

**INTERNAL ORGANIZATION DYNAMICS AND COMPETITIVE
ADVANTAGES: A STUDY OF KENYA AIRWAYS**

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DECLARATION

This project is my original work and has not been presented for a degree in any other university or any other award.

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DEDICATION

I dedicate this work to my family, my wife Caroline, daughter Kadzo and father George Bebora for believing in me and being my support pillar.

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At the very onset, I surrender myself before the Almighty Lord blessing me with the best of what I could ever have had. Be it this project, the personnel associated with it or the outcome of this research pursuit, all of it is by His Grace, Mercy and Blessings. He has made it possible and I thank the Almighty God.

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LIST OF ABBREVIATIONS

| | |
|-------------|--|
| ADC | Agricultural Development Corporation |
| IATA | International Air Transport Association |
| ISO | International Organization for Standardization |
| KQ | Kenya Airways |
| KLM | Royal Dutch Airlines |
| KWS | Kenya Wildlife Service |
| RBV | Resource Based View |
| SPSS | Statistical Package for Social Sciences |

OPERATIONAL DEFINITION OF TERMS

| | |
|---------------------------------------|---|
| Internal organization dynamics | They encompass firm specific operational attributes that influence operational framework of an organization. In this study internal organizational dynamic factors examined include; workplace innovation, leadership approaches and organization culture |
| Workplace innovation | Include internal organization initiatives and activities that are intended to develop new products or services or refine and enhance the quality of products or services that an organization produces to offer differential and superior quality than that of competitors. |
| Leadership approaches | Highlight the style of management and executive administrative style towards enforcement and execution of firm operational policies adopted by the organization managers. |
| Organizational Culture | This portrays how people live or do things in the organization. It is what they believe in, shared assumptions, values and generally the way of life in the organization. |
| Competitive Advantage | Refers to the unique operational attributes that |

is possessed by a firm and impossible to be imitated or copied by closest competitors.

ABSTRACT

Numerous factors, both internal and external of a business can contribute towards influencing the state of competitiveness. Positive or negative competitiveness can mean survival or complete collapse of a business. The purpose of this study was to evaluate the effect of internal organization dynamics on the competitive advantage of a firm. The three organizational dynamics that were under study included; workplace innovation, leadership approaches and organization culture. The study based on descriptive research design as the methodology. The target population of the study included Kenya Airways employees drawn from different departments across the airline. Structured questionnaire, which contained close-ended questions, was used as the basis for this study. A 5-point scale was used to measure the respondents levels of satisfaction for the questions that were listed in the questionnaires, where; 1 = strongly disagree, 2 = disagree, 3= neutral, 4 = agree and 5 = strongly agree. The study found that that work place innovation factors wielded significant influence on the internal organization dynamics. The findings show that internal organizational dynamics impacts directly on competitive advantage recording an average mean on 4.15. The study established that leadership approaches played a central role towards the determination of the organizational operational determination. This was affirmed by a recorded average of 4.19, which indicates that leadership approaches directly impacts on the level of organization competitive advantage. Further, the study established that organization culture determined the institutional approach towards organization operations which impacted on competitive advantage, recording an average mean of 3.90. The study concludes that internal organization dynamics factors are critical organizational drivers that form source of competitive advantages. Through strategic approach, enhancing elements of internal organization dynamics including; work place innovation, leadership approaches and organization culture contributes to deepening and solidifying of organizations competitive advantage. The study recommends for the integrated strategic approach in organization administration to boost sources of innovativeness. Through allocation of manpower and resources for research and innovation, and organization is able to develop core competencies vital for enhanced effectiveness of internal organization dynamics. This approach enhances the prospects of an organization developing unique aspects of firm competitive advantages.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Internationally the aviation industry has over two thousand airlines operating more than twenty three thousand aircrafts, which provide airline services to about three thousand seven hundred airports (Glaesser, et al. 2017). Data from International Air Transport Association (IATA) and World Tourism organization (UNWTO) show that over the past three decades, the aviation industry has grown by 5% annually recording 28 million scheduled flights and serving over 2 billion clients annually (IATA, 2018; UNWTO, 2016). The aviation industry globally has recently been faced with a high rate of unprecedented change that has affected its business operations ranging from high cost of fuel, threats of new entrants at low cost and introduction of substitutes such as trains, which has compelled airline companies to have a reorientation of organization structures and strategies in order to be competitive (IATA, 2018).

According to IATA, industry economic performance report states that given the global economic crisis in the aviation industry (Njoya, 2016). Africa will continue posting cumulative losses attributing it to failure by governments to liberalize the continents airspace, slow economic recovery and high costs of operations (Amankwah-Amoah, 2018). Across the continent, the majority of

airlines are surviving on government bailouts. Ethiopian Airlines, which is one of Africa's largest carrier, is an exception. During the turbulence in the aviation industry, Ethiopian Airlines has continued posting profits a record 70 per cent increase in net profits in the year 2016 of \$261.9 million, from \$150.9 million the preceding year (IATA, 2018). Kenya Airways however continued posting losses dropping to \$97.6 million from \$249.7 million posted the previous year (Musyoki,2018). These turbulent times has forced KQ to lose out to its regional competitors such as Ethiopian airways and lost its mark as being the pride of Africa. Subsequently the move to open up the Kenyan skies, unstable fuel prices, internal affairs and emergence of low cost airlines has piled more pressure to KQ to realize economic value and attain leverage in the industry.

Scholars have shown how the internal organization environment comprising of organizational structure, technology, culture, innovation and leadership approaches help bring effectiveness in business activities and as a result create a competitive edge to the organization (Nadler & Tushman, 2007). According to Raelin (2003), the 21st-century organizations heavily rely on knowledge and require that teams in organizations share the experience together to attain organization success. It is the integration of the various strategic responses that give a firm an edge and enable them out- perform its competitors in the industry.

1.1.1 Competitive advantage

In business competitive advantage can be defined as a concept which presents components enabling an organization to perform better in the market through offering goods or services which are better amongst all options that are available to the clients in the same industry or market. These attributes may include access to natural resources, controlled business costs, customer focus, innovative personnel, new information technology, superior business strategies and innovative ways of conducting business (Barney, 2002).

A firm may gain competitive advantage by these unique resources which are hard to buy, transfer or copy and at the same time add value to a firm while being rare. According to works done by Porter (1980) a description is presented on avenues an organization can utilize to have competitive advantage in the market or industry that it operates in. Three generic strategies were concluded that is offering products/ services at lower cost as compared to the competitor, organization differentiating its products giving various options to its clients or the organization deciding to focus on a particular market niche. A company normally decides to select one of the two types of strategies in order to create competitive advantage, which can be either through lower costs of its products and services than its competition or by differentiating its products and services along dimensions that are valued by its clients that will warrant them to be offered at a higher price. The organization may also decide to focus on offering its products/ services to selected segments in the market. These

strategies have been described as porter's generic strategies (Kiechel & Walter, 2010).

Competitive advantage of a firm is also based on the resources possessed by a firm which are determinants of its performance. According to Barney (2002), how the firm organizes its core resources and manages them well will determine the extent to which an organization builds its competitive advantage. The efficiency and effectiveness of the organization requires the identification of those key resources that differentiates an entity from its competitors and requires management of these resources in a prudent manner that ensures the firm has an edge in the market. For these resources to be counted as a source of competitive advantage, they need to be valuable, rare and inimitable and readily available to the firm's disposal. Control of these resources ensures that the organization can utilize them to its benefit to outperform its competitors (Barney, 1991; Daft, 1983).

There is need to craft strategies that will effectively manage the internal environment. An organization needs to know where it is going that is the direction which is offered by the leaders. An organization needs to be innovative so as to come up with different appealing products/ services to the market at affordable prices while managing its costs and finally an organization needs a positive culture so as to have a common positive mind-set that will enable strategy implementers to relate with the organization and entire business strategies.

1.1.2 Internal Organization Dynamics

All organizations exist and carry out their activities within an environment. This environment can be classified into internal environment comprised of, financial resources, technology and innovation, organization culture, organization structure, leadership styles, strategies and processes whereas the external environment on the other hand is made up political, economic, socio-cultural, ecological and legal variables (Kaur & Mehta, 2017). Organizations need to have strategic responses for its internal environment factors so as to create a suitable environment for its business strategies to thrive. There is need to focus on the corporate culture, innovation and leadership approaches in order to ensure the internal environment enables the organization to compete effectively in the industry (Drucker, 2004).

Work-place innovation involves processes which enable organization establish and embrace new production methods and management models, not only for production but also for tangible and intangible resources. It involves maximizing organizations key resources that is the workforce, business processes and strategies in order to attain corporate objectives and improve the quality of products and services. It is about developing innovative ways from within the organization through high levels of partnership that generate options. Engaging in innovation is crucial in business productivity, economic and social well-being. This ensures business growth and economic wealth to the organization which enables a competitive advantage. Engaging employees in work place innovation is a strategy that an organization undertakes to ensure

that it has many ideas and alternatives to face the ever changing industry dynamics and enable organization maximize its resources and craft ideal strategies to develop a competitive advantage (Hochgerner, 2012).

Innovative organizations create a platform for information technology which ensures a more efficient and effective way of disseminating information in an organization. Innovative organizations have tools for their creative and development processes and their success depends on how much time and financial resources is allocated on implementing innovation programs in the organization. Financial resources spent on creative programs, training of workers on innovative skills and thinking builds a reorientation of the business profile. This also requires the organization to appreciate the creative capabilities of their company with incentives and rewards, which cultivates a strong base in terms of business creativity. Innovation requires that an organization identifies it in its raw form, cultivate it and redefine it in a form that can be utilized and give the organization maximum benefits in attaining its business objectives. An organization needs to be open to new ideas of doing business and be able to facilitate an environment which allows for development of innovative work approach that allows them to serve their clients with better products (Ceira, 2013).

According to Needle (2004), corporate culture is based on the collective values, beliefs and principles of the organization at large. Rosauer (2013) outlines the variables that direct the culture of any organization, engagement of

the employee, work practices and focus on the customer. Ravasi and Schultz (2006) argued that work place culture is a collection of common assumptions that direct what happens in organizations by influencing how people respond to the various situations and work related dynamics. It can be generalized by stating corporate culture is the way of life in the organization. This has a bearing on the mind-set and attitude of the employees towards the entire organization in terms of embracing the objectives, values and strategy. The mind-set will determine the level of indulgence in crafting a proactive spirit in problem solving, commitment towards work and generally the general behavior in adopting and implementing strategies that will deliver a competitive advantage. Corporate culture plays a significant role since it focuses on the people variable, considered to be the drivers of policies, procedures, strategies and constantly be required to be flexible and proactive to come up with solutions to emerging problems in the market.

Leadership as stated by various scholars can be termed as the ability of an individual to influence or guide others. Leaders will always try to assist and offer appropriate guidance to the organization so as to ensure synergy in work methods, problem solving and constantly remind the employees on what needs to be done or achieved in form of monitoring the implementation of strategies and realization of corporate goals. It also requires those in leadership position to act as influence to the rest and be an inspiration to the followers. Scholarly articles on leadership signify theories that have been refined and modified over time. Leadership approaches vary depending on the context and situation prevailing. Scholars have argued that no definite approach is constant; a

leadership approach can be transformative or transactive and purely depends on the circumstances faced by management (Dess & Picken, 2000).

Employees need to be constantly guided and reminded on the direction and activities to be undertaken in order to attain corporate goals. This requires those in leadership position to demonstrate to employees how to effectively perform their responsibilities and offer their support, agreeing on realistic goals and coming up with collective ways of how to meet targets timely. The type of leadership approach of an organization has a direct bearing to an organization success. These leadership styles include; transformational, transactional, autocratic, democratic, bureaucratic, servant leadership, laissez-faire and charismatic leadership. The leadership style adopted in an organization has the ability to impact the employees on whether they will work towards success or not (MacGregor, 2003).

How the organization handles its work place innovation in terms of employee engagement and the level of management support to new ideas being brought on board is imperative. This also leads to the leadership approaches being adopted by the top level management whether it is transformative, autocratic or transactive and in turn how do the employees conduct themselves or respond to business strategies, their beliefs, values and how they inter relate with each other in implementation of business activities. An understanding of these dynamics enables an organizations make strategic choices that will enable them to be competitive in the industry.

1.1.3 Kenya Airways

Kenya Airways is an organization in the aviation industry that was formally formed in 1977 from the then East African Airways. It has its head office located in Embakasi, Nairobi City County with its hub at Jomo Kenyatta International Airport (Musyoki, 2018). The composition of its ownership include the Government of Kenya until April 1995, where it was privatized in 1996, becoming the first African flag carrier to successfully do so. The Government of Kenya holds major shares at (29.8%), followed by KLM, which has a 26.73% and the rest of the shares are held by private owners (IATA, 2018). KQ has its shares being traded on the Nairobi Stock Exchange as well as the other East African countries.

Kenya Airways is the considered as being the leading Sub-Saharan operators with a total number of 3,196 employees. The carrier was ranked fourth among the airlines operating in Africa by seat capacity that is, behind South African Airways, Ethiopian Airlines and Egypt Air as at January 2013 (Njoya, 2016). The airline was incorporated as a member of the Sky Team in June 2010 as well as being a member of the African Airlines Association from the year 1977. In the recent years, the airline has lost its mark as being the pride of Africa and faced stiff competition in the market. Its decline in performance attracted national interest which lead to a reorientation of its structure under its recovery plans which saw close to 600 workers lose their jobs and disposing some of its fleet in order to remain afloat.

1.2 Statement of the Problem

Internal organization dynamics has contributed significantly to the success of leading global airlines, notably Air Asia, Qantas and Ethiopian Airlines (Amankwah-Amoah, 2018; Njoya, 2016; Sheedy, 2016; Shuk-Ching & Waring, 2010). The success of Air Asia is attributed to its comprehensive culture of budget air service for the mass market, which resulted in securing a significant competitive advantage, which was highly rewarding for the airlines business model (Shuk-Ching & Waring, 2010). Evidence from Sheedy (2016), demonstrated the value of astute organizational leadership in revolutionizing the operations and boosting the financial prospects of Qantas Airlines, coming back from a USD 2.8 billion losses in 2014 to USD 688 million half-year net profits in 2016.

Kenya Airways on the other hand, has continued its downward spiral in loss making, going to almost a decade without recording a profitable comeback (Musyoki, 2018). In the year 2013, the company made losses amounting to Ksh. 9 billion, with the subsequent year, 2014, recording another, Ksh. 2.7 billion, in net losses (Sheikh, 2017). In contrast to good performances of other global carriers, where the element of internal organizational dynamics is highly regarded, as seen in Air Asia, Qantas and Ethiopian Airlines, it's unclear whether the same can be said for Kenya Airways. A report gathered by a Senate Select Committee, examining the affairs of the airline's operations, revealed poor leadership decisions evidenced by fuel hedging contracts that escalated the business operating costs, non-innovative strategic responses to counter the introduction of low cost airlines in the market and regressive

business culture leading to constant industrial unrest, poor customer service and frequent flight cancellation as being a cause that led to the woes of Kenya's flag carrier (IATA, 2018).

Mulwa (2017) employed descriptive design with content analysis techniques to assess the turnaround Strategy on the Performance of Kenya Airways. Findings established positives in performance on areas of operational expansion, innovation and product diversification to low cost carriers but recorded negatives on outsourcing strategy and human resource downsizing. A study by Musyoki (2018) employed theoretical analysis employing resource based view and qualitative data to assess organizational resources factor in creation of competitive advantage in Kenyan Aviation sector with Kenya Airways being the case of reference. The study found organizational resources as a valuable critical success factor for creating competitive edge if well managed. Sheikh (2017) employed descriptive research approach, to examine the value of Turnaround strategies at Kenya Airways, while underpinning the study into resource based view, institution and open systems theories. The study established that, fundamental failures in decision making on the element of ticketing strategy and capital investments contributed significantly to the poor run of the airline.

From the aforementioned studies, there has not been a study on internal organizational dynamics in creating competitive advantages for Kenya Airways. This presents a knowledge gap, which this study sought to close. The study examined the role of internal organization dynamics, focusing on

workplace innovation, leadership approaches and organization culture in creating competitive advantages for Kenya Airways.

1.3 Objectives of the study

1.3.1 General objective of the study.

The research focused on establishing whether internal organization dynamics contribute to a firm's competitive advantage.

1.3.2 Specific objectives of the study

The study was on based on the following objectives;

- i. Investigate the effect of work place innovation on competitive advantage in Kenya airways.
- ii. Investigate the effect of leadership approaches in organizations on competitive advantage in Kenya airways.
- iii. Evaluate the effect of organization culture on competitive advantage in Kenya airways.

1.3.3 Research questions.

The study sought to answer the following questions;

- i. What is the effect of work place innovation on competitive advantage in Kenya airways?
- ii. What is the effect of leadership approaches on competitive advantage in Kenya airways?
- iii. What is the effect of organization culture on competitive advantage in Kenya airways?

1.4 Significance of the study

This study sought to assess the influence of internal organization dynamics on competitive advantages. The study examined the correlation between work place innovation, leadership approaches, organization culture and competitive advantage. The findings offer knowledge to other scholarly work on gaining competitive advantage and contribute to the society in terms of offering options to the problems faced by organizations in attaining competitive advantage.

The results from this research propose for reappraisal of the strategies deployed by Kenya Airways, and other companies in the aviation industry and the entire business environment in Kenya. It is anticipated that the study findings contribute a great deal of interest, not only to strategists in the industry but also add on to the insight of understanding the theories brought forward by scholars on gaining competitive advantage.

1.5 Scope of the study

The location of the study was Nairobi City County with specific area of focus being Jomo Kenyatta International Airport (JKIA). The unit of observation was Kenya Airways operational Headquarters, situated at the Airport North Road, within JKIA. The respondents of the study included, employees of Kenya Airways drawn from strategic departments, notably; Finance, Human Resources, Operations and in-flight departments. This research was done over a period of two months to ascertain if there exists any relation between internal organization dynamics and competitive advantages.

1.6 Limitations of the study

Participants expressed caution in their feedback which couldn't be verified. This was overcome by relying on structured questions which didn't require open responses from the participants. The respondents had concerns on the intention of the study and what their views could have amount to. However this concern was overcome by guaranteeing respondents of their confidentiality, with their views handled with the condition of anonymity. The other limitation was geographic, with researcher based in Mombasa and the study scope being Nairobi. This was overcome by utilization of electronic copies of the questionnaire which were mailed to the respondents who had expressed interest in taking part of the study.

1.7 Organization of the study

This first chapter provided the research background, objectives and significance of the study together with the limitations experienced while conducting the research. The second Chapter presents literature review on the research topic that is the theoretical review, empirical review and a conceptual framework. In the third Chapter of the research we have the research methodology that was used; the research findings and analysis was presented in chapter four, while chapter five has conclusions of the research findings and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature put forward by different scholars concerning human asset related strategies and competitive advantage, how it applies to organization backed by facts supporting the theories.

2.2 Theoretical review

This entails concepts brought forward through scholarly materials that try and explain and give a deep insight on a particular field of study or topic. It tries to challenge and critic a subject in order to create a better understanding of a phenomenon. The theoretical framework is what supports the theory of the research study.

2.2.1 Resource Based View (RBV) theory

The resource based view (RBV) theory is pegged on the element of firm's operational success in the scope of effective utilization of the existing organizational resources towards the realization of competitive advantage (Kamboj, Goyal & Rahman, 2015). According to Yao, Gong and Wei (2016) the competitive attribute of a firm is relative to the strategic alignment of the existing resources towards enhancing the market position of the firm. The Resource-Based View (RBV) is a theory that aides a firm to identify its strategic resources which when properly utilized enable a firm to gain a competitive advantage.

The internal organizational resources may include finances, assets, business processes, policies and business strategies. Dussauge et al (2000) stated that the RBV has pointers that if managed well by a firm then competitive advantage can be achieved. There is need to identify firms potential resources, evaluate whether the resources meet criteria set by the VRIN framework by Barney (1991) criterion and care for resources that pass the evaluation. RBV is also described as a basis of a firm to know its strategic advantages in terms of capabilities, skills and assets that make it perform better than its competitors (Pearce & Robin, 2000).The unique resources that are maintained by a firm are what make it stand out and different from other firms in the industry (Rothaermel, 2013).

The RBV theory is relevant in this study and explains Workplace innovation, which encompass initiatives aimed at developing new products or improving through refining the current products through adjusting strategic organizational resources. The RBV theory underpins operational strategies that are geared towards enhancing the quality of products and services through deployment of existing resources. This is supported by Kamasak (2015) on the value of internal organizational resources and sources for innovation and competitive advantage. In addition, Gupta and Barua (2018), supports RBV theory role towards enabling innovation through tapping into the existing organizational resources.

2.2.2 Transformative leadership Theory

According to Daft (2011), Realization of organization objectives is dependent on the kind of leader and style of leadership deployed which influences employees to attain success. Leadership approaches is the most important factor in any organization that would like to maximize returns. The study of leaders and leadership was developed from Galton's Great Man theory (Clark & Clark, 1990). It has evolved over time and moved from a function of just making decision, providing direction and resolving conflict. It has developed in different approaches that gives leaders are deeper insight in understanding the various leadership approaches that can be adopted depending on the circumstances that includes transformative leadership approach.

Transformative leadership theory was first introduced as a concept by Burns (1978) and subsequently advanced (Burns, 2003). Burns (2003) viewed this theory as more superior as compared to the other leadership approaches, since it occurs when people in leadership engage with followers and there is an open platform where ideas are exchanged and accommodated with an intention of developing the best solution or action to a prevailing problem. It is an approach where leaders and followers collectively exchanged ideas to offer solutions to the ever changing business dynamics. It offered a new system of leadership where leaders inspired, created a vision and enabled followers to develop into their own leadership capabilities that ensured more constructive decision are made and cultivated a mind-set of the leadership spirit (Rowe, 2001). The transformative leadership theory is critical in this study in underpinning the

role of leadership approach in developing competitive advantages. Evidence from Devie, Semuel and Siagian (2015), demonstrated that different elements of both transactional and transformational leadership wield influence on firm competitive advantage. In transformational approach, technical and internal organizational management is highly valued as a key driver towards building competitive advantage. Therefore, transformational theory details the framework in which organizational leadership approach can be tapped into a resource for realization of competitive advantage.

2.2.3 Porters Generic Strategies Theory

The theory states that a firm can gain competitive advantage by either cost leadership or product differentiation (Bhattarai, 2018). This compels firms to apply the generic strategies that are; cost leadership, differentiation and focus (Tanwar, 2013). Cost leadership involves a firm offering its products or services at the lowest cost as compared to its competitors. It involves a firm applying economies of scale or access to raw materials at low cost to ensure its production costs remain low to be able to maintain the low prices.

Through differentiation, the firm sets itself to be unique in the market. This involves offering products or services that are perceived to be unique and at the same time appeal to the potential customers. The firm may also adopt a focus strategy where a particular segment is identified and the firm concentrates on the narrow scope in the entire market or decides to target a particular set of client in the market (Porter, 1998).

Generic strategies model has emerged a driving force within the scope of Airline sector operational administration (Omwoyo, 2016). The Porter's generic strategies theory is therefore relevant in this study as it underpins organizational culture on the specific facets of cost leadership, product differentiation and focus towards building an operational competitive advantage. In evidence by Jeddi *et al.*, (2014) the cost leadership strategy was central factor that enabled Air Asia secure significant competitive edge and secure a huge market share. Aligning organizational culture with generic strategies proposed by Porter, offers the organization a unique operational framework that boosts its market positioning and realization of competitive advantage.

2.3 Empirical Review

2.3.1 Work place innovation and competitive advantage

Wanyoike (2016) conducted a descriptive study on the relationship between innovation strategies and competitive advantage in logistic firms in Mombasa County, Kenya. A cross sectional descriptive survey design was used and a five point Likert scale questionnaires developed to collect primary data from respondents. The population was 876 logistics firms and sample size was 60. Regression analysis was used in the data analysis. 44 logistic firms responded giving a response rate of 73%. Results obtained indicated that Logistic firms in Mombasa County utilized innovation strategies namely; product innovation strategies, process innovation strategies, market innovation and organizational

innovation strategies. Overall, it was shown that innovation strategies influence competitive advantage in Logistic firms in Mombasa County, Kenya. The variable under study relates to work place innovation that will be a focus of this study. The scope of the study will differ since this research will focus on KQ as a case study as opposed to several firms. The results obtained in the logistic firms may not necessarily apply to KQ which is in the aviation industry therefore leading to the research gap that this study will try to examine.

Mathenge (2011) conducted a research on the effects of innovation on competitive advantage targeting telecommunication companies in Kenya. The research design was a survey co-relational which had 250 respondents. The research tool to collect data was a questionnaire. Data reliability and validity was verified upon collecting of the data. Analysis of the collected data was done through descriptive statistics. In the research findings made that the telecommunications companies indicated substantial growth through financial innovations which yield to a competitive advantage in the market environment. It was establish that there was a positive relation between the financial innovations and performance of the company. The improvement in performance meant better service delivery to its clients at an affordable rate that they got attracted to which through economies of scale saw a great increase in profit maximization.

Mwangi (2017) conducted a study on the effects of innovation on competitive advantage in fast moving consumer goods, a case study of PZ Cussons East

Africa Ltd. This study adopted descriptive research design, the population involved in the study were employees at PZ Cussons East Africa Ltd. The target population of the study included employees at PZ Cussons East Africa Ltd headquarters; stratified random sampling was used to get 100 respondents for the study. Questionnaires were used as the instrument for data collection and data analysis included both descriptive and inferential statistics. Data was presented in tables, graphs and charts. The findings concluded that it was not conclusive whether organizations adopt new ways of doing things from time to time in order to improve competitive advantage. Innovation is one of the key objectives of organization that is aimed at attaining competitive advantage. Products in the organization are redesigns from time to time to enable the organization stay ahead of its competitors. Products that are considered unique in the market are at an advantage over its competitors. The findings were not conclusive hence informing the gap whether work place innovation contributes to competitive advantage which this research will establish. The research methodology relates to the methodology which will be used in this research however the findings may differ since the industries differ and are faced with different dynamics.

2.3.2 Leadership approaches and competitive advantage

Nyawira (2015) conducted a research on whether the practice of strategic leadership impacts on sustainable competitive advantage of commercial banks in Kenya. The research was a descriptive study which targeted forty three commercial banks. Data was collected through administering questionnaires to

establish relationship of leadership and sustainable competitive advantage. The study conducted prior to this research relates to one of the variables of leadership approaches that will be evaluated in this research. The findings concluded that the sustainability of an organizations competitive advantage will depend on how it is able to use the strategic leadership practices, roles and also the capabilities of strategic leaders. This study focused on commercial banks which is different from the aviation industry, as much as it focused on strategic leadership the findings might not apply to KQ.

Ndunge (2014) did a research on Strategic Leadership and Change Management Practices at the Kenya Wildlife Service (KWS). The study had two main objectives of establishing strategic leadership and change management practices at the KWS and establishing the challenges of leadership strategies on change management practices at the KWS, Primary data was collected from the respondents through interview guide and key informant interviews while secondary data collected from respondent organization, reports and past strategic plans. The study concluded that respondents noted change was undertaken since management provided strategic leadership as well as support to the process. The variable of leadership is the same with leadership approaches which will be focused on in this research. However Ndunge (2014) related leadership to change management and not competitive advantage. The study done was a case study same as the intended research which will be a case study of KQ, however the research methodology of primary data collection was based on an interview tool which

is different from a questionnaire tool which will be used to collect data. The findings on the impact of strategic leadership on change management at KWS might not be the same as leadership approaches and competitive advantage, thus providing the gap of this research.

Chepkirui (2012) carried out a research on The Role of Strategic Leadership in Strategy Implementation at the Agriculture Development Corporation (ADC) in Kenya. Research data was obtained through interviews targeting the two departments that is Finance and Technical. The research findings concluded that strategic leadership plays a very critical role in the effective implementation of strategy at the corporation. The study done was a case study same as the intended research which will be a case study of KQ, however the research methodology of primary data collection was based on an interview tool which is different from a questionnaire tool which will be used to collect data. The findings of the study may not apply to this research since it tried to establish the connection that exists between strategic leadership and strategy implementation as opposed to competitive advantage which will be the basis of this research. Chepkirui (2012) focused on an organization which is in the agricultural industry and the findings may differ from the aviation industry where KQ is operating.

Muthami (2017) did a research on strategic leadership for sustainable competitive advantage in Kenyan public and private universities. This research design was quantitative research design and cross-sectional survey research

design to address the variables. Data was obtained through questionnaires and analyzed through inferential and descriptive statistics. The study established a significant role of strategic leadership for sustainable competitive advantage in Kenyan public and private universities. The recommendation on the research indicated that university leaders should embrace a holistic approach to creating effective organizational culture in order to build sustainable competitive advantage. The research informed of the great significance that is played by leaders in the university. This can be equated to one of the variables on leadership approach that this research intends to focus on. The findings however may not be the same given the difference in the institutions, bringing in the aspect of the gap that this research will try and establish.

These foregoing studies under leadership approaches and competitive advantage are relevant, since they have tried to establish the role the leaders play in an organization to make it efficient and effective. The research methodology in some of the prior studies relate to the methodology adopted in this research and they have all recommended further research works to be conducted. These prior studies will give more insight on understanding the concepts under the leadership theory and generally how it relates to organizations.

2.3.3 Organization culture and competitive advantage

Akinyi (2013) did a study to establish the influence of organizational culture on strategy implementation at the University of Nairobi. Data was collected

through face to face interviews with the respondents. It was analyzed through content analysis techniques in order to derive research findings. The findings provided an insight on how organizational culture is inculcated by the university and how it affects implementation of strategy. Overall findings showed that organizational culture had an influence on University of Nairobi implementing its strategies. The study variable which was organization culture relates to the research variable which this research will focus on, however its relation to competitive advantage was examined since it evaluated strategy implementation which differs from competitive advantage. The research design was a case study of University of Nairobi, which relates to this research since it will be a case study of KQ, the findings may not be the same since the dynamics of the two institutions and industry differ.

Oduol (2014) conducted a research which was on the the effects of organizational culture on performance of subsidiaries of selected regional commercial banks which had its headquarters in Kenya. Data was collected through the use of questionnaires and analysis was through Statistical Package for Social Sciences. In the research findings it was established that the reason as to why firms engaged in various strategies to build a healthy organizational culture so as to boost organization performance. The findings further state that for performance of firms to improve, it requires a supportive organization culture. It concludes by stating that for banks to be competitive, they need a corporate culture that make employees feel relevant and appreciated, this creates a sense of belonging which propels employees to be more proactive in

strategy implementation and execution. The study variable was based on organizational culture which relates to one of the variables that will be reviewed in this research. The research design being descriptive relates to the research that will be conducted as well as data collection and analysis. The findings indicate a positive contribution of organization culture. These finding might not necessarily be the same in KQ, considering the difference that exists between the banking industry and aviation industry which KQ operates in.

Chepngeno (2012) did a study on the effects of organizational culture on sustainable competitive advantage in state owned corporations in Kenya. This research was a study on Postal Corporation of Kenya. The research design was descriptor-explanatory research design. The target population comprised of middle level managers of the Postal Corporation of Kenya working in Nairobi, Rift Valley and Nyanza regions and a census was done since all participated. Data was collected through the use of questionnaires. Descriptive and inferential statistics was used to analyze data which based the research findings. The research identified organizational values affected sustainable competitive advantage of Postal Corporation of Kenya. The study conducted established a link that holds the culture amongst employees has an impact on how the employees will generally view competitive advantage and the strategies being laid down for them to implement. The findings however may not apply to KQ which is not a state corporation and has different organization dynamics.

2.4 Summary of literature and research gaps

Table 2.1 Collection of Findings and Knowledge Gaps of Selected Studies

| Author | Study topic/ focus | Findings | Knowledge gap | Current study focus |
|------------------|--|---|---|---|
| Nyawira (2015) | Impact of strategic leadership on sustainable competitive advantage. | Sustainability of an organizations competitive advantage depends on how it is able to use the strategic leadership practices, roles and also the capabilities of strategic leaders. | The study focussed on Kenya commercial banks in the banking industry which is different from the aviation industry. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Ndunge (2014) | Strategic Leadership and Change Management Practices | Change was undertaken since management provided strategic leadership as well as support to the process. | The focus was only on strategic leadership and did not consider Culture and innovation. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Chepkirui (2012) | Role of Strategic Leadership in Strategy Implementation at the Agriculture Development Corporation (ADC) in Kenya. | Strategic leadership plays a very critical role in the effective implementation of strategy at the corporation. | The study focused on strategic leadership alone in the Agriculture industry as opposed to the study which will look into leadership, innovation and | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |

| | | | | |
|-----------------|--|--|--|---|
| | | | culture in creating competitive advantage | |
| Wanyoike (2016) | Innovation strategies and competitive advantage in logistic firms in Mombasa County, Kenya. | Innovation strategies influence competitive advantage in Logistic firms in Mombasa County, Kenya. | The study was only centred on innovation leaving out Leadership and Organization Culture | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Mathenge (2011) | Effects of innovation on competitive advantage of telecommunication companies in Kenya. | Financial innovation contributes to competitive advantage. | The study was only centred on innovation and leaving out Leadership and Organization Culture. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Mwangi (2017) | Effects of innovation on competitive advantage in fast moving consumer goods, a case study of PZ Cussons East Africa Ltd | It was not conclusive whether organizations adopt new ways of doing things from time to time in order to improve competitive advantage. Innovation is one of the key objectives of organization that is aimed at attaining | The study was only centred on innovation and entrepreneurial activities leaving out Leadership and Organization Culture. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |

| | | | | |
|------------------|--|---|--|---|
| | | competitive advantage | | |
| Akinyi (2013) | Organizational culture on Strategy implementation | In the findings it was established that organization culture influences strategy implementation | The focus on Culture relates to the study however it was only related to strategy implementation not competitive advantage. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Oduol (2014) | The research was on effects of organizational culture on performance | Organization culture influences performance since organization engage in various strategies to build a healthy organizational culture | The study was only focusing on selected regional commercial banks and established the relation of organization culture to performance not competitive advantage. | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |
| Chepngeno (2012) | Organizational culture and sustainable competitive advantage | The findings indicated that culture has an impact on how competitive advantage will be perceived by employees | The research was a study on Postal Corporation which is in a different industry as opposed to KQ. The findings may not apply to this research | Internal organization dynamics and competitive advantage. Looking at leadership approaches, work place innovation and organization culture on competitive advantage. A case study of Kenya Airways. |

Source: Researcher (2019)

2.5 Conceptual framework

The conceptual framework, offers a diagrammatic presentation of the relationship between the independent predictor variable and the dependent variable. Casanave (2015) opined that conceptual framework offer a definition of theoretical scope of a particular scholarly work. Furthermore, Grant and Osanloo (2014) posited that conceptual framework offered a theoretical underpinning of the research study which enables the development of the research blue print.

The independent variable of this study is internal organization dynamics and the dependent variable is competitive advantage. The constructs for dependent variable internal organization dynamics include; workplace innovation, leadership approaches and organization culture. The dimensions of competitive advantage covered in the study include; low cost products/services, innovative differentiated products/services, focus on a market segment and proactive business culture.

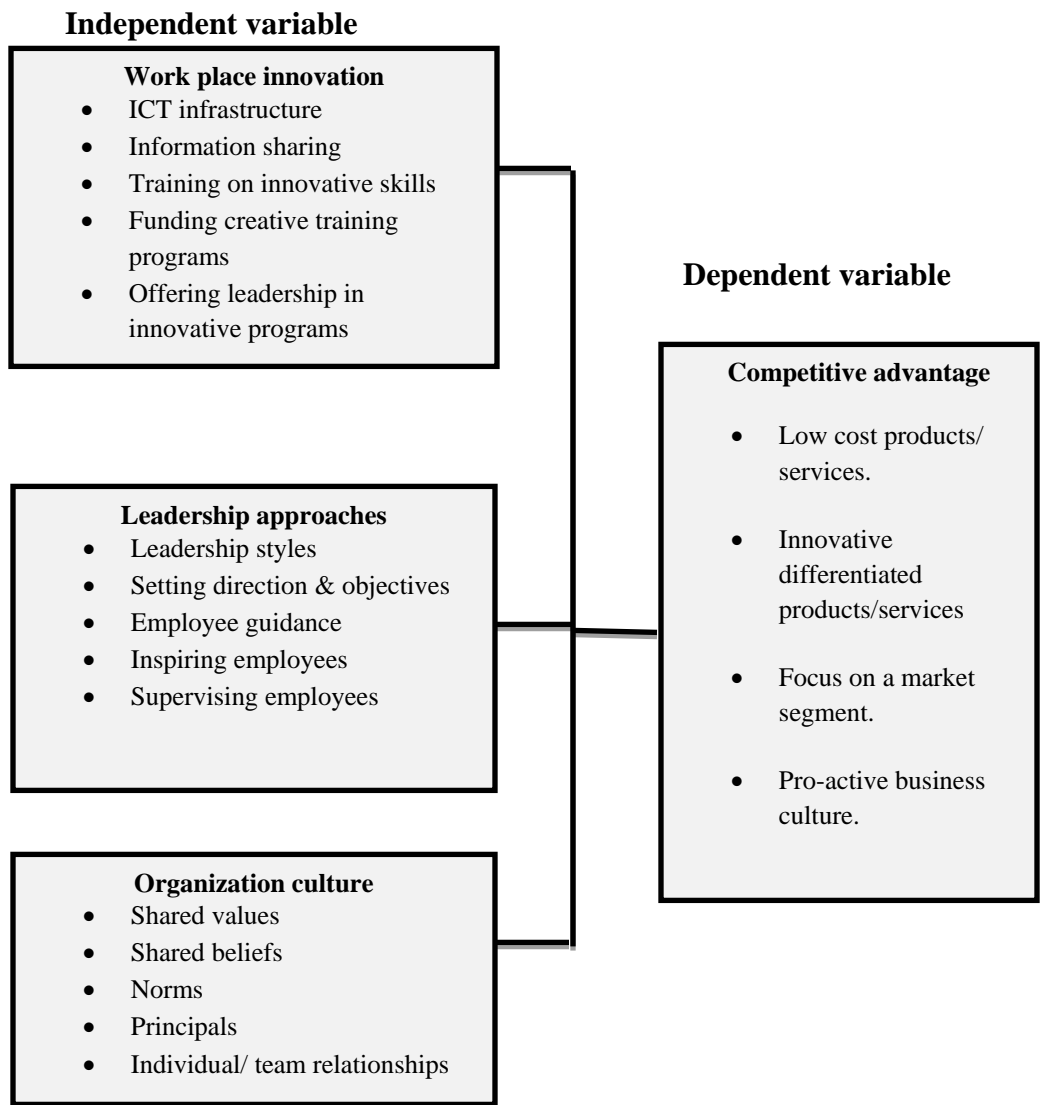


Figure 2.1 conceptual framework
Source: Researcher (2019)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research design, methodology, target population, sampling techniques that was used and data collection mechanisms will be presented in this chapter.

3.2 Research design

Cooper and Schindler (2014) defined research design as the plan of a research study. Research design has been described as the framework that has been set up to seek answers to research questions. Berger (2019) on the other hand describes a research design as a strategy used by a researcher in collecting and interpreting data to answer the research questions. This research study adopted a descriptive research design. The purpose of this study was to examine, evaluate and determine the influence of internal dynamic factors, including; workplace innovation, leadership approaches and organization culture on the competitive edge of the firm.

Descriptive research design enables empirical assessment employing both quantitative and qualitative techniques which make it possible to use descriptive data to describe phenomenon and restricted contexts (Babbie, 2010). This approach was found convenient for this study, as it enabled the researcher utilize

primary questionnaire in carrying out the field survey, and subsequently describe findings using descriptive data, utilizing measures of central tendencies (mean and standard deviation) and inferential statistics (correlation and regression analysis).

3.3 Target population

McLeod (2014) openly defined target population as the total group in which the sample might be drawn. The target population included employees at the Kenya Airways corporate office and National headquarters. Target population was drawn from all organizations depts including, 195 from Finance department, 125 from Human Resource department, 1,150 from Technical department and 1,726 from In-flight department, which totalled to 3,196 employees. These departments represented the whole scope of Kenya Airways operational front thus directly impacted by the internal organizational dynamics factors, which was the theme of this study.

Table 3.1 Target Population

| Category | Target population | Percentage (%) |
|----------------------------------|--------------------------|-----------------------|
| Finance Department | 195 | 6.1 |
| Human Resource Department | 125 | 3.9 |
| Technical/ Operations Department | 1,150 | 36 |
| In flight Department | 1,726 | 54 |
| TOTAL | 3,196 | 100 |

Source: Kenya Aviation workers Union, 2018

3.4 Sample size and Sampling Technique

Sampling by definition is described as selecting a number of people for a research who should represent the entire population (Mugenda & Mugenda, 2003). The study employed the elementary statistical formula that was proposed by statistician Taro Yamane in 1967. The Yamane formula accurately captures the significant sample that effectively represents the population from a defined set of an organization (Yamane, 1967).

The Yamane formula for sample size calculation is: $n = \frac{N}{1+N(e)^2}$

Where; n = sample size,

N = target population,

e = acceptable error limit

Thus to calculate the sample size, N = 3,196 people, e = 10% (0.1)

$$\text{Hence, } n = \frac{N}{1+N(e)^2}$$

$$n = \frac{3,196}{1+3,196(0.1)^2}$$

$$n = \frac{3,196}{1+3,196(0.01)}$$

$$n = \frac{3,196}{1+31.96} = \frac{3,196}{32.96} = 96.96, \text{ rounded to}$$

nearest person

Therefore, **n = 97 persons**

Table 3.2 Sample Size

| Category | Target Population (N) | Calculation for Sample size | Sample Size |
|--|----------------------------------|--|--------------------|
| Finance Department | 195 | $\frac{195}{3,196} \times 97$ | 6 |
| Human Resource Department | 125 | $\frac{125}{3,196} \times 97$ | 4 |
| Technical/ Operations Department | 1,150 | $\frac{1,150}{3,196} \times 97$ | 35 |
| In flight Department | 1,726 | $\frac{1,726}{3,196} \times 97$ | 52 |
| TOTAL | 3,196 | NA | 97 |

Source: Researcher, 2019

3.5 Data Collection Instrument

The study employed a structured questionnaire as the primary instrument for data collection on the objectives under study and the general research topic. Coopers and Schindler (2014) defined questionnaires as a collection of items the respondent is expected to react to in written form. This approach enabled the research to make qualitative and quantitative data analysis concerning the research topic. The questionnaire was sub divided into sections that indicated the purpose of the study. The questionnaire included 5 sections including; section A covering respondent demographic details, section B centering on workplace innovation, section C focusing on leadership approaches and section D centering on

organization culture. A 5-level likert scale was used to seek respondent's views on different items for the study variables.

3.6 Validity and Reliability of Data Collection Instruments

3.6.1 Validity

This is described as the extent to which a concept or conclusion relates or corresponds to the real world (Berger, 2019). Therefore the researcher performed an examination on the questionnaire that included opinion of experts in the field of strategic management to ensure the validity through amending any inappropriate questions and exclude any ambiguity in them before developing the final questionnaire tool (Mugenda & Mugenda, 2003).

3.6.2 Reliability

According to Bell, Bryman and Harley (2018) define reliability as the overall consistency of a measure. Mugenda and Mugenda (2003) on the other hand stated reliability as the extent to which a research tool produces consistent results on the data after a number of trials. The researcher undertook a pre-test of the questionnaire during the pilot survey which was necessary to ensure it meets the aspect of reliability. To test reliability the researcher used test and re-test method by processing the same data input more than once over a specified time to a group of individuals. The scores from time 1 and time 2 was then evaluated to ascertain the test for stability over time (Phelan & Wren, 2006).

A Chronbach alpha was used compute the reliability estimate. An alpha score of above 0.75, indicated that the research tool was reliable.

Table 3.3 Pilot Test on Reliability

| Variable | Cronbach Alpha value | Cronbach Alpha when variable omitted | Number of questionnaire items |
|-----------------------|-----------------------------|---|--------------------------------------|
| Workplace innovation | 0.821 | 0.823 | 8 |
| Leadership approaches | 0.838 | 0.831 | 7 |
| Organization culture | 0.812 | 0.809 | 8 |

Source: Researcher, 2019

The tabulations for Cronbach alpha revealed the findings presented in table 3.3. All the variables recorded an alpha value of 0.7. The outcome for alpha value in case the questionnaire was removed was also above 0.7. Cooper and Schindler (2014) ascertained that if a coefficient of over 0.7 is computed, it will signify the justification of the tool with acceptable reliability. The study was therefore satisfied that the data collection tool was valid instrument for data collection.

3.7 Data Analysis and Presentation

Data was analyzed using descriptive and inferential statistics. The researcher utilized Microsoft Excel and Statistical Package for Social Science (SPSS) software to process and clean the data collected from the field survey. The physical questionnaires were inspected, to make sure that all questionnaire fields were

populated with data. Alterations on questionnaires were made on areas with visible errors, then content was entered on the excel software. The data was then cleaned and exported to SPSS for processing and analysis. Analysis was made using frequencies, percentages and measures of central tendencies (means and standard deviations) whereas the presentations were made using charts, graphs and tables. Linear regression test was implemented on the data to measure degree of association in correlation and predictability between the independent and dependent variables.

3.8 Multiple Linear Regression Model

Simple and Multiple linear regression analysis was done to assess the correlation and relationships on the independent and dependent variables.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

Y = Competitive advantage

β_0 = Constant

X_1 = Workplace innovation

X_2 = Leadership approaches

X_3 = Organization culture

ϵ = Error limit

3.9 Ethical Consideration

These are norms or standards for conduct that defines right and wrong (Mugenda & Mugenda, 2003). This includes honesty, objectivity, confidentiality and non-

discrimination. This research ensured that contributions by all respondents who participated in the study were handled in an ethical manner and information rendered is handled in pure confidentiality and will never be used against them or divulged for nefarious uses.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This part of the study covers the presentation, analysis and interpretation of the data as was gathered in the field survey exercise. The study employed a structured questionnaire utilizing close-ended questions. The respondents in the study included employees from Kenya Airways. A representative sample covering all the Kenya Airways departments participated in the study by responding to the issued questionnaires.

4.2 Response Rate

The data computed in table 4.1 highlights the response rate, computed using frequency and percentages for the responded questionnaires.

Table 4.1 the Response Rate

| Outcome | Frequency | Percentage |
|------------------------------|------------------|-------------------|
| Questionnaires responded | 80 | 83.3% |
| Questionnaires not-responded | 17 | 17.3% |
| Total | 97 | 100% |

Source: Survey data, 2019

The response data presented in table 4.1 indicates that out of the 97 questionnaires that were handed out for data analysis, only 80 were returned in time for data analysis. This represents a response rate of 83.3%. According to Cooper and Schindler (2014), a response rate of 70% and above is considered sufficient for

conducting data analysis. Therefore, with a response rate of 80% the feedback in this study was sufficient to offer results that reflect the reality on ground.

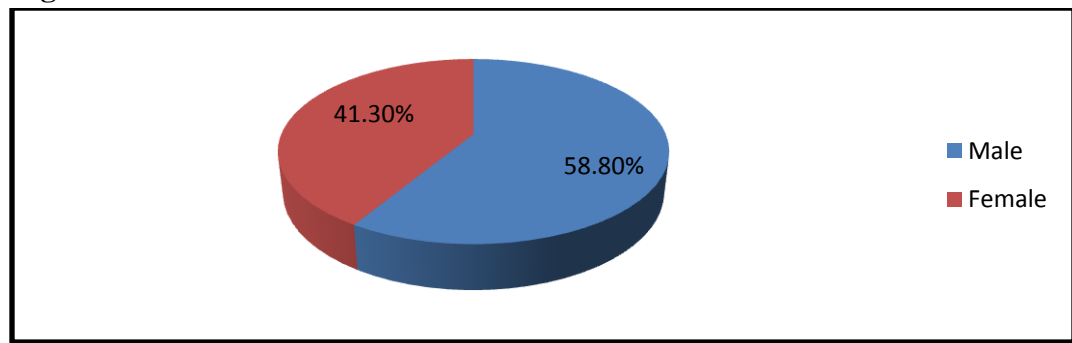
4.3 Demographic Information

The demographic details covers the respondents personal information on items including; gender, age, education level, work experience and organization department.

4.3.1 Respondents Distribution by Gender

The data computed in figure 4.1 highlights the respondent's distribution by gender using frequency and percentages.

Figure 4.1 Gender distribution



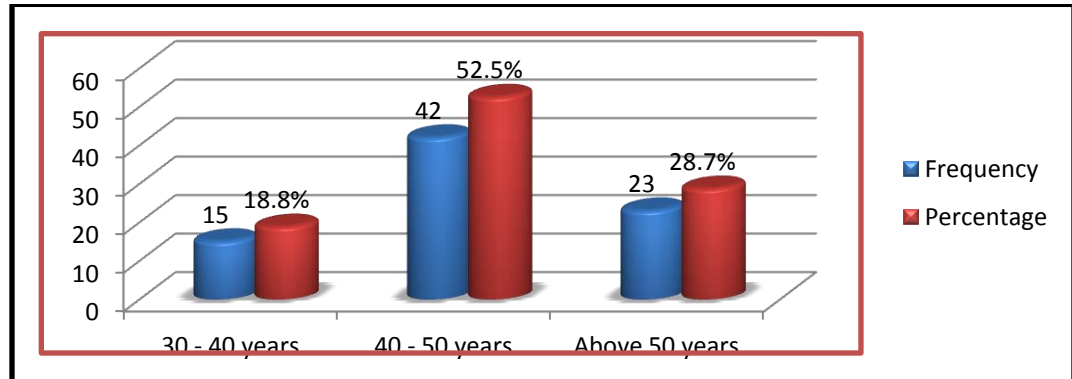
Source: Survey data, 2019

The findings computed in figure 4.1 indicates that majority of the respondents, 58.8% were male with women occupying about 41.3%. This indicates a virtual even gender distribution. The findings imply that gender diversity is important in strengthening internal organizational dynamics, in turn boosting organization competitive advantage.

4.3.2 Respondents Distribution by Age

The computed data presented in figure 4.2 highlights the distribution in respondent's age in frequency and percentage.

Figure 4.2 Respondents Age



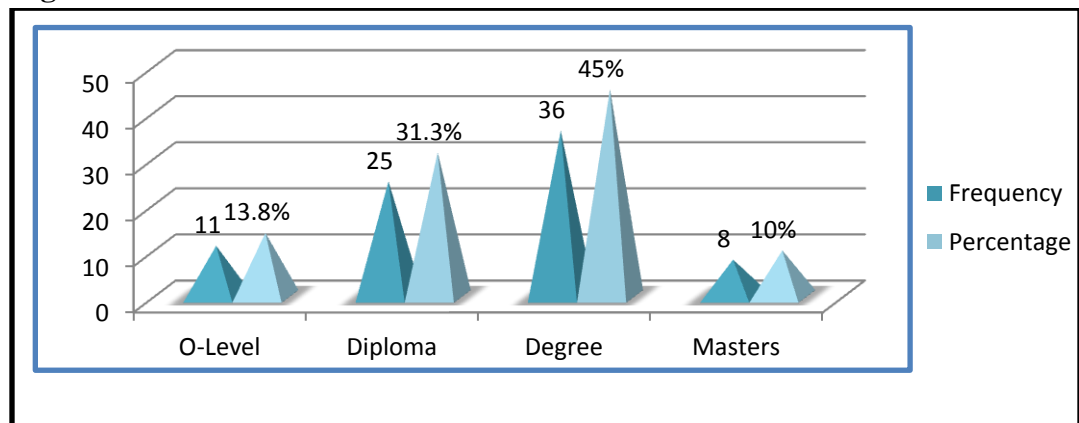
Source: Survey data, 2019

The findings in figure 4.2 indicate that majority of the respondents, 52.5% (42) have are in the age bracket of 40 – 50 years. Further, 28.7% (23) of the respondents indicated to be over 50 years and 18.8% (15) indicated to be in the age group 30 – 40 years. The computed age distribution data highlights concentration of middle age and over 50 years of employees in corporate organization. Few respondents indicated to be in the young brackets age. The findings imply that age diversity is important in sharing experience and knowledge amongst organization staff which enhances internal organization dynamics. In addition, balancing work experience and knowledge strengthens organizational operational capacity which is vital in enhancing competitive advantage.

4.3.3 Respondents Distribution by Education Level

The computed data presented in figure 4.3 highlights the distribution in respondent's education level in frequency and percentage.

Figure 4.3 Education Level



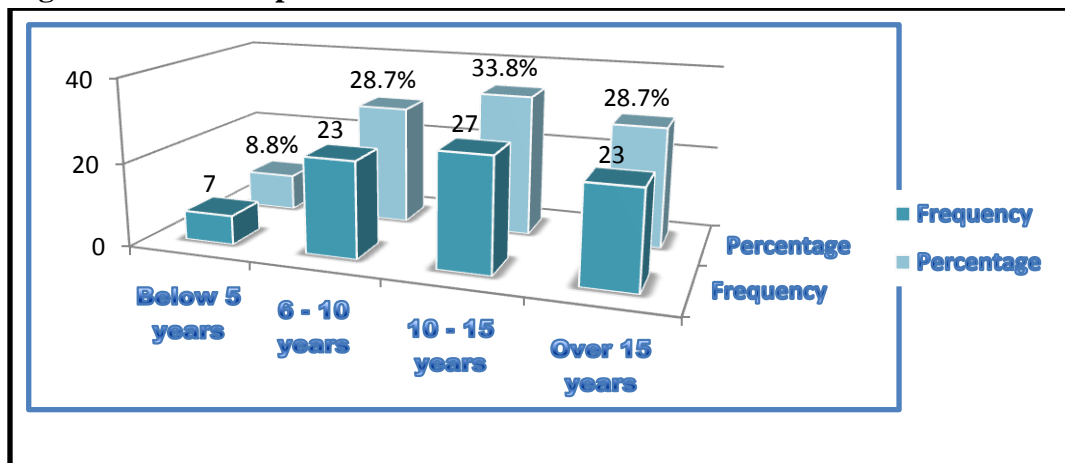
Source: Survey data, 2019

The findings presented in figure 4.3 indicate that majority of the respondents, 45% (36) have attained a university degree. Further, 31.3% (25) of the respondents indicated to have attained a Diploma, 13.8% (11) indicated to have attained O-Level education and 10% (8) of the respondents indicated to have attained a Master's level education. The findings highlight an even distribution in attainment of higher education with impressive levels of qualification. This implies that academic qualification is critical factor in building internal organization dynamics with qualities for deepening organization competitive advantage.

4.3.4 Respondents Distribution Work Experience

The computed data presented in figure 4.4 highlights the distribution in respondent's work experience in frequency and percentage.

Figure 4.4 Work experience



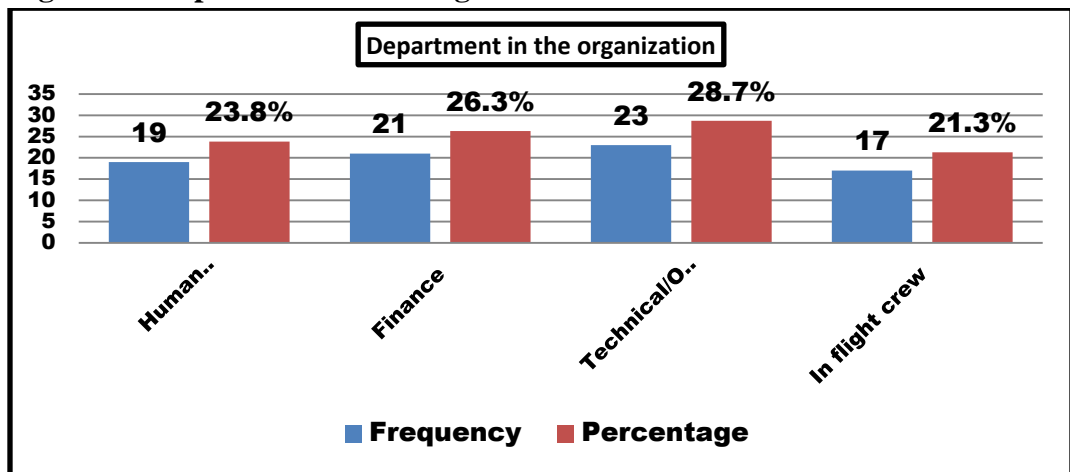
Source: Survey data, 2019

The findings presented in figure 4.4 highlights the respondents distribution by work experience. Majority of the respondents, 33.8% (27) indicated that they had a work experience of between 10 – 15 years. The findings also indicate that, an equal distribution of 28.7% (23) is recorded for respondents with experience of 6 – 10 years and those with over 15 years. Only 8.8% (7) of the respondents indicated to have an experience of below 5 years. The findings highlight an evenly distribution of respondents by work experience. This implies that diversity in work experience is crucial in enhancing factors of internal organizational dynamics in developing strong competitive advantage.

4.3.5 Respondents Distribution by Department at the Organization

The computed data presented in figure 4.5 highlights the respondent's distribution in organization departments in frequency and percentage.

Figure 4.5 Department in the Organization



Source: Survey data, 2019

The findings presented in figure 4.5 highlights the distribution of respondents in the aspect of the department where they work. Majority of the respondents, 28.7% (23) indicated that they were attached to the technical/operations department. The findings also indicate that, 26.3% (21) of the respondents indicated to be attached to the finance department and 23.8% (19) indicated to be attached to the human resources department. Further, 21.3% (17) of the respondents indicated to be attached to the in-flight crew. The distributions drawn in this study indicates diversity in departmental demarcation for corporate organizations. This implies that, internal organization dynamics are relevant within the scope of corporate

organization structure as they influence the operational effectiveness which impact on competitive advantage.

4.4 Descriptive Statistics Findings

The descriptive findings and discussions covered the presentation of the summative responses for the respondent's opinions on the influence of the internal organizational dynamics on the organizations competitive advantage. The descriptive statistics covers analysis on measures of central tendencies (means & standard deviations) for feedback of the internal organizational dynamics factors including; work place innovation, organization culture, leadership approaches and competitive advantage.

4.4.1 Descriptive statistics on Workplace Innovation.

The first research objective was to examine the influence of workplace innovation on the competitive advantage of an organization. The computed data in table 4.2 represents means and standard deviations of respondent's opinions on innovation and competitive advantage.

Table 4.2 Workplace innovation factors Mean and Standard Deviation

| Workplace innovation factors | N | Mean | Std. Deviation |
|---|-----------|-------------|-----------------------|
| Innovation is critical for an organization | 80 | 4.14 | .751 |
| Innovation should be embraced across the organization | 80 | 4.17 | .621 |
| Employee engagement in innovation should be encouraged | 80 | 4.22 | .663 |
| Employees ideas and suggestions are taken seriously | 80 | 4.11 | .812 |
| Management offers support to innovative ideas and programs | 80 | 4.20 | .676 |
| Information sharing is critical in creating innovation | 80 | 4.31 | .748 |
| Organization should train employees on innovative skills | 80 | 4.16 | .740 |
| Organizations should embrace ICT infrastructure in creating workplace innovation. | 80 | 3.89 | .963 |
| Average | 80 | 4.15 | 0.747 |

Source: Survey data, 2019

The findings presented in table 4.2 highlights the respondents opinions on the influence of workplace innovation towards the realization of firm competitive advantage computed in mean and standard deviation. A scale of 1 – 5 was used, where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. Results show that respondents agree that innovation is critical for an effective function of the organization, with a mean of 4.14 (SD = 0.751). Findings

indicate that respondents affirm that innovation should be embraced across every aspect of the organization (mean = 4.17, standard deviation = 0.621).

The computed results indicate that respondents agree that employee engagement in innovation should be encouraged, recording a mean of 4.22 (standard deviation = 0.663). Findings indicate that respondents agree that employees ideas and suggestions are taken seriously, by the management (mean = 4.11, SD = 0.812). The results also show that the respondents agree that it's crucial for management to extend material support to innovative ideas and projects within the organization (mean = 4.20, SD = 0.676).

The findings show that the respondents agree that information sharing is critical towards facilitating innovation programs within the firm, recording a mean 4.31 (standard deviation = 0.748). Results accrued indicate respondents agree that corporate organization should take the mantle in training their employees to impart skills and capacity on implementing innovation programs (mean = 4.16, SD = 0.740). Finally the findings indicate the respondents agree that organizations should install sufficient ICT infrastructure to support innovation programs within an organization (mean = 3.89, SD = 0.963).

The findings agree with submissions by Rajapathirana and Hui (2018), highlighting the value of workplace innovation towards boosting operational

capacity and firm performance which assisted in the development of long term sustainability of organization competitiveness. Workplace innovation as a strategic organizational policy and practices enhances the prospects of competitive advantage according to studies by Kalay and Lynn (2015). The findings also support the findings of Gok and Peker (2017) and, Hogan and Coote (2014) who found that organizations that have developed a culture of integrating innovation strategy in their operational framework often reap great benefits in aspects of developing sustainable competitive edge.

The study findings are in accordance with the views of Karabulut (2015) who observed innovation was the most critical factor that enhanced the overall performance of an organization within a complex economic sector. Studies by Hogan and Coote (2014), and Karabulut (2015) highlight that contribution of innovation towards the development of new products and services which give an organization an edge in the market place. This is consistent with the study findings, which show that, workplace innovation buoys an organizations profile in the market especially when new products are created that are superior and of high quality than the next alternatives.

4.4.2 Descriptive statistics on Leadership Approaches

The second research objective was to evaluate the influence of leadership approaches on the competitive advantage of an organization. The computed data in

table 4.3 represents means and standard deviations of respondent's opinions on leadership approaches and competitive advantage.

Table 4.3 Leadership approaches factors Mean and Standard Deviation

| Leadership approaches factors | N | Mean | Std. Deviation |
|---|-----------|-------------|-----------------------|
| Leaders should understand the vision and mission of organization and inculcate it amongst to all employees. | 80 | 4.25 | .660 |
| Leaders have the ability to manipulate the mind-set of employees. | 80 | 4.45 | .630 |
| Leaders should offer the direction in organization in-terms of strategy choice | 80 | 4.11 | .681 |
| Leaders should always be an example in an organization and constantly improving performance | 80 | 4.12 | .755 |
| Leadership of an organization can either attract or repel success by how they influence the employees. | 80 | 4.04 | .689 |
| Leaders should always be willing to offer assistance and guidance to employees | 80 | 4.27 | .664 |
| Leaders should have a positive attitude to accommodate employee views in strategy formulation and implementation. | 80 | 4.14 | .718 |
| Average | 80 | 4.19 | 0.685 |

Source: Survey data, 2019

The findings presented in table 4.3 highlight and respondents views on the influence of leadership approaches towards the realization of competitive advantage. A scale of 1 – 5 was used, where 1 = strongly disagree, 2 = disagree, 3

= neutral, 4 = agree and 5 = strongly agree. The computed results show that respondents agree that leaders should understand where the organization is headed and inculcate it amongst all employees, with a mean of 4.25 (standard deviation = 0.660). The findings show that respondents agree that leaders possess the ability to influence the mind-set of employees (mean = 4.45, standard deviation = 0.630).

The computed results further indicate that respondents agree that leaders should offer the direction in organization in-terms of strategy choice (mean = 4.11, standard deviation = 0.681). The respondents agree that leaders should always be an example in an organization and constantly improving performance, recording a mean of 4.12 (standard deviation = 0.755). The findings indicate that the respondents agree that leadership of an organization can either attract or repel success by how they influence the employees (mean = 4.04, SD = 0.689).

The computed results indicate that leaders should always be willing to offer assistance and guidance to employees, registering a mean of 4.27 (standard deviation = 0.664). The findings show that respondents agree that leaders should have a positive attitude to accommodate employee views in strategy formulation and implementation (mean = 4.14, standard deviation = 0.718). The findings determined in this study show that leadership approaches play an important administrative duty which is critical towards the realization of sustainable organization culture. The study findings are consistent with findings by Chen, Lee

and Wang (2018) who linked leadership approach on total quality management as the central factor in developing organizational competitive advantage. The findings in this study also agree with Lee, Mclee and Huang (2011) who argued that steady organizational leadership was critical in the development of organizational knowledge base which was fundamental in strengthening competitiveness.

Further, the findings are in line with Mahdi and Almsafir (2014) who established that organizations that integrated strategic leadership in operational framework enjoyed sustainable competitive advantage. Study by Birasnav, Rangnekar and Dalpati (2011) demonstrated that transformational leadership was necessary in development of rich pool of human capital which was necessary in development of long term organizational competitive advantage. Finally the findings in this agree with the findings of Thomas and Thomas (2011) who found that strategic leadership was necessary for an organization to build a strong institution capable of identifying and sustain organization's strengths for competitive advantage.

4.4.3 Descriptive statistics on Organization Culture

The third objective was to assess the influence of organization culture on the competitive advantage of an organization. The computed data in table 4.4 represents means and standard deviations of respondent's opinions on organization culture impact on competitive advantage.

Table 4.4 Organization culture factors Mean and Standard Deviation

| Organization culture factors | N | Mean | Std. Deviation |
|---|-----------|-------------|-----------------------|
| Culture in an organization influences productivity | 80 | 3.95 | .714 |
| Culture generally involves how things are done in the organization | 80 | 3.83 | .838 |
| Culture can directly impact how a strategy will be taken up by employees | 80 | 4.07 | .729 |
| Management needs to understand the organization culture before deciding on strategies | 80 | 3.86 | .718 |
| Culture can either attract or repel success | 80 | 3.84 | .634 |
| Involvement of employees in decision making cultivates a good culture | 80 | 3.99 | .690 |
| Culture in an organization can impact individual and collective mind sets. | 80 | 3.94 | .722 |
| Culture dictates mind set which affects feelings towards execution of strategies | 80 | 3.75 | .763 |
| Average | 80 | 3.90 | 0.726 |

Source: Survey data, 2019

The findings presented in table 4.4, presents the respondent's views on the influence of organization culture towards the development and advancement of competitive advantage within the firm. A scale of 1 – 5 was used, where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The respondents agree that organization culture in an organization impacts

significantly on the organizations productivity, recording a mean of 3.95 (standard deviation = 0.714).

The computed results also indicated that respondents agree that organization culture centers on how things are done in the organization (mean = 3.83, standard deviation = 0.838). The findings also show that respondents agree that organization culture directly impact how a strategy is taken up by employees, recording a mean of 4.07 (SD = 0.729). Further the findings indicate that respondents agree that organization management need to understand the organization culture before deciding on strategies with a mean of 3.86 (standard deviation = 0.718).

The respondents also agreed that, engagement of employees in decision making cultivates a good culture, registering a mean of 3.99 (standard deviation = 0.690). Findings indicated respondents agreed that organization culture within an organization played a substantial role on the individual and collective mindsets of organization employees (mean = 3.94, standard deviation = 0.722). Finally computed results indicated that organization culture, dictated the employee mindset which affects feelings towards execution of their operational duties and responsibilities (mean = 3.75, SD = 0.763).

The study findings indicate work place culture acts as a central role in facilitating the organization procedures and processes hence critical to overall organization

output and competitiveness. These findings are in accordance to findings by Almuslamani and Daud (2018) establishing that the design and functional designation of organization culture directly influenced the organization capability to hold sustainable competitive advantage.

In addition, the study findings agree with the submissions by Hogan & Coote (2014) who found that organizations with operational culture of integrating innovation practices were able to secure strong competitive edge. Also, the study findings are consistent with observations by Almuslamani and Daud (2018) who noted diverse factors of organization culture wielded significant influence on the organization's capacity to develop and retain strengths that created competitive advantage.

4.4.4 Descriptive statistics on Competitive Advantage

The findings on table describe the respondent's views on the construct of competitive advantage. The output computations in table 4.5 have been calculated in Means and Standard Deviation.

Table 4.5 Competitive Advantage factors Mean and Standard Deviation

| Competitive factors | N | Mean | Std. Deviation |
|--|-----------|-------------|-----------------------|
| Competitive advantage means having superior products and services | 80 | 4.43 | .681 |
| Competitive advantage depends on having employees with innovative skills | 80 | 4.40 | .637 |
| Competitive advantage involves maximising your resources, policies and procedures. | 80 | 4.27 | .759 |
| Best leadership approaches creates a competitive advantage by offering sound decision making options | 80 | 4.28 | .727 |
| Skilled innovative workforce can build a competitive advantage by developing differentiated products | 80 | 4.32 | .640 |
| Corporate culture needs to be aligned to business strategies that impact competitive advantage. | 80 | 3.84 | .754 |
| Differentiated products and services that are valuable yield to competitive advantage | 80 | 3.89 | .831 |
| Competitive advantage is influenced by internal organization environment | 80 | 4.01 | .771 |
| Average | 80 | 4.18 | .725 |

Source: Survey data, 2019

The results presented in table 4.5, highlight the respondents opinions on the factors of competitive advantage. A scale of 1 – 5 was used, where; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4= agree and 5 = strongly agree. The findings indicate that respondents agree that competitive advantage means having superior products and services, recording a mean of 4.43 (standard deviation = 0.681). Respondents also agreed that competitive advantage depends on having employees with innovative skills (mean = 4.40, SD = 0.637). Findings further show that respondents were in agreement that competitive advantage centered on maximizing utilization of organizational resources, putting together good policies and procedures (mean = 4.27, SD = 0.759).

The processed results also showed that respondents agreed that best leadership approaches create a competitive advantage through presenting offering sound decision making options (mean = 4.28, SD = 0.727). The respondent were also in agreement that skilled innovative workforce can build a competitive advantage by developing differentiated products, registering a mean of 4.32(standard deviation = 0.640).

The respondents agreed that corporate culture needs to be aligned to business strategies that impact competitive advantage (mean = 3.84, SD = 0.754). Further, the respondents expressed agreement that differentiated products and services that are valuable yield to competitive advantage (mean = 3.89, SD = 0.831). Finally,

the results show that the respondents agreed that competitive advantage is influenced by internal organization environment (mean = 4.01, SD = 0.771).

The findings obtained in assessment of the competitive advantage factors are in alignment with observations by Hogan and Coote (2014) who identified a structured organizational framework and operational innovation as the pathway towards the development of organizational competitive advantage. This was also supported by submissions of Rajapathirana and Hui (2018) who proposed adoption of internal organizational programs, such as strategic operational strategy and innovation to boost organizations competitive advantage.

4.5 Inferential Statistics Findings

Inferential statistics employs the inferential techniques to examine the nature of underlying relationships on the independent and the dependent variables. This study employed linear regression approach to perform inferential analysis on internal organizational dynamics factors notably; workplace innovation, leadership approaches and organization culture versus competitive advantage.

4.5.1 Regression Test for Workplace Innovation and Competitive Advantage

The study performs a regression test to examine the underlying relationship between the independent variable workplace innovation and the dependent variable competitive advantage.

Table 4.6 Model Summary between Workplace Innovation and Competitive Advantage

| Model Summary | | | | |
|---|------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .864 | .746 | .722 | .906 |
| a. Predictors: (Constant), workplace innovation | | | | |

Source: Survey data, 2019

The findings in Table, 4.6 indicate the model summary derived from the regression test between workplace innovations versus competitive advantage. The computations deduce, the r-value as 0.864 and the r-square value of 0.746. This implies that, workplace innovation accounts for 74.6% in variability in competitive advantage with 25.4% variability attributed to factors external to workplace innovation.

Table 4.7 Analysis of Variance for Workplace Innovation and Competitive Advantage

| ANOVA ^a | | | | | | |
|---|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 1.162 | 1 | 1.162 | 72.396 | .001 ^b |
| | Residual | 7.594 | 78 | .094 | | |
| | Total | 8.757 | 79 | | | |
| a. Dependent Variable: competitive advantage | | | | | | |
| b. Predictors: (Constant), workplace innovation | | | | | | |

Source: Survey data, 2019

The ANOVA test results presented in Table 4.7, indicate that the Fisher statistic value is 72.396 with a p-value of 0.001. This indicates that; $F(1, 92) = 72.396$, $p = 0.001$ ($p < 0.01$). This indicates there exist substantial variance between the independent variable workplace innovation and dependent variable competitive advantage. In addition the test is statistically significant at 0.01, significance level.

Table 4.8 Coefficients table for Workplace Innovation and Competitive Advantage

| Coefficients ^a | | | | | | |
|---------------------------|----------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.507 | .245 | | 10.230 | .000 |
| | Workplace innovation | .209 | .059 | .364 | 3.521 | .001 |

a. Dependent Variable: competitive advantage

Source: Survey data, 2019

The coefficients Table 4.8, indicate the beta coefficient values for the variables under study are computed as, Constant (β_0) = 2.507 and beta for workplace innovation (β_1) = 0.209. The p-value for workplace innovation is recorded as 0.01 ($P = 0.001$, $p < 0.01$). The regression equation generated is: Y (competitive advantage) = $Y = \beta_0 + \beta_1 X_1 + \epsilon$

Therefore: Y (competitive advantage) = $2.507 + 0.209 X_1$.

The findings aggregated imply that there exists significant statistical association between workplace innovation and competitive advantage. The findings thus imply, for every unit change in workplace innovation, there will be a 0.209 units change in competitive advantage.

The linear regression test findings are consistent with submissions by Mathege (2011) and Wanyoike (2016), who established existence of statistical association between, work innovation and firm competitive advantage. Both, Mathegw (2011) and Wanyoke (2016) established that, embracing innovative tactics/initiatives, within the firm, boosted operational efficiencies which in turn boosted productivity and enhanced overall firm’s competitiveness.

4.5.2 Regression Test for Leadership Approaches and Competitive Advantage

The regression test was carried out to examine for underlying statistical associations between the independent variable leadership approaches and the dependent variable competitive advantage.

Table 4.9 Model Summary between Leadership Approaches and competitive advantage

| Model Summary | | | | |
|--|-------------------|----------|-------------------|----------------------------|
| Mode | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .740 ^a | .548 | .514 | .795 |
| a. Predictors: (Constant), Leadership Approaches | | | | |

Source: Survey data, 2019

The computations in Table 4.9 indicate the model summary derived from the regression test between leadership approaches versus competitive advantage. The computations deduce, the r-value as 0.740 and the r-square value of 0.548, which show that there exists strong positive correlation between leadership approaches and competitive advantage. The deduced findings imply that, organizational leadership approach accounts for 54.8% in variability in competitive advantage with 45.2% variability attributed to factors external to the leadership component.

Table 4.10 Analysis of Variance for Leadership Approaches and competitive advantage

| ANOVA ^a | | | | | | |
|--|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 1.696 | 1 | 1.696 | 19.458 | .000 ^b |
| | Residual | 7.061 | 78 | .087 | | |
| | Total | 8.757 | 79 | | | |
| a. Dependent Variable: Competitive advantage | | | | | | |
| b. Predictors: (Constant), Leadership Approaches | | | | | | |

Source: Survey data, 2019

The ANOVA test results presented in Table 4.10, show that the Fisher statistic value is 19.458 with a p-value of 0.000. This indicates that; $F(1, 92) = 19.458, p = 0.000$ ($p < 0.01$). This indicates there exist significant variance between the independent variable leadership approach and dependent variable competitive advantage which implies that the variables are different in composition and effect. In addition the test is statistically significant at 0.01, significance level.

Table 4.11 Coefficients table for Leadership Approach and competitive advantage

| Coefficients ^a | | | | | | |
|---------------------------|-----------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.093 | .289 | | 7.235 | .000 |
| | Leadership Approaches | .304 | .069 | .440 | 4.411 | .000 |

a. Dependent Variable: Competitive advantage

Source: Survey data, 2019

The coefficients Table 4.11, indicate the beta coefficient values for the variables under study are computed as, Constant (β_0) = 2.093 and beta for leadership approach (β_2) = 0.304. The p-value for leadership approaches is recorded as 0.000 (P= 0.000, $p < 0.01$). The regression equation generated is:

$$Y (\text{competitive advantage}) = \beta_0 + \beta_2 X_2 + \epsilon$$

Therefore: $Y (\text{competitive advantage}) = 2.093 + 0.304 X_2$.

The findings aggregated imply that there exists significant statistical association between leadership approaches and competitive advantage within an organization.

The findings thus imply, for every unit change in leadership approach, there will be a 0.304 units change in competitive advantage.

The findings are in agreement with the conclusions made by Nduge (2014), who submitted that strategic leadership and style of organizational management served as a key ingredient, central to enhancing firm competitiveness. In addition, the findings also agree with Chepkirui (2012) and Muthami (2017), who affirmed that the value of effective leadership towards enabling corporate success and business continuity. They argue that, effective leadership guarantees continuity and sustainable operational trajectory which positively enables the realization of sustainable competitive edge.

4.5.3 Regression Test for Organization Culture and Competitive Advantage

The study performed the regression test to evaluate the underlying statistical associations between the independent variable organization cultures versus competitive advantage.

Table 4.12 Model Summary for Organization Culture and Competitive Advantage

| Model Summary | | | | |
|---|-------------------|-----------------|--------------------------|-----------------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .631 ^a | .398 | .349 | .510 |
| a. Predictors: (Constant), Organization culture | | | | |

Source: Survey data, 2019

The results presented in Table, 4.12 show the model summary derived from the regression test between organization culture versus competitive advantage. The results indicate that the r-value is 0.631 and the r-square value of 0.398, which

show that there exists strong positive correlation between organization culture and competitive advantage. The computed results imply that, organization culture account for 39.8% in variability in competitive advantage delivery with 60.2% variability attributed to factors external to the organization culture.

Table 4.13 ANOVA for Organization Culture versus Competitive Advantage

| ANOVA ^a | | | | | | |
|---|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | .960 | 1 | .960 | 16.976 | .002 ^b |
| | Residual | 7.796 | 78 | .096 | | |
| | Total | 8.757 | 79 | | | |
| a. Dependent Variable: Competitive advantage | | | | | | |
| b. Predictors: (Constant), Organization culture | | | | | | |

Source: Survey data, 2019

The ANOVA test results presented in Table 4.13, show that the Fisher statistic value is 16.458 with a p-value of 0.002. This indicates that; $F(1, 92) = 16.976$, $p = 0.002$ ($p < 0.01$). This indicates there exist significant variance between the independent variable organization culture and dependent variable competitive advantage which implies that the variables differ in terms of characteristics and finally the test is statistically significant at 0.01, significance level.

Table 4.14 Coefficients for organization culture and competitive advantage

| Coefficients ^a | | | | | | |
|---------------------------|----------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.319 | .332 | | 6.994 | .000 |
| | Organization Culture | .249 | .079 | .331 | 3.159 | .002 |

a. Dependent Variable: Competitive advantage

Source: Survey data, 2019

The coefficients Table 4.14, show that the beta coefficient values for the variables under study are computed as, Constant (β_0) = 2.319 and beta for organization culture (β_3) = 0.249. The p-value for organization culture is recorded as 0.000 (P= 0.002, $p < 0.01$). The regression equation generated is:

$$Y (\text{competitive advantage}) = \beta_0 + \beta_3 X_3 + \epsilon$$

$$\text{Therefore: } Y (\text{competitive advantage}) = 2.319 + 0.249 X_3.$$

The findings aggregated imply that there exists significant statistical association organization culture and competitive advantage. The findings thus imply, for every unit change in organization culture there will be a 0.249 unit's change in competitive advantage. These findings support the submissions by Chepng'eno (2012) who posited for the existence of connection between organizational values and sustained firm competitiveness. The findings also agree with Oduol (2014), who argued that firm values are central in the realization of sustained firm

performance, which is achieved by strong culture geared towards enhancing the firm's operational competitive edge.

4.6 Multivariate Linear Regression Analysis of Internal Organizational Dynamics Factors

The study performed a combined regression test for the combined independent variables notably; workplace innovation, leadership approaches and organization culture versus competitive advantage.

Table 4.15 Model Summary for the Multivariate regression Analysis

| Model Summary | | | | |
|--|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .916 ^a | .839 | .788 | .989 |
| a. Predictors: (Constant), workplace innovation, leadership approaches, organization culture | | | | |

Source: Survey data, 2019

The model summary presented in Table 4.15 shows the resulting values for the regression test between combined independent variables, namely; workplace innovation, leadership approaches and organization culture versus competitive advantage. The results indicate that the r-value is 0.916 and the r-square value of 0.839, which show that there exists strong positive correlation between the combined independent variables and competitive advantage. The computed results imply that, the independent variables including; workplace innovation, leadership approaches and organization culture account for 83.9% in variability in

competitive advantage with 16.1% variability attributed to factors external to the internal organization dynamics factors making up the combined independent variables.

Table 4.16 ANOVA for the combined internal organization dynamics factors

| ANOVA ^a | | | | | | |
|--|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 2.241 | 3 | .560 | 76.705 | .000 ^b |
| | Residual | 6.516 | 76 | .084 | | |
| | Total | 8.757 | 79 | | | |
| a. Dependent Variable: Competitive advantage | | | | | | |
| b. Predictors: (Constant), workplace innovation, leadership approaches, organization culture | | | | | | |

Source: Survey data, 2019

The ANOVA test results presented in Table 4.16, show that the Fisher statistic value is 76.705 with a p-value of 0.000. This indicates that; $F(4, 79) = 76.705$, $p = 0.000$ ($p < 0.01$). This indicates there exist significant variance between the independent variables workplace innovation, leadership approaches and organization culture and dependent variable competitive advantage which implies that the variables are very different from each other in the aspect of characteristics and composition. The results also show that the test is statistically significant at 0.01, significance level.

Table 4.17 Coefficient for the combined internal organization dynamics factors

| Coefficients ^a | | | | | | |
|---------------------------|-----------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.383 | .499 | | 2.772 | .000 |
| | Workplace innovation | .123 | .061 | .215 | 2.020 | .000 |
| | Leadership approaches | .199 | .083 | .288 | 2.408 | .000 |
| | Organization culture | .072 | .088 | .095 | .817 | .000 |

Source: Survey data, 2019

The coefficients Table 4.17, indicate the beta coefficient values for the variables under study are computed as, Constant (β_0) = 1.383 and beta values for independent variables including, workplace innovation, (β_1) = 0.123, leadership approaches (β_2) = 0.199 and organization culture (β_3) = 0.072. The p-value for the independent variables is recorded as 0.000 (P= 0.000, $p < 0.01$). The regression equation generated is: Y (competitive advantage) = $\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$

$$Y \text{ (competitive advantage)} = 1.383 + 0.123 X_1 + 0.199 X_2 + 0.072 X_3$$

The findings aggregated imply that there exists significant statistical association between the independent variables namely; workplace innovation, leadership

approaches, organization culture and competitive advantage. The findings thus imply; for every unit change in workplace innovation, there will be a 0.123units change in competitive advantage, for every unit change in leadership approaches, there will be a 0.199 units change in competitive advantage and finally for every unit change in organization culture, there will be a 0.072units change in competitive advantage.

The regression outcome on workplace innovation association with firm competitive advantage is supported in studies by Mathege (2011) and Wanyoike (2016), who established inference between innovation programs and realization of competitive advantage. On the test for leadership approaches, the finds agree with Chepkurui (2012) and Muthami (2017) who acknowledged that, effective leadership enabled the firm to build strong operational continuity due to sustainable competitive edge. Finally, the findings on organizational culture are supported in Chepng'eno (2012) and Oduol (2014) who argued that proper firm culture, instilled effective values which enabled operational consistency and corporate success due to sustained competitiveness.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section of the study covers the summary of the findings, conclusions drawn in the study, the recommendations made by the study and the suggestion for future studies. The study examined the influence of internal organizational dynamics towards organization competitive advantage. Internal organization factors examined include; workplace innovation, leadership approaches and organization structure.

5.2 Summary

This study sought to assess whether internal organizational dynamics contributed towards enhancing the competitive advantage of the firm. The study employed descriptive research design with the unit of observation being Kenya Airways, and unit of analysis being the employees working at Kenya Airways. The study sought to establish whether; workplace innovation influenced competitive advantage, leadership approaches wielded an influence on the firm competitiveness advantage and organization culture impacted on the firm competitiveness.

The findings show that workplace innovation centers as a critical component of internal organizational dynamics which impacts on competitiveness. This highlights significant effect which innovation derived from workplace environment impacts on organizations competitive advantage. Further, workplace innovation draws a positive correlation with competitive advantage, and subsequently innovation wielded surmountable variability for the firm competitive advantage.

Findings computed also indicate that workplace innovation initiatives get embraced whenever; deployed across organization activities, integrates employee obligations seeks employee input, involves open information sharing, taps into employee skills and capacities, and finally integrates the use of ICT infrastructure support. Workplace innovation plays a central role in the development of core competencies which enhance the organizations factors for competitive advantage.

Findings computed indicate that leadership approaches occupies a central role in the enhancement of organizational internal dynamics towards competitiveness. The computed output indicates that leadership approaches wield a significant influence on competitive advantage, registering positive correlation and surmountable variability aspect. The findings show that leadership approach contributes directly to the execution and the implementation of the organizational

operational strategy. Organizational aspects influenced by leadership include; instilling belief in the organization vision and mission among employees, instilling proper mindset among employee towards undertaking their duties and responsibilities, determination of operational strategy direction, project inspiration amongst employees, offer support to employees in executing tough tasks and instill positive attitude across the organization.

Computed results indicate that organization culture yields substantial influence on the internal organization dynamics in establishing sustainable competitiveness. The findings show that organization culture factors record strong positive correlation between organization culture and competitive and also established that organization culture account for substantial variability in firm competitive advantage. The findings indicate that organization culture factors contribute unique value towards sustaining the firm's competitive edge. Organization culture influential aspects include; influencing the level of standards of organizational productivity, influencing the nature of organizations processes and procedures, influencing acceptability of organizational operational strategy amongst employees, facilitating effective decision making model and finally impacting on the employee mindset towards job execution.

5.3 Conclusions

Workplace innovation forms a primary internal organizational dynamic requisite necessary for sustained levels of firm competitiveness within a particular industry.

Workplace innovation stems from extra commitment initiated by the organization aimed at solidifying internal core capacities that are vital in sustaining uniqueness of organization services. Further, workplace innovation is best effective if shared across the organization and deployed in support of ICT infrastructure. Employee contribution in skill, ideas and operational execution is vital for enhancement of workplace innovation processes which are critical towards consolidation of competitive advantage.

Leadership is a central component of internal organizational dynamic requisite that plays a substantive role in sustaining firm competitiveness. Leadership approaches is significant in operational guidance within a corporate organization. This is central towards; instilling inspiration and belief in organizations vision and mission among employees, influencing employee mindset towards execution of organizational operations. In addition organizational leadership is critical towards shaping employee attitudes towards executing their obligations within the organization which impacts on the consolidation of competitive advantage.

The study concludes that organization culture serves as the blood stream that guides all aspects of the internal organizational dynamic which impact on the nature of firm competitiveness within a competitive market. Organization culture influences critical aspects that include; level of organizational productivity, the employee commitment towards the direction of operational strategy, effectiveness of operational processes and procedures and effectiveness of the decision making

mechanisms. Also organization culture plays a central role towards influencing employee attitude in performing their duties and responsibilities necessary to upholding the competitiveness of the business organization.

5.4 Recommendations

Workplace innovation remains an internal organizational undertaking that should be prioritized by the business managers as the main source for competitiveness. The study recommends for the business organizations to allocate a significant portion of operational budget towards innovation programs. The operational framework for innovation programs should be future oriented. In addition the organization should and integrated programs aimed at enhancing employee skills in order to enhance the innovative programs.

Leadership approaches should be focused towards influencing the activities and operations within a business organization. The study recommends for the adoption of development of an inclusive development strategy within an organization with keen focus on integrating the contribution of all the internal stakeholders. The management team should extend an operational framework that delegates administrative duties to employees to motivate them in taking more operational responsibilities within the organization. Management should prioritize developing strong workplace relations and encourage teamwork. Employee ideas and views on operational changes should always be taken in consideration in the development of the organizational operational framework.

Organization culture should be evaluated and aligned toward the mission and vision of a corporate organization in desire to create a friendly operational environment. Operational framework should be updated to match the industry advances. The organization should also build a foundation for knowledge management, as it will be critical in maintaining and protecting the organization's creativity aspects and operational advances made. Finally the study recommends that corporate organizations should develop frameworks for organizational core competencies which is central towards the realization of sustainable competitive advantage.

5.5 Suggestions for Further Studies

The purpose of this study was to examine the fundamental internal organization dynamics factors that are central to the realization of competitive advantage. The internal organization dynamics factors examined include; workplace innovation, leadership approaches and organization culture. The study recommends future scholars to assess the organizational factors that serve as sources of competitive advantage such as the use of technology and skilled personnel. Future scholars should also discuss the role of core competencies in advancing sustainable competitive edge for a business organization in the service industry.

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APPENDIX I: APPROVAL OF RESEARCH PROJECT PROPOSAL



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 16th January, 2019

TO: Bebora Dennis Bora
C/o Business Administration Dept.

REF: D53/MSA/PT/27504/2014

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 9th January, 2019 approved your Research Project Proposal for the M.B.A Degree Entitled, "Internal organization dynamics and competitive advantage. A study of Kenya Airways".

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.

Thank you.


JACKSON LUVUSI
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Lawrence Wainaina
C/o Department of Human Resource Management
Kenyatta University

JL/ik

APPENDIX II: NACOSTI RESEARCH APPROVAL



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 441178

Date of Issue: 04/October/2019

RESEARCH LICENSE



This is to Certify that Mr.. DENNIS BEBORA of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: INTERNAL ORGANIZATION DYNAMICS AND COMPETITIVE ADVANTAGES for the period ending : 04/October/2020.

License No: NACOSTI/P/19/1718

441178

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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APPENDIX V: QUESTIONNAIRE

This is an academic research in partial fulfillment for the award of degree in master of business administration of Kenyatta University on the topic; **Internal Organization Dynamics and Competitive Advantage**. All the information rendered will be treated confidential and no victimization will be conducted.

INSTRUCTIONS

Please answer all the questions. Kindly tick in the boxes or fill in the spaces provided:

PART 1: General Information

1. GENDER: a) Male Female

2. AGE: a) Under 30 years b) 30 – 40 years c) 40- 50 years
d) Above 50 years

3. Highest level of education : a) O – Level b) Diploma
c) Degree d) Masters
e) Other (specify)

4. How many years have you worked for the company?
a) 0-5 years b) 6-10 years c) 10-15 year d) Over
15 years

5. What department are you in?
a) Human Resource b) Finance c) Technical/
Operations
b) In flight Crew

PART 2: INTERNAL ORGANIZATION DYNAMICS AND COMPETITIVE ADVANTAGE

Below are tables that contain questions on internal organization dynamics and competitive advantage. They include the following topics; Leadership approaches, Work place innovation, Organization culture and Competitive advantage.

Please indicate the extent to which you agree or disagree with each statement by ticking where appropriate using the scale; **SA- Strongly agree, A- Agree, N – Neutral, D – Disagree, SD – Strongly Disagree**

SECTION A:

WORK PLACE INNOVATION

| | Statement | SA | A | N | D | SD |
|-----|---|-----------|----------|----------|----------|-----------|
| A1) | Innovation is critical for an organization | | | | | |
| A2) | Innovation should be embraced across the organization | | | | | |
| A3) | Employee engagement in innovation should be encouraged | | | | | |
| A4) | Employees ideas and suggestions are taken seriously | | | | | |
| A5) | Management offers support to innovative ideas and programs | | | | | |
| A6) | Information sharing is critical in creating innovation | | | | | |
| A7) | Organization should train employees on innovative skills | | | | | |
| A8) | Organizations should embrace ICT infrastructure in creating workplace innovation. | | | | | |

SECTION B: LEADERSHIP APPROACHES

| | Statement | SA | A | N | D | SD |
|-----|---|-----------|----------|----------|----------|-----------|
| B1) | Leaders should understand the vision and mission of organization and incorporate this to all employees. | | | | | |
| B2) | Leaders have the ability to manipulate the mind-set of employees. | | | | | |
| B3) | Leaders should offer the direction in organization in-terms of strategy choice | | | | | |
| B4) | Leaders should always be an example in an organization and constantly improving performance | | | | | |
| B5) | Leadership of an organization can either attract or repel success by how they influence the employees. | | | | | |
| B6) | Leaders should always be willing to offer assistance and guidance to employees | | | | | |
| B7) | Leaders should have a positive attitude to accommodate employee views in strategy formulation and implementation. | | | | | |

SECTION C: ORGANIZATION CULTURE

| | Statement | SA | A | N | D | SD |
|-----|---|-----------|----------|----------|----------|-----------|
| C1) | Culture in an organization influences productivity | | | | | |
| C2) | Culture generally involves how things are done in the organization | | | | | |
| C3) | Culture can directly impact how a strategy will be taken up by employees | | | | | |
| C4) | Management needs to understand the organization culture before deciding on strategies | | | | | |
| C5) | Culture can either attract or repel success | | | | | |
| C6) | Involvement of employees in decision making cultivates a good culture | | | | | |
| C7) | Culture in an organization can impact individual and collective mind sets. | | | | | |
| C8) | Culture dictates mind set which affects feelings towards execution of strategies | | | | | |

SECTION D: COMPETITIVE ADVANTAGE

| | Statement | SA | A | N | D | SD |
|-----|--|-----------|----------|----------|----------|-----------|
| D1) | Competitive advantage means having superior products and services | | | | | |
| D2) | Competitive advantage depends on having employees with innovative skills | | | | | |
| D3) | Competitive advantage involves maximising your resources, policies and procedures. | | | | | |
| D5) | Best leadership approaches creates a competitive advantage by offering sound decision making options | | | | | |
| D6) | Skilled innovative workforce can build a competitive advantage by developing differentiated products | | | | | |
| D7) | Corporate culture needs to be aligned to business strategies that impact competitive advantage. | | | | | |
| D8) | Differentiated products and services that are valuable yield to competitive advantage | | | | | |
| D9) | Competitive advantage is influenced by internal organization environment | | | | | |

THANK YOU

