

An Empirical Analysis Of The Relationship Between Resource Fluidity And Firm Performance: A Perspective Of Tours And Travel Companies In Kenya

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Abstract: All companies exist in an evolving environment that affects their performance. As a result, an adaptive strategy is necessary for the execution of result-oriented excellence. Due to the unanticipated changes in the environment, firms should be agile and not hesitate to pursue emerging opportunities and continuous improvement. The sustainable growth of the tourism industry is anchored in a constant and competitive supply of tours and travel services. The emerging markets require the tour firms to embrace innovation to pursue opportunities even in the event of market dynamics. The current study was aimed at establishing the relationship between resource fluidity and firm performance of tours and travel companies in Kenya. The literature review established conflicting findings on the effect of resource fluidity on firm performance. This study will be of great value to the management of tours and travel companies in Kenya, policymakers, and researchers, and academicians. The theoretical review focused on three major theories that include; Resource-based theory, and Dynamic Capabilities. A descriptive research design was adopted in the study. The target population for the study was the management staff of the four management levels of tours and travel companies in Kenya which included; senior management, middle level, functional level, and technical level. A proportionate stratified sampling technique was used to select the sample size of 176 from a target population of 586 units. A questionnaire was utilized to gather the required data and the data was analyzed by the use of simple linear regression models. The study concluded that there is a statistically significant relationship between resource fluidity on firm performance amongst tours and travel firms in Kenya. The study recommends a comparative study to be done to include other industries with a major focus on resource fluidity and organization performance. Besides, organizational activities should be reconfigured and resources redeployed adequately to boost internal organizational capabilities. The firm strategy needs to be dissociated from the organizational structure to ensure rapid resource deployment. Resource allocation should follow a regular segmental process and include incentives to facilitate a consistent alliance process.

Keywords: Resource Fluidity, Resource Reallocation, Flexible budgeting, Knowledge Mobility, Organizational Adaptability, and Firm Performance

I. INTRODUCTION

The competitiveness of a firm depends on the performance levels among other aspects. The measurement and evaluation of performance should adopt a structure that provides reliable indicators as evidence of the corporation's goals while appraising its performance at the same time (Felizardo, Felix, & Thomaz, 2017). Organizations need to

adopt policies and trends that revitalize and benefit their results and stabilize through performance measurement (Gabcanova, 2012). Organizational performance measurement is essential in the analysis of growth (Kennerley & Neely, 2003). The performance of a firm can be operationalized through non-financial and financial indicators. Morin and Audebrand (2003) observe that firm performance is often constrained to its financial aspect. The performance

evaluations are based on indicators such as return on investments, return on assets, and earnings per share. However, several facets can be used to measure a firm's performance. The aspects include; the process used to achieve its objectives, people working within the organization, and the firm operational environment.

A major goal in a firm's management is to evaluate organizational performance. To measure the performance of the organization is an essential aspect of the improvement of the performance of an organization. Due to the criticisms, the organization could undergo, such as lack of focus in strategy implementation, the incapacity of quality data provision, short-sighted perspectives, and inflexibility on customer needs and competitor performance assessment (Yauch, 2011). According to Jusoh and Parnell (2008), the traditional measurement of organizational performance has been done using qualitative, market-based, and financial measures. The financial indicators used over time consist of return on assets (ROA) and return on investments (ROI), which are accounting indicators. One of the modern financial measures is economic value added (EVA), which is intricate to the understanding and use of the firm managers. The financial measures are known to objective associations of firm performance based on standardized indicators. However, the financial indicators do not avail of a valid measurement of intangible assets despite their wide acceptance in strategy-performance studies.

Organizational agility is about having a broader view of internal and external resources and the workforce. The external economy is always growing. For organizations to be able to leverage and gain from such dynamics, and allow their team to self-determine how they are going to work together to create their own way of organizing working, the organizations need a powerful force (Dempster, 2016). Organizational agility attracts even members from other firms who come together and present themselves to a different organization to work together. When both external and internal forces are involved, new and fresh ideas are brought on board that drive innovations. Organizations have to be focused on creativity and innovations to be able to edge out the competition (Doz & Kosonen, 2010).

The sustainable growth of the tourism industry is anchored in a constant and competitive supply of tours and travel services. The firms are expected to offer world-class and diversified destination services to attract maintain environmentally-oriented tourism segments (Hassan, 2000). With the recent travel advisories issued in Kenya, as a result, increased crime, terrorism, and kidnapping, tours, and travel companies need to embrace the changes which come with the cautionary alerts. The Overseas Security Advisory Council (2019) placed Kenya at level two travel advisory, meaning that the tourists and visitors visiting Kenya should exercise high caution due to terrorism and crime. The travel advisories affect performance of firms, therefore requiring them to be competitively agile.

Both "theoretical and empirical evidence provides emphatic information on the association between resource fluidity and performance." According to Conboy (2009), all enterprises need to adapt to the new world and be ready to spin as fast as it does through constant innovation. Gong and Janssen (2011) argue that policymakers and executors are

continually looking for strategies to attain advanced "flexibility and agility levels in their existing business process management systems. Being flexible helps the firm to deal with anticipated changes, and agility will assist in providing a reasonable speed for the organization to respond to varieties of changes." Ofoegbu and Akanbi (2012) established a positive impact of resource fluidity on performance of firms. Ogunsiji and Akanbi (2013) did not establish a significant association among resource fluidity and firm performance. A study, therefore, needs to be conducted to examine whether "a substantial impact of resource fluidity on organizational performance exist.

II. LITERATURE REVIEW

A. RESOURCE-BASED VIEW

The origin of resource-based view (RBV) is credited to the work of Edith Penrose in the theory of the growth of the firm (Penrose, 1959). This theoretical view proposes that resources that are owned and controlled by a firm are instrumental in development of competitive advantage and enhancing firm performance. It further contends that the competitive conduct of an organization is not contingent upon its position in terms of the wider environment, but by certain exceptional and intrinsic aspects of the firm. According to the theory, resources form the basis of value creation strategies, which ultimately lead to competitive advantage. According to Pearce and Robinson (2013), the RBV offer a clear conceptual linkage between organisational resources, capabilities, strategic option, competitive advantage and superior performance.

The propositions of resource-based view aid in providing information concerning how firms can gain competitive advantage and sustain it over a long period. The fundamental assumptions of RBV are that firms in a given industry possess heterogeneous resources and that these resources are immobile in nature. These resources exist in the form of both tangible and intangible resources. In the light of these two categories of resources, RBV contends that building of competitive advantage is essentially facilitated by resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991; Barney, 2002). Intangible resources like information technology, reputation, culture, and human capital are valuable and non-substitutable, thus conferring a sustainable competitive advantage of a company. The value of physical resources like property, plant, and equipment can be subjected to depreciation, leading to reduced returns, thus corroding the firm competitive advantage. According to Das and Teng (2000), a company is comparable with a wide set of resources in its ownership. Therefore, the firm is supposed to pursue a strategic fit amongst its internal attributes and the external environment.

Moreover, Grant (1991) asserts that besides the stock of resources, it is also necessary for a firm to be aware of its capabilities as they play a critical role in the exploitation of organization resource in the value creation activities of the firm. An organization's goal should be to achieve a sustainable competitive advantage through optimization of its

tangible resources, and being careful to strike an appropriate alignment with its environment. The propositions of RBV are considered essential for anchoring resource fluidity and firm performance as independent and dependent variables in this study.

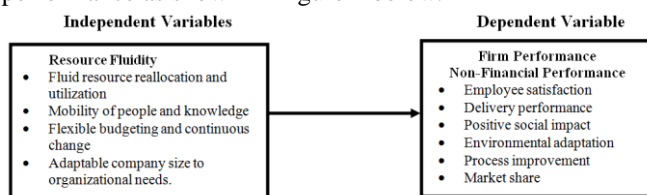
B. EMPIRICAL LITERATURE REVIEW

Ofoegbu and Akanbi (2012) investigated to establish the effect of resource fluidity to organizational performance on two manufacturing firms in Nigeria. A survey research design was utilized, and sample selection was done by the use of a stratified sampling method in different departments. The research instruments used to collect data were questionnaires, and a 92% response rate was realized. Inferential and descriptive statistics were utilized in the data analysis. From the findings, resource fluidity has a positive effect on performance. The study, however, used perceived performance as the dependent variable. The current study made use of non-financial indicators to measure performance.

In a study to determine the interactive effect of resource fluidity to organizational performance in Nigeria, Ogunsiji and Akanbi (2013) used a stratified random sampling. The sample size was one hundred and six. The study used a questionnaire to collect data, which was analysed using descriptive statistics. The tests of hypotheses were done using Multiple Analysis of Variance, Canonical Correlation, and Multiple regression analysis. The results established that there is no significant relationship between resource fluidity and organizational performance. However, the study used financial indicators to measure organizational performance. The current study used non-financial indicators. It also used proportionate random sampling in the sample selection.

Locally, Wangasa (2018) investigated the effect of strategic agility on the performance of the 43 accredited commercial banks in Kenya. Using primary data collected from semi-questionnaires, the study used resource fluidity, collective commitment, and strategic agility sensitivity as the independent variables. The performance indicators used were financial. The results of the study established that resource fluidity has a significant impact on the performance of commercial banks in Kenya. The current study focused on the tours and travel industry and utilize non-financial indicators to measure organizational performance.

The theoretical and empirical review conducted on the relevant literature established a conceptual framework that captured the association between resource fluidity and firm performance as shown in Figure 1 below.



Source: Literature Review (2019)

Figure 1: Conceptual Framework

The study adopted the following research hypotheses.

H_0 : There is no statistically significant effect of resource fluidity on firm performance among tours and travel companies in Kenya.”

H_1 : There is a statistically significant effect of resource fluidity on firm performance among tours and travel companies in Kenya.”

III. RESEARCH METHODOLOGY

Kothari (2004) view a research design as the conceptual model within which research is done and contains a blueprint for the collection of data, its measurement, and analysis.” According to Groenewald (2004), a suitable research design should be selected to prevent or restrict any biases in a study. The study adopted a descriptive research design to gather information on the relationship between organizational agility and firm performance among tours and travel companies located in Nairobi and registered by KATO. The design was selected due to its ability to let the investigator describe a research variable in the natural occurrence. Notably, descriptive research design has been used in past similar studies (Kinyua, 2015; Mirugi & Kinyua, 2018; Kiprotich, Kahuthia & Kinyua, 2019; Ontita & Kinyua, 2020; Muthoni & Kinyua, 2020; Mbugua & Kinyua, 2020). According to Saunders, Lewis and Thornhill (2007), descriptive survey design is appropriate for quantitative studies.

A population refers to subjects in a field of inquiry containing relevant information to a study and from which a sample can be drawn (Mugenda & Mugenda, 2003). A target population can be defined as a specific collection of units that can be studied in research. It is a concrete entire group of many cases from which a researcher can draw a sample to generalize the results (Neuman, 2014). The target population of the study contained three levels of management of twenty-two tours and travel companies located in Nairobi and registered by KATO, as shown in Table 3.1 below.

Category	Population Size	Percentage
Senior Management Level	22	4
Middle Management Level	68	12
Functional Management Level	496	84
Total	586	100

Source: Researcher (2019)

Table 3.1: Target Population

The total population for the study comprised of 586 employees whose management roles are critical in the performance of the tours and travel companies located in Nairobi and registered by KATO. The employees were directly and actively involved in operational activities that primarily affect company performance. From the table 3.1 above, 3% of the population comprises of the senior level of management, 12% belong to the middle management level, and 84% of the population make the majority in the functional management level.

The total population for the study comprised of 586 employees whose management roles are critical in the performance of the tours and travel companies located in Nairobi and registered by KATO. The employees were directly and actively involved in organizational resource fluidity operations that affect company performance. From the table 3.1 above, 3% of the population comprises of the senior level of management, 12% belong to the middle management

level, and 84% of the population make the majority in the functional management level.

The study used proportionate stratified sampling to select the sample from the population of the study. Sampling design refers to the methods and plans followed in the selection of a sample from the target population and the estimation formula for the computation of the sample statistics (Kabir, 2016). Sampling is the procedure of picking several representative units or individuals from the target populace (Orodho & Kombo, 2002). Table 3.2 below shows the sample adopted in the study.

Category	Population Size (N)	Proportion 30%	Sample Size (n)	Percentage
Senior Management Level	22	0.3	7	4
Middle Management Level	68	0.3	20	11
Functional Management Level	496	0.3	149	85
Total	586		176	100

Source: Survey Data (2019)

Table 3.2: Sample Size

Table 3.2 above shows the sample size of 176 respondents from whom the survey was conducted. From the table above, the largest proportion of the respondents was from the functional management level, contributing to 85%, the middle level of management was 11%, and the senior level management comprised of 4%.

According to Kombo and Tromp (2006), data collection is the act of assembling explicit evidence to refute or reprove some realities. Kothari (2004) argues that out of various research instruments, a questionnaire is the most appropriate research instrument for the collection of empirical investigation information that is extensive. The study used primary and secondary data and utilized the questionnaire and the published documents from the tours and travel firms in Kenya. Questionnaires were preferred because they are easy to design, distribute, and collect data (Gray, 2013).

A five-point Likert Scale was used to provide five alternative responses under a closed-ended question to allow the researcher to collect structured responses to provide quantitative data for analysis and conclusions. The questionnaire was structured to provide general information that provides biographical attributes of the respondents. To gather the specific relevant data, the questionnaire was organized into subsections as per the research objectives; thus, it contains indicators of resource fluidity; fluid resource reallocation and utilization, people and knowledge mobility, flexible budgeting and continuous change, and adaptable company size to organizational needs.

Validity denotes the degree to which a research instrument measures what it is supposed to measure (Robson, 2011). In another view, Kothari (2004) argues that validity is the extent to which changes established within a measuring instrument show true differences among those tested. Among the critical criterion for the validity tests, the researcher sought an opinion from experts in the tours and travel industry. The literature review was also conducted to provide content and construct validity.

The questionnaire used as the research instrument was found to meet the requirements of content and construct validity. The research established that the instrument represented all the items covered. Besides, the questionnaire items were found to measure all the research variables in line with the reviewed empirical and theoretical literature. Therefore, the study concluded that the research instrument met the validity test required for data collection.

A pilot study was conducted to assess the research instrument reliability. The study considered two senior-level management staff, two middle level management staff, and two functional level management staff. Pollo, Kessler, and Treiman (2009) contend that the reliability of a questionnaire is established when different measures of a similar concept repeated over time elicit the same results. Reliability was also tested using Cronbach's Alpha to assess the internal consistency of the proposed constructs. The Index is used to measure internal consistency and for the establishment of whether the set of items within a given scale of measurement measures the same construct. The reliability test results are shown in Table 3.3 below.

Variable	Cronbach's Alpha	Remarks
Resource Fluidity	.975	Reliable Variable
Firm Performance	.968	Reliable Variable
Overall	.972	Reliable

Source: Pilot Data (2020)

Table 3.3: Reliability Statistics

From the results of the reliability test in Table 3.3 above, it was established that Cronbach's Alpha of resource fluidity and performance were 0.975 and 0.968 respectively. The overall Cronbach's Alpha was 0.972. According to Taber (2018), a Cronbach's Alpha of 0.00 means no consistency in measurement, and a coefficient of 1.00 means a perfect consistency in measurement. A coefficient of 0.70 means that 70% of the variance in the scores measured is reliable variance, and 30% is the error of variance. The 0.7 threshold has also been adopted in past similar research studies (Gabow & Kinyua, 2018; Kimaru & Kinyua, 2018; Kobia & Kinyua, 2018; Mbai, Muhoho and Kinyua, 2018; Gatuyu & Kinyua, 2020; King'oo, Linda & Kinyua, 2020). From the results of the study in Table 3.3 above, the questionnaire was reliable in measuring the research variables.

The empirical data was gathered by the use of a structured questionnaire which was self-administered. The questionnaire contained several questions that sought the respondents' views on the four specific objectives. To ensure that the response rate is improved, the researcher ensured that the shorter time was used to gather the required data. Further, the questionnaire was divided into six key sections. Section one aimed at collecting the background information of the respondents. Section two gathered fluid resource reallocation information, section three collected people and knowledge mobility details, section four gathered information on flexible budgeting and continuous change, section five gathered information on adaptable company size to organizational needs, and section six collected information on firm performance.

The researcher used a transmittal letter which was obtained from Kenyatta University to process the research permit from the National Council of Science, Technology, and Innovation (NACOSTI). Both the permit and the letter were

used to seek permission to the management of the tours and travel companies located in Nairobi and registered by KATO to gather the required data through the use of the questionnaires. The questionnaires were self-administered and a contact person was established for follow-ups to ensure the questionnaires are filled satisfactorily and in good time.

After the data was gathered, it was cleaned to identify and remove any response errors. Completeness and consistency of the questionnaires were examined, after which coding was done. After the coding, the data were summarized using spreadsheets and then analysed using descriptive and inferential statistics. Frequencies, percentages, means, medians, variance, and standard deviation were tabulated. The correlation between the independent and the dependent variables was established by the use of Spearman's correlation. Simple linear regression was conducted to establish the inferential statistics and to examine the relationship between organizational agility indicators with performance. The significance level (Alpha) set was 0.05. The regression model that was adopted in the study is presented below.

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

Where:

Y = Firm performance

X₁ = Resource Fluidity

ε = error term due to the regression,

B₀ = regression constant,

β₁ is the Regression Coefficient.

To determine whether the variation in performance was as a result of variations in the level of resource fluidity, coefficient of determination (R Square) was used. The study further used analysis of variance (ANOVA) at an alpha of 0.05 to determine whether there was a statistically significant association between resource fluidity and firm performance of tours and travel companies in Kenya.

IV. RESEARCH FINDINGS AND DISCUSSION

Out of a sample size of 176, it was established that 76% satisfactorily responded to the research questionnaire. Mugenda and Mugenda (2003) noted that a response rate of 50% is preferable and considered adequate for a reliable study to be conducted. A response rate of 60% is considered good, and a response rate of 70% and above is considered excellent for analysis. A similar standard was corroborated by Hardigan, Popovici, and Carvajal (2016) who noted that 50% of the response rate is adequate, a 60% response rate is good, and 70% is very good. Therefore, it implies that the study response was satisfactory and fit for analysis and reporting.

A. DESCRIPTIVE STUDIES

To investigate the relationship between resource fluidity and firm performance of tours and travel companies in Nairobi County, non-financial parameters were considered and relevant data were collected for all the variables. The measures adopted were fluid resource reallocation and utilization, knowledge and people mobility, budget flexibility and continuous change, and company size adaptability to

organizational needs. The results are shown in Table 4.1 below.

	Mean	Std. Deviation
The company embraces fluid reallocation and utilization of its capital resources.	2.6541	1.30294
There is the mobility of people and knowledge, institutionalized job rotation, and management that embraces the sharing of knowledge.	2.6992	1.26721
There are flexible budgeting and continuous change in environmental dynamics.	2.7293	1.25606
The size of the company is adaptable to the needs that may arise.	2.6917	1.18820

Source: Survey Data (2020)

Table 4.1: Descriptive Statistics for Resource Fluidity

From the table above, the respondents strongly agreed that the tours and travel companies embrace fluid reallocation and utilization of their capital resources as indicated by a mean of 4.6541 and a standard deviation of 0.9302. As shown by a mean of 4.6992 and a standard deviation of 0.6721, the respondents agreed that the mobility of people, knowledge, institutionalized job rotation, and management that embraces knowledge sharing exists. The mean and standard deviation for flexible budgeting and continuous change in environmental dynamics were 3.7293 and 1.2561 respectively. It, therefore, implied that the majority of the respondents agreed that the tours and travel companies have flexible budgeting and continuous change in environmental dynamics. From the above table, it can be established that the size of tours and travel firms may not be adaptable to the needs that may arise due to the mean of 2.6917 and a standard deviation of 1.1882.

From the results, fluid reallocation and utilization of capital resources affect the performance of tours and travel companies in Kenya to a great extent. Also, it can be deduced that the mobility of people and knowledge, institutionalized job rotation, and management that embraces shared knowledge affects the performance of tours and travel companies in Nairobi County to a great extent. The flexibility of budgeting and continuous change in environmental dynamics to a moderate extent affect the performance of tours and travel companies in Nairobi County. On the other hand, the size of the organization to the needs that may arise does not affect the performance of tours and travel companies in Nairobi County. The aggregate mean of resource fluidity was 3.9436 with a standard deviation of 1.0117 implying that resource fluidity affects the performance of tours and travel companies to a great extent.

The results of the study agreed with the findings of Ofoegbu and Akanbi (2012) who a positive and significant effect on resource fluidity on the performance of manufacturing firms. Wangasa (2018) established similar results on commercial banks where resource fluidity was found to have a significant effect on organizational performance. However, the findings were not consistent with the findings of Ogunsiyi and Akanbi (2013) where resource

fluidity did not have a significant association with organizational performance.

The study sought to examine the various aspects of the firm performance of tours and travel firms in Nairobi County. The aspects of consideration were remuneration, positive social impact, the environmental adaptation of the firms, steadfastness and consistency, appropriate product and service modification, and strategy changes to align with industry competition. Table 4.2 below shows the results of the descriptive statistics for firm performance.

Firm Performance	Mean	Standard Deviation
Employee satisfaction with remuneration.	3.8722	1.2273
Positive social impacts by the company.	3.7895	1.2126
There is a high degree of environmental adaptation in the company.	3.8045	1.2581
Steadfastness and consistency despite changes and trends in the marketplace.	3.7970	1.2718
Appropriate product and service modification to meet the changes in the marketplace.	2.8571	1.3035
Major changes to strategy as dictated by the marketplace and the industry competitors are made.	2.8872	1.2948
Aggregate Score	3.4271	1.2682

Source: Survey Data (2020)

Table 4.2: Descriptive Statistics for Firm Performance

From table 4.8 above, most respondents were satisfied with their remuneration package from their employers as indicated by a mean of 3.8722 and a standard deviation of 1.2237. Also, most of the respondents agreed that the tours and travel companies in Nairobi County had made a positive social impact as indicated by the mean of 3.7895 and a standard deviation of 1.2126. From the table above, it was established that the firms had a high degree of environmental adaptation as indicated by a mean of 3.8045 and a standard deviation of 1.2581. It was also established that the tours and travel companies in Nairobi County remained steadfast and consistent regardless of dynamics and trends in the marketplace as indicated by a mean of 3.7970 and a standard deviation of 1.2718.

For the modification of products and services, most of the respondents were indifferent to whether the tours and travel companies in Nairobi County were modifying their products and services appropriately to meet market place changes, as indicated by a mean of 2.8571 and a standard deviation of 1.3035. From the table above, most of the respondents were indifferent that the tours and travel companies made major changes to their strategy as dictated by the industry competitors and marketplace, as indicated by a mean of 2.887 and 1.2948. The aggregate mean score was 3.4271 with a standard deviation of 1.2682, implying that the respondents agreed to a moderate extent that firm performance was sustainable. The sustainability of the firm performance is

supported by Smith and Hillon (2019) who note that the long-term success and viability of a company is contingent upon effective utilization of resources and measures taken to mitigate risks.

B. TESTS OF HYPOTHESES

The study utilized simple linear regression model to investigate the association between resource fluidity and performance of tours and travel firms in Kenya. Table 4.3 below shows the regression model summary of resource fluidity and firm performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 ^a	.721	.719	.62158

a. Predictors: (Constant), Resource Fluidity

Source: Field Data (2020)

Table 4.3: Regression Model Summary

Table 4.3 above shows the regression model summary for resource fluidity and performance of tours and travel firms in Kenya. From the table, R Square is 0.721, implying that resource fluidity explains 72.1% of the variability in the performance of tours and travel companies in Kenya. It also implies that 27.9% of the variability in performance can be explained by other factors not considered in the linear regression model.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	130.747	1	130.747	338.402	.000 ^b
1 Residual	50.614	131	.386		
Total	181.361	132			

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Resource Fluidity

Source: Field Data (2020)

Table 4.4: Analysis of Variance (ANOVA)

From table 4.4 above, the F-test is 338.402 with a p-value of 0.000 which is less than 0.05 (alpha). Therefore, the null hypothesis was rejected and concluded that the estimated model was suitable for fitting the observed data, and thus sound for estimating the relationship between organizational resource fluidity and the firm performance among tours and travel firms in Kenya.

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
(Constant)	.618	.132		4.682 .000
1 Resource Fluidity	.823	.045	.849	18.396 .000

a. Dependent Variable: Firm Performance

Source: Field Data (2020)

Table 4.5: Regression Coefficients

The study purposed to examine the relationship between resource fluidity and performance of tours and travel firms in Kenya. The regression coefficient as indicated in Table 4.5 above was 0.823 and the significance value was 0.000 ($p=0.000<0.05$). From the results, a unit increase in resource fluidity would increase the performance of tours and travel companies in Kenya by 0.823. Also, the p-value was less than the set alpha of 0.05, implying that resource fluidity has a statistically significant relationship with the performance of

tours and travel companies in Kenya. Therefore, the predictive model that yielded from the regression analysis of resource fluidity and firm performance is shown below.

$$\text{Firm Performance} = 0.618 + 0.823 * \text{Resource Fluidity}$$

The results were not consistent with the findings of Ogunsiji and Akanbi (2013) who conducted a study to determine the interactive effect of resource fluidity on organizational performance in Nigeria. However, Wangasa (2018) investigated the effect of strategic agility on the performance of commercial banks in Kenya and came up with contrary findings. According to Pearce and Robinson (2013), the resource-based model can provide firm strategies to evaluate and invent vibrant organizational rewards by examining the key benefits and capabilities of a firm. It will however depend on the availability of assets and abilities to innovate and advance in the technological dimension.

V. CONCLUSIONS AND POLICY IMPLICATIONS

The study sought to determine the relationship between resource fluidity and firm performance among tours and travel firms in Kenya. From the results, the respondents strongly agreed that the tours and travel companies embrace fluid reallocation and utilization of their capital resources. The respondents also agreed that the mobility of people, knowledge, institutionalized job rotation, and management that embraces knowledge sharing exists. The study also established that tours and travel companies had flexible budgeting and continuous change in environmental dynamics. However, it was established that the size of tours and travel firms may not be adaptable to the deeds that may arise. From the findings, resource fluidity had a statistically significant relationship with firm performance.

The conclusion of the study was that resource fluidity has a positive linear relationship with firm performance among tours and travel companies in Kenya. The study, therefore, recommends an establishment of a focused workforce hierarchy that cultivates needs analysis through adaptability and flexibility traits. To ensure adaptability, the tours and travel firms should encourage creativity, emotional intelligence, shift focus, and embrace ambiguity to develop change acceptance. The study also recommends constant utilization and reallocation of resources in the tours and travel companies. Labor mobility and institutionalization of job rotations that ensure that knowledge is shared should be implemented by the firms. Also, the study recommends that flexible budgets should be used and a continuous change in environmental dynamics is maintained.

VI. SUGGESTIONS FOR FURTHER RESEARCH

The study made recommendations for further study. First, the study was only limited to tours and travel companies in Nairobi County. Generalizations of the study, therefore, might be a limiting factor due to the scope. The study proposes that future research work should be directed to other factors other aspects of organizational agility that were not included in this study. In addition, replicative studies need to be conducted in

other sectors, industries and organizations so as to validate the findings and conclusions of this study.

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