

ABSTRACT

Research question: This paper examines the influence of core competencies, resource allocation and water sector standards on the performance of firms in the bottled water industry. Motivation: For firms in the bottled water industry to remain afloat, their performance against their targets needs to be assessed (Murugesan et al., 2016). Examining trends over time is essential since stakeholders and investors are concerned with enhanced performance. This study conceptualizes that the performance of firms dealing with bottled water are influenced by core competencies (Hirindu, 2017), resource allocation (Catherine & Lee, 2017) and that there is an intervening effect of water sector standards. Idea: The idea behind this study is to model the relationship among core competencies, resource allocation and firm performance in the bottled water industry and also to examine the moderating effect of water sector standards in explaining firm performance (Ichoroh, 2021). Data: The study used quantitative cross-sectional survey design of which the population of interest comprised of 80 licensed bottled water manufacturing firms in Kenya. Open and closed ended questionnaires were administered to managers of bottled water firms. Data on demographic characteristics, firms core competencies, resource allocation and sector standards were collected. Tools: Factor Analysis was used to scale, classify, delineate patterns and enhance hypothesis testing, while structural equation modelling was applied to infer whether the survey items matched the measured constructs. Findings: The indicators of core competences had 57% variation on firm performance and increase in core competences by a factor of 0.804% led to improvement of firm performance by 1%. The indicators for resource allocation had 17% variation on firm performance and the marginal effect was 1.738%. The water sector standards intervening effect in the relationship between core competence and firm performance was found not to be significant but the intervening effect of water sector standards on resource allocation and firm performance was significant. Contribution: The study gives indicators of repositioning strategies in the bottled water industry and provides insights to the government on policy regulations and standards