

DYNAMIC CAPABILITIES AND PERFORMANCE OF STATE CORPORATIONS IN MOMBASA COUNTY, KENYA

¹ Dorcas Mnyazi Makazi; ² Dr. Titus Muthami Kising'u, PhD; & ³ Dr. Lucy Wanjiru Gichinga, PhD

¹ Master's Candidate, Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya

² Lecturer, Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya

³ Lecturer, Jomo Kenyatta University of Agriculture & Technology (JKUAT), Kenya

Accepted: March 25, 2025

ABSTRACT

The purpose of this study was to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya. Specifically, the study sought to examine the influence of managerial capability and marketing capability on performance of state corporations in Mombasa County, Kenya. The theoretical framework was informed by the resource-based theory, dynamic capability theory and managerial capability theory. The study employed the correlational, cross-sectional survey research design to test non-causal relationships between the study variables. The proportionate stratified random sampling technique was utilized to select a sample size of 96 departmental managers of 48 state corporations from a target population of 126 departmental managers of the 63 state corporations in Mombasa County, Kenya. A pilot study was conducted to ascertain the validity and reliability of the constructed survey questionnaire. A structured self-administered survey questionnaire was used as the means of collecting primary data. The collected data was processed and entered into the statistical package for social sciences (SPSS) version 26 to create a data sheet used for analysis. Data analysis involved the use of descriptive statistics and inferential statistics. The Pearson's correlation results indicated that managerial capability and marketing capability had positive and significant relationship with the performance of state corporations in Mombasa County, Kenya. The regression results indicated that managerial capability and marketing capability had positive and significant influence on the performance of state corporations in Mombasa County, Kenya. The study recommends that the managers and practitioners within the diverse industries should implement the dynamic capabilities to foster the performance of state corporations. The policymakers within the diverse industries should initiate policy review to encourage managers and practitioners to implement dynamic capabilities to foster the performance of state corporations. The study recommends intriguing areas for further research. Future research should examine the influence of dynamic capabilities on firm performance with environmental dynamism as a moderator in other sectors or contexts.

Key Words: Dynamic capabilities, Dynamic managerial capability, Dynamic marketing capability, Firm performance, State corporation, Kenya

INTRODUCTION

In Kenya, state corporations are designed to promote local entrepreneurship, promote foreign investment through collaborative ventures, expedite the nation's economic growth, and correct current regional economic imbalances. State corporations are crucial in delivering services to Kenyans and supporting the government's goals (Mukabi, 2023). However, the performance of state corporations in Kenya has been declining over the years. Many state corporations in Kenya have faced declining performance, undermining their sustainability (Kithinji & Gatobu, 2025). Most state corporations have been underperforming, often relying on financial bailouts, with about 18 commercial state corporations requiring Ksh. 382 billion over the next 5 years to recover (Musimba & Langat, 2025). Recent statistics suggest that 70% of state corporations have reported operational deficits, and 60% exhibit poor performance metrics compared to private entities (Maina & Kihara, 2025).

The state corporations often contribute significantly to national infrastructure development, generating employment opportunities, and stimulating local economies. The commercial state corporations play a pivotal role in the economic and social development of a country by bridging the gap between public service and market-driven business operations (Kithinji & Gatobu, 2025). However, the state corporations in Kenya continue to face persistent performance challenges (Chepngetich & Musau, 2025; Njoroge & Kamaara, 2025). Despite operate in the key sectors of the economy, the performance of commercial state corporations in Kenya has been declining over the years (Musimba & Langat, 2025). For the period between 2017 to 2023, only 3 in every 10 of the commercial state-owned enterprises were profitable, suggesting that 70% of the commercial state-owned enterprises were loss making entities (Kaino, Mburu, & Kiragu, 2025).

The dynamic capabilities play an important role in explaining firm performance outcomes (Abdurrahman, Gustomo, & Prasetyo, 2024b; Cheng, Fan, & Huang, 2023). However, the contribution of dynamic capabilities to firm performance remains unclear and at the center of debate (Baía & Ferreira, 2024). The theory of dynamic capabilities posits that organizations with low dynamic capacities boost performance suffers from several survival issues (Fatoki, 2021). However, there is a lack of research examining the measurement and relationship between the dynamic capabilities and firm performance (Abdurrahman, Gustomo, & Prasetyo, 2024a).

Dynamic capabilities are the firm's ability to build, integrate and reconfigure internal and external competencies to address rapidly changing environments and improve firm competitiveness (Abdurrahman, Gustomo, & Prasetyo, 2024c; Wu *et al.*, 2023). The dynamic capabilities are widely considered to incorporate those processes that enable organizations to sustain superior performance over time (Elsharnouby & Elbanna, 2021; Sarwar, Aftab, Ishaq, & Atif, 2023). However, the question of how dynamic capabilities really shape and affect firm performance remains unknown, very much at the center of debate (Dejardin *et al.*, 2023). The dynamic capabilities enable organizations to manage crises and disasters, yet many do not possess these capabilities (Jiang *et al.*, 2023; Wamalwa, 2022). Dynamic capabilities are a growing field of research within the scope of theoretical structures based on resource and strategic management (Dejardin *et al.*, 2023; Mugo & Deya, 2023). However, the dynamic capabilities literature has generated a rich but disconnected body of research (Bojesson & Fundin, 2021; Kryeziu *et al.*, 2024).

Despite the expansive literature on dynamic capabilities and firm performance, the definitions, conceptualizations, and operationalizations of dynamic capabilities are quite diverse in the literature, making it difficult to integrate and compare findings (Ndrecaj, Tlemsani, & Mohamed Hashim, 2025; Shah *et al.*, 2023). Multiple conceptualizations of dynamic capabilities are available in the management literature (Saeed, Adiguzel, Shafique, Kalyar, & Abrudan, 2023). To date, there is still no consensus on what the concept of dynamic capabilities entails (Marco-Lajara, Sarmiento-Chugcho, Ramón-Ramón, & Martínez-Falcó, 2023; Mostafiz, Sambasivan, Goh, & Shakil, 2021). The theoretical literature has emphasized that dynamic capabilities play an important role in explaining firm performance outcomes (Acikgoz, Demirkan, Dayan,

Acikgoz, & Latham, 2024). However, the empirical evidence is ambiguous (Felsberger, Qaiser, Choudhary, & Reiner, 2022) and inconclusive (Bosire, Kising'u, & Gichinga, 2025; Gitau, Nzuki, & Musau, 2022).

Statement of the Problem

Despite playing a pivotal role in the economic and social development of a country, the performance of state corporations in Kenya has been declining over the years. For the period between 2017 to 2023, only 3 in every 10 of the commercial state-owned enterprises were profitable, suggesting that 70% of the commercial state-owned enterprises were loss making entities (Kaino *et al.*, 2025). Most state corporations have been underperforming, often relying on financial bailouts, with about 18 commercial state corporations requiring Ksh. 382 billion over the next 5 years to recover (Musimba & Langat, 2025). Recent statistics suggest that 70% of state corporations have reported operational deficits, and 60% exhibit poor performance metrics compared to private entities (Maina & Kihara, 2025).

Despite the growing body of research on dynamic capabilities and firm performance, there is no clear answer as to why firms still fail (Pundziene, Nikou, & Bouwman, 2022). A universal model to evaluate its influence on firm performance has not been established (Felsberger, Qaiser, Choudhary, & Reiner, 2022). The definitions, conceptualizations, and operationalizations of dynamic capabilities are quite diverse in the literature, making it difficult to integrate and compare findings (Ndrecaj *et al.*, 2025; Shah *et al.*, 2023). The current body of research on dynamic capabilities has predominantly focused on developed economies, with limited insights into how these capabilities influence firm performance within the context of emerging economies (Mayndarto, 2025; Zheng, Chen, & Chen, 2024). While dynamic capabilities are extensively studied in private sector contexts, their application in the public sector remains underexplored (Alves & Carvalho, 2022), particularly concerning state corporations. Although there is a vast amount of research on dynamic capabilities and firm performance, the existing empirical literature has produced mixed and inconsistent results (Adede & Kising'u, 2024; Bosire *et al.*, 2025; Mishra & Kiran, 2025).

Research Objectives

The general objective of this research was to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya. The specific objectives

- To determine the influence of dynamic managerial capability on performance of state corporations in Mombasa County, Kenya.
- To assess the influence of dynamic marketing capability on performance of state corporations in Mombasa County, Kenya.

Research Hypotheses

In this research, two null hypotheses were tested.

- H₀₁: Dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya.
- H₀₂: Dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya.

LITERATURE REVIEW

Theoretical Framework

The theoretical framework was guided by the resource-based theory, dynamic capability theory and resource-advantage theory of competition.

Resource-Based Theory

The resource-based theory (RBT) of the firm (Barney, 1991; Wernerfelt, 1984) provides a framework for understanding how a firm's unique resources and capabilities can be a source of sustained competitive advantage (Alkaraan *et al.*, 2024). The RBT of the firm (Penrose, 1959; Wernerfelt, 1995) suggests that a firm's distinctive resources, which are valuable, rare, inimitable, and non-substitutable (VRIN) can encompass tangible assets, intangible assets, human capital, organizational capabilities, and other strategic assets that are unique to a firm (Barney, Ketchen Jr, & Wright, 2021). The RBT of the firm (Barney, 1991; Peteraf & Barney, 2003) emphasizes that a firm's VRIN resources can enable the firm to achieve superior performance and outperform competitors (Tandika, 2024). Therefore, the RBT of the firm provides a relevant underpinning theoretical framework to explain the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya.

The RBT of the firm is an influential approach in strategic management. The RBT explores heterogeneity in performance across firms through the lens of VRIN resource advantages, and the organization for exploiting their potential (Bosman, 2024). The RBT provides an essential framework to explain and predict the fundamentals of a company's performance and competitive advantage (Barney *et al.*, 2021; Chaudhuri, Subramanian, & Dora, 2022; Datche, Kising'u, & Kalimbo, 2023). Therefore, the RBT of the firm provides a relevant theoretical framework to explain the influence of dynamic managerial capability and dynamic marketing capability on performance of state corporations in Mombasa County, Kenya. Therefore, the RBT of the firm provides a relevant underpinning theoretical framework to explain the influence of influence of dynamic managerial and marketing capabilities on performance of state corporations in Mombasa County, Kenya.

Dynamic Capability Theory

The dynamic capability (DC) theory (Barney, 1991; Barney, 2001; Peteraf, 1993; Teece, Pisano, & Shuen, 1997a) is a strategic management framework that focuses on a firm's ability to adapt, innovate, and reconfigure its resources and capabilities in response to changing external environments and evolving market conditions (Bosman, 2024). The DC theory (Barney, 2018; Peteraf & Barney, 2003; Teece, Pisano, & Shuen, 1997b) posits that a firm's sustainable competitive advantage is derived not only from possessing valuable and rare resources but also from its dynamic capabilities, enabling it to integrate, build, and reconfigure resources to meet the demands of a dynamic market (Alkaraan *et al.*, 2024). Therefore, the DC theory provides a relevant theoretical framework to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya.

The DC theory specifically focuses on how organizations can develop and use their capabilities in a highly dynamic and uncertain environment (Buzzao & Rizzi, 2023; Chen, Michel, & Lin, 2021). The DC theory is suitable for measuring business performance in a dynamic environment, as it focuses on a company's ability to change and adapt to the changing environment (Baía & Ferreira, 2024; Teece, 2023). The DC theory concerns the development of strategies for senior managers of successful companies to adapt to radical discontinuous change, while maintaining minimum capability standards to ensure competitive survival (Yoshikuni, Galvão, & Albertin, 2022). Therefore, the DC theory provides a relevant theoretical framework to explain the influence of dynamic managerial and marketing capabilities on performance of state corporations in Mombasa County, Kenya.

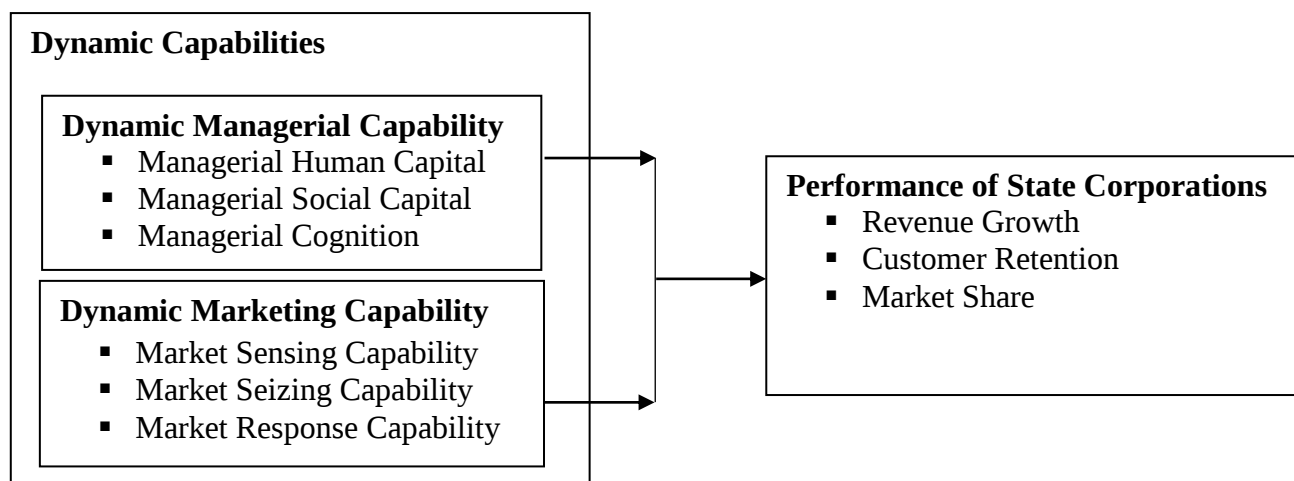
Dynamic Managerial Capability Theory

The dynamic managerial capability (DMC) theory (Adner & Helfat, 2003; Kawai, 2018; Kawai, 2019) posits that DMCs are a critical facilitator of firm performance (Heubeck, 2023). The DMC theory (Harris & Helfat, 2018) is an extension of the DC theory, and is an extension of the RBV theory (Issah, Anwar, Clauss, & Kraus, 2023; Mostafiz *et al.*, 2021; Mwajambia & Kising'u, 2022). The DMC theory provides a multi-level perspective by linking individual level managerial capabilities to firm-level strategic change as the determinant of firm performance in dynamic environments (Kawai, 2024). Therefore, the DMC theory provides a relevant theoretical framework to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya.

The DMC theory suggests that managers with strong DMCs possess the necessary skillset to facilitate organizational change in fast paced environments and superior firm performance (Matarazzo, Penco, Profumo, & Quaglia, 2021; Vuorio & Torkkeli, 2023). The DMC theory proposes that the differences in managers' abilities to sense and seize business opportunities, and transform assets can come from differences in three core underpinnings of DMCs (Roth, Rau, & Neyer, 2023). Therefore, the DMC theory provides a relevant theoretical framework to examine the influence of dynamic managerial capabilities on performance of state corporations in Mombasa County, Kenya.

Conceptual Framework

The conceptual framework demonstrates that the performance of state corporations is conceptualized as the dependent variable. However, dynamic managerial capability and dynamic marketing capability are conceptualized as the independent variables. Figure 1 presents the conceptual framework.



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Review of Literature on Variables

Dynamic Managerial Capability

Dynamic managerial capabilities are a form of dynamic capabilities concerned with the role of managers in refreshing and transforming the resource base of the organization so that it maintains and develops its competitive advantage and performance (Baishya, Karna, Mahapatra, Kumar, & Mukherjee, 2025; Mwajambia & Kising'u, 2022). The dynamic managerial capabilities are a particular type of dynamic capabilities with which managers build, integrate, and reconfigure organizational resources and competences (Heubeck, Storz, & Meckl, 2024; Tapanainen *et al.*, 2022). Dynamic managerial capabilities refer to the corporate management capability to build, integrate, configure resources, and organizational competencies in order to build a

company's ability to support heterogeneity in managerial decisions and company performance as responses of changing external conditions (Bağış, Altınay, & Saygılı, 2024; Hariandja & Sartika, 2022).

Dynamic managerial capabilities are a particular type of dynamic capabilities with which managers build, integrate, and reconfigure organizational resources and competences base to explain differences in managerial decisions that lead to heterogeneity in firm performance (Hock-Doepgen, Heaton, Clauss, & Block, 2025; Zohourian, Rahimnia, & Nabizadeh, 2022). The dynamic managerial capabilities refer to the individual-level capabilities of managers and entrepreneurs to reconfigure a firm's resources and competencies in order to ultimately enhance firm performance (Heubeck & Meckl, 2024d; Kryeziu *et al.*, 2024). The dynamic managerial capabilities perspective builds on the broader concept of dynamic capabilities perspective to explain the individual-level capability to respond to strategic action of the firm (Heubeck & Meckl, 2024a; Kising'u & Mwajambia, 2022).

The dynamic managerial capabilities derive from managerial human capital capability, managerial social capital capability and managerial cognition capability (Heubeck & Meckl, 2024c; Huynh *et al.*, 2022). Managerial human capital consists of the skills, knowledge, abilities, and experiences acquired through education and training by entrepreneurs (Heubeck & Meckl, 2024b). Managerial social capital comprises social networks in a business ecosystem that facilitate sharing of tangible and intangible resources, trust, and values (Heubeck, 2023). Managerial cognition pertains to managerial beliefs and mental models that form the basis of decision-making (Karaca & Bagis, 2024).

Managerial human capital, managerial social capital and managerial cognition are the three underpinnings of dynamic managerial capabilities (Heubeck, 2024; Mwajambia & Kising'u, 2022). The three underpinnings of dynamic managerial capabilities are intrinsically interrelated and determine managerial strategic choices, which in turn may lead to differentials in firm performances under conditions of environmental changes (Marco-Lajara *et al.*, 2023). The three underpinnings of dynamic managerial capabilities are heterogeneously distributed among managers, and these differences induce differences in outcomes (Mehta & Ali, 2021). Extant literature posits that some managers have more effective dynamic managerial capabilities than others, while some lack dynamic managerial capabilities entirely, as the three dynamic managerial capabilities are unevenly distributed among managers (Hernando, Martin-Cruz, & Pajares, 2022). Therefore, the organizations whose managers have superior dynamic capabilities can adjust their strategy more successfully than the organizations that do not (Kising'u & Mwajambia, 2022).

Dynamic Marketing Capability

Dynamic marketing capability refer to the firm's responsiveness and efficiency of cross-functional business processes for creating and delivering customer value in response to market changes (Zohourian, Rahimnia, & Nabizadeh, 2022). The dynamic marketing capabilities consist of the capacity of coordinating organizations using the organizational assets and capabilities to understand the clients' need to create a variety of products that are separated from rivals (Hariandja & Sartika, 2022). Dynamic marketing capabilities are described as the capacity of an organization to create new products and processes and respond to changing market conditions (Dahlquist, 2021). The dynamic marketing capabilities allow businesses to liberate themselves from their rigid structures (Tapanainen *et al.*, 2022).

The dynamic marketing capability is composed of three elements, namely market sensing, market seizing, and market configuration capabilities (Hoque, Ahammad, Tzokas, & Gabay, 2021; Hoque, Nath, Ahammad, Tzokas, & Yip, 2022). Dynamic market sensing capability is the ability of a business to accept the ability of its clients, partners, and competitors to interpret, store, and use data, as well as react to advancements and activities in present and futures markets (Kwon, 2021). The dynamic market seizing capability is the ability of a business to learn, be receptive to acquiring and combining external information, and identify new opportunities to maximize effectiveness to maintain a long-term competitive edge over competitors (Zohourian *et al.*, 2022). Dynamic market configuration capability is the ability of a business to recognize additional

opportunities and then choose the best target market with the resources and strengths of the company create strong positioning and value to preserve their loyalty (Dahlquist, 2021).

Firm Performance

Firm performance has emerged as a key concept in management research (Gutiérrez-Broncano, Linuesa-Langreo, Rubio-Andrés, & Sastre-Castillo, 2024). It represents a measure of how well or poorly an entity is putting its resources into use (Benvolio & Ironkwe, 2022). Firm performance is a measure of how an organization to efficiently exploits available resources to make achievements consistent with the objectives of the firm (Gruber, Dencker, & Nikiforou, 2024). It refers to the efficient coordination and enhancement of work activities and outcomes within a company (Alzghoul, Khaddam, Abousweilem, Irtaimeh, & Alshaar, 2024). Firm performance is the set of financial and nonfinancial indicators which provide information on the degree of achievement of set goals and objectives (Úbeda-García, Claver-Cortés, Marco-Lajara, & Zaragoza-Sáez, 2021). It refers to the measure of how an organization achieves better results than its competitors (Liu, 2024; Liu, Gao, Tang, & Cheng, 2024).

Firm performance is frequently used as a dependent variable (Gutiérrez-Broncano *et al.*, 2024; Nzeki, Datche, Kising'u, & Mwirigi, 2024). However, the question of how to measure firm performance is the subject of ongoing discussions (Oudgou, 2021). Firm performance is a multidimensional construct that comprises of financial and non-financial measures (Alzghoul *et al.*, 2024). The financial performance indicators are expressed in monetary terms (Titilayo *et al.*, 2022). However, the non-financial performance indicators are not expressed in monetary terms and are characterized by greater subjectivity in regards to financial measures (Benvolio & Ironkwe, 2022).

The financial performance measures are generally more easily measurable, as they are based on objective data (Benvolio & Ironkwe, 2022; Cupertino, Vitale, & Taticchi, 2023). Nevertheless, the non-financial performance measures can be more difficult to measure as they are often subjective, based on perceptions, attitudes, and opinions (Maletič, Gomišček, & Maletič, 2021). The financial performance measures only reveal past performance of an organization which may not reflect the present or future state of a firm (Alzghoul *et al.*, 2024). Nonetheless, the non-financial performance measures are superior predictors of the future economic performance of the firm and are more closely tied to the corporate and business-level strategy of the firms (Mahohoma, 2024). Therefore, the non-financial performance measures act as a missing link between the value-driving activities and economic performance of the firm (Zarzycka & Krasodomska, 2022).

Empirical Review

Dynamic Managerial Capability and Firm Performance

Alves and Carvalho (2022) examined the effect of dynamic managerial capabilities on global performance in microenterprises in Portugal. The findings showed that dynamic managerial capabilities had insignificant effect on global performance. The results indicated that operational capabilities had full and significant mediating effect in the relationship between dynamic managerial capabilities and global performance. However, the findings indicated that competitive intensity had insignificant moderating effect in the relationship between dynamic managerial capabilities on global performance.

Mwajambia and Kising'u (2022) examined the effect of dynamic managerial capabilities on firm performance in travel agencies and tour operators in Kenya. The results indicated that managerial human capital capability, managerial social capital capability, managerial foresight capability and managerial cognitive capability had positive and significant effect on firm performance. The findings showed that the dynamic managerial capabilities had positive and significant effect on firm performance.

Tabares, Tavera, Álvarez Barrera, and Escobar-Sierra (2023) examined the effect of dynamic managerial capabilities on international performance in Colombia, Latin America. The findings showed that managerial human capital, managerial social capital, and managerial cognition capabilities had positive and significant

effect on international performance. Additionally, the results indicated that international opportunity-driven behavior of individuals significantly and partially mediated the relationship between dynamic managerial capabilities and international performance.

Heubeck and Meckl (2022a) examined the effect of dynamic managerial capabilities on digital firms' innovativeness in Germany. The findings showed that dynamic managerial capabilities had positive and significant effect on digital firms' innovativeness. The results suggested that dynamic managerial capabilities are significant drivers of digital firms' innovativeness that enable firms to sustain superior performance over time in the dynamic environment.

Kising'u and Mwajambia (2022) examined the effect of dynamic managerial capabilities on firm performance in travel agencies and tour operators in Kenya. The results indicated that managerial human capital capability, managerial social capital capability and managerial cognitive capability had positive and significant effect on firm performance. The findings showed that the dynamic managerial capabilities had positive and significant direct effect on firm performance.

Dynamic Marketing Capability and Firm Performance

Kwon (2021) examined the effect of dynamic marketing capabilities on performance of export companies in Korea. The findings showed that market responding capabilities and marketing resource rebuilding capabilities had significant effect on performance of export companies. The results indicated that dynamic marketing capabilities had significant effect on performance of export companies.

Zohourian *et al.* (2022) examined the effect of dynamic marketing capabilities and organizational performance in the food industry in Iran. The findings indicated that dynamic marketing capability had positive and significant effect on organizational performance through operational marketing capabilities. The results indicated that dynamic marketing capabilities are critical in the reinforcing and reconfiguration of operational marketing capabilities and this can lead to enhanced organizational performance.

Hariandja and Sartika (2022) examined the effect of dynamic marketing capability on the performance of international hotels in Indonesia. The findings indicated that dynamic marketing capability had a positive and significant effect on brand performance of 3-5-star international hotels in Indonesia. The study revealed that dynamic marketing capabilities are critical in fostering the performance of international hotels.

METHODOLOGY

Research Philosophy

The research was guided by the positivist research philosophy which regards the world as made up of observable and measurable facts and assumes that there is an objective reality out there. The positivist research philosophy regards the world as made up of observable and measurable facts and assumes that there is an objective reality out there (Ma & Xie, 2023; Saunders, Lewis, & Thornhill, 2023).

Research Design

The research employed the correlational, cross-sectional survey research design to test non-causal relationships among variables without controlling any of the variables. The design was appropriate for collecting data once from many individuals at a single point in time to test statistical relationships between two or more variables without the researcher controlling or manipulating any of them (Haslam, McGarty, Cruwys, & Steffens, 2024; Leavy, 2022).

Target Population

The target population consisted of the 126 departmental managers of the 63 state corporations in Mombasa County, Kenya. Specifically, the operations managers and human resource managers of the state corporations were targeted, due to their deep understanding of the dynamic capabilities and performance of the corporations.

The target population was as per the State Corporations Advisory Committee (SCAC, 2024)'s database as at 31st December 2024. The unit of observation consisted of the operations manager and human resource manager, while the unit of analysis consisted of the state corporation. Table 1 presents the target population.

Table 1: Target Population

Strata	Target Population	Percentage
Operations Management	63	50.0%
Human Resource Management	63	50.0%
Total	126	100.0%

The State Corporations Advisory Committee (SCAC, 2024)

Sampling Frame

A sampling frame is the complete and correct list of population constituency of a given population (Thomassen, le Cessie, van Houwelingen, & Steyerberg, 2024). The sampling frame consisted of the list of the 63 state corporations in Mombasa County, Kenya, as per the State Corporations Advisory Committee (SCAC, 2024)'s database as at 31st December 2024.

Sample Size and Sampling Techniques

This section presents the sample size and sampling techniques.

Sample Size

The Yamane (1967) formula was used to calculate sample size at 95% confidence level and 5% significance level to ensure that the sample size was truly reflective of the target population.

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = Sample Size;

N = Target Population;

e = Margin of Error

For a target population of 126 departmental managers of the 63 state corporations in Mombasa County, Kenya, the minimum recommended sample size for this study was determined as:

$$n = \frac{126}{1 + 126(0.05)^2} = 96$$

Therefore, the sample size consisted of 96 departmental managers of 48 state corporations in Mombasa County, Kenya. Table 2 presents the sample size.

Table 2: Sample Size

Strata	Target Population	Sample Size
Operations Management	63	48
Human Resource Management	63	48
Total	126	96

Sampling Techniques

The proportionate stratified random sampling technique was utilized to select a sample size of 96 departmental managers of 48 state corporations from a target population of 126 departmental managers of the 63 state corporations in Mombasa County, Kenya. The choice of the proportionate stratified random sampling technique was justified by the heterogeneous target population. The proportionate stratified random sampling is

a probability sampling technique in which each stratum is given equal chance to be selected randomly in to the sample (Hiebl, 2023; Leavy, 2022).

Data Collection Methods

Primary data was collected using a self-administered structured survey questionnaire. The data collection method was appropriate. The choice of the self-administered structured survey questionnaire was justified by its ability to collect a large amount of information in a reasonably quick span of time (Bell, Bryman, & Harley, 2022; Dubey & Kothari, 2022).

Data Collection Procedures

A cross-sectional survey-based approach was employed for the collection of primary data. The choice of the cross-sectional survey-based approach was justified by its ability to permit the fast collection of primary data from many different individuals at a single point in time. The cross-sectional survey-based approach facilitates the collection of data from many different individuals at a single point in time (Bujang, Omar, Foo, & Hon, 2024; Leavy, 2022). With the help of 3 research assistants, the researcher utilized the drop and pick method to hand deliver the survey questionnaire. The survey questionnaire was hand delivered to the random sample of 96 departmental managers of 48 state corporations. A continuous follow up on responses was made by the researcher and research assistants.

Pilot Study

A pilot study was conducted to test the validity and reliability of the constructed survey questionnaire. The pilot study was performed with pilot trial sample size of 5 departmental managers of 5 state corporations. The pilot trial sample size consisted of 10% of the study's sample size. A common rule of thumb for pilot study is that a pilot study should be conducted with a minimum size of at least 10%-20% of the full-scale survey sample size or at least 30-50 respondents (Leong, Hew, Ooi, Tan, & Koohang, 2024). However, the participants in the pilot study were not be part of the main survey.

Data Processing and Analysis

The collected data was checked for accuracy, completeness and consistency. The data was coded, edited, and entered into the Statistical Package for Social Sciences (SPSS) version 26 to create a data sheet that was used for analysis. The descriptive statistics and inferential statistics were used for data analysis. The descriptive statistics were used to compute, summarize the data in respect to each of the study variables and describe the sample's characteristics. The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The Pearson's product moment correlation analysis is performed to determine the nature and the strength of the linear relationship between the variables (Haslam *et al.*, 2024). A multiple linear analysis was performed with performance of state corporations as the dependent variable and dynamic managerial capability and dynamic marketing capability as the predictor variables. The standard multiple linear regression analysis provides a means of objectively assessing the magnitude and direction of each predictor's relationship to its outcome variable).

Model Specification

The multiple linear regressions model was specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \quad \dots\dots\dots \text{Model 1}$$

Where:

Y = Firm Performance

β_0 = Constant Term

$\beta_1 - \beta_2$ = Regression coefficients to be estimated

X_1 = Dynamic Managerial Capability

X_2 = Dynamic Marketing Capability

ε = Stochastic Error Term

Hypotheses Testing

In this research, two null hypotheses were tested. The H_{01} and H_{02} were tested at 5% level of significance ($\alpha = 0.05$; $t = 1.960$) to statistically help draw acceptable and realistic inferences. Therefore, the decision rule was to reject the H_{0i} if the $P \leq 0.05$, and otherwise fail to reject the H_{0i} if the $P > 0.05$. Table 3 presents the hypotheses testing procedure.

Table 3: Hypotheses Testing

Hypotheses	Model	Hypotheses Testing	Decision Rule
H_{01} : Dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya.	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$ Model 1	Standard Multiple regression analysis	$H_{01}: \beta_1 = 0$ $H_{11}: \beta_1 \neq 0$ If the $P \leq 0.05$, reject the H_{01} . If the $P > 0.05$, fail to reject the H_{01} .
H_{02} : Dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya.			$H_{02}: \beta_2 = 0$ $H_{12}: \beta_2 \neq 0$ If the $P \leq 0.05$, reject the H_{02} . If the $P > 0.05$, fail to reject the H_{02} .

FINDINGS

Response Rate

Out of the 96 survey questionnaires distributed for the main survey, only 76 usable responses were obtained. Therefore, there was a valid response rate of 79.17%, which was adequate for data processing and analysis. Table 4 presents the response rate results.

Table 4: Response Rate

Strata	Frequency	Percentage
Response	76	79.17%
Non-Response	20	20.83%
Total	96	100.00%

Correlation Results

The Pearson's product moment correlation analysis was performed to confirm or deny the relationships between the study variables. The correlation results indicated that dynamic managerial capability had a moderately strong positive and significant relationship with the performance ($r = 0.588$, $p \leq 0.05$) of state corporations in Mombasa County, Kenya. The results showed that dynamic marketing capability had a strong positive and significant relationship with the performance ($r = 0.716$; $p \leq 0.05$) of state corporations in Mombasa County, Kenya. Table 5 presents the correlation results.

Table 5: Correlation Results

Variable		X_1	X_2	Y
Dynamic Managerial Capability (X_1)	Pearson Correlation	1		
	Sig. (2-tailed)			
	n	76		
Dynamic Marketing Capability (X_2)	Pearson Correlation	.404**	1	
	Sig. (2-tailed)	.000		
	n	76	76	
Performance of State Corporations (Y)	Pearson Correlation	.588**	.716**	1
	Sig. (2-tailed)	.000	.000	
	n	76	76	76

** . Correlation is significant at the 0.01 level (2-tailed).

Multiple Regression Results

A standard multiple linear analysis was performed with the performance of state corporations as the dependent variable and dynamic managerial capability and dynamic marketing capability as the predictor variables.

Model Summary

From the model summary in table, it is clear that the value of coefficient of correlation (R) was 0.787, suggesting that there was a strong positive correlation between the dynamic capabilities and the performance of state corporations in Mombasa County, Kenya. The value of coefficient of determination (R^2) was 0.619, suggesting that the overall model as a whole (the model involving constant, dynamic managerial capability and dynamic marketing capability) was able to significantly predict and explain approximately 61.9% of the variance in the performance of state corporations in Mombasa County, Kenya. The value of the adjusted R^2 was 0.609, suggesting that the overall model as a whole (the model involving constant, dynamic managerial capability and dynamic marketing capability) significantly predicted and explained 60.9% of the variance in the performance of state corporations in Mombasa County, Kenya.

The value of the std. error of the estimate was 0.236, suggesting that there could be other factors not included in the model in the current study that could predict and explain the remaining 39.1% of the variance in the performance of state corporations in Mombasa County, Kenya. Therefore, there is in need for future research to discover the other dynamic capabilities not included in the model in the current study that also predict the remaining variance in the performance of state corporations in Mombasa County, Kenya. The value of the Durbin-Watson test was 2.150, falling within the optimum range of 1.5 to 2.5, suggesting that there was no severe autocorrelation detected in the in the residual values in the datasets. Generally, Durbin-Watson statistics falling within the optimum range of 1.5 to 2.5 indicates that there is no severe autocorrelation detected in the in the residual values in the datasets (Bolin, 2022; Hair & Alamer, 2022; Hair & Sarstedt, 2021). Table 6 presents the model summary results.

Table 6: Model Summary^b Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.787 ^a	.619	.609	.236	2.150

a. Predictors: (Constant), Dynamic Marketing Capability (X_2), Dynamic Managerial Capability (X_1)

b. Dependent Variable: Performance of State corporations (Y)

Analysis of Variance

From the ANOVA table, the overall model as a whole (the model involving constant, dynamic managerial capability and dynamic marketing capability), achieved a high degree of fit, as reflected by $R^2 = 0.619$, adj. $R^2 = 0.609$, $F(2, 73) = 59.347$, $p \leq 0.05$. The null hypothesis was that the linear combination of predictor variables (dynamic managerial capability and dynamic marketing capability) was not able to significantly predict the performance of state corporations in Mombasa County, Kenya. However, the alternative hypothesis was that the linear combination of predictor variables (dynamic managerial capability and dynamic marketing capability) was able to significantly predict the performance of state corporations in Mombasa County, Kenya. The standard multiple linear regression results showed that the linear combination of predictor variables (dynamic managerial capability and dynamic marketing capability) significantly predicted the performance of state corporations in Mombasa County, Kenya. The null hypothesis was rejected in favor of the alternative hypothesis. Therefore, the decision was that the linear combination of predictor variables (dynamic managerial capability and dynamic marketing capability) significantly predict the performance of state corporations in Mombasa County, Kenya. Table 7 presents the ANOVA results.

Table 7: ANOVA^a Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.600	2	3.300	59.347	.000 ^b
	Residual	4.059	73	.056		
	Total	10.660	75			

a. Dependent Variable: Performance of State Corporations (Y)

b. Predictors: (Constant), Dynamic Marketing Capability (X₂), Dynamic Managerial Capability (X₁)

Multiple Regression Coefficients

From the coefficients table, when the unstandardized regression coefficients (B) were substituted to the multiple regression model specified for the study, the final predictive equation was:

$$Y = 1.621 + 0.216X_1 + 0.379X_2$$

The final predictive equation suggested that holding all factors in to account constant (dynamic managerial capability and dynamic marketing capability), constant at zero, the performance of state corporations would be 1.621 in Mombasa County, Kenya. The final predictive equation suggested that with all other factors held constant, a unit increase in dynamic managerial capability would lead to 0.216 unit increase in the performance of state corporations in Mombasa County, Kenya. Moreover, the final predictive equation suggested that with all other factors held constant, a unit increase in dynamic marketing capability would lead to 0.379 unit increase in the performance of state corporations in Mombasa County, Kenya. Based on the magnitude of the unstandardized regression coefficients (B) of the independent variables, dynamic marketing capability was the best predictor of the variance in the performance of state corporations in Mombasa County, Kenya.

The multiple regression results indicated that dynamic managerial capability had a positive and significant influence on the performance of state corporations ($\beta_1 = 0.357$; $t = 4.519$; $p \leq 0.05$) in Mombasa County, Kenya. The regression results indicated that dynamic marketing capability had a positive and significant influence on the performance of state corporations ($\beta_2 = 0.572$; $t = 7.243$; $p \leq 0.05$) in Mombasa County, Kenya. Table 8 presents the multiple regressions coefficients results.

Table 8: Multiple Regression Coefficients^a Results

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1.621	.208		7.802	.000		
Dynamic Managerial Capability (X ₁)	.216	.048	.357	4.519	.000	.837	1.195
Dynamic Marketing Capability (X ₂)	.379	.052	.572	7.243	.000	.798	1.253

a. Dependent Variable: Performance of State corporations (Y)

Hypotheses Test Results

In this research, two null hypotheses were tested. The H₀₁ and H₀₂ were tested at 5% level of significance, $\alpha = 0.05$, $t = 1.960$, and 95% confidence level to statistically help draw acceptable and realistic inferences. Therefore, the decision rule was to reject the H_{0i} if the $P \leq 0.05$, and otherwise fail to reject the H_{0i} if the $P > 0.05$.

Hypothesis One Test Results

The H₀₁ predicted that dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The decision rule was to reject the H₀₁ if the $\beta_1 \neq 0$, $t \geq 1.960$, $P \leq 0.05$, and otherwise fail to reject the H₀₁ if the $\beta_1 = 0$, $t < 1.960$, $P > 0.05$. The regression results indicated that dynamic managerial capability had a positive and significant influence on the performance of state

corporations ($\beta_1 = 0.357$; $t = 4.519$; $p \leq 0.05$) in Mombasa County, Kenya. Therefore, the decision was to reject the H_{01} , and then conclude that dynamic managerial capability has a significant influence on performance of state corporations in Mombasa County, Kenya.

Hypothesis Two Test Results

The H_{02} predicted that dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The decision rule was to reject the H_{02} if the $\beta_2 \neq 0$, $t \geq 1.960$, $P \leq 0.05$, and otherwise fail to reject the H_{02} if the $\beta_2 = 0$, $t < 1.960$, $P > 0.05$. The regression results indicated that dynamic marketing capability had a positive and significant influence on the performance of state corporations ($\beta_2 = 0.572$; $t = 7.243$; $p \leq 0.05$) in Mombasa County, Kenya. Therefore, the decision was to reject the H_{02} , and then conclude that dynamic marketing capability has a significant influence on performance of state corporations in Mombasa County, Kenya. Table 9 presents the hypotheses test results.

Table 9: Hypotheses Test Results

Hypothesis	β	t	Sig.	Decision
H_{01} : Dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya.	.357	4.519	.000	Reject the H_{01}
H_{02} : Dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya.	.572	7.243	.000	Reject the H_{02}

Discussions

The purpose of this quantitative correlational research was to examine the influence of dynamic capabilities on the performance of state corporations in Mombasa County, Kenya. Specifically, the research sought to examine the influence of dynamic managerial capability and dynamic marketing capability on the performance of state corporations in Mombasa County, Kenya. The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The correlation results indicated that the dynamic capabilities had positive and significant relationship with performance of state corporations in Mombasa County, Kenya. A standard multiple linear analysis was performed with performance of state corporations as the dependent variable and dynamic managerial capability and dynamic marketing capability as the predictor variables. The regression results showed that the dynamic capabilities had positive and significant influence on the performance of state corporations in Mombasa County, Kenya. The findings were in harmony with the results of past studies (Dejardin *et al.*, 2023; Heaton & Makarevich, 2022; Hermano *et al.*, 2022; Martins, 2023). The findings were consistent with the results of prior studies (Mugambi, 2021; Wamalwa, 2022; Tapanainen *et al.*, 2022). However, the results are inconsistent with the results of prior research (Hernández-Linares, Kellermanns, & López-Fernández, 2021) which suggested that not all dynamic capabilities dimensions are equally important for firm performance.

The first specific objective was to determine the influence of dynamic managerial capability on the performance of state corporations in Mombasa County, Kenya. The H_{01} predicted that dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The Pearson's correlation results indicated that dynamic managerial capability had a strong positive and significant relationship with the performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic managerial capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. Therefore, the decision was to reject the H_{01} , and then conclude that dynamic managerial capability has a significant influence on performance of state corporations in Mombasa County, Kenya. The findings were consistent with the results of previous studies (Adede & Kising'u, 2024; Alves & Carvalho, 2022; Heubeck & Meckl, 2022a; Mwangi & Mang'ana, 2024). However, the results were inconsistent with the results of previous research (El Nemar & Yassine Haddad, 2022).

The second specific objective was to assess the influence of dynamic marketing capability on performance of state corporations in Mombasa County, Kenya. The H_{02} predicted that dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The Pearson's correlation results indicated that dynamic marketing capability had a strong positive and significant relationship with performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic marketing capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. Therefore, the decision was to reject the H_{02} , and then conclude that dynamic marketing capability has a significant influence on performance of state corporations in Mombasa County, Kenya. The results were consistent with the results of prior studies (Bosire *et al.*, 2023; Hariandja & Sartika, 2022; Kwon, 2021; Zohourian *et al.*, 2022).

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this quantitative correlational research was to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya. The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The correlation results indicated that the dynamic capabilities had positive and significant relationship with performance of state corporations in Mombasa County, Kenya. A standard multiple linear analysis was performed with performance of state corporations as the dependent variable and dynamic managerial capability and dynamic marketing capability as the predictor variables. The regression results showed that the dynamic capabilities had positive and significant influence on the performance of state corporations in Mombasa County, Kenya.

The first specific objective was to determine the influence of dynamic managerial capability on the performance of state corporations in Mombasa County, Kenya. The H_{01} predicted that dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The correlation results indicated that dynamic managerial capability had a strong positive and significant relationship with the performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic managerial capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. Therefore, the decision was to reject the H_{01} , and then conclude that dynamic managerial capability has a significant influence on performance of state corporations in Mombasa County, Kenya.

The second specific objective was to assess the influence of dynamic marketing capability on performance of state corporations in Mombasa County, Kenya. The H_{02} predicted that dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The correlation results indicated that dynamic marketing capability had a strong positive and significant relationship with performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic marketing capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. Therefore, the decision was to reject the H_{02} , and then conclude that dynamic marketing capability has a significant influence on performance of state corporations in Mombasa County, Kenya.

The purpose of this quantitative correlational research was to examine the influence of dynamic capabilities on performance of state corporations in Mombasa County, Kenya. The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The correlation results indicated that the dynamic capabilities had positive and significant relationship with performance of state corporations in Mombasa County, Kenya. A standard multiple linear analysis was performed with performance of state corporations as the dependent variable and dynamic managerial capability and dynamic marketing capability as the predictor variables. The regression results showed that the dynamic capabilities had positive and significant influence on the performance of state corporations in Mombasa County, Kenya. Therefore, the conclusion was that dynamic capabilities significantly influence the performance of state corporations in

Mombasa County, Kenya.

The first specific objective was to determine the influence of dynamic managerial capability on the performance of state corporations in Mombasa County, Kenya. The H_{01} predicted that dynamic managerial capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The Pearson's correlation results indicated that dynamic managerial capability had a strong positive and significant relationship with the performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic managerial capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. The H_{01} was rejected, providing the empirical support for H_{11} . Therefore, the first conclusion was that dynamic managerial capability has a significant influence on performance of state corporations in Mombasa County, Kenya.

The second specific objective was to assess the influence of dynamic marketing capability on performance of state corporations in Mombasa County, Kenya. The H_{02} predicted that dynamic marketing capability has no significant influence on performance of state corporations in Mombasa County, Kenya. The Pearson's correlation results indicated that dynamic marketing capability had a strong positive and significant relationship with performance of state corporations in Mombasa County, Kenya. The regression results showed that dynamic marketing capability had a positive and significant influence on performance of state corporations in Mombasa County, Kenya. The H_{02} was rejected, providing the empirical support for H_{12} . Therefore, the second conclusion was that dynamic marketing capability has a significant influence on performance of state corporations in Mombasa County, Kenya.

Recommendations

Managerial Implications

The research recommends that the managers and practitioners should consider a holistic reassessment and implementation of the dynamic capabilities to foster the performance of state corporations. First, the managers and practitioners should consider a holistic reassessment and implementation of dynamic managerial capability to foster the performance of state corporations. Second, the managers and practitioners should consider a holistic reassessment and implementation of dynamic marketing capability to foster the performance of state corporations.

Policy Implications

The research recommends that the policy makers should initiate policy review to motivate the managers and practitioners to consider a holistic reassessment and implementation of the dynamic capabilities to foster the performance of state corporations. First, the policy makers should initiate policy review to motivate the managers and practitioners to consider a holistic reassessment and implementation of dynamic managerial capability to foster the performance of state corporations. Second, the policy makers should initiate policy review to motivate the managers and practitioners to consider a holistic reassessment and implementation of dynamic marketing capability to foster the performance of state corporations.

Limitations and Future Research

The research suggests interesting areas for further research. First, future research should examine the influence of other dynamic capabilities on the performance of state corporations in other regions or contexts. Second, future research should examine the influence of dynamic capabilities on firm performance in other industries, sectors or contexts. Third, future research should examine the moderating influence of environmental dynamism on the relationship between dynamic capabilities and firm performance in other sectors, regions or contexts.

REFERENCES

- Abdurrahman, A., Gustomo, A., & Prasetyo, E. A. (2024a). Enhancing banking performance through dynamic digital transformation capabilities and governance, Marketing Capability, and compliance: Insights from the Indonesian context. *The Electronic Journal of Information Systems in Developing Countries*, 90(2), e12299.
- Abdurrahman, A., Gustomo, A., & Prasetyo, E. A. (2024b). Exploring barriers, drivers, and routines of dynamic capabilities in Indonesian digital banking transformation: A qualitative study based on the TOE framework. *The Electronic Journal of Information Systems in Developing Countries*, e12329.
- Abdurrahman, A., Gustomo, A., & Prasetyo, E. A. (2024c). Impact of dynamic capabilities on digital transformation and innovation to improve banking performance: A TOE framework study. *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 100215.
- Acikgoz, A., Demirkan, I., Dayan, M., Acikgoz, F., & Latham, G. P. (2024). The relationship among informational diversity, dynamic capabilities, and innovative performance in turbulent environments: Evidence from R&D teams. *R&D Management*, 1(2), 23-34. doi.org/10.1111/radm.12686
- Adede, S. M., & Kising'u, T. M. (2024). Dynamic capabilities and firm performance in commercial banks in Mombasa County, Kenya. *The Strategic Journal of Business & Change Management*, 11(4), 619-640. doi.org/10.61426/Sjbc.m.v11i4.3108
- Adner, R., & Helfat, C. E. (2003). Corporate effects and dynamic managerial capabilities. *Strategic management journal*, 24(10), 1011-1025.
- Alkaraan, F., Elmarzouky, M., Hussainey, K., Venkatesh, V. G., Shi, Y., & Gulko, N. (2024). Reinforcing green business strategies with Industry 4.0 and governance towards sustainability: Natural-resource-based view and dynamic capability. *Business Strategy and the Environment*, 33(4), 3588-3606.
- Alves, A. D. A. S. M., & Carvalho, F. M. P. D. O. (2022). How dynamic managerial capabilities, entrepreneurial orientation, and operational capabilities impact microenterprises' global performance. *Sustainability*, 15(1), 14.
- Bağış, M., Altınay, L., & Saygılı, M. (2024). Regulative institutions, dynamic managerial capabilities, and strategic entrepreneurial performance. *Journal of Small Business and Enterprise Development*, 31(6), 1249-1276.
- Baía, E. P., & Ferreira, J. J. (2024). Dynamic capabilities and performance: How has the relationship been assessed?. *Journal of Management & Organization*, 30(1), 188-217.
- Baishya, S., Karna, A., Mahapatra, D., Kumar, S., & Mukherjee, D. (2025). Dynamic managerial capabilities: A critical synthesis and future directions. *Journal of Business Research*, 186, 115015.
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.
- Barney, J. B. (2018). Why resource-based theory's model of profit appropriation must incorporate a stakeholder perspective. *Strategic Management Journal*, 39(13), 3305-3325. doi.org/10.1002/smj.2949
- Barney, J. B., Ketchen Jr, D. J., & Wright, M. (2021). Resource-based theory and the value creation framework. *Journal of Management*, 47(7), 1936-1955.
- Bell, E., Bryman, A., & Harley, B. (2022). *Business research methods*. Oxford university press.
- Bojesson, C., & Fundin, A. (2021). Exploring microfoundations of dynamic capabilities—challenges, barriers

and enablers of organizational change. *Journal of Organizational Change Management*, 34(1), 206-222.

- Bolin, J. E. (2022). *Regression analysis in R: A comprehensive view for the social sciences*. Chapman and Hall/CRC.
- Bosire, C., Kising'u, T. M., & Gichinga, L. W. (2025). Dynamic capabilities and performance of logistics companies in Mombasa County, Kenya. *Reviewed Journal International of Business Management*, 6(1), 341-365. <https://doi.org/10.61426/business.v6i1.326>
- Bujang, M. A., Omar, E. D., Foo, D. H. P., & Hon, Y. K. (2024). Sample size determination for conducting a pilot study to assess reliability of a questionnaire. *Restorative dentistry & endodontics*, 49(1), 1-8.
- Chaudhuri, A., Subramanian, N., & Dora, M. (2022). Circular economy and digital capabilities of SMEs for providing value to customers: Combined resource-based view and ambidexterity perspective. *Journal of Business Research*, 142, 32-44.
- Chepngetich, R., & Musau, S. (2025). Audit committee attributes and corporate governance in state corporations under the national treasury in Kenya. *International Academic Journal of Economics and Finance (IAJEF)* | ISSN 2518-2366, 5(1), 19-48.
- Chen, M. J., Michel, J. G., & Lin, W. (2021). Worlds apart? Connecting competitive dynamics and the resource-based view of the firm. *Journal of Management*, 47(7), 1820-1840.
- Cheng, S., Fan, Q., & Huang, M. (2023). Strategic orientation, dynamic capabilities, and digital transformation of commercial banks: A fuzzy-set QCA approach. *Sustainability*, 15(3), 1915.
- Dahlquist, S. H. (2021). How green product demands influence industrial buyer/seller relationships, knowledge, and marketing dynamic capabilities. *Journal of Business Research*, 136, 402-413.
- Dai, J., Alvarado, R., Ali, S., Ahmed, Z., & Meo, M. S. (2023). Transport infrastructure, economic growth, and transport CO₂ emissions nexus: Does green energy consumption in the transport sector matter?. *Environmental Science and Pollution Research*, 30(14), 40094-40106.
- Datche, E., Kising'u, T. M., & Kalimbo, A. M. (2023). The moderating effect of environmental dynamism in the relationship between innovation capability and performance of manufacturing firms in Nairobi City County, Kenya. *Reviewed Journal International of Business Management [ISSN 2663-127X]*, 4(1), 294-322.
- Dejardin, M., Raposo, M. L., Ferreira, J. J., Fernandes, C. I., Veiga, P. M., & Farinha, L. (2023). The impact of dynamic capabilities on SME performance during COVID-19. *Review of Managerial Science*, 17(5), 1703-1729.
- Dovbischuk, I. (2022). Innovation-oriented dynamic capabilities of logistics service providers, dynamic resilience and firm performance during the COVID-19 pandemic. *The International Journal of Logistics Management*, 33(2), 499-519.
- Dubey, U. K. B., & Kothari, D. P. (2022). *Research methodology: Techniques and trends*. Chapman and Hall/CRC.
- Elsharnouby, T. H., & Elbanna, S. (2021). Change or perish: Examining the role of human capital and dynamic marketing capabilities in the hospitality sector. *Tourism Management*, 82, 104184.
- Fatoki, O. (2021). Dynamic capabilities and performance of hospitality firms in South Africa: The mediating effect of innovation. *Geo Journal of Tourism and Geosites*, 36, 616-623.
- Felsberger, A., Qaiser, F. H., Choudhary, A., & Reiner, G. (2022). The impact of industry 4.0 on the

reconciliation of dynamic capabilities: Evidence from the European manufacturing industries. *Production Planning & Control*, 33(2-3), 277-300.

- Gitau, L., Nzuki, D., & Musau, F. (2022). Effects of IT capability on performance of manufacturing firms in Nairobi City County Kenya. *Technium Social Sciences Journal*, 28, 595-606.
- Grant, R. M. (1991). The resource-based theory of competitive advantage: implications for strategy formulation. *California management review*, 33(3), 114-135.
- Gomes, J. R. M. (2023). *Why managers matter. Dynamic managerial capabilities impact on international Portuguese SMEs' international overall performance* (Master's thesis).
- Hair Jr, J. F., & Sarstedt, M. (2021). Data, measurement, and causal inferences in machine learning: opportunities and challenges for marketing. *Journal of Marketing Theory and Practice*, 1-13.
- Hair, J., & Alamer, A. (2022). Partial least squares structural equation modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, 1(3), 100027.
- Hariandja, E. S., & Sartika, L. (2022). Effects of brand innovation and marketing dynamic capability on the performance of international hotels. *Innovative Marketing*, 18(1), 63-78. doi:10.21511/im.18(1).2022.06
- Harris, D., & Helfat, C.E. (2018). *Dynamic managerial capabilities*. In: Augier M., Teece D.J. (eds). The Palgrave Encyclopedia of Strategic Management. Palgrave Macmillan, London. doi.org/10.1057/978-1-137-00772-8_600
- Haslam, S. A., McGarty, C., Cruwys, T., & Steffens, N. K. (2024). *Research methods and statistics in psychology*. SAGE Publications Limited.
- Heaton, S., & Makarevich, A. (2022). Dynamic capabilities and firm performance under environmental and firm-specific uncertainty. *Managerial Practice Issues in Strategy and Organization*, 175-189.
- Heaton, S., Teece, D., & Agronin, E. (2023). Dynamic capabilities and governance: An empirical investigation of financial performance of the higher education sector. *Strategic Management Journal*, 44(2), 520-548.
- Hermano, V., Martin-Cruz, N., & Pajares, J. (2022). The effect of project management dynamic capabilities on firm performance. *Baltic Journal of Management*, 1(1), 14-26.
- Hernández-Linares, R., Kellermanns, F. W., & López-Fernández, M. C. (2021). Dynamic capabilities and SME performance: The moderating effect of market orientation. *Journal of Small Business Management*, 59(1), 162-195.
- Heubeck, T. (2023a). Looking back to look forward: A systematic review of and research agenda for dynamic managerial capabilities. *Management Review Quarterly*, 1-45.
- Heubeck, T. (2023b). Managerial capabilities as facilitators of digital transformation? Dynamic managerial capabilities as antecedents to digital business model transformation and firm performance. *Digital Business*, 3(1), 100053.
- Heubeck, T. (2024). Walking on the gender tightrope: Unlocking ESG potential through CEOs' dynamic capabilities and strategic board composition. *Business Strategy and the Environment*, 33(3), 2020-2039.
- Heubeck, T., & Meckl, R. (2022a). Antecedents to cognitive business model evaluation: A dynamic managerial

capabilities perspective. *Review of Managerial Science*, 16(8), 2441-2466.

- Heubeck, T., & Meckl, R. (2022b). Dynamic managerial capabilities and R&D spending: The role of CEO founder status. *International Journal of Innovation Management*, 26(10), 2250074.
- Heubeck, T., & Meckl, R. (2022c). More capable, more innovative? An empirical inquiry into the effects of dynamic managerial capabilities on digital firms' innovativeness. *European Journal of Innovation Management*, 25(6), 892-915.
- Heubeck, T., & Meckl, R. (2023d). Microfoundations of innovation: A dynamic CEO capabilities perspective. *Managerial and Decision Economics*, 44(6), 3108-3126.
- Heubeck, T., & Meckl, R. (2024e). Does board composition matter for innovation? A longitudinal study of the organizational slack–innovation relationship in Nasdaq-100 companies. *Journal of Management and Governance*, 28(2), 597-624.
- Heubeck, T., Storz, A. S., & Meckl, R. (2024). Success factors of global virtual teamwork: A social capital perspective. *Digital Business*, 100081.
- Hiebl, M. R. (2023). Sample selection in systematic literature reviews of management research. *Organizational research methods*, 26(2), 229-261.
- Hock-Doepgen, M., Heaton, S., Clauss, T., & Block, J. (2025). Identifying microfoundations of dynamic managerial capabilities for business model innovation. *Strategic Management Journal*, 46(2), 470-501.
- Hoque, M. T., Ahammad, M. F., Tzokas, N., & Gabay, G. (2021). Dimensions of marketing capability and export performance. *Journal of Knowledge Management*, 25(5), 1219-1240.
- Hoque, M. T., Nath, P., Ahammad, M. F., Tzokas, N., & Yip, N. (2022). Constituents of marketing capability: Strategic fit and heterogeneity in export performance. *Journal of Business Research*, 144, 1007-1023.
- Issah, W. B., Anwar, M., Clauss, T., & Kraus, S. (2023). Managerial capabilities and strategic renewal in family firms in crisis situations: The moderating role of the founding generation. *Journal of Business Research*, 156, 113486.
- Izah, S. C., Sylva, L., & Hait, M. (2023). Cronbach's alpha: A cornerstone in ensuring reliability and validity in environmental health assessment. *ES Energy & Environment*, 23, 1057.
- Jatmiko, B., Putra, W. M., Laras, T., Ardhi, K. F., & Sukardi, S. (2024). Financial Performance of State corporations: Liquidity, Solvency and Profitability Ratios at PT. Jet-Logistik in Yogyakarta. In *SHS Web of Conferences* (Vol. 201, p. 04001). EDP Sciences.
- Jiang, Y., Ritchie, B. W., & Verreynne, M. L. (2023). Building dynamic capabilities in tourism organizations for disaster management: Enablers and barriers. *Journal of Sustainable Tourism*, 31(4), 971-996.
- Kaino, B. J., Mburu, N., & Kiragu, D. N. (2025). Impact of organizational innovativeness practices on performance of commercial state-owned enterprises in Kenya: Insights from a machine learning approach. *International Journal of Science and Research*, 14(1), 594-603.
- Karaca, V., & Bağış, M. (2024). Rational versus intuitive cognition and influence of dynamic managerial capabilities on SMEs' perceived international performance: Evidence from emerging economy. *Management Research Review*, (ahead-of-print).
- Kawai, T. (2018). Proposing a theory of dynamic managerial capabilities - For coping with the era of IoT. *Journal of Strategic Management Studies*, 10(1), 35-52.
- Kawai, T. (2019). A tentative framework of dynamic platform strategy - For the era of GAFA and 5G. *Journal*

of Strategic Management Studies, 11(1), 19-36.

- Kawai, T. (2024). Evaluation of Honda's strategy for electric vehicles - Based on the theory of dynamic managerial capabilities. *Journal of Strategic Management Studies*, 16(1), 51-72.
- Kising'u, T. M., & Mwajambia, R. H. (2022). Dynamic managerial capabilities on firm performance: Evidence from travel agencies and tour operators in Kenya. *International Journal of Research and Innovation in Social Science*, 6(5), 770-783.
- Kithinji, J., & Gatobu, P. (2025). Participatory leadership and performance of commercial state corporations in Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, 9(2), 338-353.
- Kryeziu, L., Kurutkan, M. N., Krasniqi, B. A., Ramadani, V., Hajrullahu, V., & Haziri, A. (2024). Cognitive styles and dynamic managerial capabilities: implications for SMEs in a transition economy. *International Journal of Entrepreneurial Behavior & Research*, 30(1), 200-231.
- Kwon, Y. C. (2021). Impacts of dynamic marketing capabilities on performance in exporting. *Open Journal of Business and Management*, 9(5), 2119-2135.
- Lakens, D. (2021). Sample size justification. [Preprint]. doi.org/10.31234/osf.io/9d3yf
- Leavy, P. (2022). *Research design: Quantitative, qualitative, mixed methods, arts-based, and community-based participatory research approaches*. Guilford Publications.
- Leong, L. Y., Hew, T. S., Ooi, K. B., Tan, G. W. H., & Koohang, A. (2024). An SEM-ANN Approach-guidelines in information systems research. *Journal of Computer Information Systems*, 1-32.
- Liu, W., Gao, Y., Tang, O., & Cheng, Y. (2024). Comprehensive performance analysis of deep integration and innovative development of logistics and manufacturing industries: A comparison analysis between coastal and inland regions in China. *Ocean & Coastal Management*, 257, 107332.
- Liu, Y. (2024). Financial evaluation in Chinese logistics enterprises and supply chain management strategic optimization. In *Proceedings of the 4th International Conference on Internet Finance and Digital Economy (ICIFDE 2024)* (p. 201). Springer Nature.
- Maina, L. W., & Kihara, A. (2025). Strategic leadership practices and performance of regulatory state corporations in Nairobi County, Kenya. *The International Journal of Business Management and Technology*, 9(6), 29-64.
- Marco-Lajara, B., Sarmiento-Chugcho, C. B., Ramón-Ramón, D. I., & Martínez-Falcó, J. (2023). Dynamic capabilities and innovation in a developing country SMEs: The role of absorptive, learning and adaptive capacities. *International Journal of Business Environment*, 14(2), 211-239.
- Martins, A. (2023). Dynamic capabilities and SME performance in the COVID-19 era: the moderating effect of digitalization. *Asia-Pacific Journal of Business Administration*, 15(2), 188-202.
- Matarazzo, M., Penco, L., Profumo, G., & Quaglia, R. (2021). Digital transformation and customer value creation in Made in Italy SMEs: A dynamic capabilities perspective. *Journal of Business Research*, 123, 642-656. doi.org/10.1016/j.jbusres.2020.10.033
- Mayndarto, E. C. (2025). Big Data Analytics Capabilities and Firm Competitiveness in The Digital Age: A Socio-Economic Perspective from Emerging Markets. *Baileo: Jurnal Sosial Humaniora*, 2(3), 382-399.
- Mishra, R., & Kiran, K. B. (2025). Unveiling the dynamic capabilities' influence on sustainable performance in MSMEs: a systematic literature review utilizing ADO-TCM analysis. *Asia-Pacific Journal of Business*

Administration, 17(2), 561-592.

- Mostafiz, M. I., Sambasivan, M., Goh, S. K., & Shakil, M. H. (2021). The mediating role of innovation capabilities in the relationship between dynamic managerial capability and performance of export-manufacturing firms. *International Review of Entrepreneurship*, 19(2), 169-200.
- Mugambi, L. M. (2021). *Dynamic capabilities and performance of commercial banks in Nairobi City County, Kenya* (Masters research project, Kenyatta University).
- Mugambi, S. G., & Machoka, P. (2023). Influence of strategic procurement practices on performance of logistics firms in Nairobi City County. *International Journal of Management and Business Research*, 5(1), 143-155
- Mugo, G. K., & Deya, D. (2023). Influence of strategic capabilities on the performance of independent commissions in Kenya. *International Academic Journal of Human Resource and Business Administration*, 4(2), 305-326.
- Mukabi, F. E. K. (2023). Mainstreaming climate action agenda through green strategies within state corporations' strategic plans in Kenya. *Laikipia University Journal of Social Sciences, Education and Humanities*, 1(1), 29-64.
- Musimba, K., & Langat, N. (2025). Strategic alliances and performance of commercial state-owned enterprises in Nairobi City County, Kenya. *Asian Journal of Economics, Finance and Management*, 7(1), 252-266.
- Mwajambia, R. H., & Kising'u, T. M. (2022). Effect of dynamic managerial capabilities on firm performance: Evidence from travel agencies and tour operators in Kenya. *The Strategic Journal of Business & Change Management*, 9(2), 645-665.
- Mwangi, B. W., & Mang'ana, R. (2024). Dynamic managerial capability on performance of state corporations in Nairobi County. *International Academic Journal of Human Resource and Business Administration*, 4(4), 73-81.
- Ndrecaj, V., Tlemsani, I., & Mohamed Hashim, M. A. (2025). Unveiling dynamic capabilities in public procurement: Myths, realities, and strategic transformation. *Administrative Sciences*, 15(4), 134-147.
- Njoroge, E., & Kamaara, M. (2025). Organizational culture dimensions and employee performance of state corporations in Kenya. *International Journal of Innovation, Enterprise, and Social Sciences*, 3(1), 234-250.
- Nzeki, D. M., Datche, E. A., Kising'u, T. M., & Mwirigi, F. M. (2024). Competitor intelligence capability and firm performance in state corporations in Kenya. *Reviewed Journal International of Business Management*, 5(1), 248-282.
- Oudgou, M. (2021). Financial and non-financial obstacles to innovation: Empirical evidence at the firm level in the MENA Region. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1), 28-39.
- Penrose, E. T. (1959). *The theory of the growth of the firm*. London, UK: Basil Blackwell.
- Peteraf, M. A. (1993). The cornerstones of competitive advantage: a resource-based view. *Strategic management journal*, 14(3), 179-191.
- Pundziene, A., Nikou, S., & Bouwman, H. (2022). The nexus between dynamic capabilities and competitive firm performance: The mediating role of open innovation. *European Journal of Innovation Management*, 25(6), 152-177.
- Roth, K., Rau, C., & Neyer, A. K. (2023). Design thinking and dynamic managerial capabilities: A quasi-

experimental field study in the aviation industry. *R&D Management*, 1(1), 1-18.

- Saeed, M., Adiguzel, Z., Shafique, I., Kalyar, M. N., & Abrudan, D. B. (2023). Big data analytics-enabled dynamic capabilities and firm performance: Examining the roles of marketing ambidexterity and environmental dynamism. *Business Process Management Journal*, 29(4), 1204-1226.
- Sarwar, H., Aftab, J., Ishaq, M. I., & Atif, M. (2023). Achieving business competitiveness through corporate social responsibility and dynamic capabilities: An empirical evidence from emerging economy. *Journal of Cleaner Production*, 386, 135820.
- Saunders, M. N., Lewis, P., & Thornhill, A. (2023). *Research Methods*. Pearson Higher Ed.
- Shi, L., & Jiang, X. (2023). Management of alliance post-formation dynamics: An integrated model. *Journal of Organizational Change Management*, 1(36), 8-19.
- Shi, Y., Liu, F., Li, S., & Chen, J. (2021). Accounting for pilot study uncertainty in sample size determination of randomized controlled trials. *Statistics in Biopharmaceutical Research*, 13(2), 192-202.
- Tandika, E. L. (2024). Resource-based theory: Institutional factor for effective strategic human resource management in public organizations. *Journal of Public Sector Management*, 8, 11-31.
- Tapanainen, T., Dao, K. T., Thanh, H. N. T., Nguyen, H. T., Dang, N. B., & Nguyen, N. D. (2022). Impact of dynamic capabilities and firm characteristics on the firm performance of Vietnamese small and medium-sized retail enterprises. *International Journal of Management and Enterprise Development*, 21(1), 28-61.
- Teece, D. J. (2023). The evolution of the dynamic capabilities framework. *Artificiality and sustainability in entrepreneurship*, 113.
- Thomassen, D., le Cessie, S., van Houwelingen, H. C., & Steyerberg, E. W. (2024). Effective sample size: A measure of individual uncertainty in predictions. *Statistics in Medicine*.
- Úbeda-García, M., Claver-Cortés, E., Marco-Lajara, B., & Zaragoza-Sáez, P. (2021). Corporate social responsibility and firm performance in the hotel industry. The mediating role of green human Managerial Capability and environmental outcomes. *Journal of Business Research*, 123, 57-69.
- Vuorio, A., & Torkkeli, L. (2023). Managerial capability portfolios in early internationalising firms. *International Business Review*, 32(1), 102049.
- Wamalwa, S. N. (2022). *Dynamic capabilities and performance of the small and medium enterprises in the manufacturing sector in Nairobi City County, Kenya* (Masters research project, University of Nairobi).
- Wernerfelt, B. (1995). The resource-based view of the firm: Ten years after. *Strategic management journal*, 16(3), 171-174.
- Zarzycka, E., & Krasodomska, J. (2022). Non-financial key performance indicators: what determines the differences in the quality and quantity of the disclosures?. *Journal of Applied Accounting Research*, 23(1), 139-162.
- Zheng, S., Chen, J., & Chen, H. (2024). Three decades of dynamic capability research (1990–2023): A visual and comparative analysis of leading journal literature. *Journal of the Knowledge Economy*, 1-29.
- Zohourian, S., Rahimnia, F., & Nabizadeh, T. (2022). Dynamic marketing capabilities and organizational performance: The mediating role of operational marketing capabilities. *Marketing Science and Technology Journal*, 1(1), 143-164.