



STRATEGIC LEADERSHIP MANAGEMENT AND PERFORMANCE OF NON-PROFIT ORGANIZATIONS IN KENYA

¹ Orange Joyce Mogoi, ² Dr. Mangana Robert, ² Dr. Kariuki Paul

¹ Master of Science Degree in Strategic Management at Jomo Kenyatta University of Agriculture and Technology

² Lecturer, Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

The main focus of this study was to establish the influence of strategic leadership management on performance of non-profit organizations in Nairobi County, Kenya. Specific objectives were to find out the relationship between competencies development and stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya. The study was anchored on; human capital theory and stakeholders' theory. The descriptive research design was employed where data was collected one point in time. The unit of observation in this study was 1,749 management employees (top manager, middle level managers and lower-level managers) while the unit of observation was the 159 registered non-governmental organizations. The stratified random sampling procedure were to select the study sample. The study sample size was 326 respondents. Data was collected using a self-administered semi-structured questionnaire. A pilot test was conducted to determine validity and reliability of the data collection instrument. Quantitative reports, the tables consisted of mean and standard deviation values that was used to make interpretation of the analysis. Percentage, mean and standard deviation was used to show the frequency of responses. Tables were used to display the rate of responses and to facilitate comparison. Qualitative reports were presented in form of essay which was discussed as per the study objectives aligned with the theories and empirical study. Descriptive statistical included frequency, percentages, mean and standard deviation. Inferential statistical analysis to be used was multiple regression and correlation analysis. The significant of each independent variable was tested at a confidence level of 95%. The study's results revealed significant positive relationships between strategic leadership management practices and NGO performance in Nairobi County, Kenya. Specifically, Competencies Development, and Stakeholder Involvement were all positively correlated with NGO performance and Stakeholder Involvement had a β coefficient of 0.269 ($p = 0.000$). These findings underscore the importance of strategic leadership management practices in enhancing NGO performance. The study concludes that investing in staff competencies, and engaging stakeholders, is crucial for improving NGO performance in Nairobi County. Additionally, the study recommends that organizations regularly assess and adapt their strategic leadership practices, cultivate transparent communication channels, and establish mechanisms for soliciting feedback from stakeholders to ensure alignment with organizational goals.

Key Words: Strategic Leadership Management Competencies Development, Stakeholder Involvement, Non-Profit Organizations

Background of the Study

An NGO, or Non-Governmental Organization, is a term broadly used to describe organizations that are independent of government control and are typically established for the purpose of addressing social, environmental, humanitarian, or developmental issues. NGOs can take various forms, including non-profit organizations, charities, advocacy groups, and community-based organizations (Bilginoğlu & Yozgat, 2018). NGOs play an important role in today's society, normally filling in the gaps left by the government in terms of essential services and social security for people by donor philanthropy (Diaz & Rees, 2020). In addition, since citizens' demands on governments in evolving countries have increased, NGOs have taken active as well as complementary roles in harnessing people's capacity to make sure there is consistent growth. In most developed countries, interest in and funding for NGOs has increased dramatically over the last few decades. This is due to the belief that NGOs, as opposed to governments, are more adaptable, fast, and flexible in responding to people's needs (Mailu & Kariuki, 2022).

In contrast to private organizations, which are mainly focused on commercial goals, NGOs have a cooperative or humanitarian goal. NGOs include organizations, agencies and institutions that have been established at their own accord so as to undertake altruistic goals without having a profit motive or any control from the government structure in the country that they are established. Poor performance of non-governmental organizations means many people will lack the provision of services (Taiwo, Agwu, & Lawal, 2018). This leads to the need to ensure continued and improved NGOs performance. However, most NGOs face numerous common leadership challenges that have a major impact on their success.

Strategic leadership management refers to the process of guiding and directing an organization towards the achievement of its long-term goals and objectives. It involves the integration of strategic thinking, decision-making, and effective management to navigate the organization through complex and dynamic environments. Strategic leadership management is not only about setting a vision but also about effectively implementing strategies, adapting to change, and fostering a culture of innovation and continuous improvement (Mutole, 2019). Strategic leadership has greatly contributed to the success of good governance in non-governmental organizations (Thompson, Peteraf, Gamble, & Strickland, 2018). Strategic leaders may use this vision to empower workers by instilling a sense of solidarity and purpose among them, allowing them to implement change within their organization. In addition, Stringham (2012) highlighted the ability of a leader to lead and manage change as a key characteristic of a strategic leader. Managing change and uncertainty, on the other hand, necessitates strategic leaders who can not only provide a sense of direction, but also foster ownership and alignment within their workgroups in order to implement change (Toor, & Ofori, 2019).

Statement of the Problem

In Kenya, non-profit organizations perform a key role within the social sector, alleviation of poverty and development in both urban and rural areas. NPO's have previously been involved in relief, long-term development or emergency work or a combination of the three. Often times NPOs do not achieve the target goals of their projects or quit before the task is completed (Nyaywera, Kahuthia & Gakenia, 2018). Therefore, to improve performance, nongovernmental organizations must re-look at their leadership strategies so as to ensure efficiency in the operations of their programmes, reduce cost of delivery and ensure quality standards of programmes. According to Jhuthi (2018), more than half of all non-governmental organization projects and programs are not viable and fail in less than a year after the donors leave.

Mugambi and Obere (2021) observed that only 32% of all programmes by non-governmental organizations achieve beneficiaries' satisfaction, 24% partially achieve beneficiaries' satisfaction and 44% do not satisfy beneficiaries' satisfaction. Gachenge, Githui and Gathaiya (2021) indicate that 34.2% of the non-governmental organizations partially met their organization's objectives and 29.7% did not meet their objectives. In addition, Mkutano (2018) observed inefficiency in service delivery in 34.7% of the programmes by non-governmental organizations. Further, the effectiveness of 51.4% of the programmes was low as they were characterized by cost overruns. Poor performance of NGOs' projects, according to Nyanje and Wanyoike (2016), can be explained by a lack of emphasis on key organizational factors such as leadership. Therefore, so as to enhance performance in NGOs, it is essential to address leadership issues through adoption of strategic leadership.

According to Pearce and Robinson, (2018) Non-profit organizations face different challenges as they try to facilitate the delivery of their services key among these being increased pressure from donors expecting accountability and results for their investment, clients expecting quality and sustainable services, community expecting positive contribution (social impact), increased scrutiny of pro-poor stance, and so forth (Pearce & Robinson, 2019). Following the challenges facing Non-profit organizations, the proponents of strategic leadership (Finkelstein, Hambrick & Cannella, 2019) have argued that today's organizational leaders require strategic leadership to be able to manage leadership and management challenges coming from the hyper-turbulent environments. This study therefore sought to establish the influence of strategic leadership management on performance of non-profit organizations in Nairobi County, Kenya.

Objectives of the Study

The main focus of this study was to establish the influence of strategic leadership management on performance of non-profit organizations in Nairobi County, Kenya

The study was guided by the following specific objectives;

- i. To examine the relationship between competencies development and performance of non-profit organizations in Nairobi County, Kenya
- ii. To analyze the relationship between stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya

LITERATURE REVIEW

Theoretical Review

Human Capital Theory

Human capital theory, initially formulated by Becker (1962) and Rosen (1976), argues that individual workers have a set of skills or abilities which they can improve or accumulate through training and education. Human capital theory assumes that investment in education is necessary to acquire skills and training which, in turn, will increase individual capital. These knowledges and skills will increase productivity in the workplace. This increased productivity will bring a higher salary to the individual since the wage of a person, in the ideal labor market, is determined by the person's productivity. Therefore, people would invest in education up to the point where the private benefits from education are equal to the private cost (Tan, 2014).

The theory is criticized in that it relies on the assumption that human beings are rational actors. Therefore, the theory will experience the same defects and limitations when it attempts to explain phenomena because its basic assumptions on human motives, goals, and decisions are, it turns out, not well-grounded. Another critique is that the theory offers extremely simple principles that purport to explain everyone's wages, or, a universal connection between human capital,

productivity, and income. But for the most part, productivity differences between individuals cannot be measured objectively (Saito, 2003).

In relation to the study, workers are like fixed assets since they possess useful capabilities and skills which have reasonable costs and make profits for the organization. Skills, experiences and the capabilities that people possess together with their potential to deploy in favor of the organization, tend to be considered important contributors to the success of the organization. The theory was employed to explain the relationship between competencies development and performance of non-profit organizations in Nairobi County, Kenya.

Stakeholders' Theory

In 1983 Edward Freeman introduced the concept of stakeholder theory. A stakeholder can be defined as party that has an interest in a company and can either affect or be affected by the business. The primary stakeholders in a typical corporation are its investors, employees, customers and suppliers. The community and government form part of the stakeholders. Stakeholder theory suggests that the purpose of a business is to create as much value as possible for stakeholders. Stakeholder theory advocates for treating all stakeholders with fairness, honesty, and even generosity (Freeman, 1983)

The stakeholder's interests thus form the foundation of transactions that are the ultimate source of a company's wealth hence should be used as the basis of all objectives being pursued by management such as growth and social initiative investments. This perspective of the stakeholder theory is that stakeholders can foster a company's image and reputation or be potential risk bearers hence have sufficient power to influence its performance (Rodriguez, 2012). As such organizations should try to understand the concerns of their stakeholders as well as provide them with feedback about their strategies and performance. Stakeholder involvement should further be used as a tool for monitoring the contributions and satisfaction levels of a company's stakeholders. This theory explains the relationship between stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya.

Conceptual Framework

Conceptual framework refers to a diagrammatic set of interrelated ideas on a particular phenomenon and it's characterized by cause and effect relationships which helps interpret more and hence making it easily understandable. This makes it more straightforward and also easily predictable (Svinicki, 2019). It is a diagram that explains the relationship between dependent and independent variables. In this study, the independent variables were competencies development and stakeholder involvement while the dependent variable was performance of non-profit organizations in Nairobi County, Kenya.

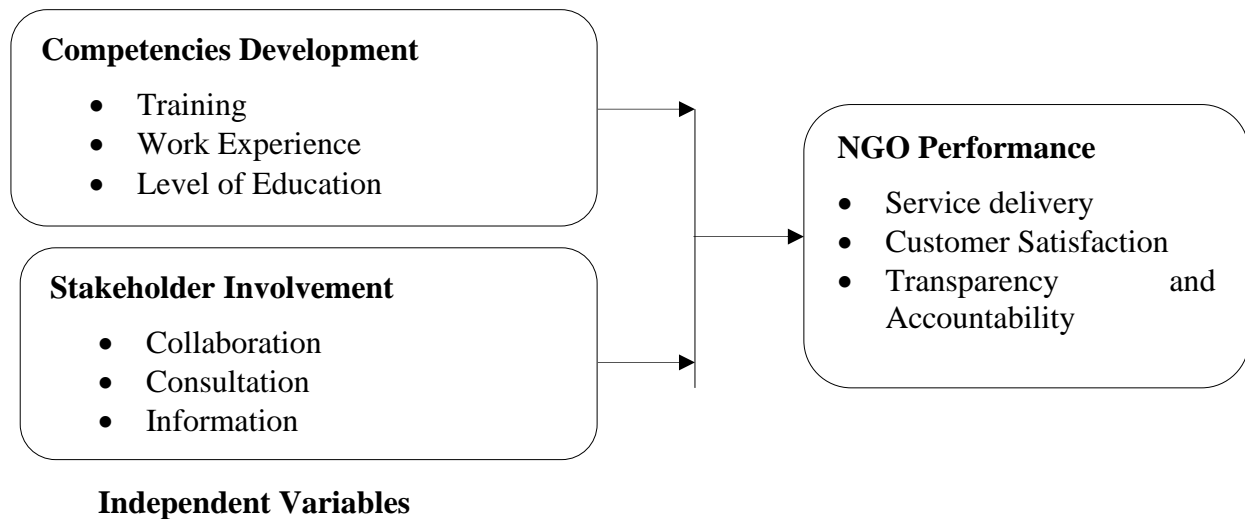


Figure 2.1: Conceptual Framework

Competencies Development

Competence is the capacity of an individual (or a collective) to successfully handle certain situations or complete a certain task or job. This capacity may be defined in terms of: perceptual motor skills, cognitive factors (different types of knowledge and intellectual skills), affective factors (attitudes, values, motivations), personality traits (e.g. self-confidence) and social skills (communicative and co-operative skills) (Mondy & Martocchio, 2016). Competence development is an overall designation for the various measures that can be used to affect the supply of competence on the internal labour market (in individual employees, groups of employees or the whole personnel group) (Vasantham, 2018). It may refer to measures regarding: recruitment, promotion (career planning) and personnel mobility, education or training of personnel, for instance by means of internal or external courses, planned changes of tasks or work organization through different types of measures like job development, job rotation, team organization with the objective of furthering informal learning in work (Ashmond, Opoku-Danso & Owusu, 2022). In companies' competencies development may involve training, work experience and level of education.

Training provides individuals with specific knowledge, skills, and tools related to their job roles or desired competencies. It often focuses on practical application and hands-on experience. Training programs can be formal, such as workshops, seminars, or online courses, or informal, such as on-the-job training or mentoring. Training helps individuals acquire new competencies or enhance existing ones, enabling them to perform their roles more effectively (Ashmond, Opoku-Danso & Owusu, 2022). Work experience allows individuals to apply their knowledge and skills in real-world contexts, further developing their competencies through practice and exposure to different situations. As individuals encounter various challenges and opportunities in their work, they develop problem-solving abilities, decision-making skills, and interpersonal competencies. Work experience also provides opportunities for learning from mistakes, receiving feedback, and refining one's approach over time (Vinesh, 2018). Education provides individuals with foundational knowledge, theoretical understanding, and critical thinking skills that form the basis for competence development. Higher levels of education, such as undergraduate or graduate degrees, often equip individuals with specialized knowledge in a particular field or industry. Education also fosters analytical skills, research capabilities, and the ability to synthesize complex information, which are essential for competence development in strategic thinking, leadership, and other areas (Sarheng, 2018).

Stakeholder Involvement

Stakeholder involvement refers to participation of interest groups in a planning or decision-making process. Stakeholder participation enables the decision-making units to have numerous options for policy formulation (Korneć, 2020). It is important to note that high stakeholder involvement enables the organization to have a variety of opinions from the stakeholders. Efficient engagement aids equate stakeholder requires right into organizational objectives and produces the basis of efficient method advancement (Korneć, 2020). Finding the point of agreement or shared motivation helps a team of stakeholders to come to a choice and also ensures an investment in a meaningful result. Stakeholder involvement results in the growth of positive and effective relationships over a long period (Martín, Reinhardt & Gurtner, 2021). The stakeholder involvement results in a connection of mutual benefit and allows people to recognize trends and also emerging obstacles that are presently or will in the future affect the organization.

Collaboration involves actively engaging stakeholders in joint efforts to achieve common goals. Collaboration fosters partnerships and teamwork, leveraging the diverse perspectives, expertise, and resources of stakeholders. It encourages open communication, trust-building, and mutual respect among participants (Nederhand & Klijn, 2019). Through collaboration, stakeholders can co-create solutions, share responsibilities, and address complex challenges more effectively. Engaging stakeholders in collaborative processes promotes ownership and commitment to the outcomes (Xue, et al., 2018).

Consultation entails seeking input, feedback, and advice from stakeholders to inform decision-making processes. It involves actively soliciting perspectives, concerns, and preferences from a wide range of stakeholders, including those who may be affected by or have a vested interest in the outcomes (Martín, Reinhardt & Gurtner, 2021). Consultation can take various forms, such as surveys, focus groups, interviews, or public forums. It provides stakeholders with opportunities to contribute their insights, raise issues, and influence decisions, thereby enhancing the legitimacy and quality of the decision-making process (Ulibarri, Scott, & Perez-Figueroa, 2019).

Information sharing involves providing stakeholders with relevant data, knowledge, and updates to keep them informed and engaged throughout the process. It includes transparently communicating key information, such as project plans, timelines, progress reports, and potential impacts (Korneć, 2020). Effective information sharing ensures that stakeholders have access to accurate, timely, and comprehensible information to make informed decisions and participate meaningfully in discussions. It promotes transparency, accountability, and trust between stakeholders and decision-makers (Spik & Mijal, 2018).

Performance

Performance refers to how well a corporation is performing to accomplish its aim, mission, and objectives. A critical aspect of strategic management is evaluating organizational performance. Managers need to consider how well their companies are doing to find out what, if any, strategic improvements to make. The standard of organizational thinkers is crucial to an organization's successful performance and sustainability (Pisapia, 2019). There have been identified three dimensions of performance in NGOs (Medina-Borja & Triantis, 2017): the effectiveness or results, the quality of services and the efficiency. The nonprofit organizations measure their performance most often traditionally by assessing the managerial activity. The measurement system based on assessing of the performance in a managerial perspective involves the collecting of data on the planning and the use of financial resources, the productivity, the service quality and the customer satisfaction (Medina-Borja & Triantis, 2017).

Service delivery refers to the NGO's ability to effectively provide the services or programs it offers to its target beneficiaries. NGOs typically have specific goals and objectives related to the services they deliver, whether it's providing healthcare, education, humanitarian aid, environmental conservation, or other forms of support (Kendall & Martin, 2018). Customer satisfaction is the perceptions, experiences, and feedback of beneficiaries or clients regarding the NGO's services. Customer satisfaction is an important indicator of whether the NGO is meeting the needs and expectations of its beneficiaries and whether it is delivering services that are valued and appreciated by the community (Kendall & Martin, 2018).

Empirical review

Competencies Development and Performance

Devos (2018) studied competency development in organizations. The main purpose of this study was to fill this gap by unravelling the process of competency development in organizations. The study adopted a longitudinal multiple case study design, gathering information from 22 Belgian organizations through organizational records, semi-structured interviews with HR managers and focus groups. By using a grounded theory approach, a framework emerged mapping out the different steps of competency development in organizations. The study found that organizations develop the competencies of their employees through a combination of training, on-the-job learning and career management. Although we broke up the process of competency development into these three practices, they are strongly interwoven, especially from the viewpoint of the employee. For example, it is to expect that when an employee makes a career move, they will acquire the competencies for this new job through a combination of on-the-job learning and participation in formal training. As such, in reality, the process of competency development is one integrated whole, making it difficult to separate the different practices from each other.

In their study, Pangestika, Daud, Juniwati, Fauzan and Fitriana (2023) determined the effect of training and development on improving of performance with competence as a mediating variable. This study aim was to determine the impact of training and development on improving the performance quality of Generation X employees in the West Kalimantan Provincial Government with competence as mediation. Data was presented and analysed using quantitative methods. The questionnaire in this study used a five-point Likert scale. The analysis in this study was carried out using the Structural Equation Modeling (SEM) method through AMOS 24. The findings suggested that training and development have a positive and significant effect on employee performance with intermediary competencies.

Yazdanfar (2023) researched on competence development and performance among Swedish micro firms. This study examined the association between performance and competence development among Swedish micro firms, measured as number of hours per person a company allocates annually to competence development. A panel dataset consisting of around 395 firms was analysed using seemingly unrelated regression-model (SUR-model) for relationships between the hours allocated to competence development and various proxies for business performance, and the relationship between attending a business training program and various proxies for business performance. The empirical results were mixed showing a positive association between owners' attendance on a business training program and company performance merely with regard to four performance variables: better job satisfaction within a company, increased number of employees, organizational improvements and increased exports. However, the findings provide no evidence to suggest that there is a link between competence development and other performance variables.

Wangui (2021) studied the effect of staff competence on performance of county governments in the central region, Kenya. This study sought to establish the effect of staff competence in addressing the county government performance. Descriptive and explanatory research design were

adopted. Structured electronic questionnaire was sent to respondents in the five counties in central region of Kenya. Descriptive and inferential statistics were used for analysis and overall model tested at 95 % confidence level. Results showed that staff competence had positive significant effect on the county government performance in the central region.

Moga (2021) did a study to determine core competencies and performance of firms in the service industry. This study investigated if adoption of core competencies would improve the performance of service industry and the case of Micro Cap Holdings. The study used descriptive research design and targeted employees at Micro Cap Holding. The participants were randomly selected hence employment of the simple random sampling technique. The primary data was collected using semi-structured questionnaire and the study applied descriptive and multiple regression analysis during the data analysis. The results from correlation analysis revealed that marketing competence, HR competence, R&D competence and financial resource competence had a strong positive and significant effect to performance.

Stakeholder Involvement and Performance

Demirkesen and Reinhardt (2021) researched on the effect of stakeholder involvement on performance of the government projects in Poland. The study examined the effect of stakeholder involvement on the performance of government projects in Poland. The study adopted the descriptive research design. The target population included government projects. The unit of observation were managers of the projects and also other support staff within the projects. Questionnaires were used as the research instruments. The results of the study indicated that stakeholder involvement is a key segment that influences the performance of the projects. The study concluded that stakeholder involvement is positively and significantly associated with performance. The regression results showed that a positive and significant relationship exists between stakeholder involvement and performance. Stakeholder involvement includes enabling all the stakeholders to be involved in decision-making and the implementation process. .

Oyama (2023) did an evaluation on the influence of stakeholders' involvement on the performance of road construction project in Nigeria. The aim of this study was to evaluate the influence of stakeholders on the performance of road construction. Theory of leadership and theory of game backed the literature reviewed in this research. Mixed research design was adopted; thus, data for the research was sourced through questionnaires, direct observation and Oral interview. The collected data was analyzed using percentages, regression tools in Eview8 which were validated by experts in the field of study. The result was presented in pie charts and tables. The results from the findings show that 40% of the respondents strongly agreed to the fact that performance of road construction is greatly influenced by proper involvement of stakeholders, 39.6% agreed, 10% disagreed and 10.4% strongly disagreed. The regression results showed that road project performance is as a result of proper involvement of stakeholders.

Nyambitta and Mohamed (2022) researched on the effects of stakeholder's involvement on performance of public authorities in delivering water services in Tanzania. This study established the effect of stakeholder's involvement on performance of public authorities in delivering water services in Tanzania. The study adopted a cross sectional design on a sample of respondents obtained through stratified sampling and simple random sampling technique. Data were collected through questionnaire, interview and documentary review and analysed quantitatively and qualitatively. Quantitative data was analysed through descriptive statistics, frequency, percentage and inferential statistics analysis while Qualitative data was analysed through content analysis. The study found that stakeholders had a positive and significant effect on the performance of public authorities in delivering water services in Tanzania. Therefore, it was concluded that stakeholder is a prerequisite for the performance of public authorities in delivering water services.

Sahal and Bett (2022) researched on the influence of stakeholder involvement on performance of Kenyan parliamentary service commission. This study investigated the influence of stakeholder involvement on the Performance of Kenyan Parliamentary Service Commission. Descriptive survey research design was used. The target population included department heads and employees from PARLSCOM Job Group (Scale) 6 and above. Questionnaires were used to collect primary data. Descriptive statistics: standard deviation and mean quantitative data analysed and presented in tables, pie charts, and bar graphs. In order to determine how variables relate, inferential statistics such as multiple regressions and correlation analysis were used. According to the findings of the study, stakeholder involvement has a positive and significant impact on the performance of the Kenyan Parliamentary Service Commission.

Githinji, Ogolla and Kitheka (2020) researched on the influence of stakeholder's involvement on project performance. A case study of Kenya Ferry Services. The study determined the influence of stakeholder's involvement on project performance at Kenya Ferry Services. The study adopted a descriptive research design, target population comprising stakeholders of Kenya ferry services partners. Data collection was done by use of questionnaires after a pilot study and analysed by use of only linear regression with the aid of SPSS program. The study findings established that: involvement of stakeholders in project identification was found to significantly and positively relate to project performance, it was observed that organization respect for stakeholders concerns to be the highest influencing factor in project identification, involvement of stakeholders in project planning was found to significantly and positively relate to project performance. It was observed that involving stakeholders in decision making as the most influential factor. Involvement of stakeholders in project monitoring was found to significantly and positively relate to project performance. It was observed that using of inspection list as standardized organization monitoring practices and setting baselines for stakeholder's involvement in monitoring its activities are the most influential factor and lastly. It was established that involvement of stakeholders in project funding was found to significantly and positively relate to project performance, it was also observed that, involvement of stakeholders in resource allocation was observed to be influential.

RESEARCH METHODOLOGY

The descriptive research design was employed where data was collected one point in time. Manjunatha (2019) describes descriptive research as a purposive process of gathering, analysing, classifying, and tabulating data about prevailing conditions, practices, trends, and cause-effect relationships and then making adequate and accurate interpretation about such data.

The study was conducted in NPOs in Nairobi County. According to NPOs Co-ordination Board (2020), there are 159 registered non-governmental organizations based in Nairobi County. Nairobi City County was targeted since most of NPOs are concentrated in Nairobi. The unit of observation in this study was the management employees (top manager, middle level managers and lower-level managers) while the unit of observation was the 159 registered non-governmental organizations.

Table 1: Target Population

Category	Population	Percent
Top Managers	318	18
Middle Level Managers	636	36
Lower-Level Managers	795	46
Total	1,749	100

The sampling frame in this study was the management employees in the 159 registered NPOs in Nairobi County. In this study the population was divided into management employees (top

managers, middle level managers and lower-level managers). From where a random sample was taken from each of the subgroups. The stratified random sampling procedure was more precise than simple random sampling. Therefore, to a great extent this procedure avoids sample selection bias. The Yamane (1969) formulae was used to calculate the study sample size

The study sample size was 326 respondents which was 18.6% of the target population. According to Mugenda (2009) a sample of at least 10% is adequate for a study. Data was collected using a self-administered semi-structured questionnaire. Data obtained from the field was coded, cleaned, and entered into the computer for analysis using the SPSS version 25.

Presentation of data was done in form of quantitative and qualitative reports which was presented in forms of tables and essay. For the quantitative reports, the tables consisted of mean and standard deviation values that were used to make interpretation of the analysis. Percentage, mean and standard deviation were used to show the frequency of responses. Tables were used to display the rate of responses and to facilitate comparison. Qualitative reports were presented in form of essay which were discussed as per the study objectives aligned with the theories and empirical study.

Descriptive statistics included frequency, percentages, mean and standard deviation. Inferential statistical analysis to be used was multiple regression and correlation analysis. The significant of each independent variable was tested at a confidence level of 95%.

DATA ANALYSIS AND PRESENTATION

A sample of 326 management employees (top manager, middle level managers and lower-level managers) of registered non-governmental organizations in Nairobi County. Out of the sample selected, 297 were responsive representing a response rate of 91.1%. This was above the 50% which is considered adequate in statistical analysis as recommended by Dunn (2020).

Descriptive Analysis of Study Variables

In this section the study presents findings on Likert scale questions where respondents were asked to indicate their level of agreement with various statements that relate with strategic leadership management influence on performance of non-profit organizations in Nairobi County, Kenya. They used a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 neutral, 3.5-4.4 agree and 4.5-5 strongly agree. Also, standard deviations below 2 were considered small.

Competencies Development

The first objective of the study was to examine the relationship between competencies development and performance of non-profit organizations in Nairobi County, Kenya. Respondents were therefore asked to indicate the level to which they agree with the following statements about the relationship between competencies development and performance of non-profit organizations in Nairobi County, Kenya. Table 2 presents summary of findings obtained.

Table 2: Descriptive Statistics on Competencies Development

Competencies Development	Mean	Std. Dev.
Our organization provides training for its workers	3.892	0.559
Education is important as it provides individuals with foundational knowledge and critical thinking skills that form the basis for competence development	3.879	0.883
Work experience allows employees to apply their knowledge and skills in the organization	3.813	0.310
Individuals with needed experience are given opportunities in the organization	3.810	0.488
Education level is considered when giving people opportunities in the organization	3.792	0.819
Training helps workers to acquire new competencies enabling them to perform their roles more effectively	3.714	0.611
Aggregate Score	3.817	0.612

The findings show that the respondents agreed on average that their organization provides training for its workers (M= 3.892, SD= 0.559); that the education is important as it provides individuals with foundational knowledge and critical thinking skills that form the basis for competence development (M= 3.879, SD= 0.883); and that work experience allows employees to apply their knowledge and skills in the organization (M= 3.813, SD= 0.310). They were further in agreement that individuals with needed experience are given opportunities in the organization (M= 3.810, SD= 0.488); that education level is considered when giving people opportunities in the organization (M= 3.792, SD= 0.819); and that training helps workers to acquire new competencies enabling them to perform their roles more effectively (M= 3.714, SD= 0.611).

The findings above supported by an aggregate mean of 3.817 (SD= 0.612), show that respondents agreed on average that competencies development affected performance of non-profit organizations in Nairobi County, Kenya. The finding is supported by Devos (2018) who delved into competency development within organizations, highlighting the importance of training, on-the-job learning, and career management in fostering employee competencies. This study's emphasis on the role of competency development aligns closely with the present findings, indicating that enhancing employee competencies positively impacts organizational performance. Additionally, Pangestika et al. (2023) explored the effect of training and development on employee performance, emphasizing the mediating role of competence. Their findings underscore the significance of competency development initiatives in improving organizational performance outcomes.

Stakeholder Involvement

Study's second objective was to analyse the relationship between stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya. Respondents were therefore asked to indicate the level to which they agree with statements about the relationship between stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya. Table 4.8 presents summary of findings obtained.

Table 3: Descriptive Statistics on Stakeholder Involvement

Stakeholder Involvement	Mean	Std. Dev.
Collaboration fosters partnerships and teamwork, leveraging the diverse perspectives, expertise, and resources of stakeholders	3.988	0.516
Stakeholders are consulted in regard to the organization strategies	3.952	0.615
Our organization actively engage stakeholders in joint efforts to achieve common goals	3.949	0.372
Consultation helps in soliciting perspectives, concerns, and preferences from the stakeholders	3.856	0.643
Our organization transparently communicates key information, such as project plans, timelines, progress reports, and potential impacts	3.812	0.287
The organization share important information with the stakeholders	3.674	0.555
Aggregate Score	3.872	0.498

The findings show that the respondents agreed that collaboration fosters partnerships and teamwork, leveraging the diverse perspectives, expertise, and resources of stakeholders (M= 3.988, SD= 0.516); that stakeholders are consulted in regard to the organization strategies (M= 3.952, SD= 0.615); and that their organization actively engage stakeholders in joint efforts to achieve common goals (M= 3.949, SD= 0.372). They were also in agreement that consultation helps in soliciting perspectives, concerns, and preferences from the stakeholders (M= 3.856, SD= 0.643); that their organization transparently communicates key information, such as project plans, timelines, progress reports, and potential impacts (M= 3.812, SD= 0.287); and that the organization share important information with the stakeholders (M= 3.674, SD= 0.555).

The findings supported by an aggregate mean of 3.872 (SD= 0.498) show that the respondents agreed that there exists some relationship between stakeholder involvement and performance of non-profit organizations in Nairobi County, Kenya. The finding resonates with insights from Demirkesen and Reinhardt (2021) who investigated the effect of stakeholder involvement on the performance of government projects in Poland, revealing a positive association between stakeholder engagement and project performance. This aligns closely with the present study's results, indicating that active involvement of stakeholders positively impacts organizational performance. Similarly, Sahal and Bett (2022) explored the influence of stakeholder involvement on the performance of the Kenyan Parliamentary Service Commission, uncovering significant positive effects on organizational performance. By drawing upon these studies, it becomes evident that fostering stakeholder involvement is instrumental in driving performance improvements in non-profit organizations operating in Nairobi County, Kenya, underscoring the importance of engaging stakeholders to achieve organizational goals effectively.

Performance of Non-Profit Organizations

The main focus of the study was to establish the influence of strategic leadership management on performance of non-profit organizations in Nairobi County, Kenya. Respondents were therefore asked to state the level to which they agree with statements about performance of non-profit organizations. Table 4 presents summary of findings obtained.

Table 4: Descriptive Statistics on Performance of Non-Profit Organizations

Statements	Mean	Std. Dev.
Our organization has been able to meet needs and expectations of its beneficiaries	3.979	0.565
Our organization has been able to effectively provide services to communities	3.971	0.146
Our organization has been able to effectively deliver programs it offers to its target beneficiaries	3.91	0.219
Our organization provides feedback to beneficiaries or clients regarding the NGO's services	3.87	0.368
Our organization ensures transparency and accountability in the services provided,	3.844	0.243
Our organization deliver services that are valued and appreciated by the community	3.808	0.433
Aggregate Score	3.897	0.329

Based on the findings, the respondents agreed that their organization has been able to meet needs and expectations of its beneficiaries (M= 3.979, SD= 0.565); that their organization has been able to effectively provide services to communities (M= 3.971, SD= 0.146); and that their organization has been able to effectively deliver programs it offers to its target beneficiaries (M= 3.91, SD= 0.219). They also agreed that their organization provides feedback to beneficiaries or clients regarding the NGO's services (M= 3.87, SD= 0.368); that their organization ensures transparency and accountability in the services provided (M= 3.844, SD= 0.243); and that their organization deliver services that are valued and appreciated by the community (M= 3.808, SD= 0.433).

The findings supported by an aggregate mean of 3.897 (SD= 0.329) show that the respondents agreed that through strategic leadership management practices, performance of their non-profit organizations in Nairobi County, Kenya was affected. The finding agrees with Munyao (2020) who investigated the effects of strategic direction on the performance of Africa Inland Church theological training institutions in Kenya, emphasizing the pivotal role of strategic leadership in driving organizational success. This aligns closely with the present study's results, suggesting that effective strategic leadership practices positively impact organizational performance. Additionally, Ramadhan (2022) explored strategic direction in leadership and performance within the insurance sector in Kenya, uncovering significant associations between strategic planning, leadership, and organizational performance. By drawing upon these studies, it becomes evident that strategic leadership management plays a crucial role in shaping the performance outcomes of non-profit organizations in Nairobi County, Kenya, highlighting the importance of implementing strategic leadership practices to achieve desired organizational goals.

Correlation Analysis

The study computed Correlation analysis to determine the strength and the direction of the relationship between the variables being studied. In this study, correlation analysis was done to test the relationship between warehouse optimization and performance of distribution firms in Kenya. If the correlation values are $r = \pm 0.1$ to ± 0.29 then the relationship between the two variables is small, if it is $r = \pm 0.3$ to ± 0.49 the relationship is medium, and when $r = \pm 0.5$ and above there is a strong relationship between the two variables under consideration. Table 5 presents the findings obtained.

Table 5: Correlations

		Performance of NGOs	Competencies Development	Stakeholder Involvement
Performance of NGOs in Nairobi County	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	297		
Competencies Development	Pearson Correlation	.782**	1	
	Sig. (2-tailed)	.000		
	N	297	297	
Stakeholder Involvement	Pearson Correlation	.751**	.266	1
	Sig. (2-tailed)	.000	.278	
	N	297	297	297

The significant positive correlation between performance of NGOs in Nairobi County and competencies development ($r = 0.782, p < 0.05$) suggests that enhancing employee competencies contributes to improved organizational performance. This finding is consistent with Devos's (2018) research, which emphasized the importance of competency development in organizations. Therefore, investing in training and development initiatives to enhance employee competencies may lead to better performance outcomes for NGOs in Nairobi County.

The significant positive correlation between performance of NGOs in Nairobi County and stakeholder involvement ($r = 0.751, p < 0.05$) indicates that active engagement of stakeholders positively influences organizational performance. This finding resonates with Demirkesen and Reinhardt's (2021) study on government projects in Poland, which found that stakeholder involvement is positively associated with project performance. Therefore, fostering stakeholder engagement and collaboration may be essential for enhancing the performance of NGOs in Nairobi County.

Multiple regression Analysis

Multiple regression analysis was done to test the combined effect of competencies development, and stakeholder involvement on performance of non-profit organizations in Nairobi County, Kenya. The findings were presented in three tables discussed in the subsections below.

Model Summary

The study used model summary to test the amount of variation in the dependent variable as a result of changes in the independent variables. In this study, the amount of variation in performance of non-profit organizations in Nairobi County, Kenya as a result of changes in competencies development, and stakeholder involvement was sought. Table 6 presents the findings obtained.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822 ^a	.675	.671	.35169

a. Predictors: (Constant), Competencies Development, Strategic Direction

The model summary reveals that the predictors included - stakeholder involvement, competencies development - collectively explain a significant portion of the variance in the performance of NGOs in Nairobi County. The multiple regression analysis yielded an R-square value of 0.675,

indicating that approximately 67.5% of the variability in NGO performance can be accounted for by these predictors. The adjusted R-square, which adjusts for the number of predictors in the model, remains high at 0.671. This suggests that the model is robust and that the predictors included have a substantial impact on explaining NGO performance. Therefore, the model demonstrates a strong association between competencies development, strategic direction, and the performance of NGOs in Nairobi County, providing valuable insights into the factors contributing to organizational success in the non-profit sector.

Analysis of Variance

Analysis of variance was used to test the significance of the model developed. The significance of the model was tested at 95% confidence interval. This suggests that if the p-value was less than 0.05, it suggests that the model is significant. Table 4.11 presents the findings obtained.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.142	4	18.785	151.881	.000 ^b
	Residual	36.116	292	.124		
	Total	111.258	296			

a. Dependent Variable: Performance of NGOs in Nairobi County

b. Predictors: (Constant), Stakeholder Involvement, Competencies Development

The ANOVA table indicates that the regression model, which includes the predictors stakeholder involvement, competencies development, significantly explains the variance in the performance of NGOs in Nairobi County ($F(4, 292) = 151.881, p < 0.05$). The significant F-value suggests that the overall model is effective in predicting NGO performance based on the selected predictors. With a large F-value and a small p-value, the results suggest that the regression model is statistically significant and provides a better fit to the data compared to a model with no predictors. Therefore, the predictors included in the model - stakeholder involvement, competencies development, - collectively contribute significantly to explaining the performance of NGOs in Nairobi County.

Beta Coefficients of the Study Variables

From the coefficients table (Table 8) the regression model was fitted.

Table 8: Beta Coefficients of the Study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	.295	.141			
1	Competencies Development	.315	.056	.253	5.625	.000
	Stakeholder Involvement	.269	.060	.276	4.446	.000

a. Dependent Variable: Performance of NGOs in Nairobi County

From the coefficients table, the following regression model was fitted;

$$Y = 0.295 + 0.315 X_1 + 0.269 X_2$$

The equation above is;

Performance of NGOs in Nairobi County = $0.295 + 0.315 \text{ Competencies Development} + 0.269 \text{ Stakeholder Involvement}$

The Beta coefficient for Competencies Development is 0.315, with a highly significant p-value of 0.000. This indicates that for every one-unit increase in Competencies Development, there is a corresponding increase of 0.315 units in the performance of NGOs in Nairobi County. This finding highlights the critical role of competency development initiatives in enhancing organizational performance. It is supported by Pangestika et al.'s (2023) study, which found a positive impact of training and development on employee performance with competencies as a mediating variable. Therefore, investing in training and development initiatives to enhance employee competencies may lead to better performance outcomes for NGOs in Nairobi County, as evidenced by both the literature and the present study.

The Beta coefficient for Stakeholder Involvement is 0.269, with a highly significant p-value of 0.000. This indicates that for every one-unit increase in Stakeholder Involvement, there is a corresponding increase of 0.269 units in the performance of NGOs in Nairobi County. This finding underscores the importance of active engagement of stakeholders in driving organizational success. It is consistent with Demirkesen and Reinhardt's (2021) study on government projects, which found that stakeholder involvement positively influences project performance. Therefore, fostering stakeholder engagement and collaboration may be essential for enhancing the performance of NGOs in Nairobi County, as supported by both the literature and the present study.

Conclusions

Competencies Development: The findings indicated a significant positive impact of competencies development on the performance of non-profit organizations in Nairobi County, Kenya. Organizations that invest in developing employee competencies tend to achieve better performance outcomes. Thus, it was concluded that competencies development positively influences the performance of non-profit organizations in Nairobi County, Kenya.

Stakeholder Involvement: The study uncovered a significant positive relationship between stakeholder involvement and the performance of non-profit organizations in Nairobi County, Kenya. Active engagement of stakeholders contributes to improved organizational performance. Therefore, it was concluded that stakeholder involvement has a positive and significant effect on the performance of non-profit organizations in Nairobi County, Kenya.

Recommendations

Competencies Development

Regarding Competencies Development, investing in employee training and development programs tailored to the organization's mission and goals is essential. These programs should focus on enhancing critical skills and competencies relevant to the organization's strategic priorities. Providing opportunities for practical work experience, such as internships and on-the-job training, can further support competency development efforts. Additionally, fostering a culture of continuous learning and knowledge sharing within the organization can encourage employees to pursue professional development opportunities actively.

Stakeholder Involvement

Finally, with regard to Stakeholder Involvement, establishing formal mechanisms for engaging stakeholders in decision-making processes is crucial. This could involve setting up advisory committees, organizing focus groups, and holding regular feedback sessions to gather input and insights from stakeholders. Transparent communication channels should be developed to keep

stakeholders informed about the organization's activities, progress, and impact, while also soliciting their feedback on key initiatives. Building strong relationships with stakeholders based on trust, transparency, and mutual respect is essential for effective collaboration and achieving shared goals.

Suggestions for Further Studies

Further studies could explore comparative studies across different regions or sectors to provide valuable insights into the contextual factors influencing the relationship between strategic leadership management and organizational performance. Moreover, qualitative research methods, such as interviews and focus groups, could complement quantitative analyses by capturing the nuanced perspectives and experiences of key stakeholders involved in strategic leadership management processes.

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