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**EFFECT OF STAFF TRAINING ON THE  
OPERATIONAL PERFORMANCE OF KENYA  
REVENUE AUTHORITY**

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## EFFECT OF STAFF TRAINING ON THE OPERATIONAL PERFORMANCE OF KENYA REVENUE AUTHORITY

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### Abstract

**Purpose:** The purpose of the study was to establish the effect of staff training on the operational performance of Kenya Revenue Authority

**Methodology:** The research design used for this study was descriptive survey design. The population of this study was top management, middle management and supervisory employees of Kenya Revenue Authority and who have been with the institution for a minimum period of one year. Data was collected by use questionnaires. The questionnaire consisted of structured closed ended statements. Data was analyzed mainly by use of descriptive and inferential statistics. Descriptive statistics included mode, mean, median, standard deviation. Inferential statistical techniques like correlation coefficients were used to draw a causal relationship between the strategic response and performance. Data was presented by use of graphs, pie charts and tables.

**Results:** High performing firms tend to commit resources to strategic alliances, promoting staff training, engaging technology in their operations and customer relationship management. From the study findings, conclusions made were that staff training is effective in determining performance and proper execution of the same leads to improved productivity and increases employee knowledge as well as their morale to work.

**Unique contribution to theory, practice and policy:** For KRA's performance to be more successful, it has to emphasize more on staff training and continuously carry out training to employers through seminars or other professional interaction programs to facilitate employees to maintain high competency in their field of specialization.

**Keywords:** *staff training, operational performance, Kenya Revenue Authority*

## 1.0 INTRODUCTION

### 1.1 Background of the Study

To succeed in an industry, an organization must select a mode of strategic behavior which matches the levels of environmental turbulence, and develop a resource capability which complements the chosen mode (Acur and Englyst, 2006). Manimala (2011) and Aboagye-Debrah (2007) identify three distinct modes of strategic behavior. The first group of strategic behavior consists of organizations that are reactive and driven by their environment. A second group is pre-emptive and seeks to anticipate future events and prepare for them while the third group exhibits the most aggressive stance; not only do they seek to identify future scenarios, they actually work to bring these about. The classification of strategic behavior is supported by several theories which include the resource dependence theory, the institutional theory and a continuum of theories that border between resource dependency and institutional theories. In line with these theories, one can identify the context and content in which certain strategic responses and behaviors are appropriate.

Firstly, the activity-position view argues that the firm's superior performance mostly results from its strategic choice that provides the firm a better positioning in the industry structure (Porter, 1980; 1985; 1991; 1996; Ghemawat & Rivkin, 2001). Porter (1980) argues that the strategic choice is determined by a range of competitive forces: the bargaining power of customers, the bargaining power of suppliers, and the intensity of rivalry amongst firms in the industry, the threat of substitute products, and the threat of new entrants into the industry. Thus, in this view, competitive advantage is achieved by fitting the role that can meet the industry-specific position. In particular, Porter (1996) emphasizes that competitive advantage resides in business activities and activity systems, rather than firm resources.

Secondly, the resource-based view holds that dissimilar resource endowments result in distinctive competitive advantage and different performances between firms (e.g., Barney, 1991; Wernerfelt, 1984; Peteraf & Barney, 2003). According to this view, the primary resources regarding a firm's competitive advantage include its physical assets, financial capital, human resources, organizational systems, technology and knowledge, and intangible assets (e.g., trademark, patent, copyright, and goodwill). In particular, Barney (1991) indicates that a firm's sustained competitive advantage results from its strategic resources that are valuable, rare, imperfectly imitable, and non-substitutable. This view focuses on a firm's internal attributes, especially its strategic resources (Peteraf & Barney, 2003).

Strategy is the management's game plan for strengthening the performance of the enterprise. It is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (business growth, financial performance and market leadership). It is a framework that guides those choices that determine the nature and direction of an organization (Hooley, Peirce, & Nikolaud, 2008). Without a strategy, the management has got no roadmap to guide them.

Kim and McIntoch (2002) assert that rapid technological change, easier entry by foreign competitors, and the accelerating breakdown of traditional industry boundaries subject firms to new, unpredictable competitive forces. Contemporary firms, operating in dynamic market contexts, often deal with these contingencies by implementing strategies that permit quick reconfiguration and redeployment of assets to deal with environmental change. Manimala (2011) asserted that strategic responses to environmental changes were mainly around

improving quality and productivity, reducing costs, restructuring and culture-building, rather than finding partnerships and assistance from across the newly opened boundaries. The findings suggest that competition does have an impact on self-improvements and that the primary impetus for strategy making is from one's own internal strengths than from the environment

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics first it provides access to a wide variety of markets, secondly it increases perceived customer benefits and lastly it is hard for competitors to imitate. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals. The strategy of an organization involves matching its corporate objectives and its available resources. In this development of strategy, managers are concerned with reconciling the business the organization is in with the allocation of resources. This allocation process is concerned with the general purposes of an organization, whether it is part of the grand plan, the overall objectives or a strategy designed to keep the organization in business (Tim and Hannagan, 2005).

Kenya Revenue Authority (KRA) was formed in 1995 as a semi-autonomous government agency with the overall objective to provide operational autonomy in revenue administration. The Commissioner General is the Chief Executive, and reports to an independent Board of Directors. However, the Minister for Finance is responsible for policy direction, since KRA is an agent of the Government of Kenya. During its formation KRA brought together the then Departments of Income Tax, Value Added Tax, Customs and Excise which were departments from the Ministry of Finance as well as the Road Transport Department which was from the Ministry of Transport.

During its earlier years of its inception KRA faced daunting challenges in terms of poor operating procedures and undocumented internal business processes. It also faced poor and inadequate use of ICT in its operations. There were also challenges of a negative corporate culture, lack of integration and collaboration among the revenue collecting departments, poor work ethic from its workforce leading to poor levels of integrity among staff and a poor public image from external publics. The non integration of departments lead to lack of a common corporate culture, lack of synergy in operations and duplication of efforts and structures due to poor organization structure based on tax heads rather than on functional lines. A June 2002 report by Transparency International – Kenya ranked KRA 14<sup>th</sup> out of a sample of 50 public institutions on corruption, this meant that the organization was facing serious staff integrity challenges.

## **1.2 Problem Statement**

To succeed in an industry, an organization must select a mode of strategic behavior which matches the levels of environmental turbulence, and develop a resource capability which complements the chosen mode (Acur and Englyst, 2006). A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against

competitive forces (Thompson & Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company.

Several studies on strategic responses of organizations have been conducted. These studies include, Oliver (1991) who offered a typology of strategic responses that vary in active organizations: from resistance, passive, conformity to proactive manipulation. However, the study did not address the strategic responses that are adopted by KRA in Kenya and the impact of such strategies on the performance. Munir, Baird and Perera (2011) conducted a study on the strategic responses adopted by the banking sector but failed to address the strategic responses adopted by KRA in Kenya and the impact of such strategies on the performance of the organization.

Local studies such as Mutua (2010) dwelt on strategic responses by the deposit protection fund (DPF) board to changes in the external environment. The study had gaps since it did not link strategic responses to the performance of KRA in Kenya. Njihia (2009) investigated the strategic responses of Kenya Commercial Bank limited to changes in the Kenyan banking industry but ignored the strategic responses adopted by KRA in Kenya and the impact of such strategies on the performance of the firm. Other studies that addressed strategic responses are Marete (2007), Mudanya (2007), Odongo (2008), Wairimu (2008), Ombok (2009). Nonetheless, the papers failed to address strategic responses of KRA and the impact of such strategies on the performance of Kenya revenue authority.

Although the above reviewed studies made important contributions on various aspects on organizations, they suffer from conceptual and contextual gaps since they did not address the adoption of strategic responses by Kenya revenue authority and the impact of such strategies on the performance. This is the research gap that this study wishes to address. The study sought to establish the effect of staff training on the operational performance of Kenya Revenue Authority.

### **1.3 Research Objectives**

To establish the effect of staff training on the operational performance of Kenya Revenue Authority

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Review**

#### **2.2.1 Institutional Theory**

The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (Doug and Scott, 2004). The environment is conceptualized as the —organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment. There are, however, some fundamental aspects of organizational environments and activities not fully addressed by institutional theory that make the approach problematic for fully understanding credit reference bureaus and their environment: the

organization being dependent on external resources and the organization's ability to adapt to or even change its environment (Doug and Scott, 2004).

Researcher such as Meyer and Rowan (1991), DiMaggio and Powell (1983) are some of the institutional theorists who assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency.

## 2.2 Empirical Review

Ng and Siu (2004) collected data on 800 state-owned manufacturing enterprises and non-state-owned manufacturing enterprises from a survey in Shanghai to assess the effects of training on firm performance. The study by Ng and Siu (2004) estimated the impact of training on firm performance in SOEs and non-SOEs. They found that managerial training had a positive and significant effect on sales in both SOEs and non-SOEs. However, technical training made no contribution to firm productivity. The study also indicated that training objectives have three major dimensions, namely enhancing working relationships, tackling skill deficiencies, and skill development. In addition, SOEs tend to focus more on skill development whereas non-SOEs concentrate on enhancing both working relationships and skill development.

Thang and Quang (2005) used data from a study of 137 cross-sector enterprises to estimate the impact of training on firm performance. The survey was conducted in 2003. They found that there was a positive association of training with market share and organizational performance. In a follow-up paper, Thang and Quang's (2005) indicated that (FIEs) tended to provide more on-the-job training than other types of enterprises. However, off the job training was preferred less by FIEs than by SOEs.

Thang, Thu and Buyens (2008) studied the impact of training programmes on firm performance by using the data from the VESI 2007. From a survey of 196 companies, the major findings indicated that the companies which implemented training in 2006 had increased sales and productivity (0.18 percent) in manufacturing companies. In addition, manufacturing companies which implemented training programmes after 2005 increased of 0.32 percent in total sales and productivity per year between 2005 and 2006. However, the authors found no statistically significant effect on 2005-2006 percentage change in sales and productivity of nonmanufacturing companies if these companies provided training after 2005. The survey result also shows that manufacturing companies have been solely focusing on training for technical engineers. The econometric analysis method in this study which assisted the authors in overcoming the limitations of estimation depends on the accuracy of the assumption regarding the cost of training and the accuracy of the subjective estimates of firm performance (Bartel, 2000).

Omole (2004) and Akintayo (2011) argue that in Nigeria for example, individual's firms and companies have started making various attempts at training the required skilled manpower. Industries like the Nigerian Port Authority, Nigerian Telecommunication Limited and Banking industries have taken their turns to have their training schools. The author further contends that the Government and its various agencies, also realizing the importance of

training, and has virtually set-up various training schools for human resource development. This is buttressed by the Nigerian National Policy on Education, Section 52, Sub-section 4 (2004) which states that; “ For all classes of workers, different kinds of in-service training course, seminars, conference or workshops should be arranged on a continuing basis, so that all workers may attain greater proficiency in their works”.

On-the-job training, according to Akintayo (2011), Fajana (2004), Lyod and Reynolds (1994), is particularly for all levels of employees being employed to achieve certain specified organizational goals. The authors maintain that the individual employee becomes accustomed to the machinery and materials that he will use in his subsequent work and to learn in the same physical and social environment. The point of view of these authors tends to suggest that on-the-job training is a specific form of job instruction, geared toward imparting and acquiring those skills and attitudes needed by the workers to perform particular function effectively. On the other hand, the off-the-job training method as perceived by Zymelman (2000) differs from the former in that, it occurs in a location removed from production or a revenue earning environment. Thus, workers trained outside the working place tend to acquire skills for proficiency and effectiveness on the job (Olaniyi, 2006).

Emojong (2004) in his work; In-Service Training Programs and their effects on the performance of staff at the Uganda Revenue Authority, emphasized the need for on-job training, short seminars and team building workshops as programs that increase the employees performance. Without the right training, employees can be the organization's biggest liability. Trained effectively, however, they can become a firm's biggest asset (Bartram and Gibson, 2008). Rosner (2009) adds another ingredient for success – support after training. He states, “The most effective programs train workers in new behaviors and then train managers to support employees as they apply learning daily (Rosner, 2009). Support and endorsement from management can greatly enhance training results. One can conclude that training is not always the answer, and when it is the answer, it has to be the right training.

A number of studies indicate that employee training has a positive impact on corporate performance. They generally test the hypothesis that, by improving the competency of employees, training also improves their productivity, which is reflected in an improvement in the firm's performance. Betcherman, McMullen and Davidman (2008) concluded that firms that have training programs tended to perform better in terms of productivity, revenues, profitability, viability and prospects. Saks et al. (2008) also found a positive relation between training and productivity, profit, revenue and client satisfaction, a relation that is more significant when the training is accompanied by incentives for the employees.

A number of researchers (Barrett and O'Connell (2001); Faems, et al. (2005); Zwick (2006) have tried to estimate the impact of training on productivity, whereas other researchers have studied the effect of training on sales (Ahmad and Schroeder (2003); Rodriguez and Ventura (2003); Garcia (2005). For instance, whereas Barrett and O'Connell (2001) found that training can have positive effects on productivity (value added per worker), Garcia (2005) demonstrated that training led to an increase in sales, quality and customer satisfaction.

Other previous studies have examined the influence of training on financial performance indicators such as ROI, ROA, ROE or market shares (Paul and Anantharaman (2003); Bernthal and Wellins (2006). For example, Paul and Anantharaman (2003) found that training had a positive and significant effect on ROI, whereas Bernthal and Wellins (2006)

estimated impact of training on both ROA and ROE indicators. Most of these studies estimated the effects of training not only on financial performance, but also on non financial performance, concurrently. These observations may mean that the estimation results of each study depend on the research purpose of the authors or research projects, performance measure method, and data collected.

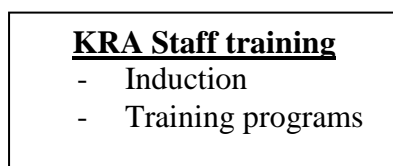
Various studies have examined the impact of training on non-financial performance as turnover, quality, absenteeism and customer satisfaction. With respect to turnover, Bishop (2007), in his study on newly hires showed that formal training led to lower labour turnover, whereas Krueger and Rouse (2008) reported that reading, writing and mathematics training had a positive effect on turnover. A majority of other studies also found that training had a positive effect on labour turnover. These results suggest that turnover has a powerful effect on employer decisions to provide training to employees. High turnover implies that investment in training for their employees is inefficient because many of those trained moved to other companies. Thus, companies may pay quite a high price for this turnover in terms of lower sales.

Other studies have estimated the impact of training on quality, absenteeism, and customer satisfaction. One possible explanation why these non financial performance indicators were more popular is that when considering the competitive advantages that a firm is thought to possess people usually think about high quality or justifying the customer's needs. Thus, many studies have tried to measure firm performance by these indicators, for instance, Ghebreorgis and Karsten (2007) and Krueger and Rouse (1998) demonstrated that training had a strong effect on absenteeism rate reduction. Aragon- Sanchez, Barba-Aragon and Sanz-Valle (2003), and Katou and Budhwar (2007) found that training has a positive effect on quality, whereas Ely (2004) reported that training has a significant and positive effect on customer satisfaction.

To summarize, it is not surprising that firms invest in training in order to improve both financial and non-financial performance. However, when these studies measure the impact of training on non-financial performance by a subjective method (e.g., workers' reactions to the training, impact of training on workers' behaviour), the results of these studies may not be totally accurate.

### 2.3 Conceptual Framework

#### Independent Variables



#### Dependent Variable

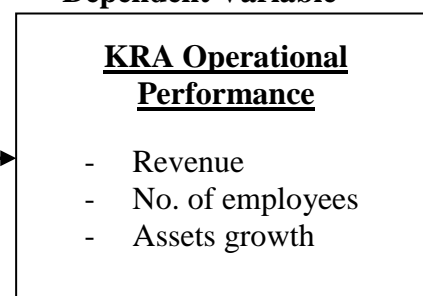


Figure 1: Conceptual Framework



### 3.0 RESEARCH METHODOLOGY

This study adopted a descriptive survey design. The population of this study was the top management, middle management and supervisory employees of Kenya Revenue Authority and who have been working for a minimum period of one year. There were about 725 employees in these three strata. The target sample size for this study was 108 employees. This study used both stratified sampling and simple random sampling. This study used primary data which was collected through use of a questionnaire. After data has been collected through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keying into Statistical Package for Social Sciences (SPSS) computer software for analysis. SPSS was used to produce frequencies, descriptive and inferential statistics which were used to derived conclusions and generalizations regarding the population.

### 4.0 RESULTS AND DISCUSSIONS

#### 4.1 Response Rate

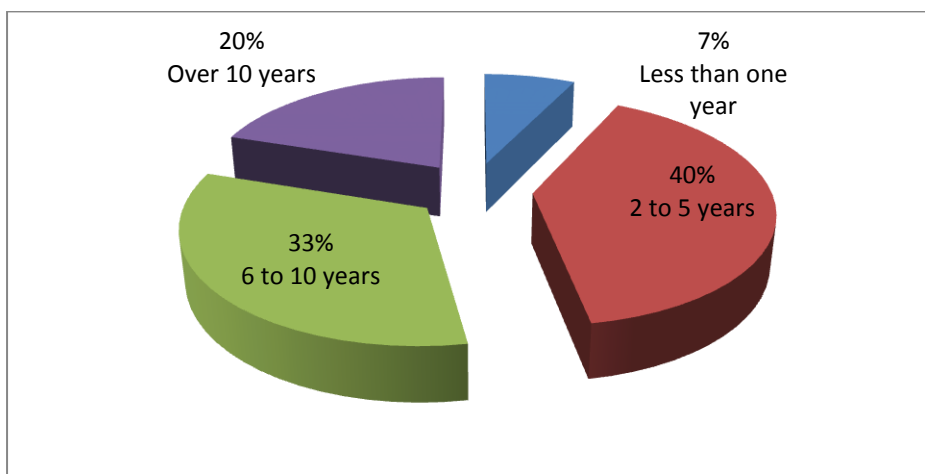
Initially the target population was 108 managerial employees in Kenya Revenue Authority; however, the duly completed and returned questionnaires were 55 which convert to 51% response rate. According to Mugenda and Mugenda (2003) 50% response rate is adequate for analysis in descriptive study.

#### 4.2 Characteristics of Respondents

This section consists of information that describes basic characteristics such as years of work experience, education level of the respondents and their position in KRA.

##### 4.2.1 Respondents Working Experience

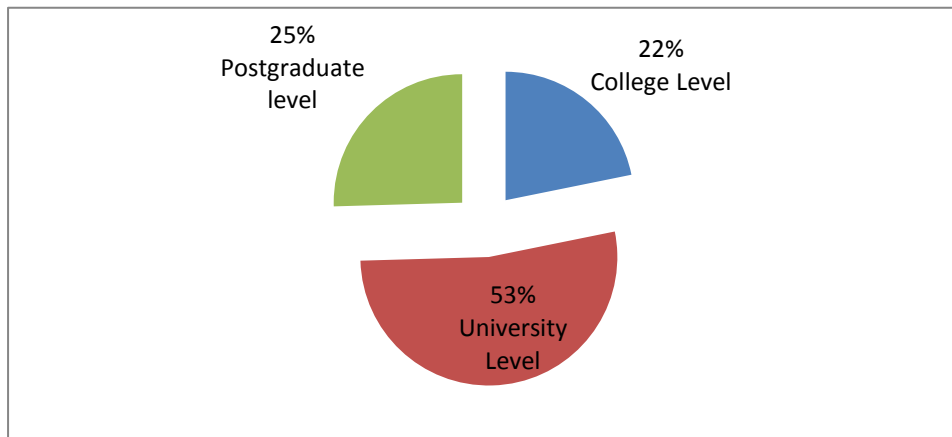
Results in Figure 2 indicated that 40% of respondents had worked in KRA for 2 to 5 years. Results further revealed that 33% had worked in KRA for 6 to 10 years. Twenty percent (20%) of respondents had worked in KRA for over 10 years while a 7% had worked in KRA for less than 1 year. The findings imply that majority of respondents had more than 2 years' experience and this may have a further implication on their ability to understand strategic issues.



**Figure 2: Period Worked in KRA**

#### 4.2.2 Level of Education

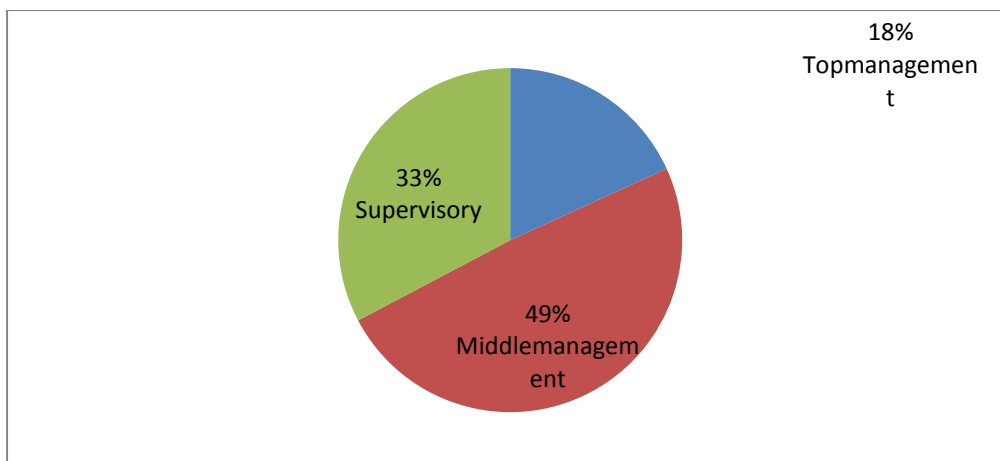
Results in Figure 3 indicated that 53% of respondents have university degrees while those with postgraduate degrees constituted 25% of the respondents. Results further revealed that 22% have attained college level certification. The findings imply that there is high level of competency in KRA given the high qualification of the majority of the respondents.



**Figure 3: Level of Education**

#### 4.2.3 Position in KRA

Results presented in Figure 4 show the position of the respondents in KRA. Majority are from the middle level management who constituted of 49% of the sample. Further, 33% held supervisory positions with another 18% as top managers. Therefore majority responses were received from the supervisory and middle management officials of KRA.



**Figure 4: Position at KRA**

#### 4.3 Descriptive Results

Eighty nine percent (89%) represent that every new employee receives induction training. Ninety one (95%) responses represents that learning about the duties of the job is included in the induction training. On the job training is important and effective in improving employee performance as indicated by 96% response level. Further results 92% agree that training programs have helped inculcating the sense of team work. The organization offers short

training in form of seminars and staff exchange programs with other regional revenue improves work knowledge and productivity as supported by 94% and 87% agreement level. Ninety four percent (94%) agree that through training programs, morale in the organization has improved. Results from the correlation and regression analysis indicate that study staff training has positive effects on performance. This is presented by its positive correlations of 0.753. The results from this analysis show the importance of staff training in improving performance of KRA. On a five point scale the mean of the responses indicated from the results was 4.02 which mean that the respondents were agreeing on most of the statements while the standard deviation was 0.59 which indicates that the answers received were not dispersed far from the mean. These findings confer with those of Emojong (2004). Emojong found out that in his work; In-service training programs and their effects on the performance of staff at the Uganda Revenue Authority emphasized the need for on-job training, short seminars and team building workshops as programs that increase the employees' performance. The results further agree with Betcherman, McMullen and Davidman (2008) who concluded that firms that have training programs tended to perform better in terms of productivity, revenues, profitability, viability and prospects. Saks et al. (2008) also found a positive relation between training and productivity, profit, revenue and client satisfaction, a relation that is more significant when the training is accompanied by incentives for the employees.

**Table 1: Staff Training and Performance**

| Statement  | Indicator  | Strongly disagree | Disagree | Neutral | Agree  | Strongly Agree | Mean |
|--|------------|-------------------|----------|---------|--------|----------------|------|
| Every new employee receives induction training                                   | Frequency  | 1                 | 1        | 4       | 44     | 5              |      |
|  | Percentage | 1.80%             | 1.80%    | 7.30%   | 80.00% | 9.10%          | 3.93 |
| Learning about the duties of the job is included in the induction training       | Frequency  | 0                 | 1        | 2       | 41     | 11             |      |
|  | Percentage | 0.00%             | 1.80%    | 3.60%   | 74.50% | 20.00%         | 4.13 |
| On the job training is important and effective in improving employee performance | Frequency  | 0                 | 1        | 1       | 46     | 7              |      |
|  | Percentage | 0.00%             | 1.80%    | 1.80%   | 83.60% | 12.70%         | 4.07 |
| Training programs have helped inculcating the sense of team work                 | Frequency  | 0                 | 1        | 2       | 41     | 11             |      |
|  | Percentage | 0.00%             | 1.80%    | 3.60%   | 73.20% | 19.60%         | 4.13 |

|  |            |       |       |       |        |        |      |
|--|------------|-------|-------|-------|--------|--------|------|
| The organization offers short training in form of seminars                                   | Frequency  | 1     | 1     | 1     | 45     | 7      |      |
|  | Percentage | 1.80% | 1.80% | 1.80% | 81.80% | 12.70% | 4.02 |
| Staff exchange programs with other regional revenue improves work knowledge and productivity | Frequency  | 1     | 4     | 2     | 44     | 4      |      |
|  | Percentage | 1.80% | 7.30% | 3.60% | 80.00% | 7.30%  | 3.84 |
| Through training programs, morale in the organization has improved                           | Frequency  | 1     | 0     | 2     | 45     | 7      |      |
|  | Percentage | 1.80% | 0.00% | 3.60% | 81.8%  | 12.70% | 4.04 |

#### 4.4 Inferential Statistics

##### 4.4.1 Pearson's Bivariate Correlation Analysis

The Pearson's bivariate analysis sought to find whether there was any significant relationship between the independent variable (staff training) with the dependent variable (strategic performance of KRA). The results of this relationship are presented in Table 2. Pearson's Bivariate results shows that staff training was significant in determining the performance of KRA as its value was 0.000 a value lower than the conventional p value 0.05. The results further show that the staff training had strong and positive correlation (0.753). This means that an increase in staff training positively influences KRA's performance.

**Table 2: Bivariate Correlation Analysis**

| Variable       | Correlation                            | Performance Mean | Staff Training |
|----------------|--|------------------|----------------|
| Performance    | Pearson Correlation<br>Sig. (2-tailed) | 1.000            |                |
| Staff Training | Pearson Correlation<br>Sig. (2-tailed) | 0.753<br>0.000   | 1.000          |

## 5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Discussion

The objective of the study was to assess the impact of staff training on performance of KRA. The correlation results indicate that staff training positively affects performance. This therefore means that continuous training of workers either on the job or off the job training schedule tends to improve performance of KRA. These results are further supported by a majority of respondents who indicated that; every new employee receives induction training and learns about the duties of the job, the organization offers short training and other staff exchange programs which improves knowledge, productivity and increases morale

## 5.2 Conclusions

High performing firms tend to commit resources to strategic alliances, promoting staff training, engaging technology in their operations and customer relationship management. From the study findings, conclusions made were that staff training is effective in determining performance and proper execution of the same leads to improved productivity and increases employee knowledge as well as their morale to work.

## 5.3 Recommendations

For KRA's performance to be more successful, it has to emphasize more on staff training and continuously carry out training to employers through seminars or other professional interaction programs to facilitate employees to maintain high competency in their field of specialization.

## 5.4 Areas for Further Research

A replica of the same study is suggested within the private sector in order to draw comparisons on the range of strategic responses that are available between state corporations like KRA and private limited companies. Kenya is a member of the East African community and there is a target of achieving a customs union and these calls for establishing a similar study among the other revenue authorities of the East Africa regions. Such a study will bring out the various strategic responses of all revenue authorities and the findings will come in handy at the time of customs integration. Further studies could also consider other factors such as leadership, and organization culture in determining performance of companies.

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