417	-2.095	5.016
	OBJ3	-0.034	0.151	-0.047	-0.223	0.824	-0.334	0.266
2	(Constant)	1.834	0.236		7.754	0.000	1.364	2.303
	OBJ1	0.762	1.780	1.067	0.428	0.001	4.294	2.770
	OBJ2	1.118	1.782	1.553	0.627	0.05	-2.417	4.653
	OBJ3	-0.052	0.150	-.072	-0.348	0.729	-0.349	0.245
	Interaction Term	0.211	0.115	.261	1.826	0.071	-0.018	0.440
1. Predictors: (Constant), OBJ1, OBJ2, OBJ3								
2. Predictors: (Constant), OBJ2, OBJ1, OBJ3, Interaction Term (X*N- Organizational Set up)								
Dependent Variable: Organizational performance								

Table 3: Moderated Results of Organizational Culture on the Relationship between Strategic Benchmarking Practices and Organizational Performance

1. Internal Benchmarking (OBJ1), Functional Benchmarking (OBJ2) and Competitive Benchmarking (OBJ3) (Unmoderated Model)
2. Internal Benchmarking (OBJ1), Functional Benchmarking (OBJ2), Competitive Benchmarking (OBJ3) and Organizational Culture - Interaction Term (Moderated Model)

Objective 1 (Internal benchmarking:  $\beta = 0.962$ ,  $\beta = 1.346$ ,  $t = 0.535$ ,  $p = 0.05$ ) which had the least positive influence on organizational performance in County Government of Busia while objective 2 (functional benchmarking:  $\beta = 1.460$ ,  $\beta = 2.030$ ,  $t = 0.815$ ,  $p = 0.0417$ ) had the greatest positive influence on organizational performance in County Government of Busia.

$$Y = 1.979 + 0.962X_1 + 1.460X_2 - 0.034X_3 \dots \dots \dots \text{Eq. 1}$$

For the moderated results in Model 2, when organizational culture was introduced into the model, that is, on the relationship between strategic benchmarking practices and organizational performance, it reduced the influence of the strategic benchmarking practices on organizational performance in County Government of Busia. For examples, the

influence of internal benchmarking decreased from  $\beta = 0.962$  to  $\beta = 0.762$ , functional benchmarking from  $\beta = 1.460$  to  $\beta = 1.118$  while competitive benchmarking from  $\beta = -0.034$  to  $\beta = -0.047$ .

The test model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X^*N + \varepsilon$$

Y=Accumulated average score for organizational performance

$\beta$  = beta, the coefficient of the independent variable and moderating variable

N= organizational culture

$X_1$ = Average score for internal benchmarking

$X_2$ = Average score for functional benchmarking

$X_3$ = Average score for competitive benchmarking

$X_4$ = Average for Interaction (strategic benchmarking practices/organizational performance\*organizational culture)

$\varepsilon$ =error term

The above equation becomes:

$$Y = 1.834 + 0.762X_1 + 1.118X_2 - 0.052X_3 + 0.211X^*N \dots\dots\dots \text{Eq. 2}$$

This implied that when the organizational culture is boosted in additional to the prevailing strategic benchmarking practices, there would be an increase in organizational performance and vice versa. Therefore, the fourth hypothesis,  $H_{01}$ , which stated that there is no moderating influence of organizational culture on the relationship of strategic benchmarking practices and organizational performance in County Government of Busia was rejected. In the test criterion, the null hypothesis was rejected since the p-value was less than 5% (0.05) and there was a statistically significant ( $p \leq 0.05$ ) and moderating influence of organizational culture on the relationship between strategic benchmarking practices and organizational performance in County Government of Busia.

These findings are consistent with what Min *et al.* (2002) who used an empirical study to carry out external (competitive) benchmarking to prove that dynamic benchmarking can be used as a service improvement tool in hotels. The researchers used two key dimensions: guest room values and front office service attributes to determine the "best practice" hotel among Korean luxury hotels in a study carried out in Seoul, South Korea in the year 2000. Findings from this study indicate that the most important attribute in determining hotel service quality is cleanliness of a guest room; followed closely by courtesy of hotel employees; quietness of a guest room; handling of complaints; and comfort of bed/pillows. The study also found that due to increasing competition in the hotel industry, hotels need to continuously improve service standards by applying dynamic benchmarking to achieve service excellence.

## 7. Conclusions and Recommendations

When organizational culture was introduced into the model, that is, on the relationship between strategic benchmarking practices and organizational performance, it reduced the influence of the strategic benchmarking practices on organizational performance in County Government of Busia. For examples, the influence of internal benchmarking decreased from  $\beta = 0.962$  to  $\beta = 0.762$ , functional benchmarking from  $\beta = 1.460$  to  $\beta = 1.118$  while competitive benchmarking from  $\beta = -0.034$  to  $\beta = -0.047$ .

Recommendations of this piece of work are: The management of the County Government of Busia provide managerial support to its employees and capacity builds their staff on the effects of strategic benchmarking practices and how these affect organizational performance. For the County Government to improve on their service delivery, they should apply internal benchmarking, functional benchmarking and competitive benchmarking to achieve service excellence. Lastly, the County Governments should improve their organizational culture aspects like teamwork, timely feedback about the work, employee participation approach, a zero-tolerance policy against any kind of discrimination, working culture of timeliness and a safe working environment which adversely affect organizational performance.

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