



## **HUMAN CAPITAL DEVELOPMENT AND PERFORMANCE OF UNIVERSITIES IN KENYA**

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### **ABSTRACT**

Universities in Kenya today are operating in a highly turbulent and dynamic environment as a result of liberalization of the higher education industry, resulting in an influx of many players. To deal with the changes and high levels of competition, it requires Kenyan universities to have effective strategic leadership practices to enhance performance for their universities, especially when Kenya integrates into the regional and global markets. The general objective of this study was to determine the relationship between human capital development and performance of universities in Kenya. The study was based on positivist philosophy of science which sought to verify the propositions through empirical test by measuring the relationships between the dependent and independent variables. The study used descriptive research design. The target population for this study were all the 64 chartered universities in Kenya. A structured questionnaire was used for primary data collection. The questionnaire was pilot tested to determine its validity and reliability. The study used both primary data and secondary data. Primary data was gathered from top management, university councils and workers' representatives of the universities under study. Secondary data was collected from journals, books, internet searches and articles through secondary data collection sheet. Data collected was organized in spreadsheets for the purpose of analysis, it was coded and entered into Statistical Package for Social Sciences (SPSS, Version 29.0) for analysis. Descriptive statistics such as mean and standard deviation was used to analyze the data. Correlation and regression analysis was conducted to find the relationship between the independent and dependent variables. Data was presented on tables and graphs. The pilot study comprised of ten percent (10%) of equivalent of study respondents amounting to 27 respondents. The overall Cronbach Alpha value for reliability was 0.858. The validity of the questionnaire was tested using construct validity. The study concludes that human capital is a resource which has a positive influence on the performance of the universities in Kenya. From the study, short courses equip employees with knowledge about their learners, in-house training seminars help employees to acquire knowledge that continuously improves their performance, regular meetings with employees for acquiring knowledge and employee training results to employee commitment and engagement. This study therefore recommends that the management should support human capital development to enable improve the organizations' productivity, improve efficiency in service delivery and provide creative insight that allow the management to look at things from a different perspective.

**Key Words:** Human Capital Development, Performance Of Universities, Human Capital Theory

## **Background of the Study**

Human capital allows an economy to grow. When human capital increases in areas such as science, education, and management, it leads to increases in innovation, social well-being, equality, increased productivity, improved rates of participation, all of which contribute to economic growth. Due to the evening and weekend programmes, most universities in Kenya have a population of self-sponsored students (Wangenge-Ouma, 2016), (Mathooko & Ogutu, 2014). Unfortunately, the main domain offence and domain creation strategies employed by Kenyan universities include franchising to commercial colleges, establishment of satellite campuses and introducing new programmes, usually in fields beyond the universities' core areas of strength, such as health sciences, law, information and communication technology, management and business studies (Wangenge-Ouma & Nafukho, 2011; Wangenge-Ouma, 2016). As universities in Kenya today are operating in a highly turbulent and dynamic environment as a result of liberalization of the higher education industry, resulting in an influx of many players, strategic management plays a key role in positioning them in their quest to achieve sustainable competitive advantage (Mathooko & Ogutu, 2018).

In Kenya, the higher education sector has experienced a growth outburst which have resulted from the entry of more accredited institutions. These have in turn led to stiff competition among the universities in terms of the programs offered and the pricing of these programs (Soko, 2019). Recently, a number of vocational training centres have been upgraded into universities thus increasing the number. According to Ngome (2018) the institutions not only compete for the students but also for the teaching and nonteaching staff. As public and universities operate in the same environment, there is need for cross-sector study to ascertain whether universities adopt same coping strategies as public universities and there is need to investigate and provide empirical evidence on how the environment influences the kind of leaders in these universities especially in relation to its volatility, the most current pressing challenge may be the least challenging in the future (Mathooko & Ogutu, 2019).

Ng'ethe (2018) observed that universities in Kenya are operating in a highly competitive environment and one of the challenges they face is employee retention, which has been occasioned by globalization which has intensified competition and increased the mobility of highly skilled employees yet the universities depend on these staff for success and sustainability. Obwogi (2020) stated that mobility of teaching staff in Kenyan universities has grown over the last few years and observed that it was becoming a challenge. Kenyan universities have experienced rapid expansion in terms of enrolment of regular and self-sponsored students over the last decade without corresponding increase in staff numbers and replacement of those who leave due to various reasons including turnover and brain drain.

Kipkebut (2021) argued that the biggest challenge occasioned by expansion of student numbers in universities was staff shortage which has forced universities to recruit from each other, while other challenges include poor institutional governance, poor remuneration, heavy workload, lack of promotional opportunities as causes of staff attrition in the universities. Mathooko and Ogutu (2022) have stated that in developing countries, Kenya included, universities are still stuck with traditional strategic planning and are slowly moving towards broad strategic management with a view to attaining sustainable competitive advantage. Universities face numerous challenges including: maintaining a steady supply of students who can afford to pay for university education, stiff competition from their public universities counterpart who have introduced parallel degree courses for full paying students, aggressive competition from foreign universities who have launched an aggressive campaign for recruiting local students, lacking a research focus

comparable to public universities and offering specific and narrow programs which affect the performance of universities in Kenya.

### **Statement of the Problem**

In the prevailing vibrant global environment that organizations operate in today, organizations are faced with a huge responsibility of understanding and implementing strategic leadership in order to keep up with the ever-changing customer needs and changing financial lifestyles. According to Cabiddu and Pettinao (2018), organizations in different sectors can improve on their performance by paying far greater attention to the capabilities they need to successfully implement their strategy. Statistics show that, in the past one decade 57% of youthful population from developing countries pursue tertiary education outside their home countries (UNESCO, 2018). This implies that there is a high demand for quality tertiary education among the youth in developing countries especially in Kenya. According to Commission for University Education - CUE (2022) challenges such as low Internet access, high costs of maintaining and upgrading resources, lack of access to contemporary study material, vandalism and inadequate funding and staffing are major constraints to research quality in Kenyan institutions. In addition, some universities do not have clear vision and missions rendering them uncompetitive.

According to Rabai (2020), the expansion of university education has experienced a crisis – deteriorating quality and relevance, unsustainable financing, limited research, low staff morale and the struggle between regular and parallel degree programmes. The rapid expansion has also led to a rise in educational costs. Leadership challenges have led to crises in the universities including failure to meet the demand for high quality services and the implication is that academic standards have been compromised in pursuit of the financial survival of the institution. The recent focus by the government has been on increasing access for transitioning students to universities, but the infrastructural capacity of the institutions does not correspond with the growing number of students (CUE, 2022). These is worsened by the fact that there is lack of human capital development, lack of strategic control and bad communication strategies which culminate to lack of competitiveness.

Despite the deliberate move by the Government of Kenya to expand university education through the creation of more universities and expansion of programmes offered to get industrialized by the year 2030 in line with the Kenya Vision 2030, Kenyan universities continue to be ranked low internationally as only University of Nairobi, USIU and Strathmore University were ranked among top 50 out of 12,000 institutions in Africa in survey conducted by the Webometrics in 2022 and no Kenyan university was ranked among the top 1000 in a survey conducted by the Academic Ranking of World Universities in 2022. In 2022, only the University of Nairobi appeared in the top 50 ranking among the Universities in Africa as per the Webometrics survey in 2022. The survey suggests that universities' performance has become a point of concern to stakeholders following these low positions in ranking (Kaluyu, M'chebere, & Gichunge, 2023). This study therefore sought to assess the influence of human capital development on performance of universities in Kenya

### **General Objective**

The general objective of this study was to assess the influence of human capital development on performance of universities in Kenya.

## **Theoretical Framework**

### **Human Capital Theory**

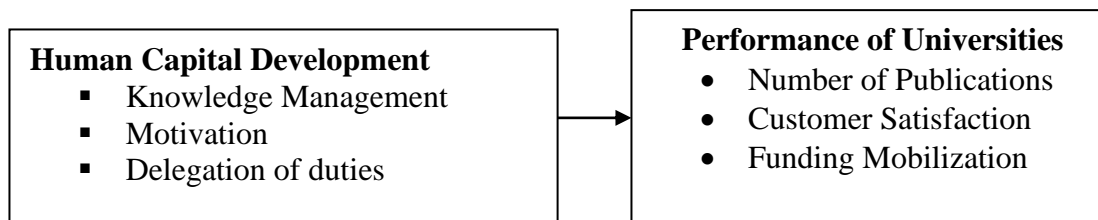
The origin of human capital goes back to emergence of classical economics in (1776) and thereafter developed a scientific theory. After the manifestation of that concept as a theory, Schultz (1961) recognized the human capital as one of the important factors of national economic growth in the modern economy (Dae-bong, 2009). The theory is rooted from the field of macroeconomic development theory Schultz (1993). Becker's (1993) classic book, *Human Capital: A Theoretical and Empirical Analysis with special reference to education*, illustrated this domain. Becker argues that there are different kinds of capitals that include schooling, computer training course and expenditures on medical care (Marimuthu et al., 2019). The theory argues that a person's formal education determines his or her earning power.

The idea of human capital originates from the observation that schooling develops certain qualities in people and that these qualities enhance economic productivity and economic growth (Severine and Lila, 2019). Gary Becker's classic work, *human capital* (1964), elaborates on the notion of human capital in the context of neoclassical economics. It registers that investment in human could be viewed as similar to investment in other means of production, like factories or mines. In developing Becker's work further, another economist, Theodore Schultz, set out to map how rates of return from education could be calculated in countries with different levels of income, different attitudes to forgoing earnings to develop human capital (Severine and Lila, 2019). Human capital theory holds that it is the key competences, skills, knowledge and abilities of the workforce that contributes to organizations competitive advantage. It focuses attention on resourcing, human resource development, and reward strategies and practices.

According to Human Capital Theory, education is an investment because it is believed that it could potentially bestow private and social benefits (Odhong et al., 2014). According to Armstrong (2018) cited in Odhong & Were (2018), Human capital theory helps to determine the impact of people on the business and their contribution to shareholder value. It demonstrates the HR practices that produce value for money in terms, for example, of return on investment. According to Dae-bong (2019), Human capital theorists believe that education and earning power are correlated, which means, theoretically, that the more education one has, the more one can earn, and that the skills, knowledge and abilities that education provides can be transferred into the work in terms of productivity. Human capital theory as one of the main underpinning theories in this study as it is related to human capital, in this study the theory supports the human capital development variable.

### **Conceptual Framework**

According to Kombo & Tromp (2019), a concept is an abstract or general idea inferred or derived from specific instances. A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Mugenda and Mugenda (2016) and Smith (2004), define a conceptual framework a hypothesized model identifying the model under study and the relationship between the dependent and independent variables.



**Independent Variable**

**Dependent Variable**

**Figure 2. 1: Conceptual Framework**

## Human Capital Development

Developing the human capital is another vital element of strategic leadership. It is conventionally assumed that no organization can have exemplary performance standards without staff who are well trained and equipped with the relevant knowledge regarding their functions. Mutia (2015) affirms that human capital development cannot be overlooked as a necessary condition for improving organization competitiveness and sustainability. According to Ireland and Hitt (2017) human capital refers to the skills and knowledge that the organizational workforce has. In addition, Shaheen, Nagvi, and Khan (2018) established that firms with competent employees are always in the front line to improve their efficiency and effectiveness in product/service delivery and have an eventual improved performance. McIsaac, Park, and Toupin (2017) assert that the necessity of having well trained and skilled employees cuts across all sectors including academic institutions. This implies that even higher education institutions should strive to attract and retain such work force in order to achieve favorable competitive edge.

According to Masood (2018) one of the effective ways of enhancing employee capabilities is through relevant training. In support of this Aguinis and Kraiger (2019) asserts that employee training results to organization profitability and increase revenues. With this, it is clear that organization should plan for staff training sessions in order to achieve the organizational mission as well as objectives.

According to Batti (2019) human capital development must not be taken as an expense but rather as a valuable investment for the organization's benefit. This is so because, as Batti (2019) puts it, it allows employees to gain more knowledge to build on their prowess in their duties and responsibilities. In a like manner, Josan (2017) avers that human capital is a resource which like any another, has an influence on firm productivity. With reference to Choudhury and Mishra (2018) employee training results to employee commitment and engagement which translates to overall organizational performance and effectiveness.

## Empirical Literature Review

### Human Capital Development and Performance

In a study to examine the role of strategic leadership in building sustainable competitive advantage in the academic environment Mahdi and Almsafir (2014) utilized a quantitative research methodology. Strategic leadership was operationalized as human and social capital development. The study found that strategic leadership was a prerequisite for organizations competitive advantage in Iraqi higher education institutions. This study however presents as

conceptual gap since its focus was on competitive advantage in academic arena while the current study considers strategic leadership practices.

With the utilization of operational strategy as the moderating factor Tairas et al. (2016) aimed at determining how competitive advantage of Universities in Jakarta is influenced by strategic Human Capital Development. In this research, a quantitative research methodology was adopted. A sample of 200 principals were used for the study. The data used was primary data which was gathered with the aid of questionnaires and interview schedules. The research outcomes were clear that strategic human capital development significantly influences the competitive advantage of Universities in Jakarta. However, with the moderating variable which was operational strategies, it was established that universities competitive advantage was not influenced by human capital development. This study presents a contextual gap as it was done in Indonesia while the current research will be carried out in Kenya.

Daniel (2019) studied the effects of Human Capital Development on Organizational Performance in Trust Fund Pension Limited in Nigeria. The study had a population size of 152, out of which a sample size of 110 was realized using Taro Yamane formula at 5% error to tolerance and 95 % level of confidence. The findings suggested that there was significant relationship between human capital management and organizational performance. The necessity for human capital development includes teaching the skills and knowledge requires in new staff, upgrading the skills and knowledge of old employees, meeting the challenges of technological innovation acquiring the skills required in the competitive market and enhancing human capital resourcefulness. Philip and Ikechukwu (2018) researched on the impact of Human Capital Development on Employee Performance among Selected Oil Service Firms in Cameroon. The study examined the impact of training an employee performance it also determines the impact of employee educational level on employee performance. The population of the study was 150, out of which 109 was determine as sample size through the use of Taro Yamane. Findings revealed that training has a positive impact on employee performance

Odhon'g and Omolo (2015) focused on the effect of human capital investment on organizational performance of pharmaceutical companies in Kenya. The independent variables included training, education, knowledge management and skills development. Study used questionnaires in data collection, descriptive and inferential statistics used in the analysis. The study found a positive significant relationship between human capital investment and organizational performance. The study showed that Promotion of knowledge management through teamwork, social networks and knowledge management systems; training on employability and transferability skills to enhance Skills Development enhances organizational performance. Ravi et al., (2018) did a Study on Human Capital Investments and Employee Performance: An Analysis of IT Services Industry in Uganda. The study examined whether Human Capital Investment is directed toward employee training is effective in improving employee performance. The panel data set was used to link formal training with performance at the individual employee level. Using a dynamic panel model, the study identified a significant positive impact of training on employee performance. A unit increase in training is linked to a 2.14 per cent increase in an employee performance. The study also found that general training that an employee can utilize outside the focal firms improves employee performance.

## RESEARCH METHODOLOGY

### Research Philosophy

The positivism philosophy was used in this study. This philosophy postulates that it is impossible to comprehend observations through measurements (Graton & Jones, 2010). This philosophy is flexible as it captures both the quantitative and qualitative research methods. It is also reliant on multiple data collection methods (Denzin & Lincoln, 2011). Post-positivism approaches accept that the natural sciences do not provide the only model for social research. The approach does not hold on the absolute truth and certainty but relies heavily on confidence.

### Research Design

This study adopted descriptive survey research design approach using quantitative and qualitative research designs. A quantitative research design was used to examine the relationship between variables with the primary goal being to analyze and represent that relationship mathematically through statistical analysis. Qualitative descriptive research design is used when the goal of the research problem is to examine a phenomenon with an in-depth understanding and description.

### Study Population

The target population for this study was the 64 universities accredited to undertake university education in Kenya, distributed as follows: 27 public universities 18 chartered universities, 5 university constituent colleges and 14 institutions with letter of interim authority according to the Commission for University Education website (CUE, 2021). The survey unit of analysis composed of universities accredited to undertake university education in Kenya whose academic leaders were the units of inquiry. These universities were selected for the study since they are largely controlled by the same regulator (CUE) and are required to observe similar guidelines in their operations. Despite the differences in their funding models, both public and private universities in the Country have featured in global rankings owing to their extensive investments, quality of education and overall performance. As such, a study that incorporates both private and public universities is a modest attempt to understand the general performance of these institutions. The senior and middle managers are considered the most appropriate group to answer questions ranging from aspects of structure, strategy, and performance (Hung, 2016). Similar justification was also provided by Lok *et al.* (2018) in their study. In addition, Kaluyu *et al.* (2019) maintained that the key managers run day to day managerial activities and thus have a better understanding of the status of the institutions.

**Table 3. 1: Study Population**

Type of University	Population
Public universities	27
Chartered universities	18
University constituent colleges	5
Institutions with letter of interim authority	14
<b>Total</b>	<b>64</b>

### Sample Size and Sampling Technique

The researcher used Stratified sampling which is a type of probability sampling method in which sample members from a larger population are selected according to a random starting point but with a fixed, periodic interval (the sampling interval).

According to Cooper and Schindler (2019) a sample is subset of a population. In a descriptive survey a sample enables a researcher to gain information about a population (Kothari, 2014; Mugenda & Mugenda, 2018). The larger the sample, the more likely the scores on the variables were representative of the population scores. The sample size was determined using the formula suggested by Yamane (1967).

The formula is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where, n= Sample size N= Population size  
e= Margin of error

Therefore, the sample size for the respondents was:

$$n = 256 / 1 + 256 (0.05)^2$$

$$n = 156 \text{ respondents}$$

Therefore, a sample size of 156 respondents participated.

**Table 3. 2: Sample Size**

UNIT OF OBSERVATION	POPULATION	SAMPLE
University Management	64	39
Worker Union Representation (2 Representative ,Uasu – 1 and Kusu-- 1)	128	78
University Councils	64	39
<b>Total</b>	<b>256</b>	<b>156</b>

### Data Collection Instruments

Both qualitative and quantitative data was collected through primary and secondary data. Primary data was required to gain deeper insight and a better interpretation of the quantitative data. This research used questionnaire (Lumpkin & Dess, 2019). The primary data is key to the current research as it provides information that address the research objectives. Annum (2014) states that a questionnaire is a form or document with a set of questions deliberately designed to elicit responses from respondents or research informants for the purpose of collecting data or information. Structured questionnaires are those in which some control or guidance is given for the answers. The questionnaire was administered by four trained research assistants to the university management. The method of data collection was through drop and pick method. On the other hand, secondary data on university performance was collected using a data collection sheet.

### Pilot Study

Before a survey is carried out all aspects of the questionnaire as a survey instrument should undergo a pilot test (Yin, 2017). Pre-testing enables the researcher to modify and remove ambiguous items on instruments (Lune & Berg, 2016). A pilot test is conducted to detect



weaknesses in design, instrumentation and to provide proxy data for selection of probability sample. Pilot test enables the researcher to identify and eliminate any problems that may exist in a questionnaire (Best & Kahn, 2016) and examine the reliability and validity for measures used in the questionnaire (Yin, 2017). A pilot study is conducted with 4% - 10% of the sample population (Creswell & Clark, 2017). The pilot study was conducted among 16 respondents which is 10% of the sample size from the universities in Kenya. The aim was to test the reliability and validity of the questionnaire.

### **Data Processing and Analysis**

Data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques to help the researcher interpret the findings in relation to the research questions (Cooper & Schindler, 2011). In this study, quantitative data was coded and analyzed, while content coding was used in coding the qualitative data. Statistical techniques such as measures of central tendency, dispersion, symmetry and inferential statistics were used to analyze the data. In descriptive analysis, the raw data of the indicators was analyzed and presented in frequency tables and graphs for all the variables depending on the nature of the categorical data of the indicator. The mode in terms of the modal class was used as a measure of central tendency of choice because the indicators were ordinal categorical data with 5 categories each.

### **Regression Modelling**

To draw conclusions on the objectives of the study and test hypotheses, statistical models were fitted for the specification function showing the relationship between human capital development and Performance of Universities in Kenya. Bivariate regression models were fitted to determine the relationship between each independent variable and Performance of Universities in Kenya. Bivariate models consider the relationship between two variables at a time without considering the combined joint relationships. The study used two types of linear regression analyses; linear multiple regression and hierarchical linear regression. Linear regression was used to test relationship between variables due to linear relationship between the variables. The following regression model was used for quantitative procedures examining the relationship between independent and dependent variables;

The multiple regression equation model was as illustrated below: -

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

Where:

Y is the dependent variable (Performance of Universities in Kenya),

$\beta_0$  is the constant (Co-efficient of intercept)

$\beta_1$ , is the slope of the regression equation,

$X_1$  is the Human capital development independent variable,

while

e is an error term

The equation was solved using statistical model where SPSS was applied to generate the t- value.

## RESEARCH FINDINGS ANALYSIS AND DISCUSSION

### Descriptive Statistics of the Study Variables

#### Human Capital Development

The second objective of the study was to determine how human capital development influences performance of universities in Kenya. The responses were rated on a five point likert scale as presented in the table below.

**Table 4. 1: Human Capital Development**

Statements	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
Employees are encouraged to undertake short courses to acquire knowledge about our learners.	9.20	10.50	9.20	31.80	39.30	3.82	1.3
We organize in-house training seminars to acquire knowledge to continuously improve on our performance	6.90	11.50	6.90	33.40	41.30	3.91	1.25
We strive for any opportunity that improves on our capabilities for acquiring new knowledge from existing knowledge.	7.20	7.20	7.20	34.10	44.30	4.01	1.21
We have regular meetings with employees for acquiring knowledge about our learners and to discuss issues concerning our university	9.80	6.90	10.50	34.40	38.40	3.85	1.28
We make use of technology and other techniques to disseminate knowledge in our university.	9.50	9.50	8.20	32.50	40.30	3.85	1.31
All employees are encouraged to undertake in-service training to improve on their skills	7.50	9.50	12.10	32.80	38.00	3.84	1.24
Employees are encouraged to undertake short courses to acquire knowledge about our learners	10.80	7.50	10.80	29.80	41.00	3.83	1.33
We organize in-house training seminars to acquire knowledge to continuously improve on our performance	8.50	8.90	9.80	33.40	39.30	3.86	1.26
We make use of technology and other techniques to disseminate knowledge in our university	10.50	9.50	7.90	32.10	40.00	3.82	1.33
<b>Aggregate Score</b>						<b>3.87</b>	<b>1.28</b>

The respondents were asked to indicate the extent to which Employees are encouraged to undertake short courses to acquire knowledge about our learners. The findings from the study showed that nine point two percent (9.20%) indicated they strongly disagreed with the statement, ten point five percent (10.50%) disagreed with the statement, nine point two percent (9.20%) moderately agreed with the statement, thirty-one point eight percent (31.80%) agreed with the statement while the remaining thirty-nine point three percent (39.30%) strongly agreed with the statement. On a five-point scale, the average mean of the responses was 3.82 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.3.

The respondents were also asked to indicate the extent to which the institution organize in-house training seminars to acquire knowledge to continuously improve on our performance. The findings from the study showed that six point nine percent (6.90%) indicated they strongly disagreed with the statement, eleven point five percent (11.50%) disagreed with the statement, six point nine percent (6.90%) moderately agreed with the statement, thirty-three point four percent (33.40%) agreed with the statement while the remaining forty-one point three percent (41.30%) strongly agreed with the statement. On a five-point scale, the average mean of the responses was 3.91 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.25.

The respondents were also asked to indicate the extent to which we strive for any opportunity that improves on our capabilities for acquiring new knowledge from existing knowledge. The findings from the study revealed that seven point two percent (7.20%) indicated they strongly disagreed and disagreed respectively with the statement, seven point two percent (7.20%) moderately agreed with the statement, thirty-four point one percent (34.10%) agreed with the statement while the remaining forty-four point three percent (44.30%) strongly agreed with the statement. On a five-point scale, the average mean of the responses was 4.01 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.21.

The respondents were also asked to indicate the extent to which we have regular meetings with employees for acquiring knowledge about our learners and to discuss issues concerning our university. The findings from the study showed that nine point eight percent (9.80%) indicated they strongly disagreed with the statement, six point nine percent (6.90%) disagreed with the statement, ten point five percent (10.50%) moderately agreed with the statement, thirty-four point four percent (34.40%) agreed with the statement while the remaining thirty-eight point four percent (38.40%) strongly agreed with the statement that. On a five-point scale, the average mean of the responses was 3.85 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.28.

The respondents were also asked to indicate the extent to which we make use of technology and other techniques to disseminate knowledge in our university. The findings from the study showed that nine point five percent (9.50%) indicated they strongly disagreed with the statement, nine point five percent (9.50%) disagreed with the statement, eight point two percent (8.20%) moderately agreed with the statement, thirty-two point five percent (32.50%) agreed with the statement while the remaining forty point three percent (40.30%) strongly agreed with the statement. On a five-point scale, the average mean of the responses was 3.85 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.31.

The respondents were also asked to indicate the extent to which the We organize in-house training seminars to acquire knowledge to continuously improve on our performance. The findings from the study showed that seven point five percent (7.50%) indicated they strongly disagreed with the statement, nine point five percent (9.50%) disagreed with the statement, twelve point one percent (12.10%) moderately agreed with the statement, thirty-two point eight percent (32.80%) agreed with the statement while the remaining thirty-eight percent (38.00%) strongly agreed with the statement. On a five-point scale, the average mean of the responses was 3.84 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.24.

The respondents were also asked to indicate the extent to which we make use of technology and other techniques to disseminate knowledge in our university. The findings from the study showed that ten point eight percent (10.80%) indicated they strongly disagreed with the statement, seven point five percent (7.50%) disagreed with the statement, ten point eight percent (10.80%) moderately agreed with the statement, two nine point eight percent (29.80%) agreed with the statement while the remaining forty-one percent (41.00%) strongly agreed with the statement that companies train their customers on how to use a given product. On a five-point scale, the average mean of the responses was 3.83 which implies that majority of the respondents agreed on the statement; however, the answers were varied as shown by the standard deviation of 1.33. These views imply that the universities have adopted human capital development practices that have a great effect on their performance. These results are in agreement with Band and

Scanlan (2019) who revealed that human capital development practices keep organizations ready for a time of crisis, as they need to be more cautious about high level risks, which have the potential to their strategies.

### Test for Hypothesis One

The objective of the study was to assess the influence of human capital development on performance of universities in Kenya. The corresponding hypothesis was:

H<sub>01</sub>: Human capital development has no statistically significant influence on performance of universities in Kenya.

A univariate analysis was therefore conducted to test the null hypothesis. From the model summary findings in Table 4.2, the r-squared for the relationship between Human capital development and performance of universities in Kenya was 0.269; this is an indication that at 95% confidence interval, 26.9% variation in performance of universities in Kenya can be attributed to changes in Human capital development. Therefore, Human capital development can be used to explain 26.9% change in performance of universities in Kenya. However, the remaining 73.1% variation in performance of universities in Kenya suggests that there are other factors other than human capital development that explain performance of universities in Kenya.

**Table 4.2: Model Summary for Human capital development**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519 <sup>a</sup>	.269	.267	.68365

a. Predictors: (Constant), Human capital development

The analysis of variance was used to determine whether the regression model is a good fit for the data. From the analysis of variance (ANOVA) findings in Table 4.3, the study found out that that  $\text{Prob} > F_{1,127} = 0.000$  was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to predict performance of universities in Kenya. Further, the F-calculated, from the table (273.58) was greater than the F-critical, from f-distribution tables (3.916) supporting the findings that human capital development can be used to predict Performance of universities in Kenya.

**Table 4.3: ANOVA for Human capital development**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	51.159	1	51.159	273.58	.000 <sup>b</sup>
1 Residual	23.817	127	0.187		
Total	74.976	128			

a. Dependent Variable: Performance of universities in Kenya

b. Predictors: (Constant), Human capital development

From the results in table 4.4, the following regression model was fitted.

$$Y = 1.792 + 0.497 X_2$$

(X<sub>2</sub> is Human capital development)

The coefficient results showed that the constant had a coefficient of 1.792 suggesting that if human capital development was held constant at zero, performance of universities in Kenya would be at 1.792 units. In addition, results showed that human capital development coefficient was 0.497 indicating that a unit increase in human capital development would result in a 0.497 increase in performance of universities in Kenya. It was also noted that the P-value for human

capital development coefficient was 0.000 which is less than the set 0.05 significance level indicating that human capital development was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that dependency to human capital development positive and significant influence on performance of universities in Kenya.

**Table 4.4: Beta Coefficients for Human Capital Development**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.792	.188		9.523	.000
Human capital development	.479	.046	.519	10.462	.000

a. Dependent Variable: Performance of universities in Kenya

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### Summary of Findings

The study found that human capital development has a positive and significant influence on Performance of the Universities in Kenya. From the results, it was found that employees are encouraged to undertake short courses to acquire knowledge about their learners as shown by an overall mean score of 3.82. The study established that the institutions of higher learning organize in-house training seminars to acquire knowledge to continuously improve on their performance as indicated by an overall mean of 3.91. The study found that the universities strive for any opportunity that improves on their capabilities for acquiring new knowledge from existing knowledge as shown by an overall mean score of 4.01. The study revealed that the universities have regular meetings with employees for acquiring knowledge about their learners and to discuss issues concerning the universities as shown by an overall mean score of 3.85. In overall, the universities make use of technology and other techniques to disseminate knowledge as shown by an overall mean of 3.85.

In addition, the universities organize in-house training seminars to acquire knowledge to continuously improve on their performance as shown by an overall mean score of 3.84 and that the universities make use of technology and other techniques to disseminate knowledge as shown by an overall mean score of 3.83. There was a strong positive significant relationship between performance of universities in Kenya and Human Capital Development, with a Pearson's correlation coefficient of 0.763 and a p-value<0.001, implying that 76.3% of performance of universities in Kenya is explained by Human Capital Development. Human Capital Development was found to be satisfactory in explaining Performance of universities in Kenya. This was supported by coefficient of determination i.e. the R square of 43.3%. This shows that Human Capital Development explains 43.3% of Performance of universities in Kenya. Regression of coefficients revealed that Human Capital Development and Performance of universities in Kenya are negatively and significantly related ( $\beta = -0.658$ ,  $p=0.000$ ). This implies that a unit increase by 0.131 in Human Capital Development would lead to an increase by 0.131 in Performance of universities in Kenya.

These results imply that human capital development plays a significant role on the performance of the universities in Kenya. These results concur with Daniel (2019) who established that it is necessary to have well trained and skilled employees in academic institutions through attracting and retaining such work force in order to achieve favorable competitive edge. Employee training, and efficient staff training sessions results in achievement of organizational mission and objectives, growth in profitability and increase in revenues.

## Conclusions

The study concludes that human capital is a resource which has a positive influence on the performance of the universities in Kenya. From the study, short courses equip employees with knowledge about their learners, in-house training seminars help employees to acquire knowledge that continuously improves their performance, regular meetings with employees for acquiring knowledge and employee training results to employee commitment and engagement which translates to overall organizational performance and effectiveness. The study further deduces that the universities make use of technology and other techniques to disseminate knowledge. Accordingly, the necessity for human capital development includes teaching the skills and knowledge required in new staff, upgrading the skills and knowledge of old employees, meeting the challenges of technological innovation acquiring the skills required in the competitive market and enhancing human capital resourcefulness.

## Recommendations

The study revealed that the performance of universities have human capital development systems that encourage creativity among staff. This study therefore recommends that the management should support human capital development to enable improve the organizations' productivity, improve efficiency in service delivery, create new partnerships and relationships, improve customer satisfaction, enable problem solving and provide creative insight that allow the management to look at things from a different perspective. In addition, the universities should develop efficient human capital development systems to guide them in making decisions that are consistent with their philosophies and stated objectives.

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