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Core Competencies and Performance of Tech Startups in Nairobi City County, Kenya

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Abstract

The study aimed at investigating the effect of core competencies on performance of startup companies in Nairobi City County, Kenya. The research design that was adopted was descriptive, and the population of the study were 218 startup companies operating in Nairobi City County, Kenya. A total of 132 startup companies were used as sample size determined using Krecjie and Morgan's formula. The selection of the respondents of this research was done using a simple random sampling method. A pilot study was conducted and a total of 15 questionnaires were sent to respondents who did take part in the final administration of questionnaires to test for validity and reliability. A structured questionnaire was used to collect primary data and the analysis of data collected was analyzed using both descriptive and inferential statistics. Tables and graphs were used to present the results of the analysis. Ethical consideration was also strictly adhered to in this study. The findings of this study indicated that composite construct of core competence had a significant effect on performance of Tech Startup companies. The result showed that market access, human resource, resource-based, and strategic thing as latent variables investigated in this study had a significant effect on performance of Tech Startup organizations, in Nairobi Metropolitan. Therefore, drawing from the findings, recommendations have been fronted for strategic management to leverage this study's findings to comprehend core competence and share this knowledge to gain a competitive edge in Tech Startup settings.

Keywords: *Core competencies, market access, human resource, resource-based, and strategic thinking core competencies, performance*

1.0 Introduction

The resource-based view paradigm provided a theoretical lens that offered a lucid explanation of how to earn a competitive advantage leading to the attainment of predetermined organizational goals via resources and skills that are found in an organization (Sonny, 2019). The attainment of the predetermined organizational goals is often measured as performance in strategic management literature (Meglio & Risberg, 2011). Performance, therefore, refers to a measure of success in respect to the accomplishment of goals predetermined in an organization (Saunila, 2016). Every organization is established for the purpose of accomplishing certain goals, however, a large chunk of organizations has suffered growing concern debacles resulting from underperformance crises. In an attempt to eschew impending loss of valuable investment,

many organizations have hinged on the efficiency and effectiveness of startups as a basis for guiding directions for future investments.

Start-up is used to describe companies or businesses in the early or first stage of their operations, and therefore such companies or businesses are funded majorly by their entrepreneurial founders who at this point attempt to take a chance to gain an advantage on developing products or service for which they have a belief is on high demand. Startup companies or businesses offer an array of benefits to a country. Startups have been regarded as catalysts of employment generation, and also play a significant role in revenue generation for a country. According to Africa Tech Startup Funding Report (2019), a sum of 12 million Dollars was earned as revenue dues to activities of startup businesses in Kenya. Despite the salient contributions of startups to the growth and development of an economy of a country, the crisis of underperformance has impeded most startups from transforming into sustainable enterprises in the nearest future. As documented by Forbes (2019), most startups do not live up to a 5-year lifespan, and this is corroborated by WeeTracker Media 2019, a total of 336 startup companies in Kenya were closed within 6 months in the same year.

Companies have to compete and thrive within a complex unforeseeable and uncertain environment in the 21st century as it presents a challenging context which is as a result of numerous factors. These include but are not limited to development of technology, globalization, the rapid circulation and distribution of new technologies, development, and utilization of knowledge (Montanari, Morgon & Bracker, 2010). These new occurrences have made it necessary to have organizations not only learn but also manage opportunities in the future and also be able to govern the ones already existing. The organizations must also look for advanced sources of performance improvement and engage in present-day kind of competition which need a clear and comprehensive grasp of the nature of the competition, and also the forces that stimulate changes that are very competitive within the market (Huvej, 2008).

Even though the keys to organizational success are not easily discovered nor are they easy to imitate or emulate, it has been pointed out that they lie beneath the product or market interface where there is a typical competition of firms. Specifically, successful organizational performance comes from the core competencies that emerge and are developed within a firm. The conceptual literature believes that businesses anchored on core competencies get through difficult and uncertain times with minimum agony than their competitors. According to McGee and Finney (2007) firms that have the intention to grasp and have deeper understanding or imitate leaders in the industry, and the leaders having a need to conserve their position of competitiveness are required to comprehend the idea of core competence and the link it has created to organizational performance of the business.

1.1 Statement of the Problem

Tech startups are companies that employed new or existing technologies to turn in new products or services, and or companies that adopt innovation models that have disruptive characteristics on the ways businesses and organizational activities have been done in the past (Mugambi, 2020). The tech startup businesses, as indicated in Forbes (2019), have been identified as a key contributor to nations' economic growth in terms of Gross Domestic Product (GDP) and as well as employment generation. Despite the significance of tech startups to the economic well-being of a country, the short lifespan of most tech startups and crises of underperformance have constituted cogs to its benefits from being earned (Forbes, 2020). In Kenya, tech startups are visible in every sector of the country, and however, not more than 336

of them have ceased to operate within the spate of 6 months in a year. Despite the sustainability crisis of startup businesses, the Government of Kenya has recognized the importance of tech startups for small and medium businesses by its readiness to initiate policies to revamp technological sector as stated in Kenyan 2030 Agenda (GoK, 2017). Therefore, the decision of Government of Kenya to revamp tech startups demands the need for data and information for consequential policy making, and such can be provided via an investigation into the activities of startup businesses in Kenya. This present study thus poises to carry out an empirical inquiry into the activities of startup businesses in Kenya.

In the strategic management literature, previous studies have investigated core competencies as mechanisms for obtaining competitive advantage which in turn has translated to positive performance outcomes (Agbonghale & Adavbiele, 2018; Mohsenzadeh & Ahmadian, 2015). However, research studies investigating the concept of core competencies have resorted to using a piecemeal approach in terms of typologies of competencies investigated. This becomes a gap that this study seeks to investigate. This present study diverts from this piecemeal approach by incorporating a bundle of core competency types such as market competencies, HRD competencies, resource-based competencies, and strategic thinking competencies, and their effect on performance of startup companies

Tech Startups, like many other businesses, are established to attain financial goals (profitability, cash flow, return on investment), and in addition seeking social performance (customer satisfaction, active client, customer acquisition) which the financial goals are contingent upon. Therefore, the need to understand this performance conceptualization especially in tech startups in Kenyan context has received inadequate attention in literature. Therefore, this is a conceptual gap in literature with respect to tech startups in Kenya that demands the need for empirical investigation. This present study thus conceptualizes performance of tech startups in Kenya by factoring elements of financial and non-financial performance indicators.

1.2 Research Objectives

1.2.1General Objective

The general objective of the study was to determine the effect of core competencies on performance of Tech Startup Companies in Nairobi City County, Kenya.

1.2.2 Specific Objectives

The study was guided by the following specific objectives:

i. To determine the effect market access core competence has on performance of Tech Startup companies in Nairobi, Kenya.
ii. To determine the effect of human resource core competence on performance of Tech Startup companies in Nairobi City County, Kenya.
iii. To establish the effect of resource-based core competence on performance of Tech Startup companies in Nairobi City County, Kenya.
iv. To establish the effect of strategic thinking core competence on performance of Tech Startup companies in Nairobi City County, Kenya.

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2.0 Literature Review

2.1 Theoretical Review

2.1.1 Hamel and Prahalad Model of Core Competence

The core competence theory, Hamel and Prahalad (1990) is meant to develop a strategy and or master plan that looks into providing methods and the means for the organizations to achieve the desired competitive advantage in the global market. The theory proposes that organizations must put more emphasis and focus on their known strengths systematically and also put more effort into those functional areas in which they have known capabilities. Also, Core Competence theory explains what comprise a core competency and even what the organization should do to make it unique and give it value in the market. It goes ahead to tell more about the ways the core competence can be made unique and exclusive from others in a particular organization. From the theory we learn that a particular core competence can be such that it can be used severally across the markets. In the long run, the goal of developing core competencies is such that the end-users can benefit from them. The organizations therefore must develop their strategies to acknowledge the core competencies. The theory further states that core competence is the anchor on which the organization should develop and enhance its strategies to add value in every crucial aspect of the organization with an end game of gaining a competitive market advantage over its competitors.

It is therefore extremely vital for organizations to focus and put more emphasis on their competencies and draw their power and leverage on this when they want to be the best amongst their competitors. As per the Core Competence Model or Hamel and Prahalad Model, which was originated by Gary Hamel and C.K Prahalad, institutions can progress and get established in new and emerging markets and even sell their growth probability quite easily by fronting their core competencies. Core competencies are therefore defined because it is the (specialized) available knowledge and strength that is not effortlessly imitable by other people in the same industry. A company or firm can come up with unexpected and amazing products by using its core competence as long as its saves on the costs used on production and there is a possibility that developments can be actualized rapidly than competitors. Improved technologies and production skills are some of the benefits that can be secured when core competencies are put into practice in all companies as this will make it a possibility that the organization can respond swiftly and flexibly to an ever-changing environment using core competence.

The Prahalad and Hamel (1994) Core Competence Model looks into the blend of specific, collaborative, skills and attitudes, integrated and applied knowledge. Hamel and Prahalad state that the long-term goal should strive not to emphasize fighting off the competitors in the market, but concentrate on designing a space that is competitive, new, and dynamic. The focus should be on what is ahead rather than having to look at what has already passed. They further suggest that core competencies concern “that thing” unique that is and inimitable or “that thing” that an organization can do best (Hamel & Prahalad, 1990). That is, by nature, considerably conceptual. Hamel and Prahalad, therefore go ahead and give certain features and attributes that the core characteristics have to check out and accomplish. These characteristics must go ahead and have values such that it must create convenience or edge for end users, is valuable, imitable, and rare to find therefore many potentials should be in a position to gain from it, which may include several markets and or numerous products. Moreover, it can be anything, which includes but is not limited to: “knowledge”, technology, organizational structure, or even the potential to come up with superior products taking into consideration the available machine.

They do no not stop there but instead go ahead and argue that core competence is all about synchronizing a series of technology, and also about classification of work and value delivery.

Core competence revolves around communication, participation and an extensive dedication to working across organizational cultural, continental, and leadership boundaries as it deals with numerous levels of people and all functions in the organization Hamel & Prahalad (Havard Business Review 1990) observe that core competence does not lose value and sink with continued use which is not like physical assets which do depreciate and their life value gets to zero over time, however, competencies need to be fostered, encouraged, implemented and protected as knowledge fades if not put into use. Core competency theory provides the insights that a firm can leverage rare, inimitable, and valuable competencies as a base for developing and designing strategies, and by doing this a competitive advantage could be obtained.

Therefore, core competency theory is relevant in this study because tech startup relies on core competencies ranging from technical knowledge, skill, and abilities as capabilities needed to perform certain operations. Therefore, tech startups that possess these capabilities stand at an advantage to obtain a sustainable competitive advantage over rivals in the competitive markets. This present study hinges on the theoretical insights of core competency theory to front investigate the effect of core competency on attainment of performance in tech startups in a Kenyan context.

2.1.2 Resource-Based View Theory

The resource-based theory maintains that because an organization's possession of strategic resources gives it a good opportunity and space to develop and enhance its competitive advantages over its competitors. This Theory was proposed and brought to light by Edith Penrose (1959). It further holds that resources possessed by an organization that precious, scarce, unique, and do not have a planned or vital identical replacement are the origin of sustainable competitive advantage leading to performance of the organization (Penrose, 1959). The mentioned theory goes ahead and suggests that for an organization/firm to originate and amplify a competitive advantage over its competitors, it must have not just resources but also capabilities that are higher ranking than those of its market competitors (Clulow, Gerstman & Barry, 2003). Without this superiority, it becomes very easy and a possibility for the competitors to simply reproduce what the organization is doing, and any supremacy would quickly diminish therefore minimizing the competitive advantage one had. Therefore, the RBV stresses that choice of strategy, tasking the firm’s leadership with the key job of recognizing, improving, and putting into good use key resources to have maximum returns.

The theory further emphasizes that firms that have strategic resources in place have a greater competitive advantage over organizations that do not. Barney (1991) and Chi (1994) state that a strategic resource is a valuable resource that has high value, unique, cannot be imitated, and non-substitutable. This theory is very pertinent to the survey because it infuses the dependent variable which is performance in this study. For tech startup companies to discharge their duties and purpose well looking at both the short- and long-term goals, they possess essential resources for perpetual performance. The resource-based view (RBV) gives analytical and basic realization and recognitions as to why organizations with valuable, scarce, inimitable, and coherent assets may have a higher performance than the competitors. The concept of firm competencies is assigned to the Resource Based View (RBV) presumption, whereby organizations are often looked at as distinctive packages of potentialities and even resources. La (2005) maintained that resources like competencies that are usually internal stamp authority

to a company's aggressiveness and impact on performance way above components of the industry.

The contemporary presiding perspective of business strategy Resource-Based Theory or Resource Based View (RBV) of organizations – largely depends on the opinion of economic rent and perceive the company as a bank of potentialities. This strategic view provides an articulate and capacity that can unify things and put them well before other means and ways of strategic decision-making (Ganotakis & Love, 2010).

Therefore, performance of tech-startup can be linked to this model, whereby RBV is considered important in this study because improvement of tech-startup companies in terms of performance to obtain a competitive advantage. This competitive edge can be obtained by leveraging internal capabilities or core competencies that are superior to that of the competitors.

2.2 Empirical Review

Mohsenzadeh and Ahmadian (2015) examined the repercussions of a company's competencies and performance of export taking market access and sales as a key competence. The study was done on export companies in Iran that then served as the unit of analysis. The sampling techniques used was random which was then transferred in the assembling and assortment of the samples. Data was collected through questionnaires. From the descriptive statistics undertaken in the analysis of data, the resultsindicated that for a business venture in the sector of export to get its accomplishment, it relies on competency in production, sales, and marketing and not leave out collection of suitable information. The study only got to investigate competency in production and marketing, and therefore there is a need to empirically examine other competencies that firms can leverage to attain performance-related outcomes.

Kartawinata and Wardhana (2013), explored and studied strategies of marketing and their impact on marketing performance of Indonesian Ship Classification Society. The survey method and proportionate clusters sampling method was used to choose its respondents, 200 respondents were taken as the sample number from the customers and had been using classification services until December 2014. Data collection was done through questionnaires and the study inferred that marketing strategies comprise market strategies that have a direct effect on marketing performance to a limited degree and at the same time at Indonesian Classification Society's clients. The market strategy provides the effect on marketing mix strategy. The use of market strategy and marketing strategies may have been perceived differently by different authors to mean the same thing.

Kabagambe, Ogutu and Munyoki (2012) investigated the connection between market competencies and the performance of export in small and Medium Enterprises manufacturing exporters in Uganda. 107 small and medium manufacturing exporters registered with the Uganda Export Promotion Board (UEPB) was used in the cross-sectional survey, UEPB is a government agency in charge of export development. Structured questionnaires were administered to respondents to help with data collection that was later used to construct data analysis and hypotheses testing. The study confirmed the positive result of marketing and sales competencies on performance of export. The study was restricted to CEOs; thus, the impact of common mode inclination could bring about a sample of favoritism that may have led to incorrect coefficient estimates. Also, the cross-sectional applied in the study did not make it any easy as there was more than one document associations between variables, thus preventing them from deducing cursory statements. Additionally, future research ought to employ a longitudinal study to include the innovative performance influence of organizations' competencies.

Tahir, Yousafzai, Jan, and Hashim (2014) study looked into The Impact of Training and Development on Performance of Employees and Productivity looking into United Bank Limited Peshawar City, KPK, Pakistan. Out of the 27 banks in the region, 8 were randomly selected which was a representation of 30% of the population and data was collected using questionnaires. The analysis confirmed earlier data that an organization needs to have skilled, competent employees for better performance. The study however was only conducted on one bank in one given region. This could have had skewed information collected.

Ferreira, Fernandes and Ratten (2017) study focused on resources and capabilities' effect on the performance of a firm with the purpose being to empirically investigate the moderating impact of competitive advantage on the resource value and extraordinary combination and performance. Quantitative research method was adopted by the authors to attain the intent of this research. Data was collected from a sample of firms dealing in footwear and multivariate analysis was applied in assessing the hypotheses. Interestingly, the study found that it cannot be concluded that when resources are rare with a low capabilities combination, then there is a greater probability of achieving a competitive advantage. Given the results were fixed on one specific industrial sector, makes it is not accurate to draw generalizations.

Agbonghale and Adavbiele (2018) investigated the relationship connecting the availability of resources and performance of students in woodwork in technical colleges in Delta State, Nigeria. A correlational survey research design was used by the researchers. The sample size of the investigation had composition of four teachers and 40 (forty) students in technical colleges in Delta State, Asaba. The research gave conclusion that the link between resource availability and performance of the student was straightforward and explicit. The resources in the research were workshops and laboratories, dqualified teachers, and tools in the colleges which were all found to be inadequate leading to poor performance. The study however only looked at colleges and should be cast far and wide to other learning institutions in the next study.

Ebrahim & Hasan (2018) study was keen on the Impact of leadership styles on performance of organizations. The study was employed on employees of organizations that were randomly picked out which were 20 in number in the United Arab Emirates (UAE) and survey questionnaires were used to assemble the data. Cronbach’s alpha coefficient values were employed in measuring data reliability. The study revealed that autocratic, transformational, and democratic leadership styles had a positive effect on organizational performance. The study, however, only used quantitative data. The applicability of the research significantly reduced the range of the research. The conclusion therefore would be that future researchers should aim at using research methods that are appropriate together with the qualitative methods to ascertain the link between organizational performance and leadership style.

2.3 Conceptual Framework

Figure 1 shows the study's conceptual framework which shows the interrelation between the independent variable and the dependent variable.

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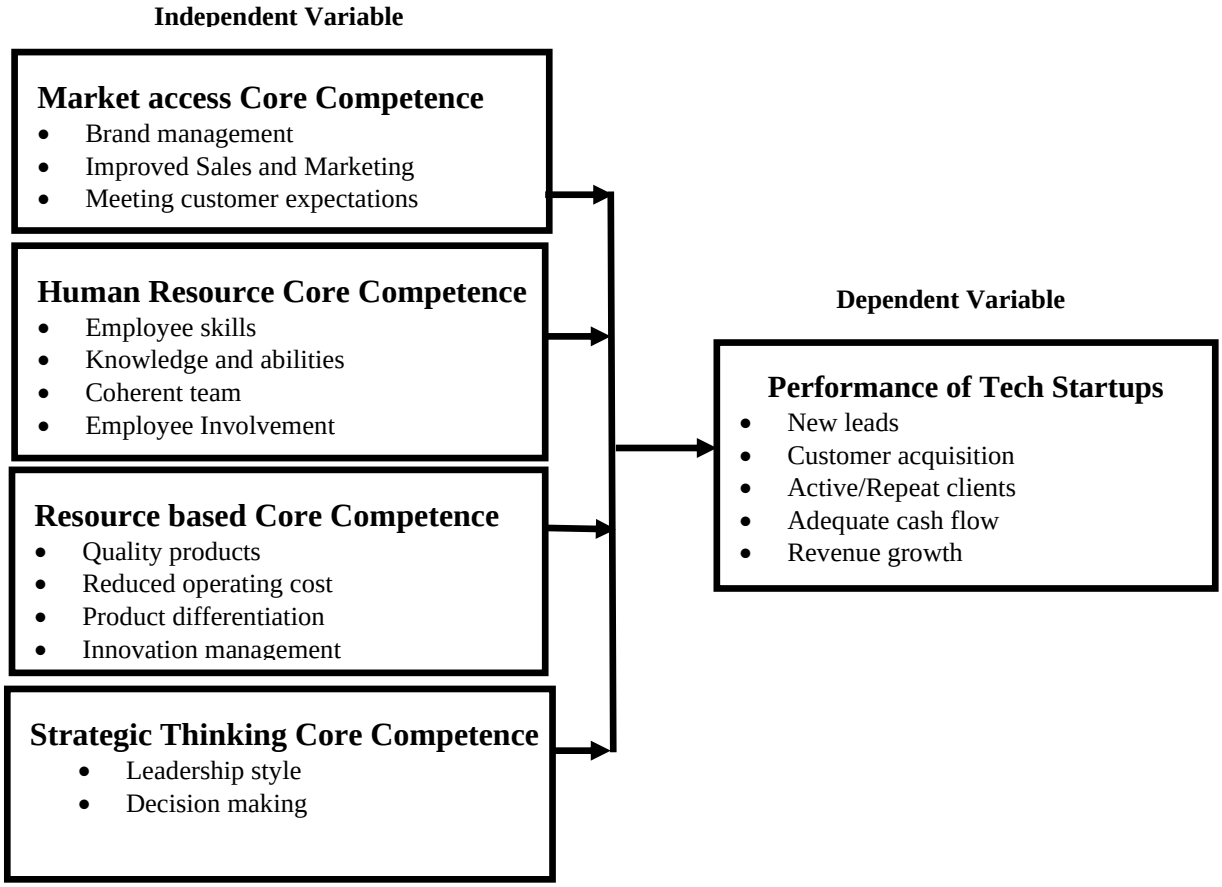

Figure 1: Conceptual Framework

3.0 Methodology

In the current study, the researcher employed a descriptive research design which helped in data collection from the sample population. The population of the study were 218 startup companies operating in Nairobi City County, Kenya. A total of 132 startup companies were used as sample size determined using Krecjie and Morgan's formula. The selection of the respondents of this research was done using a simple random sampling method. A structured questionnaire was used to collect primary data and the analysis of data collected was analyzed using both descriptive and inferential statistics. Tables and graphs were used to present the results of the analysis. Ethical consideration was also strictly adhered to in this study.

4.0 Findings and Discussion

4.1 Descriptive Statistics

4.1.1 Market Access Competence

The results were presented in table 1.

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Table 1: Market access Core competence

Statements	Mean	Std. Dev
The company has an easily identifiable logo	3.69	0.753
The company gets good reviews from its clients	4.10	0.595
The company ranks high amongst its competitors	3.88	0.658
The company has marketing policies in place that it adheres to	3.07	1.071
The company has social media pages (Facebook, twitter, LinkedIn among others) which are actively used	4.11	1.089
The Social media pages help in marketing the company	3.87	1.069
The company meets customers' expectations both with products and services	4.07	0.590
The company has a strong feedback mechanism for its existing clients and potential clients	3.60	1.044
The company participates in Corporate Social responsibility as part of its marketing strategy	2.84	0.956
Corporate Social responsibility as a marketing tool has worked for the company	2.62	0.843
Aggregate Scores	**3.59**	**0.865**

As indicated in Table 1, The respondents agreed that tech startups in Nairobi get good reviews from the customers and have a good presence on social media which is a good marketing tool and also meets customer expectations as indicated by a mean of 4.10, 3.87, 4.11 and 4.07. They also agree to the fact that their products rank higher than their competitors in the market and have strong feedback mechanisms that probably help them improve their services and quality of products as indicated by a mean of 3.88 and 3.60 respectively even though not very strongly on the same. In addition, the respondents agreed that the companies have an easily identifiable logo as indicated by the mean of 3.69. On the other hand, most of the startups had very low scores on the participation of corporate social responsibilities as a way of marketing and therefore ruling out the fact that it is marketing that has worked for them as shown by means of 2.84 and 2.62.

The respondents also have a low review on adherence to marketing policies despite having high scores when it comes to their existence.

4.1.2 Human Resource Competence

The findings were presented in Table 2.

Table 2: Human Resource Core Competence on performance of Tech startups

Statements	Mean	Std. Dev
The company has Human Resource policies that are adhered to	4.02	0.755
The company has given provisions for training and development	3.87	0.779
The company registers their employees for training and development	2.78	0.773
Employee creativity and innovation is encouraged and supported	4.21	0.576
Employees opinions are considered before decisions are made	3.92	0.800

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The organization values teamwork	4.37	0.614
Employees strive to maintain the team cohesiveness	3.77	0.730
Conflict amongst employees are handled in a satisfactory manner	3.87	0.609
We lay more emphasis on skills than personal interest when hiring	3.57	0.695
Employee turnover rate is very minimum	3.60	0.691
The welfare of employees is of high importance to management	4.04	0.750
Aggregate Scores	**3.83**	**0.707**

As indicated in Table 2, some areas came out strongly as valued and practiced across most of the startup companies. The tech startups confirmed that they valued teamwork at a mean of 4.37. On the question of employee creativity and innovation, the mean was high at 4.21 meaning it is a factor that is regarded highly.

From the response rate, the tech startup companies have Human resource policies that are adhered to which makes them valuable employees, and regard them very highly as shown by the mean of 4.02 and 4.04 respectively. With teamwork being valued by the organization, the employees strive to maintain team cohesiveness which ensures they work towards a common goal.

The respondents further indicated they were satisfied with how conflicts were handled in the startups. On the other hand, the scores on employee turnover were relatively low compared to others at a mean of 3.60 which means that the startups do not necessarily get to maintain their employees for a long time. This trend is also seen in recruitment as they were divided where others had a preference for skills as others highly regarded academic papers as a point of preference when recruiting new employees.

The respondents however disagreed with the statement that the tech startups register their employees for training and development. This therefore meant that the training and development policies only do exist on paper and very few companies implement them to benefit the organizations as indicated by the mean of 3.87 for existence of policies and a mean of 2.78 for implementation.

4.1.3 Resource-Based Competence

The respondents answered the questions with the results presented on the table 3.

Table 3: Resource-based Core competence

Statement	mean	Std. Dev
The company's product is of very high quality compared to its competitors	4.04	0.612
Production cost is minimized without compromising quality	3.97	0.763
Customers trust our products	3.94	0.581
The company provides after-sales services to its clients	3.52	0.762
The company's products serve a wider range of customers compared to competitors	3.41	0.757
The delivery of services and products are on time	4.21	0.705
The company's' employees are highly knowledgeable about the products	3.83	0.722
The company has a working on/offline system that helps with customer feedback	3.95	0.750
The company is constantly innovating new ideas to match its competitors	3.34	0.955
The company has provided required materials and environment for innovation and growth	3.69	0.673

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The company has invested in quality machines for production	3.97	0.860
The company takes customer feedback positively and seriously	4.32	0.502
The company diversified to produce a range of products and services	2.98	1.095
The company doesn't depend on donor funding for survival	2.80	1.114
Aggregate Scores	**3.711**	**0.762**

From the field data in Table 3, customer feedback was regarded highly at a mean of 4.32. Customer feedback is defined as customer communication concerning a product or a service (Erickson and Eckrich, 2001) which then determines how best they move with their product. This they get to achieve and account for by having very active feedback mechanisms which are both online and offline as shown at a mean of 3.95. The respondents also expressed that the tech startups have heavily invested in quality machines for production which therefore led them to produce very high-quality products allowing them to minimize costs without compromising on quality of the said products and services as represented by a mean of 3.97, 4.04, and 3.97 in that order. The respondents agreed largely that their employees were well trained on their services and products and had a good grasp of the same as represented by a mean of 3.83, the factors above put together also brings to an understanding that the said clients had gained trust for the tech startup products and services. However, the mean to provision on after sales service went lower when it came to providing after sales service

To some extent, the respondents agreed that they were provided for with an environment and materials to help them be creative and innovative at a mean of 3.69. This then further went lower to a mean of 3.34 when it came to the startups being constantly innovative to match their competitors in the market. This disagrees with the fact that creativity and innovation are encouraged when it comes to human resource competence as the resources to nurture the same are not provided for. Most respondents did not agree with the statement that their products serve a wider range of customers as represented by a mean of 3.34. This therefore means that several startups have cut a niche and are dealing with a particular group of people. This is also seen with the statement of a wider range of products which had a low mean of 2.98 which ruled out the question of diversification, this would then explain why the products did not serve a wider range of clients.

It was established that most of the companies still depend on donor funding with a small percentage being able to break even and stand on their own and a bigger percentage being at a point of not agreeing or disagreeing insinuating that they still supplement their incomes with donor funding. This was represented by a mean of 2.98 when asked if they did not depend on donor funding for survival. The standard deviation score is in further support of mean as an adequate and consistent attribute of the entire population parameter.

4.1.4 Strategic Thinking Competence

Results were presented in Table 4.

Table 4: Strategic Thinking Core competence

Statement	Mean	Std. Dev
The company has its vision and plans aligned with its mission statement	4.53	0.502
The company has both short-term and long-term strategies in place	3.97	0.751
The company's strategies stere the organizations' daily activities	2.84	0.866
The managements' leadership style resonates well with the employees	3.62	0.948
Employees are involved in decision making	3.40	0.899

Management lead by example and take part in the day-to-day activities in the running of the company	4.23	0.588
The management communicates change before implementation	3.24	1.009
Management is open to suggestions and recommendations by other employees	3.96	0.727
Management implements the recommendations from employees	2.94	0.859
Aggregate Scores	**3.64**	**0.794**

The result from the study as shown in Table 4, showed that there was a strong feeling that all the startups had all their vision and mission statements in place which defined the direction in which they wanted to move to as recorded by a mean of 4.53. These mission statements then were broken down into short- and long-term strategies at a mean of 3.97. However, the respondents had a feeling that the strategies did not steer their daily activities as the statement recorded a mean of 2.84.

To a moderate extent, the respondents agreed that the leadership style resonated with the employees, and the leaders led by example which is servant leadership by taking part in the day-to-day activities of the company. It was established that to a smaller degree, employees were involved in decision-making as represented by a mean of 3.40 and also that the management communicated change before its implementation. Even though the respondents acknowledged that management was open to suggestions and recommendations by other employees as seen from the table having a mean of 3.96, the management was very reluctant in implementing the same suggestions from employees as represented by a mean of 2.94. This then would contribute to people losing interest due to not being taken seriously, kill creativity and even output and contribute to employee turnover.

4.1.5 Organizational Performance

The results were tabulated as shown in Table 5.

Table 5: Organizational Performance

Statements	Mean	Std.Dev
The company's cash flow can be termed sustainable in the coming 12 Months	3.56	1.07
The company's trial on lead clients in good	3.60	1.14
The company's conversion rate on new leads is positive	2.86	1.18
The company acquires new clients easily	3.22	1.09
The company has made profits (after tax) for the last 3 financial years	2.71	1.300
The company has received a good rating from clients in the last 6 months	3.99	0.790
The company retains its repeat clients	3.73	0.975
The number of new clients from referrals on products users has gone up in the last 6 months	3.83	0.899
The company's market share has improved in the last 2 years	3.47	1.124
The company is efficient in conducting its services	3.91	0.723
Aggregate Scores	**3.45**	**1.0291**

As indicated by an aggregate mean of 3.45 as per Table 5, the respondents acknowledged that the performance of the startups neither agrees nor disagrees as the mean did not show a strong pointing towards either agreeing or disagreeing. The respondents strongly agree that the tech startups were efficient in conducting their services, had an increase in several users, had not

lost their repeat clients which points back to trust, and had received good ratings within a time frame of 6 months as indicated by a mean of 3.91, 3.83, 3.73 and 3.99 respectively. The respondents further moderately agree that the company's trail on lead clients was looking good represented by a mean of 3.6.

The respondents from the mean obtained however agreed that there was a moderate increase in the company's share in the last 2 years which translates to a very slow growth as indicated by a mean of 3.47. The question on acquisition of new clients being easy was also marked with very low ratings where the respondents neither agreed nor disagreed giving a mean of 3.22. The respondents disagreed when asked whether the conversion of new leads was positive as indicated by a mean of 2.86. This indicates that even though the trial is positive, conversion which contributes to the company's growth was not easy and therefore leads to a very low rating on profits.

The respondents to a larger extent disagreed to have made profits within a given period of 3 financial years as given by the mean of 2.71. However, most agreed that they would be viable in the next 12 months since they had enough cash flow to let them go through the stated time as indicated by a mean of 3.56.

The aggregate mean of approximately 4=agree as per adopted scale indicates that majority of the respondents were in agreement with the items measuring performance of Tech Startup as the criterion variable. A standard deviation of 1.0291 showed there was very high variability among the respondent's responses, therefore portending that a sample means as a true estimator is consistent and adequate for the population parameters.

4.2 Inferential Statistics

The model summary, ANOVA, and coefficient regression were computed and presented as shown in the sections below.

4.2.1 Model Summary

To confirm the relationship and explanatory power of the model, the coefficient of correlation and coefficient determination were computed and tabulated as below:

Table 6: Model Summary

Model	R	R Square	Adjusted RSquare	Std. Error of Estimate
1	0.782[a]	0.613	0.626	1.12225

a. Predictors: (Constant), Market access, human resource, Resource based, and strategic thinking. (Competencies)

The research result with a co-efficient of correlation R of 0.782 indicates the existence of a strong relationship among the study variables. Adjusted coefficient of determination was 0.626 meaning 62.6% illustrating that any change on the dependent variables would be illustrated by 62.6% of the independent variables**.** It therefore also means that other variables of 37.4% not considered in this research contribute to performance of tech startups and therefore a further study should be conducted to ascertain the same.

4.2.2 ANOVA

An analysis of Variance (ANOVA) was conducted at a 95% significance level and the findings are presented in Table 7.

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Table 7: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1580.216	4	395.054	16.748	0.048[b]
	Residual	987.621	81	12.1928		
	Total	**2567.837**	**85**			

a. Dependent Variable: Performance of tech startup companies

b. Predictors: ***(Constant),*** Market access, human resource, Resource-based, and strategic thinking (competencies)

From the study, it was established that F(Calculated) was 16.748 and F(Critical) was 12.1928. This insinuated that F(Calculated) > F(Critical) and an indication that the entire regression model was significant. The p-value achieved was of 0.048 indicating that the population parameters that were analyzed were statistically significant. That implies that with a 95% confidence level, the data is ideal for concluding that at least one variable has a significant impact on the performance of the selected startup companies in Nairobi County.

4.2.3 Regression Coefficients

Multiple regression analysis results are shown in Table 8.

Table 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	**Std. Error**	**Beta**	**t**	
(Constant)	**0.708**	**0.660**		1.073	**0.000**
Market Access Competence	0.537	0.165	0.001	3.262	0.021
Human Resource Competence	0.309	0.142	0.033	2.168	0.025
Resource Based Competence	0.046	0.172	0.791	0.266	0.029
Strategic Thinking Competence	0.219	0.104	0.039	2.099	0.012

a. Dependent Variable: Performance of Tech Startups in Nairobi County

From the regression model, the established regression equation was:

$$\mathbf{Y = 0.708 + 0.537\ X_1 + 0.309\ X_2 + 0.046\ X_3 + 0.219\ X_4.}$$

Where**:**

Y= performance of tech startups in Nairobi City County

$\mathbf{X_1}$ = market access competence of tech startups in Nairobi City County

$\mathbf{X_2}$ = human resource competence of tech startups in Nairobi City County

$\mathbf{X_3}$ = resource-based tech startups in Nairobi City County

$\mathbf{X_4}$ = strategic thinking competence of tech startups in Nairobi City County

The regression equation above has established that holding all factors constant (market access competence, human resource competence, resource-based, and strategic thinking competence) constant at zero, performance of tech startups will be at 0.708. The findings presented also indicate that taking all other independent variables at zero, a unit increase in market access competence would lead to 0.537 performance of tech startups; a unit increase in human resource core competence would lead to 0.309 improvements in performance of tech startups; a unit increase in resource-based core competence would lead to an increased performance of the tech startups by 0.046; a unit increase in strategic thinking core competence would lead to an increased performance of 0.219. This therefore means that market access competence contributes most to performance of tech startups, followed by human resource competence then strategic thinking as resource-based competence contributed very less to the performance of tech startups in Nairobi City County. The study found that all indicators of core competencies used had a p-value of 0.001<0.05 which therefore indicated that the study variables had a significant impact on the performance of the Tech startups in Nairobi County.

5.0 Conclusion

The study, therefore, concluded that every organization needs a market to exist and thrive in the competitive and ever-changing environment. It, therefore, means that being tech-oriented, a social media presence is a good way to push the brand and provide feedback. However, tech startups should engage more in CSR activities and collaborate with established companies that will help push the brands and give better optics even if it means revenue sharing. Therefore, this leads to a conclusion that marketing access influences performance of Tech startups in Nairobi County,

The study concluded that Human resource competence is vital to every tech startup and even though technology comes with skills, we should note that these skills are acquired, and attitude and interest are very important since interest will improve performance. Also, it's notable that employees' continuous development which allows them to be in touch with the inventions will keep them well informed and abrase with the current trends hence compete with like-minded companies and even perform better. This, means that the policies to develop human resources should not just exist on paper but should be actualized.

This study concluded that resource availability which is not humans are very key to every tech startup as they define the end products that go to the market which will promote the company's market access, new clients, and even repeat clients. If the products are not of high quality, then there are very high chances the company will face competition from their like-minded business associates and not penetrate the market, therefore, going under in 0-3 years.

The study concludes that the bigger picture of the survival of the organization should be investigated, and its objectives aligned with the same. This will ensure that every activity is worked on towards the achievement of the vision of the founder right from top management to the lower level of employees. This then will reduce heavy dependence on donor funding and instead invite diversification of revenue streams which will see most of them survive beyond 3 years and move to the next bracket and grow to be over 10 years.

Therefore, the general conclusion on the overall composite construct of core competence put together measured by market access, human resource, resource-based, and strategic thinking core competencies were found to have a significant effect on performance of Tech Startup organization and therefore predict the performance of tech startups in Nairobi City County.

6.0 Recommendations

The result findings for strategic management implies that there is a need to invest in market access activities such as brand management, sales, and marketing and intervention that can improve customer expectation which then can eventually influence the performance of Tech Startups. Therefore, a tech startup needs to survive and thrive in the rapidly technological world, tech startups should look deeply into their core competencies to have and maintain performance. The study further goes ahead to recommend that every startup needs to not only depend on social media as a marketing tool but employ avenues like CSR in partnership with corporates.

The study also recommends that tech startups can leverage the findings that there is a need to invest in human resource and resource-based competence on the platform for employee involvement, team cohesiveness, quality production, and reduced operation cost. The strategic approach of diversifying revenue streams so as not to over-depend on foreign aid or seed funding for survival on its daily running of the company is also wanting and the need to have various strategies for raising funds which could range from selling services to physical products.

Further, the implication of the study findings drawn from strategic thinking, leadership, and decision-making is recommended to the professionals in the strategic field. The study contributes to the body of knowledge on vision and plan that is aligned to mission statement of Tech Startups in Nairobi City County. Literature that resonated with leadership strategies were found to have recommended on management involve an employee in decision-making to have recorded a significant effect on performance.

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