ORGANISATIONAL RESOURCES AND SUSTAINABLE COMPETITIVE ADVANTAGE AMONGST SELECTED FIRMS IN THE AVIATION INDUSTRY IN KENYA

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NOVEMBER, 2018
DECLARATION
This project is my original work and has not been presented for the award of a degree in any other university.

Signature…………………………………………………..Date…………………………

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Declaration by supervisor:
I confirm that the work in this project was done by the candidate under my supervision.

Signature…………………………………………………..Date…………………………

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DEDICATION

I dedicate this research project to my loving family especially my dad Mr. Anthony Gatama who taught me the value of education and inculcated in me desire for knowledge. To my siblings Rose, Lucy, Peter, Stephen and Lydiah for their untiring support both financially and morally. Special dedication to my fiancée Milka Wambui for her unending commitment and inspiration.
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OPERATIONAL DEFINITION OF TERMS

**Sustainable Competitive Advantage**
Sustainable Competitive advantage refers to advantage that a firm has over competitors and which cannot be eroded by competitor’s behaviour and that allows it to experience superior financial performance, cost leadership, high customer satisfaction, large market share and high demand for its product.

**Aviation Industry in Kenya**
Aviation industry in Kenya consist of the Ministry of transport and Infrastructure, Directorate of Aircraft Accidents Investigation, Kenya Civil Aviation Authority (KCAA), aerodrome operators, airlines operators and auxiliary service providers.

**Organisational Resources**
Tangible and intangible resources. Tangible resources are made up of human capital and infrastructure resources. The intangible resources consist of knowledge that the organisation possesses.

**Infrastructure Resources**
Hard and soft components that assist a firm in improving productivity and efficiency. Hard infrastructure is equated to physical infrastructure whereas soft infrastructure consist of business and regulatory environment. Airports, Air Navigation Facilities, Aircrafts, ICT system, offices facilities and premises constitute the hard components of the infrastructure while policies and regulations comprise the soft component.

**Human Capital Resources**
An employee with knowledge, skills, innovativeness and ability to work in a specialised area of aviation.

**Knowledge Resources**
Knowledge Resources is insights, understandings, and practical know-how that an organisations or members of the organisation possesses and which is vital in the daily running of the aviation industry.
## ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AATO</td>
<td>Association of African Aviation Training Organizations.</td>
</tr>
<tr>
<td>AFDB</td>
<td>African Development Bank.</td>
</tr>
<tr>
<td>AFRAA</td>
<td>African Airlines Association.</td>
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<tr>
<td>ANOVA</td>
<td>Analysis of Variance.</td>
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<td>A.N.S</td>
<td>Air Navigation Services.</td>
</tr>
<tr>
<td>ATAG</td>
<td>Air Transport Action Group</td>
</tr>
<tr>
<td>CAN</td>
<td>Competitive Advantage of the Nation.</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product.</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management.</td>
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<tr>
<td>ICAO</td>
<td>International Civil Aviation Organization.</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology.</td>
</tr>
<tr>
<td>JKIA</td>
<td>Jomo Kenyatta International Airport.</td>
</tr>
<tr>
<td>K.A.A</td>
<td>Kenya Airports Authority.</td>
</tr>
<tr>
<td>K.C.A.A</td>
<td>Kenya Civil Aviation Authority.</td>
</tr>
<tr>
<td>PMBOK</td>
<td>Project Management Body of Knowledge.</td>
</tr>
<tr>
<td>RBV</td>
<td>Resource Based View.</td>
</tr>
<tr>
<td>SARPs</td>
<td>Standard and Recommended Practices.</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals.</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
</tr>
<tr>
<td>V.A.T</td>
<td>Value Added Tax.</td>
</tr>
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</table>
Kenya’s aviation industry has been losing its competitiveness over the last two decades. The industry consists of the Ministry of Transport and Infrastructure, Directorate of Aircraft Accidents Investigation, Kenya Civil Aviation Authority (KCAA), aerodrome operators, airlines operators and auxiliary service providers. Previous studies have failed to address the issue of the dwindling competitiveness. Through this study, the researcher sought to investigate whether there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The specific research objectives were to investigate whether there is significant relationship between infrastructure, human capital, knowledge and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The study reviewed Market Based View theory, theory of National Advantage and Resource Based View theory. The conceptual framework used had infrastructure, human capital and knowledge resources as the independent variables while sustainable competitive advantage was the dependent variable. The study used descriptive survey design. The target population for this study were 32 senior most employees of the various aviation organisation operating at Jomo Kenyatta International Airport. A census approach was used since the researcher was interested in collecting data from every member of the target population. The respondents were 32 individuals. Research data was obtained through structured questionnaire. To measure the responses from the respondents, a five point Likert scale was used. Data collected from the field was tabulated and analysed using Statistic Package for Social Science version 21 software. Both descriptive statistics and inferential statistics was used. Descriptive statistics included frequencies, mean and standard deviation. The inferential statistics comprised of correlation and multiple regression. Multiple regression equation was used to perform hypothesis testing and to comprehend how dependent variable varied when any one of the independent variables was changed with the others independent variables remaining constant. A Pearson’s correlation was calculated to conclude the nature of the relationship that existed between the dependent variable and the independent variables. Results of data analysis were presented in tabular form. The study found out that there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The study recommended that aviation organisations should invest more in infrastructure, improve on employees’ motivation and invest more in creation of new knowledge.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The aviation industry has played a major role in the global economy. As of 2014, according to the Air Transport Action Group (ATAG), the aviation industry supported 62.7 million jobs worldwide. The GDP impact was estimated to be 2.7 trillion US dollar, corresponding to 3.5% of the global Gross Domestic Product (GDP). Passengers carried by airlines stood at 3.3 billion. More than 50 million tonnes of cargo were ferried by air which was equivalent to 786 billion freight tonne kilometres. Fifty four percent of international tourist travelled was by air. The report also stated that in the same year, there were 1402 commercial airlines, 3883 airports with scheduled commercial flights, 173 Air Navigation service providers and 26065 commercial aircraft in service (ATAG, 2016).

Regulation of aviation industry globally is done by International Civil Aviation Authority (ICAO) who ensure safe, secure, efficient, economical and environmentally sustainable operations at the international, regional and national levels. ICAO also function as the major forum for co-operation in all fields of civil aviation among its 191 member states, industry and other aviation partners (ICAO, 2006). Global air transport sector suffers from geographical and economic fragmentation which thwart both economies of scale and scope with the consequences being the return on investment in the air transport ranging from net losses to a small return of 2 percent. These barriers are noted to impede efficiency, generate friction and hinder growth and competitiveness. However, despite these challenges, there a few stakeholders who manages a high return of up to around 20 per cent (ICAO, 2012). The aviation industry is seemed as highly risky venture and many investors are currently hesitant to invest in it. The structure of the aviation industry must continue to change as a result of mergers, acquisition, divestitures, spin-offs and
through strategic alliance in order to promote cost reduction, better service and traffic growth (ICAO, 2013). As a whole, the global aviation industry has performed poorly in terms of profitability (Baroux, 2013; Clark, 2010; Doganis, 2010; Pilarski, 2007).

At the continental level, the share of Africa in the global aviation industry is still insignificant and it is estimated to stand at 1 percent of global airlines’ cargo, 2.85 percent of global revenue, passenger kilometre and 2 percent global airport income (CAPA, 2014). Overall, there is very high inequality between African airlines and foreign airlines where it is estimated that around 80 percent of Africa’s intercontinental traffic is handled by foreign airlines (Chingosho, 2013). The sparse demand in African market rank at the bottom of the table with a low load factor of 69.7% whereas the global average is at 75.2% (IATA, 2010).

Here in Kenya, air transport operators continues to record dismal performance and this can be attributed to liberalization, globalization and consolidation of the African markets. In addition, the market is controlled by airlines from Europe and Middle East. The industry also suffers from diminishing market potential, high fuel prices, safety records, need for skilled human resources, internal liberalization and high taxes (Farah, Munga, & Mbebe, 2018).

1.1.1 Sustainable Competitive Advantage

Sustainable competitive advantage is when an organisation implement a value creating strategy that cannot be duplicated and which is not currently in use by any of the competitors (Barney, 1991). Porter (1985, p. 20) suggested that sustainability of a competitive advantage is achieved when advantage resist erosion by competitor because of barriers that make imitation difficult. Porter (1985) has suggested that in competitive markets, competitive advantages are central to the performance of any firm and that competitive advantages are as a result of value that a firm
creates for its buyers that surpasses the cost that the firm incurred to create it. Porter list two elementary form of competitive advantages: differentiation and cost leadership.

Despite the prominence of the concept of competitive advantage, there is no agreed universal definition of the concept. Some scholars define it as a superior financial performance (Peteraf, 1993; Ghemawat & Rivkin, 2001), some as an attribute possessed by a firm (Barney, 1991) while others see it as a strategy that boost financial performance of an organisation (Ghemawat, 1986; Porter, 1996). Peteraf and Barney (2003) see competitive advantage as when a firm is capable of creating more monetary value beyond what the average competitor does. Barney (1991) treat competitive advantages as when an enterprise is employing a value creating strategy not concurrently being executed by current or potential competitor. In the current research, competitive advantage has been treated as superior financial performance (Peteraf, 1993; Ghemawat & Rivkin, 2001), Cost leadership (Peteraf & Barney 2003), high demand and large market share (Barney, 1991), customer satisfaction and value addition (Ghemawat, 1986; Porter, 1996).

It is evident from the descriptions that while many strategy researchers do not explicitly express what competitive advantages are, most have researched for sources of competitive advantages. Coff (2003) note that most research on competitive advantages emphasis on sources. Three prominent views have been proposed to be sources of competitive advantages. The first view is the activity position view also known as industry structure view-associated with Porter (1980) five-force model. Porter (1980) suggests that the exceptional performance of a firm is linked to its strategic choice which then places a firm in a superior position in the industrial structure. The framework mentions five competitive forces that are said to influence the strategic choice of a
firm. Porter (1985) describe competitive strategy as reacting in an offensive or defensive manner to the five forces with an aim of achieving superior performance.

Resource-based view (RBV) is the second view on sources of competitive advantages. In RBV, researchers emphasis on resources or internal attributes to be the reason for superior performance. Differences in the performance of various firms is attributed to heterogeneity that exist between the firms instead of industry structure (Barney, 1991; Wernerfelt, 1984). Firms attain competitive advantages over competitors only if they possess capabilities and resources that are valuable, rare, difficult to imitate and non-substitutable (Barney, 1991; Rumelt, 1984).

Relational view is the third view on sources of competitive advantages. The view suggest that collaboration or social relation between firms was the source of competitive advantages and not heterogeneity of resources or actions of individual firms as was suggest by the other view (Lavie, 2006). Dyer and Singh (1998) mention effective governance, particular assets, knowledge sharing culture and complementary resources as the four sources of inter-organisational competitive advantages. They further explain that competitive advantages that are generated through inter-organisational interactions cannot be created when individual firms work in isolation.

1.1.2 Organisational Resources

Resource-based view (RBV) explains that certain types of resources that organisations possesses can generate competitive advantage (Wernerfelt, 1984; 1995; Barney, 1991; 1995; 2001a; 2001b; Peteraf, 1993). Daft (1983) explained organisational resources to include all assets, capabilities, organisational processes, firm attributes, information and knowledge that an organisation control and which enable it to conceive and implement strategies that improve its efficiency and effectiveness.
Wernerfelt (1984) while studying resources and returns, discover the need of analysing organisations from the resource perspective instead of product perspective. The study concludes that resources like skilled personnel, technology, capital, machinery, efficient procedures, brand names and trade contacts are the basis for achieving and sustaining competitive advantages. Barney (1986; 1991) categorises organisational resources into tangible resources and intangible resources. Intangible resources and human capital resources are considered more critical in attaining sustainable competitive advantage than tangible resources (Oliver, 1997; Makadok, 2001; Adner & Helfat, 2003). This study focused on Infrastructure, human capital and knowledge perspective of the organisational resources. Morgan (2004) and Ainuddin (2007) explains that infrastructure contribute positively to organisational superior performance and to competitive advantage. Human capital is also said to influence the level of competitive advantage that an organisation enjoy (Adner & Helfat, 2003; Rose & Kumar, 2007).

1.1.3 Aviation Industry in Kenya

Kenya’s aviation industry consist of the Ministry of transport and Infrastructure, Directorate of Aircraft Accidents Investigation, Kenya Civil Aviation Authority (KCAA), aerodrome operators, airlines operators and auxiliary service providers. KCAA is the provider of air navigation services and also the industry regulator. Kenya Airports Authority (KAA) is the main aerodrome operator although there are other aerodromes operated by military and private operators. Kenya Airways is one of the airlines operator and also the national carrier. Auxiliary service provider include catering service providers and ground handlers. In 2014, there were 8 main airports 4 of which were international airports .The number of aircraft registered in Kenya were 1056.International airlines operating in Kenya were 43.Air service license holders were 169.Accredited aviation
training institutions were 12, while approved aviation maintenance organisations were 91 from which 39 were locals while 52 were foreign (KCAA, 2014).

The economic benefit of the aviation industry in Kenya cannot be ignored. Oxford Economics (2011) recognizes three distinct economic benefits from the air transport in Kenya. The benefits includes contributions to the GDP, employments and tax incomes from the industry and its supply chain. The economic significance for the sector was however noted to be more than that. The report put the aviation industry contribution to Kenyan GDP in 2009 calendar year at 24.8 billion shilling, equivalent to 1.1% of the Kenyan GDP. Catalytic contribution through tourism was placed at 59.2 billion shilling raising the overall contribution to 84.0 billion shilling or 3.7% of GDP. More than 46000 jobs were supported by the aviation industry in Kenya (Oxford Economics, 2011).

1.2 Statement of the Problem

The performance of the African Aviation industry is noted to lag behind the rest of the world (Africa Development Bank, 2012; AFRAA, 2013). Overall, there is very high inequality between African airlines and foreign airlines where it is estimated that around 80 percent of Africa’s intercontinental traffic is handled by foreign airlines (Chingosho, 2013). The sparse demand in African market rank at the bottom of the table with a low load factor of 69.7% whereas the global average is at 75.2% (IATA, 2010).

Locally, the aviation industry in Kenya is not doing any better. Ssamula, G. & Venter, L. (2013) while studying the sparse demand within the African aviation industry noted that Kenya aviation industry is losing its competitiveness. It is also noted that despite the success that has been realized in the last two decades and the potential that the industry has, uncompetitive environment has set in making some firms to quit Kenya’s airspace while others continue operating at a loss.
The number of licensed air operators experienced a drop of 14.5% in 2017 with the figure reducing from 339 in 2016 to 290. The drop affected operators in all categories with the exception being those engaging in domestic scheduled services and aerial works. Non-scheduled domestic operators reduced by 12.4 per cent. Chartered tour operators reduced from 21 in 2016 to 5 in 2017. Licensed international non-scheduled air operators experienced a drop of 25.0 % while licensed international scheduled air operators dropped by 3.8 per cent (Kenya National Bureau of Statistic, 2018, p.207).

Previous studies on the aviation industry in Kenya concentrated a lot on aviation safety (Maina, 2017; Waithira, 2015; Mokaya & Nyaga, 2009). Some studies have looked at strategy implementation in aviation industry and others on training of aviation experts (Cherop, 2015; Njeru, 2016). A number of scholars have studied on sustainable competitive advantage in the aviation industry in Kenya (Mokaya, Kanyagia & Nchebere, 2012; Ogina, 2013; Kyalo, 2016). Mokaya et al., (2012) investigated on the effect of market positioning on organizational performance in the aviation industry in Kenya and concluded that market position had significant effect on organisational performance. Ogina (2013) investigated the effects of information systems on sustainable competitive advantage within the aviation industry and concluded that information system had significant effect on competitiveness of firms within the aviation industry. Kyalo (2016) investigated collaboration and firm competitiveness among aviation organisations in Kenya and found out that collaborations enhances competitiveness among aviation organisations. Of the three studies done on competitive advantage in Kenya’s aviation industry, only the study by Ogina (2013) has element of organisational resources and it is limited by scope as data was collected from only one organisation. Past studies on organisational resources and sustainable competitive advantage in other industries have had diverse outcome
with some researches concluding that there is no significant relationship between organisational resources and competitive advantage (Alimin, Raduan, Jegak, & Haslinda, 2012) while others conclude that there is significant relationship between organisational resources and competitive advantage (Karuoya, 2014; Rohana, Roshayani, Nooraslinda & Siti, 2015).

In spite of the dwindling competitiveness in the aviation industry in Kenya, no comprehensive study has been carried out to the researcher’s knowledge on organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. Previous study on area of competitive advantage in Kenya aviation industry contain a lot of research gaps while studies from other industries have varied findings. It is against this background that the researcher sought to investigate on organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya.

1.3 Research Objectives

1.3.1 General Objective

The purpose of the study was to investigate whether there is significant relationship between organisational resources and sustainable competitive advantages amongst selected firms in the aviation industry in Kenya.

1.3.2 Specific Objectives

The specific objectives of the study were:

1) To investigate whether there is significant relationship between infrastructure resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya.
2) To investigate whether there is significant relationship between human capital and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya.

3) To investigate whether there is significant relationship between knowledge resources management and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya.

1.4 Research Questions

The research endeavoured to answer the following pertinent questions:

1) Is there significant relationship between infrastructure resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya?

2) Is there significant relationship between human capital and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya?

3) Is there significant relationship between knowledge resources management and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya?

1.5 Significance of the Study

This research could provide important information to policy makers such as International Civil Aviation Authority (ICAO), Ministry of Transport and Infrastructure and Kenya Civil Aviation Authority (KCAA) on how to unlock potential and stimulate growth in the air transport sector by using resources to attaining sustainable competitive advantage. International aviation bodies and donors may also use the findings to identify and establish programmes such as infrastructure funding, human capital training sponsorship and information sharing that are tailored towards supporting creation of sustainable competitive for the firms in the aviation industry. Finally this
study could also be useful to researchers, scholars and academicians as it may provide information on organisational resources and sustainable competitive advantage in organisations. Other researchers might use the findings as a basis for further study.

1.6 Scope of the Study

The researcher undertook the study on, ‘organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya’. The study was limited to a descriptive research using primary data collected through a structured questionnaires administered to managers in charge of 32 aviation organisations operating at JKIA. The organisations consisted of KCAA, KAA and 30 airlines. The research was also limited to data collected over a period of one week. Resource based view was the major theory on which the research was anchored. The study focused on determining whether there is a significant relationship between infrastructure, human capital and knowledge resources on one hand and sustainable competitive advantages on the other hand.

1.7 Limitations of the Study

Some respondents had reservations on providing information due to the confidentiality and privacy of the information the research sought. Additionally, some respondents had a busy working schedule hence getting time to fill the questionnaire was a challenge. To overcome the challenge of confidentiality, the researcher sought authorization to collect data from the appropriate authority. Assurance was also given to the respondents that the data will only be used for the intended purpose. With regard to tight schedules of the respondents, the researcher ensured that the questions were clear and simple to give the respondent the shortest time possible to respond to the questions.
1.8 Organization of the Study

This research is organized into five chapters. Chapter one covers the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study and limitations of the study. The second chapter deals with theoretical framework, empirical literature review and conceptual framework that was used in the study. The third chapter deals with the research design and methodology. Here, research design and the empirical model used are discussed in details. Also explained in chapter three are target population, sample design, data collection instruments and procedures, pilot study, validity and reliability research instrument. Chapter four covers data analysis, presentation, interpretation and discussion on the findings of the study. Chapter five provide summary of chapter four, conclusions, recommendations and suggestion for further studies.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses relevant literature that has been reviewed in the arena of aviation, organisational resources and in the area of sustainable competitive advantage. It covers the theoretical review and the empirical study. The chapter also presents the conceptual framework that was adopted in conducting the study as well as the knowledge gap that existed in the previous study.

2.2 Theoretical Literature Review

2.2.1 Market Based View Theory

Market based view theory is the earliest school of thought regarding sources of competitive advantage. External environment, industry structure, entry barriers, number of players in the market and elasticity of demand are the key factors for an organisation’s competitiveness (Mason & Bain, 1950). Porter (1980) later enhanced the idea into Porter’s five forces model and links a firm's exceptional performance to its strategic choice which then positioning it in a superior position on the industry structure. Porter (1996; 1980) explain that an organisation’s performance was closely associated with industrial structure. The strategic choice that a firm will take is influenced by Porter’s five forces model. These five forces include: bargaining power of suppliers, intensity of rivalry among the existing firms, bargaining power of buyers, threat of substitute product and threat of new entrant into to the industry (Porter, 1980).
Threat of new entrants has the capacity to change the industry structure as the firms entering the market bring new capability and desire to gain market share and to increase profitability. The ultimate decision of a new firm joining or not joining an industry depends on the entry barriers. The various barriers to entry are capital, economies of scale, brand loyalty, government regulation, customer switching cost and absolute cost advantage. Fewer outside firm are likely to join the industry if the barrier to entry are very high (Porter, 1980).

The bargaining power that suppliers possess has the potential to influence industry structure. They can raise the prices of raw materials or even reduce the quality. If the firms in the industry are unable to charge higher prices in order to recover the cost, ultimately, this will eats into their profit. Determinant of the power that supplier could have depends on: importance of volume to suppliers, suppliers’ concentration in one place, costs relating to total purchase in the industry and differentiation of inputs (Porter, 1980).
The industry structure can be influenced by buyers’ bargaining power since they can force prices to go down, bargain for higher quality or demand for more services at the detriment of industry profitability. Powerful buyers are known to purchase in large quantities, emphasize on quality product and they have full information about the product. Buyer concentration in one place, buyer volume and buyer's information are some of the factors that determine buyer’s power (Porter, 1980).

Threat of substitute products has the potential to influence a firm position in an industry and consequently the industry structure. It is an economic fact any firm in an industry competes with industry producing substitute product. Substitutes curtails maximum price that firms in an industry can charge. A product that has lesser number of close substitutes has greater opportunity to increase prices and earn better profit than the one that has closer substitutes.

Rivalry among existing firm influence industry structure in a big way. The number of firms in an industry usually influence this rivalry. In any market, firms attempts to take customers from each other through strategies such as increased customer service, price competition, advertising wars and new product. The power of rivalry among existing firms within an industry will be influenced by: competitive structure of the industry, level of exit barriers, switching cost, sum of fixed cost, demand conditions and growth rate of industry (Porter, 1980).

Besides the above five forces some scholars have suggested that government and situational aspect should have been included to form the sixth and seventh forces of the model. Michael Porter's framework and enquiry of the five forces recommended three strategies: differentiation strategy, overall cost leadership and focus strategy. Porter (1985) sees competitive strategy as reacting in offensive or defensive manner to the five forces with the sole purpose of attaining superior performance.
2.2.2 Theory of National Advantage

Porter (1985) views on competitive advantage was an internal perspective. Porter (1991) admit that the competitive advantage of a firm may exist inside a firm or in its external environment. Porter (1990) in his very dynamic framework listed demand condition, factor conditions, related and supporting industries and firm strategy, structure and rivalry to being among the element determining the competitiveness of a nation.

![Porter's Diamond Model]

Figure 2.2: Porter’s Diamond Model.

Source: Porter, 1990

The first component of this model is the demand conditions. It defines the extent of national demand that an enterprise encounters. In any country, the demand conditions will be determined by the quantity demanded and level of sophistication of consumers in the local market. There is a very big relationship between the demands conditions and level of economic development of a country. The primary sources of competitiveness for any firm comes from local demand.

Factor conditions is the second component of the Porter model and it comprise of factors of production such as labour, capital, land and raw materials occurring naturally. Roads, water
systems, telecommunications, entrepreneurship, innovation, educational and legal systems are also included in the factor condition. Porter groups the factor conditions into five set of resources: physical resources, human resources, knowledge resources, capital resources and infrastructure resources. The five categories of resources offers structures and inputs that are vital for enterprises to achieve competitive advantage over their competitors.

Related and supporting industries is the third element of the Porter’s model. It consist of businesses influencing a particular industry directly or indirectly. They include suppliers, distributors, contractors, consulting firms and outsourcing companies. Stronger supporting industry will result to a stronger supported industry.

Strategy, structure and rivalry constitute the fourth component the model. Strategy describe actions that a firm uses to attain long-term and short-term goals. The strategy can be differentiation strategies, focus strategies, low cost strategies or certain combination. Growth, maintenance or restructuring are the other main types of strategy available. Structure denotes the industry composition. It can be global or domestic, competitive or monopolistic or concentrated or dispersed. Rivalry defines the number competitors and degree of competition in a market.

Porter (1990) views situational factors and government as two additional factors that can affect the competitive advantages. Major innovation is one example of a situational events that can provide a country with an opportunity to overtake another country in terms of competitiveness. By using its policies, government can increase or lessen the competitive advantages of a nation.

Porter (1991) explained that environment provided guidance to the management on decision such as unique combination of resources, configuration of activities and management commitment.
2.2.3 Resource Based View (RBV) Theory
Wernerfelt (1995) describes Resource Based View theory as a method of achieving competitive advantage that came up in 1980s and 1990s. The proponents of RBV argues that the sources of competitive advantage of an organisation lies within the organisation itself and not in its competitive environment. In addition, they make claim that the sustainable competitive advantage of a firm is dependent on the capability it has to manage the institutional context of its resource decisions.

Stoelhost and Bridoux (2007) state that there exist various approach to RBV. Market imperfections is the first approach and it assumes that firms in an industry possess heterogeneous strategic resources and that the market is imperfect factor markets (Barney 1991; 2001b; Wernerfelt 1984). Barney (1991) explain that a firm can only attain sustainable competitive advantages if it has resources that are valuable, rare, imperfectly imitable and non-substitutable. This was termed as VRIN criteria. In his later work, Barney (2001b) rephrases VRIN to be VRIO i.e., value, rarity, inimitability/non-substitutability and organisation.

Capabilities is the second approach to RBV according to Stoelhost and Bridoux (2007). Amit and Schoemaker (1993) indicate that capabilities depends on the firm's capacity to exploit human resources to create, share, and utilize the information required to attain the desired organizational goals. Some of the capabilities that are potential sources of sustainable competitive advantage in an organization include entrepreneurship (Nelson, 1991; Rumelt, 1987; Schumpeter, 1934), culture of the organization (Barney, 1986a; Fiol, 1991), routines (Nelson & Winter, 1982) and learning (Fiol & Lyles, 1985; Teece et al., 1990). Bargaining perspective is the other approach to RBV. It shift focus from value creation to value capture. The bargaining perspective approach view competitive advantage as stemming from both the strategic resources that a firm has and the bargaining power existing between it and its major stakeholders.
2.3 Empirical Literature Review

2.3.1 Infrastructure Resources and Sustainable Competitive Advantage

Infrastructure development in the Sub-Saharan African Countries had been an area of tremendous focus by most governments (AfDB, 2011). African Development Bank (2012) states that aviation industry in Africa encounters multiple challenges such as underprivileged airport infrastructures, limitation of human and physical capital, limited connectivity and shortage of transit facilities. The report further states that despite considerable progress in the past decade, Africa still fall behind other regions with respect to “soft” and “hard” infrastructure. A number of empirical research has been done on the area of infrastructure resources and sustainable competitive advantages. Most scholars have categorised infrastructure resources into hard infrastructure and soft infrastructure and they have suggested that soft components of the infrastructure support the hard components of the infrastructure (Ascheur, 1988; Ali & Pernia, 2003; Alberto & Wilson, 2010; World Bank, 2010; Kingombe, 2014).

World Development Report (1994) which attempted to establish the link between infrastructure and development shows that indeed infrastructure is a core component for achieving economic development. Mburu (2012) while examining relationship between government investment in infrastructure and economic growth in Kenya concluded that indeed government investment in infrastructure had a great effect on the country's economic growth. Waweru (2016) researched on the impact of infrastructure development on the competitiveness of the Kenyan economy and concluded that infrastructure development had a great impact on the competitiveness.

Ssamula and Venter (2013) indicated that in spite of the efforts to improve aviation infrastructure that Kenya had undertaken in the decade that had passed, the country was still
falling behind in terms of “hard” and “soft” infrastructure and it was critical for the country invests in the two types of infrastructure as a mean of reviving the Kenya Aviation industry. Summerell (2005) explains that organisations in both private and public sector can improve efficiency and effectiveness by adopting infrastructure-asset management procedures as it will lead to reduced cost of operation and maintenance, improving time of delivery and better management of value. Kiwelu (2009) note that while several infrastructure asset management frameworks exist, there is lack of reference model detailing all major activities for the implementation of infrastructure assets management.

Vanier (2001) while studying the need for decision support tools in management of infrastructure-assets for municipal-type organizations listed maintenance, repair and renewal cost planning as some of the issues that asset managers need to look into. The researcher used life-cycle analysis and service-life prediction. Kazimierz et al (2014) using an example of a road structure and exploiting Deming (2000) four life cycles of objects; Plan – Do – Act – Check, illustrated the life cycle of an infrastructure having five stages; planning, design, building, operation and decommission. PMBOK (2013) list five stages of project management as initiation, planning, performance (the actual delivery), progress monitoring and control and closing the project.

In this research, the researcher used tools of infrastructure-asset management advocated by Vanier (2001), Kazimierz et al (2014) and PMBOK (2013) as the basis of evaluating hard infrastructure. In addition, the researcher also evaluated the existence of soft infrastructure as identified by Wold bank (2010) with particular focus on organisational structure, policies and procedures.
2.3.2 Human Capital Resources and Sustainable Competitive advantage

Cabrita and Bontis (2008) state that for a long time human capital has been recognized as important part of the wealth of organizations and nations. Bontis (2000) describe human capital as the combination of knowledge, skills, innovativeness and ability of the employees to meet the task at hand. Human Resource Management can be explained to be strategic and coherent style to the management of an organisation’s most treasured assets, human beings (Armstrong, 2006; Mathis & Jackson, 2008; Snell & Bohlander, 2011). A number of researchers have established a solid relationship between HRM practices, organisational performance and sustainable competitive advantages (Delery & Shaw, 2001; Pfeffer 1998; Ulrich, 1997). Guest, Michie, Sheehan, Conway, & Metochi (2000) carried a survey on 835 private sector firms and concluded that a greater use of HR practices led to increased employee commitment and contribution resulting to increased productivity and better quality of services. Islam, Ghani, Kusuma and Theseira (2012) studied education and human capital effect on Malaysian economic growth and established that there was significant relationship between human capital and economy growth.

Khalafalla and Suliman (2013) while using empirical evidence from Sudan studied the impact of human capital on economic growth and they found out that the quality of the education has a determinant role in the economic growth. Ghorbani et al., (2012) indicate that human capital management and organizational innovation relate in a significant way. Ahangar (2011) rated human capital higher than structural and physical capital with regard to value creation and efficiency. The 19th conference by Airports Council International Africa Regional noted that the ability of Africa’s aviation industry to attract and retain enough qualified human capital faced challenges due to ageing personnel, stiff competition, globalization, complex operational
requirements and lack of planning of aviation human resources requirements at the national and continental level. A survey carried out by Association of African Aviation Training Organizations (AATO) in 2012 concluded that Africa was losing aviation experts to other continents which had better terms of service. There is therefore need for a proper Human Resource Management.

Human Resources management models have been developed to explain the various area of HRM practices. All these models falls under either soft or hard approach to HRM. The models are Harvard model (Beer, Spector, Lawrence, Quinn & Watson, 1984), Guest model (Guest, 1997), Pfeffer model (Pfeffer, 1998) and Armstrong model (Armstrong, 2010). In order to carry out this research, the researcher borrowed from the four HRM models discussed, namely; Harvard model, Guest model, Pfeffer and Armstrong model. Close analysis of the four HRM models indicates selective recruitment of only qualified personnel, good working environment, motivation, training and retraining, communication through proper flow of information are common facets in all these models. The researcher adopted the five area of HRM practices borrowed from the four models to evaluate the status of human resource capital in Kenya Aviation Industry.

2.3.3 Knowledge Resources and Sustainable Competitive advantage

Karl (1996) define knowledge as insights, understandings, and practical know-how. Several strategic management authors have highlight the importance of knowledge resources in generation of competitive advantage (Grant, 1996; Davenport & Prusak, 1998). A number of empirical research have been carried out in the area of knowledge resource management with diverse outcome being recorded. Castillo (2003) while sampling organisation of Fortune 500 empirically linked organisational performance to knowledge management and found little payoff in terms of financial measures from organizational knowledge management efforts. Wen Chong
(2000) studied areas where knowledge management adds value and concluded that very limited number of organisations tracks return on investment in knowledge based competencies, the researcher however cited better clients service, enhanced communication flow and shorter problem solving time as some of the areas with positive outcome. Kalling (2003) investigated the relationship between the quality of knowledge management and organisational performance and found no link between the quality of knowledge management and organisational performance. Feng et al (2004) examined the impact of adopting knowledge management system and found out that knowledge management improve organisational performance by reducing administrative cost and improve productivity in the second year after adoption. McKeen et al (2006) researched on the organisational impact of knowledge management and concluded that there was a positive correlation between knowledge management practices and performance. Harlow (2008) assessed the effect that the level of tacit knowledge within organisations had on organisational performance and concluded that there was a solid link between tacit knowledge index and financial outcomes. Further, the researcher concluded that use of tacit methods had greater effect on innovation than on financial measures. Gholami et al (2013) while studying the influence of knowledge management practice on organisational performance concluded that knowledge sharing had higher factor loading compared with other knowledge management practices. Ong’eni (2017) studied the influence of organisational knowledge on organisational performance a case of Kenya Civil Aviation and concluded that knowledge sharing practices are key drivers of efficiency and effectiveness in organisation proficiency. Tiyan (2013) while adopting descriptive survey studied application of knowledge management as a competitive
strategy among aviation training institutions in Nairobi and concluded that due to knowledge management the competitiveness of employees had improved.

Different scholars have described the process of knowledge management differently. Change and Ahn (2005) describe knowledge management processes as having five basic constructs which are knowledge acquisition, transfer, creation, retention and utilization. Beckman (1997) explained knowledge management to contain 8 steps, namely; definition, the access, selection, storage, sharing, application, creation and finally the selling of knowledge. Dalkir (2011) identified three stages of Knowledge Management process to include creation, dissemination and knowledge application. Demarest (1997) listed knowledge construction, embodiment, dissemination, use, and management as the five process of knowledge management. In this study, the researcher adopted the five stages of knowledge management as explained by Change and Ahn (2005) and this included knowledge acquisition, transfer, creation, retention and utilization.

2.3.4 Organisational Resources and Sustainable Competitive Advantage

Karuoya (2014) sought to empirically determine how infrastructure resources, location of the company, human resources and horticultural clusters influences sustainable competitive advantage of cut flower companies. The target population was 105 employees from two flower firms in Naivasha. Regression analysis of data collected showed solid relationship between infrastructures resources, location of the company, human resources, horticultural clusters as the independent variable and sustainable competitive advantage as the dependent variable.

Alimin, I., Raduan, C., Jegak, U., & Haslinda, A. (2012) looks into the relationship between organisational resources, capabilities, systems and competitive advantage. In the study, the researchers concluded that organisational resources had significant relationship with competitive
advantage. They used different indicators for competitive advantage from the one being used in this study.

Rohana, O., Roshayani A., Nooraslinda A., & Siti M. (2015) study on organizational resources and sustained competitive advantage of cooperative organizations in Malaysia. The researchers concluded that physical resources had significant relationship with sustainable competitive advantage among cooperative organisation. The researcher used content analysis of the cooperatives’ annual reports where financial indicators such as net profit, gross profit and total reserve were used as measure of sustainable competitive advantages.

Kyalo (2016) investigated collaboration and firm competitiveness among aviation organisations in Kenya and found out that collaborations enhances competitiveness among aviation organisations. The study exploited secondary data while the current study is based on primary data. Odhiambo (2016) investigated positioning strategies and competitive advantage in Kenya’s aviation industry and concluded that airlines were using product positioning to gain sustainable competitive advantage. The study was limited to local airlines while the current study has a bigger scope of international airlines. Farah (2018) looked at influence of competitive strategies on performance of commercial airlines in Kenya and concluded that cost leadership, product innovation, market focus and product differentiation are the strategy that highly influences competitive of airlines in Kenya. The research was anchored on different theories from the theories employed in the current research. The theories were theory of strategic balancing, contingency theory, porter's generic model and mathematical theory of games.
Table 2. 1 Summary of Literature Review and Gaps

<table>
<thead>
<tr>
<th>Author</th>
<th>Topic</th>
<th>Findings</th>
<th>Research Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ogina, G. (2010)</td>
<td>To investigate the effects of information systems on sustainable competitive advantage within the aviation industry</td>
<td>Information system significantly relate with competitive advantage.</td>
<td>The research was based on data from one organisation.</td>
</tr>
<tr>
<td>Kyalo (2016)</td>
<td>To investigate collaboration and firm competitiveness among aviation organisations in Kenya</td>
<td>Collaborations enhances competitiveness among aviation organizations.</td>
<td>Use of secondary data in the research. The current study is based on primary data.</td>
</tr>
<tr>
<td>Farah, Munga &amp; Mbebe (2018)</td>
<td>Influence of competitive strategies on performance of commercial airlines in Kenya</td>
<td>cost leadership, product innovation, market focus and product differentiation are the strategy that highly influences competitive of airlines in Kenya</td>
<td>The research was anchored on different theories from the theories employed in the current research.</td>
</tr>
<tr>
<td>Rohana, O., Roshayani A., Nooraslinda A., &amp; Siti M. (2015)</td>
<td>Organizational resources and sustained competitive advantage of cooperative organizations in Malaysia</td>
<td>The researcher could not establish significant positive relationship between physical resources and competitive advantage.</td>
<td>The researcher studied only the tangible asset while leaving out the intangible. Content analysis of the cooperatives’ annual reports was used while in the current study the researcher will use descriptive survey.</td>
</tr>
</tbody>
</table>

Source: (Author, 2018)
2.5 Conceptual Framework
This conceptual framework attempts to explain the relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. In the current study, the dependent variable was the sustainable competitive advantage while the independent variables were infrastructure, human capital and knowledge resources. The conceptual framework is presented in the figure below.

ORGANISATIONAL RESOURCES

<table>
<thead>
<tr>
<th>INFRASTRUCTURE RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Infrastructure planning</td>
</tr>
<tr>
<td>- Infrastructure acquisition</td>
</tr>
<tr>
<td>- Infrastructure maintenance</td>
</tr>
<tr>
<td>- Up to date technology</td>
</tr>
<tr>
<td>- Organisational Structure.</td>
</tr>
<tr>
<td>- Policies and S.O.P</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUSTAINABLE COMPETITIVE ADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Sound financial performance.</td>
</tr>
<tr>
<td>- Cost leadership.</td>
</tr>
<tr>
<td>- Attracting High Demand</td>
</tr>
<tr>
<td>- Capturing large market share.</td>
</tr>
<tr>
<td>- Customer satisfaction.</td>
</tr>
<tr>
<td>- Value addition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HUMAN CAPITAL RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Qualified personnel</td>
</tr>
<tr>
<td>- Working environment</td>
</tr>
<tr>
<td>- Motivation</td>
</tr>
<tr>
<td>- Training and re-training</td>
</tr>
<tr>
<td>- Communication</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KNOWLEDGE RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Knowledge acquisition</td>
</tr>
<tr>
<td>- Knowledge transfer</td>
</tr>
<tr>
<td>- Knowledge creation</td>
</tr>
<tr>
<td>- Knowledge retention</td>
</tr>
<tr>
<td>- Knowledge utilisation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE</th>
</tr>
</thead>
</table>

Figure 2.3: Conceptual framework.

Source: (Author, 2018)
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three touches on research design and methodology that were followed in undertaking this study. It expounds on research design, empirical model, target population, sampling design, data collection instruments and procedures, data analysis and presentation methods.

3.2 Research Design

Ogula (2005) describes research design as a plan, structure and strategy of investigation to obtain answers to research questions and control variance. This study adopted descriptive research design as it is precise, accurate and describe events in a carefully planned way hence depicting the characteristics of a population fully (Babbie, 2009). Orodho (2003) describe descriptive research design as a method of collecting data through interview or questionnaires to the sampled individuals. Khan, (1993) applauds descriptive design due to the capability it has to yield statistical information on many topics that interest researchers.

3.3 Target Population

Mugenda and Mugenda (2003) defines population as an intact group of objects, individuals or events with common visible features. Additionally target population is defined as a computed set of objects, individuals or cases with a shared observable features distinct from other population. The population of study consisted of all 32 aviation organisation operating at Jomo Kenyatta International Airport (KAA, 2017). The target population for this study were the senior most employees at JKIA for each organisation. These employees were categorised into three categories; employees in air navigation service provider (KCAA), employees in airports operator (KAA) and employees in airlines operator (airlines)
Table 3. 1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Population size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Navigation Service Provider (KCAA)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Airports Operator (KAA)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Airlines</td>
<td>30</td>
<td>94</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (Author, 2018)

3.4 Sample Design

Field (2005) describes sample as a smaller (but hopefully representative) collection of units from a population used to determine truths about that population. The senior most employees in charge at JKIA were the target population. The researcher used census to pick respondents from the target population since the population involved was fairly small and the researcher was interested in collecting data from all member of the target population. Lewis & Thornhill (2009) explains that the application of census approach is good since it ensures that there is validity in the data collected because it allows for the use of some information-rich cases for the study. Carrying out a census of the senior most employee in each of the 32 organisation translated to 32 respondents.

3.5 Data Collection Instruments

This research utilized primary data collected through structured questionnaire. Salant and Dillman (1994) describes primary data as information that is collected directly from the field specifically for the purpose of a research project with a view to address the problem in question. Five point Likert scale was used to seek information from the respondents. The rating scales were: 1 = Strongly Dis-agree, 2 = Dis-agree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. Mugenda and Mugenda (2003) defines structured questionnaires as questions which are accompanied by a list of all possible alternatives from which the respondents select the answer that best describe their situation. Structured questions are in the immediate usable form and this make them easier to analyse (Orotho & Kombo, 2002).
3.5.1 Pilot Study

Kothari (2006) describe pilot study as a small scale preliminary study carried out before the main research with the motive of gauging the validity and reliability of data collection instruments. A pilot study was undertaken where by the questionnaire were pilot tested on 5 members of the sample group. The results of the pilot study were used to gauge the validity and reliability of the questionnaire. The relevant amendments were then effected on the questionnaire.

3.5.2 Reliability

Field (2004) describe reliability as the capacity of the questionnaire to yield matching results under similar conditions. The researcher used Cronbach’s alpha to assess the reliability and consistency of the research instruments used. Data collected during the pilot study was used to compute Cronbach’s alpha in order to determine the reliability of the scale used. Brown (1996) explained that a Cronbach’s alpha of at least 0.700 would imply adequate internal consistency and reliability of the test instrument. The results of the computed Cronbach’s alpha were used to make amendment to the questionnaires in order to make data collection instrument more reliable and valid. The amendment of the questionnaires continued until all the responses achieve a Cronbach’s alpha value greater than the minimum value of 0.700. This ensured that the internal consistency of the data collection instrument was adequate.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Resources</td>
<td>6</td>
<td>0.909</td>
<td>Accepted</td>
</tr>
<tr>
<td>Human Capital Resources</td>
<td>5</td>
<td>0.830</td>
<td>Accepted</td>
</tr>
<tr>
<td>Knowledge Resources</td>
<td>5</td>
<td>0.888</td>
<td>Accepted</td>
</tr>
<tr>
<td>Sustainable Competitive advantages</td>
<td>6</td>
<td>0.943</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td><strong>22</strong></td>
<td><strong>0.8925</strong></td>
<td><strong>Accepted</strong></td>
</tr>
</tbody>
</table>

Source: (Author, 2018)
3.5.3 Validity

Bridget and Lewin (2005) describe validity as the degree by which the sample of test items represents the content the test is designed to measure. Kelly (1927) formulated the concept of validity and he declared that a test is valid if it measures what it claims to measure. It is the extent to which a concept is accurately measured in a quantitative study. Content validity involve measuring the extent that a measure sufficiently represents all the aspect of a concept. A pilot study was conducted to refine the research questions so that the results obtained would be a true representation of the actual situation. Krishnaswamy et al. (2009) advises use of professional and experts in field concerned to evaluate the content validity of a measure. Consequently, the researcher explored the views of professionals in the field of test and measurement and aviation with a view of addressing the validity of the research instruments. In addition, the researcher sought the guidance of university supervisor to examine content validity of the questions. Recommendations from all these experts were used to make the essential adjustment of the research instruments with a view to enhance validity.

3.6 Data Collection Procedure

Data collection began with the researcher obtaining a research permit from the National Science, Technology and Innovation (NACOSTI) which was then presented to Director General’s Office at the Kenya Civil Aviation Authority, Managing Director KAA, Airport Manager and Managers in charge of the 30 airlines for data collection authorization. On receiving the permits, questionnaires were hand delivered to the respondents by the researcher at their place of work. The sampled respondents were required to fill the questions by themselves. Feedback from the respondents were collected within a week.
3.7 Data Analysis and Presentation

Mugenda and Mugenda (2003) explains that raw data obtained from the field is usually very difficult to interpret hence there is need for the data to be cleaned, coded, fed into the computer and analysed. Quantitative data collected from the field was tabulated and analysed using SPSS version 21 software. Both descriptive statistics and inferential statistics was used. Descriptive statistics included frequencies, measures of central tendencies (mean) and measures of dispersion (standard deviation). The inferential statistics consisted of correlation, multiple regression and analysis of variance. Multiple regression equation was used for hypothesis testing and to comprehend how dependent variable varied when any one of the independent variables was adjusted with the others independent variables held constant. The following multiple regression model was adopted in the study:

\[
Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon
\]

Y – Denote the value of the dependent variable (Sustainable Competitive Advantage; sound financial performance, cost leadership, high demand, large market share, customer satisfaction and value addition).

\(\alpha\) – Denote the regression constant or intercept.

\(\beta_1, \beta_2\ and \ \beta_3\) are coefficients to the first, second and third independent variables respectively (Infrastructure, Human Capital and Knowledge Resources).

\(X_1\) – Infrastructure resources.

\(X_2\) – Human capital resources.

\(X_3\) – Knowledge resources.
–Error term which signifies other factors influencing sustainable competitive advantage and they are excluded in the model.

Pearson’s correlation between the dependent variable and each of the independent variables was calculated to conclude the nature of the relationship that existed between the variables. To control Type I and Type II error, the researcher decreased variance by having considerable sample size relative to the sampling frame and by using better measuring techniques. The researcher also used one tailed test rather than two tailed test. To control for extraneous influence, random sampling was carried out so as to obtain representative sample thereby greatly decrease systematic error. The researcher also used consent form to engage the respondent where the confidentiality of the information was assured. In addition, use of relaxed and professional language when interacting with respondents was ensured. The result of data analysis was presented in tabular method. The use of tabular method is because it provides a more precise, systematic and orderly presentation of data in rows and columns.

3.8 Ethical Considerations.

Bless and Smith (2000) list the main rules of ethical considerations during research to include voluntary participation, the right to privacy, freedom, anonymity and confidentiality. For the ethical considerations, the researcher ensured that permission for data collection was first obtained from the relevant authority before embarking on the process. Further, it was voluntary for the respondents to participate. Privacy and confidentiality of the data obtained was upheld. The respondents were also assured that the data was only be used for the intended purpose. The researcher will also respect intellectual property by ensuring that information obtained from other sources is cited correctly and proper credit given. It will also comply with all regulatory requirement.
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

Chapter four exploits both descriptive and inferential statistics in analysing, presenting, interpreting and discussing the findings of the study on organisational resources and sustainable competitive advantages in Kenya’s aviation. The chapter also discusses demographic characteristics of the respondents. Quantitative data collected from the field was tabulated and analysed using SPSS version 21 software. Multiple regression equation was used for hypothesis testing and to comprehend how the dependent variable was changing when each of the independent variables was varied while the other independent variables remained constant.

4.2 Analysis of Response rate

The research targeted 32 respondents in the data collection and all of them filled and returned the questionnaires translating to a response rate of 100%. The 100% response rate met the threshold for making a conclusions in a study. Mugenda and Mugenda (2003) explains that a response rate of 50% is sufficient for analysis and reporting, a rate of 60% is good while a response rate of more than 70% is considered to be excellent. The response rate for this study can be therefore termed as excellent. Going by the provision of Mugenda and Mugenda (2003) we can therefore conclude that there was sufficiency and representation on the response rate.

Table 4. 1 Analysis of Response Rate

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>Non returned</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)
4.3 Demographic Characteristics of Respondents

The demographic characteristics were obtained by seeking information concerning the gender, work experience, education level, and age of the respondents.

4.3.1 Gender Distribution of Respondents

The researcher sought to determine the distribution of the respondents by gender. In the questionnaire, the respondents were required to indicate their gender. The results were as shown in table 4.2

Table 4.2 Gender Distribution of the Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>24</td>
<td>75</td>
</tr>
<tr>
<td>Female</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)

Findings from table 4.2 shows that the majority of the respondents were male at (75%) while female were 25% of the respondents. This indicate that majority of the senior most managers of the various aviation organisations at JKIA were male and hence a notable gender imbalance exist in the composition of management in Kenya’s aviation industry. Gender imbalance has the consequences of creating masculine organizational context resulting to leadership and policy decision-making process which negatively affects female career advancement opportunities and subsequently access to macro policy decisions (Miller, 2007).
4.3.2 Work Experience

The researcher sought to determine the work experience of the respondents. The respondents were to indicate the number of years they have worked in their current organisation. The results were as shown in table 4.3

Table 4.3 Work Experience

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 Years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>26</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)

Findings from table 4.3 shows that 0 % of the respondents had worked in their current organisation between 0 and 5 years, 19 % had a work experience of between 6 years and 10 years while 81 % had a work experience of over 10 years. The finding above indicate that the majority of the respondent had a work experience of more than 10 years. More work experience could have a positive influence on a personnel understanding of the organisation they work for hence likely to give more credible information as compared to a person with less experience.

4.3.3 Level of Education of the Respondents

The researcher sought to determine the highest level of education by the respondents The results were as shown in table 4.4
Table 4. 4 Level of Education

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Diploma</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>27</td>
<td>84</td>
</tr>
<tr>
<td>Master degree</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)

Findings from the table above indicate that 0% of the respondents had the highest level of education as a certificate, 0% possessed diploma, 84% had a bachelor degree while 16% had a highest level of education as master degree. The research can therefore conclude all of the respondent held at least a bachelor degree. Low level of education could have a negative influence on a personnel understanding of the organisation thus becoming an impediment in ones giving credible information.

4.3.4 Age of the Respondents

The researcher sought to determine the age distribution of the respondents. The results were as shown in table 4.5

Table 4. 5 Age Distribution of the Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 Years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>31-40 Years</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>41-50 Years</td>
<td>14</td>
<td>44</td>
</tr>
<tr>
<td>51 and Above</td>
<td>15</td>
<td>47</td>
</tr>
</tbody>
</table>
Findings from the table above indicate that 0 % of the respondents were aged between 20 and 30 years, 9 % were between the age of 31 and 40 years, 44 % were aged between 41 and 50 years while 47 % were above 51 years. This indicate that the majority of the respondents were above 51 years of age.

4.4 Descriptive Statistics

4.4.1 Infrastructure Resources

The researcher used five point Likert scale to seek information from respondents on the status of infrastructure resources in the aviation industry in Kenya. The rating scales were: 1 = Strongly Dis-agree, 2 = Dis-agree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. The study adopted mean and standard deviations calculated using SPSS to rank the significance of the measures. Thirty two respondents were analysed in each measures. The results are illustrated in table 4.6.

Table 4.6 Mean and Standard Deviations for Infrastructure Resources

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation have a long term plan on infrastructure.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.93</td>
<td>1.13</td>
</tr>
<tr>
<td>The organisation always allocate enough budget for infrastructure as planned and also ensure it is utilised properly.</td>
<td>32</td>
<td>1</td>
<td>4</td>
<td>2.44</td>
<td>0.80</td>
</tr>
<tr>
<td>The organisation always repair and maintain infrastructure to the required standards.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.97</td>
<td>1.00</td>
</tr>
<tr>
<td>The organisation is currently employing up to date technology in its operations.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.56</td>
<td>0.95</td>
</tr>
</tbody>
</table>
Findings from table 4.6 pointed out that most aviation firms operating in JKIA have updated policies and standard operating procedures in their working stations as shown by a mean score of 4.16 which is the highest score in the parameters rating infrastructure resources. The results also showed that most of the firm are repairing and maintaining their infrastructure to the required standards which ranked second with a mean score of 3.97. Majority of the respondents also agreed that their organisations had a long-term plan for infrastructure resources as shown by a mean score of 3.93. While most respondents agreed their firms were employing up to date technology, the mean score was a bit low at 3.56. The results from the study showed that the respondents were neutral on how well their organisational structure was meeting the need of their organisation as indicated by a mean score of 3.47. Allocation of enough budget for infrastructure and proper utilization of the allocated resources ranked lowest with a mean score of 3.38. This would mean that most organisations were not adequately financing the infrastructure resources or the allocated resources were not being prudently utilized. The aggregate means for infrastructure resources was 3.59 indicating that most organisation had a positive rating for infrastructure. Aggregate on standard deviation for the infrastructure was high at 0.91, indicating that the various organisation were endowed differently in infrastructure resources hence data points being spread out.
4.4.2 Human Capital Resources

The researcher used five point Likert scale to seek information from respondents on the status of human capital resources in the aviation industry in Kenya. The rating scales were: 1 = Strongly Dis-agree, 2 = Dis-agree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. The study adopted mean and standard deviations calculated using SPSS to rank the significance of the measures. Thirty two respondents were analysed in each measures. The results are illustrated in table 4.7.

Table 4.7 Mean and Standard Deviations for Human Resources

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation only hire qualified personnel.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.84</td>
<td>0.77</td>
</tr>
<tr>
<td>The organisation provide employees with the appropriate working environment and tools.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.75</td>
<td>0.72</td>
</tr>
<tr>
<td>Employees are well remunerated and motivated.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.25</td>
<td>0.87</td>
</tr>
<tr>
<td>The organisation always train and retrain employees with the required skills.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.94</td>
<td>1.13</td>
</tr>
<tr>
<td>There is proper flow of information in the organisation.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.38</td>
<td>0.87</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>3.63</strong></td>
<td><strong>0.87</strong></td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)

The results of the survey in table 4.7 revealed that most of the aviation firms operating in JKIA trains their employees with the necessary skills as shown by a mean score of 3.94. The survey also demonstrated that most of the firms hires only qualified personnel as indicated by a mean score of 3.84. The parameter on provision of appropriate working environment and tools ranked third with a mean score of 3.75. The results in table 4.7 also indicate that majority of the
respondents were neutral on whether there was proper flow of information in their organisation as shown by a mean score of 3.38. The parameter on employee motivation and remuneration ranked lowest with a mean score of 3.25. This could be an indication that majority of the aviation firms operating in JKIA were not adequately motivating and remunerating their employees. The aggregate means for human capital resources was 3.63 indicating that most organisation had a positive rating on human capital resources management. Aggregate on standard deviation for the human capital resources was high at 0.87 a sign that there existed differences in the manner in which human capital resources was being managed in different organisation.

4.4.3 Knowledge Resources Management

The researcher used five point Likert scale to seek information from respondents on the status of knowledge resources management in the aviation industry in Kenya. The rating scales were: 1 = Strongly Dis-agree, 2 = Dis-agree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. The study adopted mean and standard deviations calculated using SPSS to rank the significance of the measures. Thirty two respondents were analysed in each measures. The results are illustrated in table 4.8.

Table 4. 8 Mean and Standard Deviations for Knowledge Resources Management

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation always obtain and introduce new external knowledge.</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>4.19</td>
<td>0.74</td>
</tr>
<tr>
<td>There is knowledge sharing within the organisation.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.78</td>
<td>0.75</td>
</tr>
<tr>
<td>The organisation generates new knowledge through research.</td>
<td>32</td>
<td>1</td>
<td>4</td>
<td>2.44</td>
<td>0.84</td>
</tr>
<tr>
<td>The organisation has an effective method of capturing, preserving, storing and retrieving knowledge in place.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.44</td>
<td>0.88</td>
</tr>
</tbody>
</table>
The organisation always utilizes the knowledge that it possesses.

<table>
<thead>
<tr>
<th>Aggregate Score</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32</td>
<td>2</td>
<td>4</td>
<td>3.03</td>
<td>0.86</td>
</tr>
</tbody>
</table>

**Source:** (Research data, 2018)

Going by the results of the survey in table 4.8, most of the organisation were obtaining and introducing new external knowledge as indicated by a mean score of 4.19. A large proportion of the respondents also agreed that there was sharing and distribution of knowledge in their organisation as indicated by a mean score of 3.78. The results of the survey shows that the respondents were neutral on whether their organisation had an effective method of capturing, preserving, storing and retrieving knowledge as demonstrated by a mean score of 3.44. The parameter on utilization of knowledge which an organisation possesses ranked fourth with a mean score of 3.03. The parameter on creation of new knowledge in the organisation ranked lowest with a mean score of 2.44 with majority disagreeing that their organisation was involved in creation of new knowledge. This could be an indication that majority of the aviation firms operating in JKIA were not involving themselves in research. The aggregate means for knowledge resources management was 3.38 indicating that most organisation did not realize the importance of knowledge resources management. Aggregate on standard deviation for the knowledge resources management was high at 0.81 indicating the huge differences in the importance different organisation attached knowledge resources management.

### 4.4.4 Sustainable Competitive Advantage

The researcher used Likert to seek information on the respondents’ level of agreement with various indicators of sustainable competitive advantages realized in their organisation. The rating scales were: 1 = Strongly Dis-agree, 2 = Dis-agree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree. The study adopted mean and standard deviations calculated using SPSS to rank the
significance of the measures. Thirty two respondents were analysed in each measures. The results are as summarized in table 4.9.

Table 4. 9 Sustainable Competitive Advantages

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation is experiencing a superior financial performances.</td>
<td>32</td>
<td>1</td>
<td>5</td>
<td>2.34</td>
<td>1.12</td>
</tr>
<tr>
<td>The organisation enjoy low cost of operation hence cost leadership</td>
<td>32</td>
<td>1</td>
<td>5</td>
<td>3.31</td>
<td>0.98</td>
</tr>
<tr>
<td>The organisation have very high customer satisfaction.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.78</td>
<td>0.94</td>
</tr>
<tr>
<td>The organisation enjoy a large market share hence market leaders.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.43</td>
<td>1.01</td>
</tr>
<tr>
<td>The organisation enjoy high demand for its products and customer satisfaction level is high.</td>
<td>32</td>
<td>2</td>
<td>5</td>
<td>3.56</td>
<td>1.08</td>
</tr>
<tr>
<td>The organisation keep on adding value to its services.</td>
<td>32</td>
<td>3</td>
<td>5</td>
<td>4.00</td>
<td>0.80</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>3.40</strong></td>
<td><strong>0.99</strong></td>
</tr>
</tbody>
</table>

Source: (Research data, 2018)

The results of the survey in table 4.9 indicated that most of the organisation are continuously adding value to their services as shown by a mean score of 4.00. A large proportion of the respondents also agrees that their clients have high customer satisfaction as indicated by a mean score of 3.78. The respondents also felt that the demand of their products is high as indicated by a mean score of 3.56. On lower cost of production and cost leadership majority disagreed that their organisations were enjoying the same as demonstrated by a mean score of 2.44 . The survey also demonstrated that most of the firms were not experiencing superior financial performance as shown by a dis-agree value of 2.34 . The aggregate means for sustainable competitive advantage was 3.40 indicating that most organisation were barely experiencing any sustainable competitive advantage. Aggregate on standard deviation for the sustainable competitive was high.
at 0.99 indicating a huge differences between various organisations in terms of sustainable competitive advantage.

4.5 Inferential Statistics

4.5.1 Correlation Analysis

The researcher analyzed Pearson correlation between the dependent variable and each of the independent variables to conclude the nature of relationship that existed between the variables and the strength of such relationship. The results of the analysis are as shown in table 4.10

Table 4. 10 Pearson Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Sustainable Competitive Advantages</th>
<th>Infrastructure Resources</th>
<th>Human Capital Resources</th>
<th>Knowledge Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainable Competitive Advantages</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.877**</td>
<td>.797**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.877**</td>
<td>1</td>
<td>.877**</td>
</tr>
<tr>
<td><strong>Infrastructure Resources</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.797**</td>
<td>.877**</td>
<td>1</td>
</tr>
<tr>
<td><strong>Human Capital Resources</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.860**</td>
<td>.908**</td>
<td>.775**</td>
</tr>
<tr>
<td><strong>Knowledge Resources</strong></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

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

Source: (Research data, 2018)
Results from Table 4.10 demonstrates that there exist a significant positive relationship between infrastructure resources and sustainable competitive advantages in Kenya’s aviation (r= 0.877, p value <0.05). The Pearson correlation analysis results further demonstrate that there exist a significant positive relationship between human capital resources and sustainable competitive advantages in Kenya’s aviation (r= 0.797, p value <0.05). Finally, the results also shows that there exist a significant positive relationship between knowledge resources management and sustainable competitive advantages in Kenya’s aviation (r= 0.860, p value <0.05). The finding collaborate the study by Karuoya (2014) who concluded that there is significant relationship between infrastructures, human resources and sustainable competitive advantage in Kenyan’s organisations.

4.5.2 Regression Analysis

In the current study, the researcher conducted a multiple regression analysis using SPSS version 21 to test relationship between organisational resources (independent variable) and sustainable competitive advantages (dependent variable). Adjusted R squared is coefficient of determination that explains variation in the dependent variable (sustainable competitive advantages) occasioned by changes in the independent variables (infrastructure resources, human resource and knowledge resources). Findings from table 4.11 indicate that the value of adjusted R squared was 0.776 indicating that 77.6% change in sustainable competitive advantages in Kenya’s aviation can be attributed to changes in infrastructure resources, human capital resources and knowledge resources management at 95% confidence interval.
Table 4. 11 Model Summary

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.893</td>
<td>0.798</td>
<td>0.776</td>
<td>0.41604</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Infrastructure Resources, Human Capital Resources, Knowledge Resources
b. Dependent Variable: Sustainable Competitive Advantages

**Source: (Research data, 2018)**

The three independent variables studied in this research account for only 77.6% of the total sustainable competitive advantages in Kenya’s aviation and the researcher recommend further studies to establish the other factors contributing 22.4% of the sustainable competitive advantages in Kenya’s aviation.

Table 4. 12 Analysis of Variance

**ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>19.095</td>
<td>3</td>
<td>6.365</td>
<td>36.773</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>4.846</td>
<td>28</td>
<td>.173</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23.941</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainable Competitive Advantages
b. Predictors: (Constant), Knowledge Resources, Human Capital Resources, Infrastructure Resources

**Source: (Research data, 2018)**

The ANOVA statics in table 4.12 shows that the significance value is 0.000 which is less that 0.05 hence the model is statistically significance in predicting how infrastructure resources, human capital resource and knowledge resources management impacts on sustainable competitive advantages in Kenya’s aviation. The F critical of the model at 5% level of
significance is 2.95 which is less than the F calculated whose value is 37.773 thus we reject the null hypothesis and the overall is significant.

Table 4. 13 Coefficient of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.770</td>
<td>.435</td>
<td>-1.770</td>
<td>.008</td>
</tr>
<tr>
<td>Infrastructure Resources</td>
<td>.457</td>
<td>.308</td>
<td>1.485</td>
<td>.009</td>
</tr>
<tr>
<td>Human Capital Resources</td>
<td>.199</td>
<td>.228</td>
<td>.871</td>
<td>.003</td>
</tr>
<tr>
<td>Knowledge Resources</td>
<td>.491</td>
<td>.265</td>
<td>1.851</td>
<td>.011</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainable Competitive Advantages

Source: (Research data, 2018)

Multiple regression analysis was carried out to investigate the relationship between sustainable competitive advantages and the three independent variables. Data in table 4.13 above demonstrated that the regression equation explaining relationship between depend variable and independent variables was $Y = -0.77 + 0.457 X_1 + 0.199X_2 + 0.491X_3 + \epsilon$

Where $Y$ = Sustainable Competitive Advantage; $X_1$ = Infrastructure Resources; $X_2$ = Human Capital Resources; $X_3$ = Knowledge Resources; $\epsilon$ = Error Term

The above regression equation means that holding all the independent variables in the model at a constant zero (infrastructure resources, human capital resources and knowledge resources) sustainable competitive advantages will be at -0.77. A change of infrastructure resources by a single unit while holding other independent variables in the model at zero will result to a 0.457 increase in sustainable competitive advantages. Similarly, a change of human capital resources by a single unit while holding other independent variables in the model at zero will result to a 0.199 increase in sustainable competitive advantages. Finally, a unit change in organisational
knowledge resource management while holding other independent variables in the model at zero will result to a 0.491 increase in sustainable competitive advantages. This shows that at 95% level of confidence that knowledge resources contribute greatest to sustainable competitive advantages at 0.491 followed by infrastructure resources at 0.457 while human capital resources is last at 0.199. Considering 5% level of significance, infrastructure resources had a significant p value of 0.009, human capital resources had a significant p value of 0.003 while knowledge resources management had a significant p value of 0.011. The significant p value from the above results show that human capital resources is the most significant, followed by infrastructure resources and finally knowledge resources management. The results of the above multiple regression shows that there is a significant relationship between infrastructure resources, human capital resources and knowledge resources management on one hand and sustainable competitive advantages on the other hand. These findings conform to a study conducted by Karuoya, (2014) who concluded that infrastructure resources and human resources influences sustainable competitive advantage of companies. It also conforms to the assertions Barney (1991) who indicated that organisational resources influences competitive advantage in organisations.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter deliberates and presents summary of the findings from chapter four. It also provides the conclusions and recommendations of the research as per the objectives of the research whose overall objective was to investigate whether there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya.

5.2 Summary

The purpose of the study was to investigate whether there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The specific objectives were; to investigate whether there is significant relationship between infrastructure resources and sustainable competitive advantage; to investigate whether there is significant relationship between human capital resources and sustainable competitive advantage; to investigate whether there is significant relationship between knowledge resources management and sustainable competitive advantage all in the context of the aviation industry in Kenya. The study was limited to use of primary data collected over a period of one week through a structured questionnaires administered to senior most employees of 32 aviation organisations operating at JKIA. The research adopted a descriptive survey design. Cronbach’s alpha was used to assess the reliability and consistency of the research instruments used and all the items in the research had a Cronbach’s alpha of more than 0.7.

Descriptive statistics and inferential statistics were both used to analyse the data. Aggregate means for infrastructure resources indicated that most organisation had positive rating on infrastructure while standard deviation pointed to various organisation being endowed differently
in infrastructure resources. The aggregate of human capital resources had most organisation scoring positively on human capital resources management while standard deviation indicated differences in human capital resources management practices in various organisation. Most organisation did not realize the importance of knowledge resources management as demonstrated by a weak mean. In addition there was a huge differences in the importance various organisation attached knowledge resources management as shown by a high standard deviation. The aggregate means for sustainable competitive advantage indicated that most organisation were barely experiencing any sustainable competitive advantage. Standard deviation on sustainable competitive pointed out that some organisation were experiencing sustainable competitive advantage while others were not.

The Pearson correlation between the dependent variable and each of the independent variables showed that all the three independent variable had a significant relationship with the dependent variable. Analysis from the regression model proved that 77.6% of sustainable competitive advantage in the aviation industry in Kenya could be attributed to infrastructure resources, human capital resources and knowledge resources management at 95% level of confidence. The finding of this study corroborate with a number of past studies. Karuoya (2014) researched on factors influencing sustainable competitive advantage among cut flower companies and concluded that infrastructure resources and human capital resources influences sustainable competitive advantage of cut flower companies to a large extent. Waweru (2016) researched on the impact of infrastructure development on the competitiveness of the Kenyan economy and concluded that infrastructure development had a great impact on the competitiveness of the economy.

The finding on human capital resources corroborate with Islam, Ghani, Kusuma and Theseira (2012) research on education and human capital effect on Malaysian economic growth where the
researchers found out that there was positive relationship between human capital and economy growth. Finally, finding of knowledge resources management tally with the findings of McKeen et al (2006) who researched on the organisational impact of knowledge management and concluded that there was a positive correlation between knowledge management practices and performance. Kiptalam, Komene and Buigut (2016) studied effect of knowledge management in firms’ competitiveness and concluded that there was a significant positive relationship between knowledge management and firm competitiveness in the small and medium manufactures in Kenya. This is also in line with Feng et al (2004) who examined the impact of adopting knowledge management system and found out that knowledge management improve organisational performance by reducing administrative cost and improve productivity.

5.3 Conclusion

The study concludes that there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. Further, considering the various subsets of organisational resources studied, the research concludes that there is significant relationship between infrastructure resources and sustainable competitive advantage in aviation industry in Kenya. The research demonstrated that infrastructure planning, infrastructure financing, infrastructure maintenance, technology, organisation structure, policies and procedures as essentials aspects of infrastructure that significantly influenced sustainable competitive advantage in the aviation industry in Kenya. The study also concludes that there is significant relationship between human capital resources and sustainable competitive advantages in Kenya’s aviation industry. Qualification of human capital, proper working environment, motivation, training and proper flow of information in an organisation are essentials aspects of human capital resources management that significantly
influences achievement of sustainable competitive advantage in the aviation industry in Kenya. Finally, the study concludes that there is significant relationship between knowledge resources management and sustainable competitive advantage. The research demonstrated that knowledge acquisition, knowledge sharing, knowledge generation, knowledge preservation and knowledge utilization are essentials aspects of knowledge resources management that significantly influences the achievement of sustainable competitive advantage in the aviation industry in Kenya.

5.4 Recommendations for Policy and Practice

Based on the findings and conclusion of this study and as far as infrastructure resources is concerned, it is recommended that most of the aviation firms in Kenya review their organisational structure in order to meet their need. It is also recommended that the firms should allocate enough funds for the infrastructure and to ensure proper utilisation of the allocated funds. Accordingly on the human capital resources, the study recommends streamlining of information flow in the various organisations in order for the employee to know what is needed of them and what is happening in their organisations. Further, the study recommends that the organisations should improve on how they motivate and remunerate their employee in order to have a motivated workforce. With regard to knowledge resources management, the study recommend that most organisations should improve on their method of knowledge preservation as most of the respondents felt it was not effective enough. The study also recommends that organisations should ensure that all knowledge obtained is put into use in order for the organisation to reap maximum benefits. Finally, the study recommend that the organisation should invest more in creation of new knowledge as majority disagreed that their organisation was involved in creation of new knowledge. This could be done though research and innovation.
5.4.1 Suggestion for Further Research

The study had sought to investigate whether there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The scope of the study was on airlines, airport operator and air navigation service provider. The study give suggestions for further studies which will include even auxiliary aviation organisations for holistic study of the aviation industry. Further studies should also endeavour to reveal other factors that influences sustainable competitive advantage amongst aviation organisation in Kenya.
REFERENCES


CAPA, 2014. Airport investment in Africa - overlooked by airport and other infrastructure investors. 7th August 2014


IATA, 2010. *Air Transport Market Analysis*. IATA.


APPENDICES

Appendix I: Letter of Introduction

GATAMA PATRICK GIKONYO,
P. O BOX 3036- 3100,
ELDORAT - KENYA,
30TH JUNE, 2017.
DEAR SIR/MADAM,

RE: DATA COLLECTION

I am a postgraduate student at Kenyatta University pursuing Masters of Business Administration, Strategic Management (Major). In partial fulfilment of the requirement for the award of the degree, I am to carry out a research project and submit report on the same. My research topic is, "Organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya".

You have been picked as one of the respondents and the data obtained will be treated with privacy and confidentiality it deserve. I also wish to assure you that the data will not be used for any purpose harmful to the organization or you but strictly for the research purpose. The survey is completely voluntary and anonymous.

Attached please find attached questionnaire which I kindly request you to fill. I will pick the feedback within a week. Any questions, comments or requests can be communicated through the contact below. Your assistance and cooperation will be highly appreciated.

Yours sincerely,

Patrick Gikonyo Gatama
D53/0L/CTY/26556/2015
Tel: 0721344248
Appendix II: Research Permits
Part 1: Application for Research Permit

Gatama Patrick Gikonyo,
P. O BOX 3036-3100,
Eldoret - Kenya,
30th June, 2017.

The Director General,
Kenya Airports Authority,
P.O BOX 19165-00501,
Nairobi.

Through,
The Chairman,
Department of Business Administration,
Kenyatta University,
P. O. BOX 43844,
Nairobi.

Dear Sir/Madam,

RE: RESEARCH PERMIT

I am a postgraduate student at Kenyatta University pursuing Masters of Business Administration, Strategic Management (Major). I write to request for a permit to carry out research entitled, "Organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya”. The research will be carried out at Jomo Kenyatta International Airport over a period of one week. Your kind acceptance will be highly appreciated.

Yours sincerely,

Patrick Gikonyo Gatama
D53/0L/CTY/26556/2015
Tel: 0721344248
Part 2: Research Permit from Kenyatta University

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke
F.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School
TO: Gatima Patrick Gikonyo
C/o Business Administration Dept.

DATE: 6th February, 2018
REF: D53/OL/CTY/26556/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 31st January, 2018 approved your Research Project Proposal for the M.B.A Degree Entitled, "Organisational Resources and Sustainable Competitive Advantages in Kenya's Aviation".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thankyou,

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Prof. Jain Mehinder
C/o Department of Business Administration
Kenyatta University
Part 3: Research Permit from NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349,3180571,2219420
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

Ref. No. NACOSTI/P/18/98030/21582

Date: 20th March, 2018

Patrick Gikonyo Gatama
Kenyatta University
P.O. Box 43844 - 00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Organizational resources and sustainable competitive advantages in Kenya’s aviation,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 20th March, 2019.

You are advised to report to the Managing Director, Kenya Airports Authority, the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. STEPHEN K. KIBIRU, PHD.
F OR: DIRECTOR-GENERAL/CEO

Copy to:
The Managing Director
Kenya Airports Authority.

The County Commissioner
Nairobi County.
Part 4: Research Permit from Nairobi County

Republic of Kenya
MINISTRY OF EDUCATION
STATE DEPARTMENT OF EARLY LERNING & BASIC EDUCATION

Regional Coordinator of Education
Nairobi Region
Navyo House
P.O. Box 74255 - 00209
Nairobi

Ref: RCE/NRB/GEN/1/VOL. 1

Date: 27th March, 2018

Patrick Gikonyo Gatama
Kenyatta University
P.O. Box 43844-00100
Nairobi

RE: RESEARCH AUTHORIZATION

We are in receipt of a letter from the National Commission for Science, Technology and Innovation regarding research authorization in Nairobi County on “Organizational resources and sustainable competitive advantages in Kenya’s aviation”.

This office has no objection and authority is hereby granted for a period ending 20th March, 2019 as indicated in the request letter.

Kindly inform the Sub County Director of Education of the Sub County you intend to visit.

RHODA MWEI
FOR: REGIONAL COORDINATOR OF EDUCATION
NAIROBI

C.C.
Director General/CEO
Nation Commission for Science, Technology and Innovation
NAIROBI
Part 5: Research Permit from Kenya Airports Authority

KAA/ 10/16/02 VOL. 4 (79)

7th May, 2018

Gatama Patrick Gikonyo
MBA Student Kenyatta University
P.O Box 3036-3100
ELDORET

Dear Patrick,

RE: REQUEST TO CONDUCT RESEARCH AT JKIA

We are pleased to inform you that your request to carry out a research at JKIA has been granted from 14th May, 2018.

You are therefore requested to report to Airport Manager - JKIA for facilitation purposes.

You will be expected to abide by all rules and regulations governing the organization during your research period in order to ensure normal operations are maintained without inconveniencing the passengers.

Yours Sincerely,

RISPER OMONDI (Mrs.)
MANAGER LEARNING AND DEVELOPMENT
Appendix III: Questionnaire

This questionnaire is designed to assist in collection of data on, "Organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya". The information revealed by the respondents will be used for the purpose of the study only and will be treated with uttermost confidentiality. Kindly read and answer the following questions by filling the spaces provided or placing a tick in the boxes.

Part 1: Background Information.
1. What is your gender? Male { } Female { }

2. How long have you worked in your organisation?
   0-5 Years { } 6-10 Years { } Over 10 years { }

3. What is your level of education?
   Certificate { } Diploma { } Higher National Diploma { } Degree { } Master Degree { }
   Other (Specify) ________________________________________________________

4. What is your age bracket?
   20-30 Years { } 31-40 Years { } 41-50 Years { } 51 and above { }
## Part 2: Questions on Infrastructure Resources

To what extent do you agree with the following statement concerning infrastructures resources in your organisation?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Dis-agree</th>
<th>Strongly dis-agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The organisation has a long term plan on infrastructure.</td>
<td></td>
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<tr>
<td>2.</td>
<td>The organisation always allocate enough budget for infrastructure as planned and also ensure it is utilised properly.</td>
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<td></td>
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</tr>
<tr>
<td>3.</td>
<td>The organisation always repair and maintain infrastructure to the required standards.</td>
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<tr>
<td>4.</td>
<td>The organisation is currently employing up to date technology in its operations.</td>
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<tr>
<td>5.</td>
<td>The organisational structure meet the need of the organisation.</td>
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<tr>
<td>6.</td>
<td>The organisation has an updated policies and manual of operations at the working stations.</td>
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</tbody>
</table>
### Part 3: Questions on Human Capital Resources

To what extent do you agree with the following statement concerning human capital resources in your organisation?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Dis-agree</th>
<th>Strongly dis-agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The organisation only hire qualified personnel.</td>
<td></td>
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<tr>
<td>2. The organisation provide employees with the appropriate working environment and tools.</td>
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<tr>
<td>3. Employees are well remunerated and motivated.</td>
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<tr>
<td>4. The organisation always train and retrain employees with the required skills.</td>
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<tr>
<td>5. There is proper flow of information in the organisation.</td>
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</tbody>
</table>
**Part 5: Questions on Knowledge Resources Management**

To what extent do you agree with the following statement concerning knowledge resources management in your organisation?

<table>
<thead>
<tr>
<th>Questions</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Dis-agree</th>
<th>Strongly dis-agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The organisation always obtain and introduce new external knowledge.</td>
<td></td>
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<tr>
<td>2. There is knowledge sharing within the organisation.</td>
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<tr>
<td>3. The organisation generates new knowledge through research.</td>
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<tr>
<td>4. The organisation has an effective method of capturing, preserving, storing and retrieving knowledge in place.</td>
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</tr>
<tr>
<td>5. The organisation always utilizes the knowledge that it possesses.</td>
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</tbody>
</table>
## Part 6: Questions on Sustainable Competitive Advantage

To what extent do you agree with the following statement concerning the status of your organisation?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Dis-agree</th>
<th>Strongly dis-agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The organisation is experiencing a superior financial performances.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.</td>
<td>The organisation enjoy low cost of operation hence cost leadership</td>
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<tr>
<td>3.</td>
<td>The organisation have very high customer satisfaction.</td>
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<tr>
<td>4.</td>
<td>The organisation enjoy a large market share hence market leaders.</td>
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<tr>
<td>5.</td>
<td>The organisation enjoy high demand for its products and customer satisfaction level is high.</td>
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</tr>
<tr>
<td>6.</td>
<td>The organisation keep on adding value to its services.</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix IV: List of Airlines

1. African Express Airways
2. Air Arabia
3. Astral Aviation
4. Air France
5. Air Mauritius
6. Air Mozambique
7. British Airways
8. Brussels Airline
9. China Southern
10. Condor Airline
11. East African Safari Air
12. Emirates
13. Egypt Air
14. Ethiopian Airlines
15. Etihad Airways
16. Fast Jet
17. Fly Sax
18. Fly 540
19. Jambo Jet
20. Jubba Airways
22. Lufthansa
23. Martin Air
24. Precision Air
25. Qatar Airways
26. Rwanda Air
27. Saudi Arabian Airline
28. South African airways
29. Swiss International Airlines
30. Turkish Airlines