



**RESOURCE-BASED COLLABORATIONS AND PERFORMANCE OF COURIER FIRMS NAIROBI CITY COUNTY,
KENYA**

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KENYA**

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ABSTRACT

The Communications Authority of Kenya (2016) documented a 14.3% drop in courier transactions from the year 2010 to 2015. Further, outgoing international transactions experienced a 20.6% decline. This downward trend has been attributed to development of communication technology and organisational competitiveness which has immensely affected the performance of the firms in this business portfolio. This has led most organisations to embrace certain corporate strategies and partnering with other organizations to strengthen their market positions and improve on performance. This study sought to establish the effect of resource-based collaborations on performance of courier firms in Nairobi City County. The study was anchored on the Resource Based View Theory. The study used a combination of descriptive and explanatory research designs. The target population consisted of 423 managers in 141 courier firms as at January 30th 2015(CAK, 2015) and the stratified sampling procedure was used to group the firms into strata using the licensing category. The study used mainly Primary data which was collected using self-administered questionnaire. Quantitative data was analyzed using both descriptive and inferential statistics. Descriptive statistics was used to summarize data while inferential statistics applied stepwise multiple regression analysis to test hypothesized relationships. Content analysis was also used for qualitative data. The analysis used SPSS Version 21 to aid data analysis. The study findings were that resource based collaborations had a positive significant influence on the performance of Courier firms in Nairobi City County. The study recommended that firms should re-think on configuration of resources in assessment of any collaborations the firm intended to engage itself in order to enhance performance.

Key Words: Resource Based Collaboration, Organizations Performance, Courier Firms

INTRODUCTION

In order for organizations to be successful and achieve superior performance, firms must continually anticipate, determine and deliver customer satisfaction to the target markets, keep abreast with the emerging market trends, monitor competitor activities and proactively adjust their products and service offering, reconfigure internal resources and operating routines more effectively and efficiently than competitors. Firms can achieve this by adopting collaborations which suggests that the long-term purpose of a firm is to satisfy customers' needs while maximizing firm profits (Kohli & Jaworski, 2006).

Sink and Tuttle Model (1989) describe organization performance as a complex inter-relationship between effectiveness, efficiency, quality, productivity, quality of work life, innovation and profitability. Organizational performance relates to the manner in which financial resources available to organizations are used to achieve overall corporate objectives. It comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Daft (2000) asserts that Organizational performance is the organization's to accomplish its goals effectively and efficiently using minima resources. Organizational performance encompasses three specific areas of firm outcomes: financial performance, product market performance and shareholders return (Richard, 2009). Measurement of performance gives an indication of organization's financial capability, relevance, efficiency and effectiveness. Kaplan and Norton (1996) Balanced Scored Card proposes performance measurement to include both financial and non-financial measures such as customer satisfaction and retention. Silverman (2008) and Marta (2008) recommend key performance indicators for non-profit organizations as well as CBOs to include efficiency, effectiveness, impact, influence and

financial leverage. These indicators will be adopted in the current study.

Resource-based inter-organizational collaborations (RBIOCs) by-pass the limitations of competition and organizational boundaries as all the tangible and intangible resources can be shared and combined. Resources, tangible and intangible, are strategically important not only for companies operating autonomously (Tiwana, 2000), but also for companies joining in networks or inter-organizational collaborations with customers, competitors, suppliers, subcontractors and partners (Ritter & Gemunden, 2003).

RBIOCs refer to those inter-enterprise relationships where each partner focuses on core competences, as well as on the accessibility to external capabilities (Mentzas, 2006). Within these inter-organizational structures, internal and external resources are combine and used collaboratively by two or a network of organizations becoming part of a value chain system (Andriessen, 2007) and has been considered as a productive factor capable to influence the performance of a productive system (Corvello & Migliarese, 2007). Moreover, RBIOCs affect the strategic initiatives of the involved companies by combining competences, sharing resources, distributing risks, and running from minor incremental improvements right through to radical innovation. In other words, these collaborations offer the possibility of exploiting potential cognitive synergies and accessing resources wherever located within the network (Wilkinson & Young, 2002).

A resource based view emphasizes that a firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation. The unique resources and capabilities together form distinctive competencies. These competencies enable innovation, efficiency, quality and customer

responsiveness, all of which can be leveraged to create a cost advantage or a differentiation advantage.

One of the important challenges to postal and courier services, both public and private, is competition from other communications services such as facsimile, electronic-mail, and data networks, particularly in the business-to-business market segment. At the same time, some market segments of these services are taking advantage of new communications technologies. For example, electronic data interchange (EDI) is already considered an essential tool for achieving fast and reliable service in the express mail industry. In another example, a major foreign express mail service supplier in Canada is planning a wireless radio network to enhance its service and improve distribution. In addition to this, new technologies stimulate growth in some market segments. For both public and private delivery of parcels, the growing popularity of home shopping offered over communications services, such as television and internet, contribute to predictions for steady growth. Relation to other services/sectors: Postal and courier services are dependent on physical means of delivery, particularly air and road transport services.

In Kenya, Postal Corporation of Kenya (PCK) is charged with offering the universal service and is protected in the distribution of letters and courier service by being granted the privilege of the market tariffs. However, other service providers are equally mandated to offer such services but only allowed to do so, provided they charge a minimum of five times the PCK rate. Apparently this demand does not seem to be enforced because mostly the other players in the market charge far less than what PCK offers. Sending a parcel by Matatu, Fargo Courier, G4S or BM Securicor is two times cheaper than sending by

PCK (SBO Report, June 2008). CCK report (May, 2008) indicated that the volume of postal letters sent locally dropped by 32.2 per cent in the year ending June 2007 to 74 million compared to 109 million in a similar period in 2012. This could explain the fact that there is stiff competition in the sector or worse still the market is not regulated and the government needs to do so. Profile of Postal Corporation of Kenya The Postal Corporation of Kenya (PCK) is regulated by the Communications Commission of Kenya (CCK). According to the Kenya Communications Act of 1998, CCK is mandated to license and regulate Postal and courier services throughout the country (Posta Profile, 2011) CCK grants licenses to operators, regulates the tariffs and fees for basic services, and maintains the overall order of the Postal and courier market.

Statement of the Problem

Courier firms in Kenya have been robbed of potential business opportunities due to the advancement of new technology, new demands by customers and intense competition leading to a decline in the performance. The Communications Authority of Kenya (2016) documented a 14.3 percent drop in courier transactions from the year 2010 to 2015. Further, outgoing international transactions experienced a 20.6 percent decline. This downward trend has immensely affected the performance of the firms in this business portfolio. In addition, the decline is attributed to changes occurring from external sources through technological advances, social, political or economic pressures, or from internal organization challenges such as management response to a range of issues such as changing client needs, costs or a human resource or operational issues.

A study by Obura (2012) found the Postal Corporation of Kenya business transactions attributed to the increase in the preference in the use of information communications technology like

the use of internet to carry out transactions thus necessitating collaborations to shelter business and improve performance. To mitigate the mentioned challenges most companies have entered into collaborations to enhance their operations, minimize operational costs, improve knowledge, tap on skills and improve their performance. This will form the basis of this enquiry.

Sampson (2007) investigated a sample of 463 R&D collaborations in the telecommunications industry in 34 countries on the impact of R&D collaborations on organisations' performance. The study found that collaborations contribute more to firm innovation when technological diversity is moderate than when it is lower or higher. However organizational competitiveness is more critical in ensuring improvement in its performance rather than the level of technological diversity. Hence this forms part of the proposed enquiry.

Wang and Lee (2014) assessed the effect of collaborations and costs on organisations' performance. The study used a sample of 1,561 small and medium enterprises in Australia. The study found that there is a direct effect of collaborative networks on innovation costs performance of SMEs. The results also showed that integrated information system moderated the relationship. Further, firm characteristics such as size of the firm and size of competitors did not influence performance while expenditure on IT did. However organizational competitiveness is more critical in ensuring improvement in its performance rather than the innovation costs. Hence this forms part of the proposed enquiry. While the study used moderating variables in the model, the mediating effect of competitiveness was not examined.

Based on the studies reviewed, there is consensus regarding the positive effect of collaborations on business performance. However, the results

produce mixed outcomes in regard to the role played by the mediating variables used in the different studies. For instance, the study by Cao and Zhang (2011) noted that firm characteristics such as size and age had a significant moderating role on the relationship between inter-organizational collaborations and performance, while the study by Dangelico and Pontrandolfo (2013) established that none of the firms' characteristics (size of the firm, age of the firm, and ISO certification) had any significant moderating role on the relationship between environmental collaboration and performance.

Moreover, local studies on inter-organizational collaborations have been conducted in various sectors including the health sector (Mwangi, Oluoch & Odhiambo-Otieno, 2015) and in state corporations (Nyangweso, 2011) but not in the courier sector. On the strength of the foregoing argument and the need to establish the role played by organizational characteristics, when seeking competitive and profitable continuity, this study sought to establish the role of inter-organizational collaborations on the performance of Courier firms in Nairobi city county, Kenya which is an area previous studies have not focused on.

Objective of the study

The main objective of the study sought to establish the effect of resource-based collaborations on performance of courier firms Nairobi City County, Kenya.

Research Hypotheses

The following hypotheses guided the study:

H₀₁: There is no effect of resource-based collaborations on performance of Courier firms in Nairobi City County, Kenya.

LITERATURE REVIEW

Theoretical Review

Resource Based View Theory

The proponent of the Resource Based View theory was Barney (1991). The theory asserts that enterprises are viewed as the combination of resources and capabilities. Competitive advantage is obtained through the accumulation of strategic assets and capabilities (Barney, 1991). RBV suggests that enterprises possess unique assets and capabilities, allowing them to control their competitive advantage within their market. Bharadwaj (2000) intimated that all successful enterprises have some unique resources and capabilities which are used effectively enabling the organizations to grow and create positions for them in the market. Similarly, Ciborra (2008) noted that, in dynamic environments, organizations should carefully select their capabilities and adopt infrastructure, processes and practices aimed at building and effectively combining their capabilities.

In a view to relate resource based view and inter-organizational collaborations, Bharadwaj (2000) viewed Inter-organizational collaborations as an important capability of the organization and used empirical methods to explore the relationship between ICT collaborations and enterprise performance. Moreover, in a study that tested a model describing the relationship between ICT collaborations and business performance, Sanders and Premus (2005) noted that ICT collaborations between organizations had a significant effect on business performance. Similarly, Ravichandran and Lertwongsatien (2005) believed that enterprises with high ICT collaborations with partners were able to deliver information systems and services to the entire organization and hence making information systems as an enabler to improved business performance.

This study applied the resource based view theory in seeking to explain how inter-organizational collaborations can be used as a resource in the

organization that can enable the firm to enhance its performance. Inter-organization collaborations that enable the firm to share its resources with other partner organizations enable the organization to be able to face the challenges in the current complex and dynamic business environment (Patrakosol & Lee, 2009). The resource based view theory is hence applied in the study to depict inter-organizational collaborations as unique capabilities that are inimitable and hence helping the organization to attain superior performance and competitive advantage.

Empirical Review

Resource Based Collaborations and Performance

Faems, Looy and Debackere (2005) assessed a sample of 221 Belgian manufacturing firms on the effects of inter-organisational collaborations on innovation performance. The results showed that there was a positive relationship between inter-organisational collaboration and innovative performance of Belgian manufacturing firms. The study also showed that the impact differed depending on the nature of partners involved suggesting a moderating role of the type of collaborative partnerships on the relationship between collaboration and performance. This study did not, however, include organisational characteristics or competitiveness in the model and, therefore, offers a gap in research that the present study seeks to bridge. It further focused on the innovation performance yet the present study focuses on entirely different performance measures. Sampson (2007) studied a sample of 463 R&D collaborations in the telecommunications industry in 34 countries the impact of R&D collaborations on firm performance. The study found that collaborations contribute more to firm innovation when technological diversity among the firms is moderate than when it is lower or higher. This shows that technological diversity moderated the relationship between innovation performance and

collaborations. Further, the results showed that firm characteristics influenced innovation performance which suggests that they also moderated the relationship between collaborations and performance. This study also offers a gap in literature as it does not include competitiveness in the model. This was a cross-country study which may not be applicable to a single country like Kenya. Further, the focus was on R&D collaborations and not on other types of collaborations.

As a result, the ability of a firm to make use of knowledge from its external environment plays a central role in competitiveness alongside innovation and the creation of proprietary firm knowledge (Matusik, 2000). Various scholars have therefore recognized that inter-organizational learning is critical to competitive success, noting that organizations learn by collaborating with other firms as well as by observing and importing their practices for example Inkpen, 1998; Lubatkin, Florin, & Lane, 2001; March & Simon, 1958; Powell *et al.*, 1996; Veugelers, 1997). Darr, Argote and Epples (2011) study, for example, provides strong empirical evidence for the significance of inter-organizational relationships to facilitate inter-organizational learning. It has also been demonstrated empirically that the number of collaborative relationships a firm is engaged in is positively related to its innovation output (Shan, Walker, & Kogut, 1994). In conclusion, interorganizational learning seems to combine the best of both worlds: The benefit of accumulating knowledge without the cost of accumulating experience (Ingram, 2002).

A study by Merono, Acosta and Lopez (2008) on 310 Spanish firms investigated the impact of collaborative technologies on firm performance. The results showed that the use of collaborative technologies with an informational orientation contributes to increased organizational performance. Thus, informational orientation moderated the relationship between collaborative technologies and performance. In this study, the

authors did not include firm characteristics or competitiveness and, therefore, this offers a gap in literature that the present study seeks to bridge. The study also limited itself to technology yet the present study seeks to include any other inter-organisational collaborations.

Baba, Shichijo and Sedita (2009) assessed a sample of 455 firms in photo catalysis in Japan on the effects of university-industry (U-I) collaborations on the innovative performance of firms. The findings of the study showed that research collaborations increases firms' R&D productivity. Further, the study found that firm characteristics (number of publications and number of corporate inventors) were significant in the relationship suggesting that organisational characteristics moderate the relationship between collaborations and performance. This study failed to include any mediating variable and therefore the inclusion of competitiveness as a mediating variable provides a new approach to the relationship and thus addresses a research gap. This study was also based on Japan and, therefore, cannot be generalised to Kenya. The study had focused on the collaborations between universities and industries while this study will focus on all available collaborations.

Zacharia, Nix and Lusch (2009) carried out a study on a sample of 342 supply chain managers from multiple industries in USA to assess the effect of collaboration between buyers and suppliers on business performance. The results showed that higher levels of collaborations led to improved organisational performance and profitability. Further, independence of knowledge and supply chain partner insight was found to mediate the relationship while operational and relational outcomes moderated the relationship. Firm characteristics and competitiveness were not included in the model and, therefore, the present study offers a new insight into this relationship. The study had focused on buyer-supplier relationships while the present study will go beyond the scope

and focus on organisational collaborations.

Cao and Zhang (2011) assessed a sample of 59 US manufacturing firms on the impact of supply chain collaboration (SCC) on organizational performance. The results showed that supply chain collaborations improve firm performance by improving collaborative advantage. Collaborative advantage, therefore, mediated the relationship between SCC and firm performance of small firms and not the large firms. The results showed that firm size moderated the relationship between collaboration and performance. However, the study did not include competitiveness of an organisation in the model and therefore the present study fills in a gap in literature as regards the mediating role of competitiveness. This study also focused on supply chain collaborations yet the present study will focus on wider collaborations beyond the supply chains.

Wang and Gao (2011) carried out a study of 27 manufacturing firms in China on the effect of network architecture on firm performance. The results showed that the benefits from networks may evolve with network duration. The study further showed that industry moderated the relationship between network architecture and new product developments. Further, other controls like firm size, network size and range were insignificant on performance. As seen, competitiveness as a mediating variable was not part of the model. This offers a gap in literature for further examination with organisational characteristics in the model. The study focused on the network architecture which is a wider concept that the kind of inter-organisational collaboration covered in the present study.

Pippel (2012) assessed the impact of R&D collaborations networks on performance. The study was a meta-analysis of 47 articles from various refereed journals focusing on the topic. The meta-analysis revealed that knowledge-intensive interactions have a positive impact on the performance of firms. Since this was a meta-

analysis, it does not provide a contextual gap in literature. However, its focus on R&D collaborations provides a gap in literature that the present study seeks to bridge. Further, the meta-analysis does not provide the intricate moderating and mediating relationships between collaboration and performance. This offers a gap in literature that the present study seeks to bridge.

Dangelico and Pontrandolfo (2013) assessed 122 Italian companies on the effect of environmental collaborations on firm performance. The results showed that market performance is influenced by capabilities to implement environmental actions with a focus on energy and pollution and to develop collaborations both with business and with non-business actors. The study further showed that none of the firms' characteristics (size of the firm, age of the firm, and ISO certification) influence performance. This study limited itself to environmental collaborations whereas the present study focuses on all other available inter-firm collaborations.

RESEARCH METHODOLOGY

This study was approached from a positivist philosophy point of view. The positivism school of thought is based on the philosophy that only one reality exists though it can only be known imperfectly due to human limitations and researchers can only discover this reality within the realm of probability (Reichardt & Ralli, 1994). The study adopted both descriptive and explanatory research design. The study population were 423 managers in 141 courier firms as at January 30th 2015 (Gok, 2015). All firms offering postal service are legally subject to licencing considerations (CCK Annual Reports, 2007/2008). This study adopted a multi stage sampling design; stratified sampling procedure and Krejcie and Morgan sampling table (1970). This comprised of 309 managers namely Finance manager, Operations Manager and Customer relationship managers in

each organization. The study used primary data which was largely qualitative, quantitative and descriptive in nature. The study mainly used primary data which was collected using a self-administered structured questionnaire administered to the three levels of management since they were involved in the formulation of strategies and implementation. Data was analyzed both quantitatively and qualitatively. The researcher undertook various steps to ensure that the study adhered to research ethical standards.

RESULTS AND INTERPRETATION

The study targeted a total of 309 managers from 141 courier firms within Nairobi City County. Questionnaires were self-administered to the respective managers. The study successfully engaged 87.3 per cent of the expected respondents while the unsuccessful response rate of 12.7 per cent comprised mainly of non-returned questionnaires. Therefore, the study used the responses from the 270 successful responses to conduct analysis.

More than 70 per cent of the managers were drawn

from firms that were greater than or seven years old. Therefore, a majority of the respondents were drawn from experienced firms. Approximately 75 per cent of the managers were drawn from firms with 31 or more employees. A majority of the respondents were drawn from relatively large couriers.

The respondents were almost evenly distributed in terms of the number of partnerships. Fifty six per cent of the respondents were drawn from courier firms with seven or more partnerships whereas 44 percent were drawn from courier firms with less than seven partnerships. This is representative of the population under study that has 85 out of 141 firms with more than seven partnerships. Respondents from privately incorporated courier firms were approximately 96 per cent whereas those from publicly incorporated courier firms approximately 4 per cent. Hence a majority of the respondents were drawn from privately incorporated courier firms. Therefore, although the study focused on both public and private courier firms the generalization of the study was more inclined to private firms than public firms.

Resource based collaborations

Table 1: Resource Based Collaborations

Descriptions and characteristics	Mean	Std Deviation	standard error
The financial resources shared among the organizations helps to improve performance of your organization	4.27	0.86	0.052
The partnership enhances the entry to new product/market domains	4.27	0.86	0.045
The technology shared among the organizations helps to improve performance of your organization	4.22	0.91	0.055
The partnership assists your organization to enter or maintain the option to enter evolving industries whose product offering may emerge as either substitutes for, or complements to, the organization's service offerings	4.13	0.67	0.041

The partnership assists in differentiation or add value to the services	4.1	0.93	0.057
The research and development shared helps the organizations to improve on performance of your organization	4.07	0.87	0.053
To lower risks in the face of large outlays required and uncertainties	4.05	0.94	0.057
To skills shared among the partners enhances performance of your organization skills from collaborating partners	4.01	0.85	0.052
To pool resources in the light of large outlays required	3.93	1.02	0.062
The partnership assists to circumvent barriers to entering international markets posed by legal, regulatory and/or political factors	3.89	0.9	0.055
The partnership broadens present service lines	3.69	1.23	0.075
The knowledge shared among the firms helps to improve performance of your organization	3.56	1	0.061
Aggregate Mean Score	4.02	0.911	0.056

Source: Survey Data 2017

The financial resources shared among the organizations helped to improve performance of your organization (M=4.27,SD=0.86), the partnership enhances the entry of new market domains (M=4.27,SD=0.86),the technology shared among the organization helps to improve performance in your organization (M=4.22,SD=0.91), the partnership assisted your organization to enter or maintain the option to enter evolving industries whose product offering might emerge as either substituted for, or complements to the organizations offering the service (M=4.13,SD=0.67), the partnership assisted in differentiation or value addition to the services offered (M=4.1,SD=0.93),the research and development shared helped the organization to improve performance of your organization (M=4.07,SD=0.87), partnerships lowered the risks in the face of large outlays required and uncertainties (M=4.05,SD=0.94), skills shared among partners enhances performance of your organization's skills

from collaborating partners (M=4.01,SD=0.85), to pool resources in the light of large outlays required (M=3.93,SD=1.02), the partnerships assisted to circumvent barriers to entry into international markets posed by legal, regulatory and political factors (M=3.89,SD=0.9), partnerships broadened the present service lines (M=3.69,SD=1.23) and knowledge shared among the firms helped to improve performance (M=3.56,SD=1).

The aggregate mean score for resource based collaborations was 4.02 with a standard deviation of 0.91. The aggregate score was approximately equal to 4 on the five point Likert scale adopted by the study. This implied that the respondents agreed to a large extent that resource based collaborations had affected the performance of their organisations. This implied that the respondents' responses closely clustered around the aggregate score of 4. The fact that respondents' responses clustered around 'a large extent' implied a

significant relationship between resource based collaborations and organizational performance.

The findings were in line with Darr, Argote and Epples (2011) study, for example, provided strong empirical evidence for the significance of inter-organizational relationships to facilitate inter-organizational learning and knowledge. It had also been demonstrated empirically that the number of collaborative relationships a firm is engaged in is positively related to its innovation output (Shan, Walker, & Kogut, 1994). In conclusion, inter-organizational learning seemed to combine the best of both worlds: The benefit of accumulating knowledge without the cost of accumulating experience (Ingram, 2002).

This is supported by a study by Wang, Dou, Zhu and Zhou (2015) who assessed the effect of financial capabilities on collaboration and performance. The study found that firm capabilities such as financial resources, innovation and information positively affect external collaborations which in turn affect organizational performance.

Organizational Performance

This domain comprised of four domains namely effectiveness, efficiency, relevance and financial viability. The descriptive statistics for each domain were shown in Tables 2, 3, 4, 5 respectively.

Table 2: Effectiveness as a measure of Organizational Performance

Descriptions and characteristics	Mean	Std Deviation	Std Error
Organization has facilitated a substantial number of collaborations to sustain effectiveness	4.27	0.84	0.051
Organization has enabled substantial number of collaborators for effectiveness	4.14	0.79	0.048
Organization has created a high level of collaborations for effectiveness	3.88	0.94	0.057
Aggregate Mean score	4.10	0.86	0.052

Source: Survey Data 2017

This implied that on average the respondents agreed to a large extent with the statements rating their organisation's current performance in terms of effectiveness of their collaboration. The standard

deviation was less than one implying that the respondents' responses closely clustered around the aggregate score of 4.

Table 3: Efficiency as a measure of Organizational performance

Descriptions and characteristics	Mean	Std Deviation	Std Error
The organization delivers its services promptly without any delay.	4.14	0.76	0.046
High quality administrative systems are in place (financial, human resources, strategy) to support efficient service delivery.	4.07	0.94	0.057
The organization compares progress and achievement made in the organization from time to time.	4.00	0.8	0.049

Collaborations are evaluated on the basis of the cost.	3.93	0.82	0.050
The organizations make optimal use of its financial resources and systems.	3.90	0.92	0.056
Human resources are used by the organization to the best of their ability.	3.67	0.91	0.055
Aggregate Mean score	3.95	0.86	0.052

Source: Survey Data 2017

This implied that on average the respondents agreed to a large extent with the statements rating their organisation's current performance in terms of efficiency. The standard deviation is less than one implying that the respondents' responses closely clustered around the aggregate score of 4.

Table 4: Relevance as a measure of organizational performance

Descriptions and characteristics	Mean	Std Deviation	Std Error
Collaborations carried out by the organization are regularly reviewed to reflect changing capacities.	4.23	0.78	0.048
The organization regularly reviews the environment to adapt its collaboration strategy.	4.09	0.74	0.045
Organizations' assessments are conducted regularly	4.08	1.03	0.063
Services offered by the organization are constantly reviewed to reflect changing client needs.	3.83	1	0.061
Collaborations run by the organization are regularly reviewed to reflect changing environment.	3.55	1.05	0.064
Aggregate Mean score	3.96	0.92	0.056

Source: Survey Data 2017

This implied that on average the respondents agreed to a large extent with the statements rating their organisation's current performance in terms of relevance.

Table 5: Financial Viability as a measure of Organization's performance

Descriptions and characteristics	Mean	Std Deviation	Std Error
The organization has relevant sources to generate revenues to meet its costs	4.26	0.82	0.050
The organization ability to generate enough cash to pay its bills	4.19	0.74	0.045

The Organizations relies on different funding sources to remain financially sustainable	4.19	0.74	0.045
The organization monitors finance, capital assets and depreciation on a regular basis.	4.08	0.99	0.060
The organization has the ability to raise funds required to meet its functional requirements	3.90	0.82	0.050
Aggregate Mean score	4.10	0.82	0.050

Source: Survey data 2017

This implied that on average the respondents agreed to a large extent with the statements rating their organisation's current performance in terms of financial viability. The standard deviation is less than one implying that the respondents' responses closely clustered around the aggregate score of 4.

Hypothesis

The objective of the study sought to determine the effect of resource-based collaborations on performance of Courier firms Nairobi City County, Kenya. To this end a null hypothesis, H_{01} , that there is no significant effect of resource-based collaborations on performance of Courier firms in Nairobi City County, Kenya Null hypothesis one was tested. The hypothesis was derived as:

H_{01} : There is no effect of resource-based collaborations on performance of Courier firms in Nairobi City County, Kenya

The results reported that the standard coefficient of resource based collaboration 0.262, $t= 4.34$ p -value = 0.000. Since the p -value < 0.05 the study rejected the null hypothesis at five per cent level of significance. Hence resource based collaboration had a positive effect on organizational performance of Courier firms in Nairobi City County, Kenya. This was as inferred in the descriptive statistics where a positive significant effect was implied by the positive correlation between resource based

collaborations and organizational performance. This implied that a one unit change in the level of resource based collaboration led to 0.262 units change in organizational performance. This implied that resource based collaborations positively influenced the performance of courier firms. The results were similar to Faems, Looy and Debackere (2005) who asserted that inter-organizational collaborations positively affect innovation and performance among Belgian manufacturing firms.

Therefore, courier firms should intensify resource based collaborations so as to improve the overall operational efficiency and effectiveness. In addition, the appropriability of innovation can be improved on significantly as companies can benefit from each other's technological advances without infringing on patents or intellectual property rights, and henceforth improving the technological innovation. This aspect will improve the learning between the two companies tremendously, as the courier firms will benefit from each other's technical knowledge as well as improve its own customer services.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The study revealed that resource based collaborations influenced performance of Courier firms in Nairobi City County. The study further established that Courier firms effectively articulated and embraced

resource based collaborations so as to improve knowledge sharing, financial resources sharing and technological sharing.

Conclusion

The research findings indicated that the relationship between resource-based collaboration and performance was positive and statistically significant. Therefore the null hypothesis that there is no significant relationship between resource-based collaborations and performance of Courier firms in Nairobi City County, Kenya was rejected.

Recommendations

The influence of resource based collaborations was found to be positive and significant in organizational performance. Hence courier firms should adopt such collaborations that improve the performance in courier firms.

Suggestions for Further Research

The researcher recommends that a similar study be conducted in other corporations/industries in Kenya. It is worth noting that although longitudinal research was both time consuming and expensive, future studies would benefit from testing the current study's model through a longitudinal

research design so as to determine the causal links more explicitly.

The study focused on resource based collaborations and performance of Courier firms in Nairobi City County. However, a low percentage of variation in performance is explained by collaborations. This indicates that there are other factors which influence performance. The introduction of one or more of these factors can provide a base for further research. As far as the findings are concerned, possible enlargement of the sample to include other industries would be highly desirable.

This study had focused on inter-firm collaborative method. Yet the general outline of this research could be applied to other forms of strategic alliances. For example, this research could be extended to examine inter-organization alliances such as governmental research institutes, universities, and non-profit organizations. As a second suggestion, if biotech SMEs become to larger firms or multinational enterprises, they may use a merger and acquisition (M&A) method to exploit partners' technical capacity. Much could be learned from the formulation of M&A know-how construct and its antecedents and effects on firm performance in light of previous research.

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