

**ORGANIZATION CAPABILITY AND PERFORMANCE OF AIRKENYA
EXPRESS LIMITED, NAIROBI CITY COUNTY, KENYA**

OMACHE SETH ONG'ESA

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DECLARATION

I hereby declare this research project as my original work and has never been presented for a degree or diploma award in any other university and no part of this work should be reproduced without the authority of the author and or that of Kenyatta University of Kenya.

 18/11/2020
Signature.....Date.....

Omache Seth Ong'esa
School of Business
Department of Business Administration

I confirm that the research project report herein was accomplished under the supervision of my supervisor:

 18/11/2020
Signature.....Date.....

Dr. Kinyua. G. M
Department of Business Administration
School of Business
Kenyatta University

DEDICATION

I dedicate this research report to my family for the devotion and support showed throughout the period that I was in need of moral and financial support for me to accomplish this study report.

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ABBREVIATIONS AND ACRONYMS

C208	Cessna Caravan 208 series
DHC	de Havilland Canada
JKIA	Jomo Kenyatta International Airport
KAA	Kenya Airports Authority
KCAA	Kenya Civil Aviation Authority
NACOSTI	National Commission for Science Technology and Innovation
RBT	Resource Based Theory
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
VRIO	Value, Rareness, Imitability, Organization

OPERATIONAL DEFINITION OF TERMS

Airline	This is an aviation company that provides air means of transport services for travelling passengers and freight or cargo from a commercial airbase to another for revenue.
Capability	This refers to a combination of packages of skills, knowledge, ability and experience that facilitate the management of activities of a firm and put into use its resources for the actualization of performance through proper coordination and production.
Operational capability	This refers to the ability to align critical processes, resources and technologies according to the overall guiding vision and customer focused value propositions coupled with the ability to deliver these processes effectively and efficiently
Organizational Capability	This is a collection of physical facilities and skills of employees, especially the abilities of the top and middle management, comprising of a synergy of human, physical and structural resources of an entity around the defined and set objectives.
Organization Performance	This essentially refers to an analysis of the extent of achievement of a firm in comparison to its goals and objectives.
Marketing Capability	An application of collective knowledge, skills and resources of a firm to meet the market related business needs by enabling the business to add value in its goods and services.

Human Resource Capability

Vital human capital knowledge, skills and abilities that sum up to form the human resource competencies.

ICT Capability

Activities of both hardware and software systems, skills and knowledge bases, managerial systems of learning and incentive and values that generate an extraordinary benefit for a firm.

ABSTRACT

In recent researches, organization performance has been the key point, due to the dynamism of the operating parameters in the environment of airlines and other business entities. In the recent years, performance in the airline industry globally, regionally and locally has been unstable more so due to the dynamism of the environmental parameters that the aviation industry is characterized with. Organizations in this industry therefore ought to withstand the market and industry dynamics, if at all they have to attain remarkable success in performance. Consequently, performance of any entity has become of focus from stakeholders, customers and researchers taking into account the adjustments in an organization's operating setting. This particular research was investigating the effects of organizational capability on performance of AirKenya Express limited performance. The specific objectives were to investigate the effects of operational capability, marketing capability, human resource capability and information and the capability of communication technology on the performance of AirKenya Express Limited, Nairobi City County, Kenya. The three main theories on which this research was established on were, resource-based view theory, organization learning theory and dynamic capabilities theory. Two research designs that were employed were cross sectional research and explanatory designs. The target population was employees of AirKenya Express Limited, and in particular those based at its headquarters at Wilson Airport Nairobi and those in other outstations that are based in Kenya. The selection of the respondents of this study utilized stratified proportionate sampling. This was on the basis of departments including administration, inflight crew, customer service, finance, marketing, reservation, operations and engineering. The pilot study preceded actual data collection and the participants were excluded from the research. In data collection, the primary data collection was done using semi-structured questionnaires issued using drop and pick method while secondary data collection was by reviewing relevant reference materials. Secondary data was purposed to endorse the collected primary data. The descriptive statistics were arrayed in the form of mean, standard deviation, co-efficient variations, frequencies and percentages. They served the purpose of providing abridged measures of the observed data. Conclusions and generalizations were made based on the inferential statistics done through multiple regression analysis. The analysis of quantitative data was arrayed in terms of figures and tables while qualitative data employed content analysis and presentation done in prose. The study deduced that the operational, human resource, marketing and information, communication and technology capabilities possess a significant gain to the airline's performance. AirKenya Express Limited management ought to automate customer services such as online booking and checking in, while at the same time using effective methods for customer feedback collection that will be incorporated to improve on the airline's service delivery. The marketing department ought to improve on research and development so as to enhance the features of new and existing products. The human resource manager can develop human resource policies that encourage more trainings and use of job manuals to increase job performance. This will collectively improve AirKenya Express Limited's performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organization performance is defined as the extent to which any given organization fulfils its work, people and organizational structure set objectives effectively and efficiently (Georgopolous & Tannenbaum, 2016). Performance of a firm can also be referred to as an organization's ability to attain its stated mission by strong governance, a sound management and persistent dedication. It has also been described as the propensity of an organization to utilize its external and internal environment using its limited resources to attain its desired goals (Yutchman & Seashore, 2017).

Many airlines globally are facing a challenge on how to post good performance despite the current prevailing economic constraints of high costs of fuel and rise in asset acquisition value (Gichuhi, 2016). This is likely to continue manifesting itself for as long as there are new entrants expected to come into play in the industry for a share. Many airlines have adopted various measures in response to this. Some of this actions include, reduction in seat capacity, product unbundling, reduction in route frequency, staff laydown and niche market concentration as some of the strategies embraced in response and which are said to have an impact in the long term with customer loyalty, customer experience and airline profitability from their service (Belton , 2017). For these airlines to secure their future in the industry, they must also harness the emerging technologies so as to deliver superior customer experiences and also be able to secure customer loyalty

besides improving efficiencies within its operations, which in effect leads to high performance (Piccoli, Anglada, & Watson, 2018).

African airlines with equal measure are also operating in a more similar dynamic environment which has had an effect on the industry trends particularly in terms of expanding and operating international routes (Razvi, 2012). The continent's famous national carriers with the likes of Kenya Airways of Kenya, South African Airways of South Africa, Ethiopian Airways of Ethiopia, Air Uganda of Uganda and Air Tanzania of Tanzania no longer enjoy and control the historical monopoly advantage over the small private innovative airlines joining the industry with unique quality services and charging relatively low fare prices against their offers (Barney & Clark, 2017). It's out of this dynamism that there has been a rethink by all the carriers in the aviation industry in the realignment and utilization of their resources for their own survival and growth so as to post good performance by incorporating strategies that attract more passengers and potential investors (Karagozoglou & Lindell, 2014).

East African airlines which include AirKenya Express Limited have to restructure their business strategies, on account of the prevailing fierce competition and other dynamics in the industry, so as to achieve the admired performance. Airlines have to improve on their customer service delivery by understanding their client's needs and the whole spectrum of travelling right from the time a customer interacts with the sales and marketing team, through to the inflight service and to their arrival of their destinations, so as to achieve good performance (Dunne, 2015). This whole process involves discerning and utilization of a firm's capabilities that aid its processes and operations of service delivery towards the attainment of the desired performance. This aligns with Grant's perspective, that

asserts of organization capability comprising of various levels of organizational functions that include manufacturing, research and development, marketing, human resource, customer service, product quality management among others (Grant, 1996).

1.1.1 Organizational Performance

Organization performance essentially encompasses three outcomes which include financial, product market performance and stakeholders' return in terms of investment returns. Richard (2009) also affirmed that performance evaluation can be measured by the coherence and effectiveness realized by consummation of a firm's set objectives. Organization performance can also be manifested through financial performances which include investment returns, sales growth, profit margin, effectiveness and performance of business (Carlos & Roman, 2018)

The balanced score card tool has been used to measure performance of a firm's function towards its overall performance. This particular tool refers to the skills, knowledge and systems required by an organization's employees for innovation and execute appropriate strategic capabilities for efficiency within the work processes. Organizations have in the recent times managed performance through the use of balanced score card methodology, by utilizing its various perspectives like financial performance, customer service, learning organization and internal work process improvement (Burke & Litwin, 2019).

The Harvard business review (2008), invented a balanced score (BSC) based on the Kaplan and Norton work, with both the financial and non-financial indicators. This review of non-financial indicators proved to possess more detailed particulars than the financial indicators since the later only reflect a partial impact of managerial decisions and exclude the impact of decisions taken today and instead accumulates them. However,

these actions that are recorded by non-financial are easily and directly tracked in terms of the impact they have on the organization (Wiersma, 2016).

Hogue (2005) carried out a study on non-financial indicators. They included customer perspective, learning and growth and business processes. Customer perspective entailed customer response time and warranty repair cost, on time delivery, market share and customer satisfaction. Internal business was constituted of product invention and introduction, equipment and human resource efficiency variance, operation process enhancement and reengineering, and healthy relations with suppliers. The aspect of learning and growth essentially encompassed training and development of the human resource, relations at work place, satisfaction, health and safety of human resource (Ahmed, Othman, & Lazim, 2014). Based on the balanced score card studies and Hogue's argument on non-financial indicators, this research employed qualitative indicators to gauge the airline industry effectuation, cased on AirKenya Express Limited in Kenya. The four indicators in this case are new products development (Destinations), Product and Service diversity and Product Improvement.

1.1.2 Organizational Capability

Organizational capabilities refers to a collection of physical facilities, employee skills chiefly those of the middle and top management of an organization (Chandler, 2016). It can also be defined as a synergy of human, physical and structural resources of an entity around defined and set objectives of an organization. Organization skills can be thought of as abilities potentially applicable to distinct functions of different firms in disparate industries and manifest how people and resources are commissioned to accomplish work. According to Grant (1996), organization capabilities are of different types, which in

essence exhibit the different levels of typical organization like, manufacturing, marketing, quality management, research and development, human resource, customer support among others. It's based on grant's proposition of organizational capabilities that this study will adopt marketing capability, information system and technological capability, human resource capability and operational capability (Yutchman & Seashore, 2017).

Operational capability relates to the ability to align firm resources and technologies with the organization's vision and customer focus, and the ability to execute these processes in an effective and efficient manner. They commission an organization to execute its processes and operations on a continuous basis with the same technique and scale in support of domineering products and services for target consumer market (Helfat & Winter, 2007). According to Takahashi (2005) operational capabilities consists of the skills and information that are necessary to operationalize, maintain and repair technology and business processes for efficient and effective running of the firm's activities. In addition, operational capability has been incorporated into conceptual models of research on organizational capabilities and performance by studies carried out by Protogerou (2011) and Giacimini (2013) hence forming a basis for its adoption on this study.

The operational inefficiency and wasteful usage of assets trademark have been related with the terrible showing of various aircrafts which has been progressed by rivalry by the vital participants, and the liberation strategy by policymakers and partners (Karanja, Muathe, & Thuo, 2014). All together for AirKenya Express Limited to build its exhibition and improve its seriousness, there is a need to for a basic change in its strategy

system and appraisal of the authoritative ability (Vogel & Graham , 2013). A portion of these abilities incorporate, enough present day and conservative airplane, progressing with mechanical patterns both in ICT and marketing, keeping employees trained, motivated and satisfied, advancing and expanding its operations

Marketing capability is an integration of designed processes that apply a collection of knowledge, resources and skills of the firm for the business market needs, so as to accredit the organization to add value to its products to surpass competitive demands (Day, 1994). Due to the current dynamic environment characterized by stiff competition, firms now are obliged to deliver high quality for lower prices surpassing their competitors or risk being thrown out of the market not unless they are the market leaders in that certain market (Kotler,1997). In another study by Celuch (2002) concluded that due to this, organizations need to unify their abilities serving the marketing and sales along the value chain which has led to the integration of marketing endeavors in a single functional department. Marketing capability is therefore considered significant in creating value for both the customers and the firm, which translates to a pragmatic out-turn on a firm's performance.

Human resource capabilities are vital sources of sustainable organization competitiveness in any given industry. They consist of different individual's knowledge, skills and abilities that sum up to form the human resource competencies necessary for daily operational processes. For a firm to realize its business purpose, it should have a proficient human capital that is motivated and talented enough to exhibit the required skills and intellectual capital (Snell & Dean, 1992). Chuang, Liu & Chen (2015), also

carried out research studies which indicated that the human resource capability is extremely vital for the performance of any organization in any industry.

Technological capability is associated with a battery of activities that generate an extraordinary benefit to the firm in collaboration with human resource skills, knowledge bases, and physical systems, managerial systems of learning, incentive and values of an organization. Moreover, it can also be regarded as functional abilities which reflect performance of an organization through distinct technological innovations (Ahmed, Othman, & Lazim, 2014). In other studies carried out by Ahmad, Othman & Lazim (2014), also asserted that technological capability takes part as a noteworthy role towards performance in the manufacturing sector. From their study findings, firms were recommended to regularly evaluate their technological capability levels. Organizations that have already incorporated technology are recommended to upgrade their technological capability to sourcing levels so as to elevate the companies' performance (Ahmed, Othman, & Lazim, 2014).

1.1.3 AirKenya Express Limited

AirKenya Express Limited is an airline which is based in Nairobi City County, Kenya, with its base at Wilson airport. AirKenya Express Limited operates domestic schedules as well as chartered services within the East African region. The airline specializes on tourism based destinations. The airline started its operations in the year 1987, as merger of AirKenya Aviation and Sunbird aviation. The merger conglomerated assets of the two firms in their more than twenty years of their operations (GlobalAirline Guide, 2017).

In May 2000, AirKenya Express Limited founded a jet operation that provided scheduled services. The regional Air was based in Jomo Kenyatta International Airport (JKIA). The

airline operated international routes including Asmara, Djibouti, Harare, Johannesburg, Khartoum, Kilimanjaro, Lilongwe and Lusaka. It operated with 3 Boeing 737-200 mostly for the international flights while contracting AirKenya for its local destinations. The airline signed a franchise deal with British Airways effective 1st July 2001, and operated with British Airways flight code, colors and also service standards. However, the franchise agreement was terminated in April 2005, after Regional Air suspended its operation and subsequent wind up of the airline.

Currently AirKenya Express Limited is a hybrid carrier which operates in Kenya and also offers chartered services within the East Africa Region and Africa in General. The airline is fully owned by Kenyan Consortium with more than 150 representatives hitherto. The airline conveyed more than 320,000 passengers in 2017 against the 120,000 in the year 2013 (AirKenya Express Limited , 2018). The airline's operates Cessna caravans, dash 6 twin otters, and dash 7s mostly to the famous tourist destinations in Kenya. It specializes in Bush flying especially to the Masai Mara, Samburu, and Amboseli, Lewa downs and Meru Kina and soon launching flights from Masai mara to Entebbe via Kisumu. The airline also offers private charters to the coastal regions of Lamu, Malindi, Mombasa and Ukunda or Diani.

AirKenya Express Limited currently has two subsidiaries, Regional air service founded in 1997 in Tanzania and Aero link in Uganda, which it wholly owns. Regional Air Services is a division of AirKenya operating domestic and regional schedule and charter services in the East Africa Region. The airline operates Cessna caravans, Reims-Cessna F406 caravan, dash 6 twin otter and a Bombardier dash 8 100. Aero link Uganda Limited is also an AirKenya fully owned domestic airline in Uganda plying both chartered services

and scheduled services with its main base in Entebbe. The airline operates Cessna caravans to the tourist destination in Uganda (Flight International, 2007).

AirKenya Express Limited has over the years enjoyed dominance in the local airline industry especially the tourism based destination. However, in the recent years a lot of other new players have come in and are having a share in the industry. The economic times have also changed with a lot of dynamism which prompts the airline to level up its operations and utilize its capabilities in pursuit of great performance.

1.2 Statement of the Problem

Amidst the sprightly growing industries in the economic globe and more particularly in the country is the airline industry. Its operational wastefulness and inefficient utilization of resources characteristic has been associated with poor performance of a number of airlines which has been advanced by competition by the key players, and the deregulation policy by policy makers and stakeholders (Gowrisankaran, 2002). The future of Airlines such as AirKenya Express Limited holds a lot of challenges with the exception of those that will continue cutting down their operational costs and continuously improve their products (Carlos & Roman, 2018). This will help them secure a fair share in the air travel markets and stand to be successful (Stanford University, 2000).

Several airlines including global route airlines are in Kenyan market today not only setting competition but also providing a variety of options for passengers to choose from depending on the prices, service quality and preference of an airline. Rwanda air, Fly 540, Air Uganda, Jet Link, Precision Air, Air Tanzania are among airlines building on their presence in the East African region. Their expansion into new routes and increase in frequency to the existing destinations has led to some operators suspend or opt out of

certain routes with aggressive competitor's presence since the fair prices are no longer viable.

Numerous scholars have done research to better understand the causes of poor organizational performance despite such quality organization capability practices being put in place. A study by Mulaku and Ahmed (2014) found out that airlines have been undertaking major management changes aimed at improving their performance. Oyieke (2012) also found out that the airlines in Kenya have had major change management challenges involving organizational restructuring including formation of alliances and partnerships.

AirKenya Express Limited has been facing several challenges over the years which have seen a decline in the airline's profitability over the years. In 2017, the AirKenya Express Limited reported a drop in profit to the tune of 170.6 million after tax, a 10% drop from the previous 2016 financial year profit of 189.5 million and huge rise in operating costs (Belton , 2017). This study sort to probe subsist relationship connecting organizational capability of AirKenya Express Limited and its performance to enable it realize maximum efficiency in its operations. Subsequently this is expected to improve performance in general.

1.3 Objectives of the Study

1.3.1 General Objective

This was to investigate the effect of organizational capabilities of AirKenya Express Limited in Nairobi City County, Kenya, on its performance.

1.3.2 Specific Objectives

Specific objectives of the study included:

- i) To investigate on the effects of operational capability on the performance of AirKenya Express limited, Nairobi City County, Kenya.
- ii) To investigate on the effect of human resource capability on the performance of AirKenya Express Limited, Nairobi City County, Kenya.
- iii) To investigate on the effect of information technology capability on the performance of AirKenya Express Limited, Nairobi City County, Kenya.
- iv) To investigate on the effect of marketing capability on the performance of AirKenya Express Limited, Nairobi City County, Kenya.

1.4 Research Questions

The study sought to answer the following questions:

- i) What effect does operational capability have on the performance of AirKenya Express Limited, Nairobi City County, Kenya?
- ii) How does the marketing capability affect the performance of AirKenya Express Limited, Nairobi City County, Kenya?
- iii) How does the information communication and technology capability affect performance of AirKenya Express Limited, Nairobi City County, Kenya?
- iv) How does the human resource capability influence the performance of AirKenya Express Limited, Nairobi City County, Kenya?

1.5 Significance of the Study

AirKenya Express Limited Board of directors and its management benefits with in-depth information in regards to the airline's performance, in respect to organizational capabilities. They could able to position the airline's capabilities strategically in a step towards improving and maintaining its performance beyond its current better status. The study could provide a good avenue to formulation of actions plans and strategies that would enable it to align its capabilities towards achieving steady and great performance.

The industry players, especially other local safari airlines would also benefit from this study since it would provide a stock of inferential information and knowledge for managers on how best to put into use the organizational capabilities and other resources for the realization of better performance. New airlines coming into the industry would have a reference point from which to borrow and incorporate in their operations so as to ensure they advance their performance.

The conclusions from the study could also be relevant to researchers and academicians in the related field, in terms of empirical literature. Conclusions of this research contributes to the subsisting stock of mastery on organization performance to serve the purpose of literature reference and a critical source of information within the same area of study to relevant researchers.

1.6 Scope of the Study

The study was conducted in Air Kenya Express Limited based at Wilson Airport, Nairobi City County, Kenya. The study sought to determine the effect organization capability and performance of Air Kenya express limited. This is because Air Kenya has been a dominant private sector player in the industry with fluctuating growth right from its

establishment as a merger of two collapsing entities. The organization capabilities involved were marketing, operational, human resource and information technology capabilities. The research design that was employed cross-sectional and consequently semi-structured questionnaires used for collecting data. Performance of the Air Kenya Express Limited was assessed for the last 5 years (2015-2019) since this is the time it performed dismally.

1.7 Limitations of the Study

The study faced challenges that included, the non-cooperative and unwilling respondents. All the participants of the study were adequately informed with the study's intention and purpose. It also contracted a person for follow ups with the respondents.

Another challenge related to objectivity and honesty from the respondents was also foreseen on the art of the data provided. This was countered and mitigated by use of a Kenyatta University introductory letter and the research permit from NACOSTI to affirm the purpose of the data being collected as solely for scholarly use while assuring for confidentiality.

However, the researcher sought to create a good rapport with them and ensure that they voluntarily gave the information. Due to confidentiality of the information being sought, the respondents were not willing to cooperate but the researcher ensured that they also built trust in the researcher with their information and also explained the purpose of the study.

1.8 Organization of the Study

Incorporated herein is a preliminary section that was followed by five chapters. The background of the study, statement of the problem, objectives, significance of the study, scope of the study, and limitations of the research formed chapter one. Chapter two follows with a review of both theoretical and empirical literature, a summary of literature review, research gaps and lastly conceptual framework. The third chapter composed of research methodology, research design, target population, sampling design, and target population, sampling design, research instruments, data collection procedure and analysis with ethical considerations closing the chapter. Chapter four entails findings of the research, and discussions on the rate of response. It also included descriptive, inferential analysis and qualitative data analysis. Finally, chapter five entails summary, conclusion, recommendations for practice and recommendation for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter outlines the literature review for variables conceptualized in the research study. Applicable literature, both empirical and theoretical, that form the ground for the study are discussed. A conceptual framework showing the correlation of the variables, was also presented in this chapter.

2.2 Theoretical Review

Three theories were the basis for this study as discussed below. They helped in putting into perspective the theme of this research. They are the RBV theory, organization learning theory and that of dynamic capabilities.

2.2.1 Resource-Based View Theory

Invention of RBV theory is conceivably tracked from Penrose (1959) work. It has also been traced from Bain (1968), Rumelt (1984), Wernerfelt (1984) and Barney (1986) who were the pioneers of this theory. Penrose (1959) discerned of firms being more likely to perform exemplary when their resources are controlled. Wernerfelt (1984) asserted that the manner in which key resources are controlled will highly determine the performance of an organization in a certain industry. RBV focuses on resource attributes. These attributes describes a firm's resources' as heterogeneity, valuable, in-imitable, non-substitutable and sustainability in its operations (Mahoney, 1995).

Under the RBV, capability is referred to as a package of complex obtained skills, knowledge, ability and experience by which a firm manages its activities by utilizing its

resources to achieve its vision (Mckelvie & Davidson, 2009). Most firms possess diverse resources that are either tangible or intangible (Barney, Wright, & Ketchen, 2001). Barney studied and established an existence of a correspondence linking vital resources and superior performance. He concluded that firms are inclined towards making optimum usage of economic resources at disposal to make informed decisions guided by an economic framework (Barney & Clark, 2017).

RBV of an organization shows how efficiently organizations obtain, allocate and make use of its scarce resources effectively. Grant (1991) established that performance of an organization is depends highly on its internal resources as compared to the external resources. In reference to this view, performance of a firm highly hangs on physical, human and organizational resources. RBV encourages the development and utilization of unique and valuable resourceful capabilities as well as continuously strengthening and maintaining them.

Tangible resources represents physical assets of an organization while intangible resources are those that include incorporeal things such as corporate brand name, processes and networks that are more likely to generate good performance due to their rareness and uniqueness. This gives an organization cut-throat advantage over other firms in relation to physical resources a firm possesses (Rouse & Daellenbach, 1999). The relevancy of this theory to this study is basically the relation between VRIN resources and superior firm performance. RBV recognizes that intangible resources spawn competitive advantage and better performance to firms including airlines such as AirKenya (Kenneth, Anderson, & Eddy, 2011).



Figure 2.1 Relationship of VRIN Resources, Competitive advantage and Performance

Source: Rouse and Lockett (2009); Barney, (2011)

RBV has been adopted in this study to explain the context of the airlines that demands for effective organizational capabilities that enable the organization maximize its performance. This study has been anchored on this theory to aid it in understanding how and why organizations like airlines should mobilize their resources for the enhancement of their capabilities so as to ensure their operations achieve advanced performance.

2.2.2 Organization Learning Theory

Described as the process of developing, transferring and retaining knowledge within an organization, and more so from commissioned mistakes, the theory was advanced by two scholars (Schon & Argyris, 1978). The two proponents affirmed that learning takes place down the process of discerning and redressing errors. Organization learning theory emphasizes on organizational change of knowledge which comes about as a ramification of experience. The knowledge in question can be either declarative, facts, procedural, skills or routines (Fiol & Lyles, 1985).

An airline can achieve an above average profit over time only through effective organizational learning (Garvin, 1993). Airlines that value continuous organizational learning through training and development are more likely to achieve superior

performance. Stewart (1996), states that one of the functions of organizational learning in an organization is to realize competitive advantage and superior performance. It ensures that employees within an organization are well informed with up to date information (Armstrong, 2001), which strengthens a firm's human capital with latest, relevant and important industry related information (Spender & Grant, 1996).

Winter (2000) concluded that for an organization to achieve high performance, it is inevitable for it to learn fast in the industry from failures and successes. One of the most effective tool of enhancing learning within a firm is technology because of its capability of ultimately changing the employee and the firm at large. Organizational learning facilitates the attainment of competitive advantage through human capital empowerment as a resource which essentially improves a firm's performance. Furthermore, Coplin (2002) asserts that one of the inimitable and unique resources of a firm is human capital.

Organizations should emphasize uninterrupted learning by motivating their human resource to acquire new skills, and learn new knowledge from experience, for them to attain high performance. Competitive human capital in terms of know how is gained through learning organization. A firm that applies organization learning, in the end acquires complex capabilities that are hard to copy, imitate or duplicate, making them distinct to the firm, enabling it to attain above average performance (Stewart, 1996 & Lopez, 2005). Winter (2000), asserts that in the current dynamic and changing environment, it's of great performance that firms such as AirKenya Express Limited develop the ability to learn faster and in a better way than other industry players from its failures and successes for them to attain high performance.

2.2.3 Dynamic Capabilities Theory

The theory was proposed by David Teece, Gary Pisano and Amy Shuen in year 1997. Dynamic capabilities (DC) theory came to the force both as an appendage to, as well as a retort in odds with the inaptitude of the resource-based view (RBV) to elucidate the development and re-development of resources and capabilities to address environmental dynamics. Dynamic capabilities may be contemplated be a competitive advantage pedigree (Teece, Pisano, & Shuen, 1997). Dynamic capabilities theory transcends the proposition insinuating sustainable competitive advantage of a firm is based on its accretion of valuable, rare, inimitable and non-substitutable (VRIN) resources. Organizations are able to consolidate, marshal and reposition their resources and capabilities to adapt to rapidly changing environments curtesy of dynamic capabilities. This makes dynamic capabilities processes that accredit an organization to re-engineer its strategical resources to attain sustainable competitive advantages and superior performance in dynamic environments. A firm's capacity to execute continuous and successful assignments relate more to a firm's proficiency in adding value its operations through change implementation in the production processes.

The effects of organizational capabilities and external networks on performance have also been argued (Lee et.al, 2001) as important interface for evolution, development and combination of resources to aid in improving competitive strength for superior performance. Organizational capabilities are an intrinsic evolutionary processes that facilitate problem solving, improve decision making processes, and stimulate creativity while helping managers of an organization to effectively implement organizational objectives. However, Roper (1997), recommended that the presence of organizational

capabilities in a firm is not enough and for an organization to attain the desired performance levels since they must positively interact with and meet the prerequisite of the organization's industry market.

The relevance of this theory is in the determination of the critical resources that propel the local airline industry in Kenya. AirKenya Express Limited was evaluated based on the capabilities that it performs. They are human resource, information technology, internal process operations, the marketing function and how they aid in the understanding of the actual and source of organizational capabilities.

2.3 Empirical Literature Review

Previous similar studies on independent variable elements of organizational capability and how they affect performance in the same related previous researches formed the study's empirical literature review anchorage. These were operational, human resource, ICT and marketing capabilities against performance.

2.3.1 Operational Capabilities and Firm Performance

Operational capabilities refers to operational aspects such as cost efficiency, continuous quality, reliable delivery speed, delivery reliability and flexibility of product or service process (Hayes & Wheelwright, 1984) and (Jones & Hill, 2009). Marketing and operational capability effect on the financial performance of SMEs was discerned by a study that was cased in Guilan (Zamani, Rezaei, & Kheradyar, 2017). Their study recommended that to improve financial performance of a firm, operational capability should be increased through the monitoring of supply of products, quality assurance, surpassing customer requirements, interests and needs. However, their study measured

performance using financial indicators whereas the current research used non-financial indicators to measure performance.

In a study carried out by Ramanathan (2016), a significant relationship was established between operations capability, marketing capability and service diversification with hotel performance. In addition, it found out that efficiency as a variable was used to moderate the relationship. The current study will not include a moderating variable. Ramanathan's study measured performance using the financial indicators while this study considered non-financial indicators as a measure of performance. It also entirely banked on secondary data in estimating operations capability whereas the current study utilized both secondary and primary data.

In a study on dynamic capabilities, operational capabilities and performance (Takahashi, Bulgacov & Giacomini 2015), established that dynamic capabilities impact performance through the mediation of operational capabilities, marketing capabilities and educational capabilities in its context, in Brazil. The study employed quantitative approach with data collection done through a questionnaire survey. Performance was also evaluated based on respondents' answers regarding the sale of educational services and financial results.

2.3.2 Human Resource Capabilities and Firm Performance

The effects of human resource capabilities on the organizations' performance were researched based on the electronic industry (Karami, 2003). The study reiterated that an investment in human resource capabilities will lead to an attainment of goals and objectives. It recognized a robust relationship between the magnitude of participation of human resource in developing and implantation of business strategy and that of the organizational performance in SMEs'. It also concluded that any investment towards

increasing human resource capabilities is crucial since it had positive ramifications on a firm's performance. This confirmed previous researches conducted by Wright (1998) and Rangtone (1999), who indicated that a firm's performance tends to positively relate to the core competencies of the organization of which human resource is in of them. Additionally, it showed human resource as one of the core competencies that enable a firm generate effectiveness and high performance. However, the study solely involved the manufacturing sector SMEs. More over the results of the study reflected the thinking of the CEOs making it not valid to offer a blanket generalization of applying its main findings to other industries. The current study used the primary data and objectively arriving at the results without considering anyone's perception but entirely rely on the data collected.

Chuang, Liu and Chen (2015) investigated on how human resource capability and internal customer satisfaction affects organization effectiveness. The research findings confirmed that human resource capabilities are critically and indispensable factors that influence company effectiveness hence performance. The study recommended that for firms to achieve customer service excellence, the human resource capability of valuable, rare and inimitable characteristics are decisive for creating a sustainable competitive advantage which brings about higher performance and therefore should not be neglected. Whereas the study used only organizational effectiveness to measure organizational performance, the current study used three non-financial indicators namely, new Products, Product Diversification, Product Improvement.

Stronger commitment to deploying human resource capabilities increase an organization's probability of being successful (Breznik, 2014). This was on his study on

the deployment of human resource capability of an organization for sustainable performance. It adopted a multi case study research design that was of an exploratory in nature. The study used informal and narrative interviews whereas the current study adopted a unitary case study approach. The case study was AirKenya Express Limited. The study also used secondary sources for data collection to minimize bias in qualitative research.

2.3.3 Marketing Capabilities and Firm Performance

Marketing capabilities cite the processes by which an organization obtain, integrate and put into use marketing resources, skills and knowledge and with the aim of transforming an organization's products and services into value offerings to the intended targeted customers (Srivistava, Shervani, & Fahey, 1999).

In a study by Noromand, Majidazar and Balaghar (2012), on the effects of marketing and operations capability on financial performances of production and manufacturing firms, it affirmed marketing capability as having a constructive effect on performances of all firms in the study's sample population. The study also that capabilities and competencies can promote financial performances of firms. The study however established that the effect of marketing capability is more on an efficient firm than in an inefficient and wasteful firm. The study used financial indicators for financial performance measurement whereas the current used non-financial indicators to measure performance such as customer attraction and retention. In addition, Noromand, Majidazar and Balaghar (2012) cased their study on the manufacturing and production industry whereas this research focused on the airline transport industry which is predominantly a service industry.

Marketing capabilities valuation was assessed by a reputable brand of image or outstanding reputation, effective and efficient distribution of networks, customer service, sales and promotion related activities, marketing programs implementation and communication with clients. This resulted into financial performance of firms according to a research done by Zamani, Rezael and Kheradyar (2017) on marketing and operational capabilities and their effects on performance of Guilan based SME's. However, financial indicators were used to appraise performance whereas this study utilized the non-monetary indicators for performance measurements. The study also chose only two capabilities as the independent variables, that is the marketing and operational capabilities. The current study included two more capabilities to make them four. These are the information technology capability and the human resource capability.

A research by Musyimi (2016) investigated effects of marketing capabilities on performance of Nairobi fashion retailing industry in Kenya. It discerned marketing capabilities had a remarkable contribution towards a firm's performance. Non-financial indicators were used to measure performance that was also adopted by this study. The study also adopted one independent variable. This research included three other organizational capabilities as independent variables, namely human resource, information technology and operational capabilities. Musyimi's research adopted cross sectional survey approach only while the current study utilized both cross sectional and explanatory research designs.

Marketing capabilities play a role of ensuring that a businesses are not hurt by wrong marketing and its efficiency is highly regarded as key to a successive business (Saleh 2015). Saleh (2015) carried out a review on marketing capabilities and their role in a

firm's success, which established that with marketing capabilities greater success becomes potentially viable for domestic or international market firms. The study further concluded that marketing capabilities are proved to significantly improve a firm's performance by enabling it to attain higher market share in foreign markets. Additionally, Shell (2009) proved that marketing capabilities can effect business performance. The study asserted that a superior marketing capability is one of the attributes of an organization outperforming competitors. These studies adopted marketing capabilities and the only independent variable and used financial indicators as a measure for performance. They also relied on secondary data, thus, generalizing the study's applicability in other industries. The current study collected both secondary and rely mostly on primary data.

Odhiambo, Kibera and Musyoka, (2015), did a journal research on how the performance of micro-finance institutions in Kenya is affected by organizational culture and marketing capabilities. The study tested the relationship existing between performance and marketing capabilities. It was established that performance is strongly influenced by marketing capabilities. However, it adopted the dependent variable as marketing capabilities whereas this study adopted it independently. The research also used some financial indicators in measuring performance. The current study purely adopted non-financial indicators.

2.3.4 Information Communication and Technology capabilities and Firm Performance

In their studies, Nurazwa, Othman and Lazim, (2014), reviewed a correlation linking technological capability in the manufacturing industry based in Malaysia to performance.

It discerned technological capability as a catalyst towards the attainment of competitive advantage by aiding organization growth. However, the research used financial indicators to measure performance of a firm whereby, this study utilized the non-financial performance indicators that were customer satisfaction, attraction and retention, organization effectiveness and employee development. The study also did not use a mediating variable whereas the current study mediated the two variables by competitive advantage.

Kinot (2009) carried out a research investigation on technology-based Kenyan firms. It came into conclusion that investing in research and development will put up a higher performance. Despite the investigation confirming a definite interrelation linking the two study variables only analyzed an immediate connection betwixt the variables. The study filled the gap by maintain information technology as an independent variable.

A research done by Hakala (2011), investigating the relationship between performance and technology, confirmed that it's imperative for firms to utilize complex technologies that cannot be duplicated by the opponents for them to realize better performance. Hakala's findings further asserted that the technological skills, resources pertaining research, development and technology of a firm tends to be important in maintaining a firm's originality in reference to its products and services in the market culminating into superior performance. The study concluded that firms that are technologically oriented stand to obtain the required capability and acquired advanced technological setting increasing the chances for superior performance. However, besides showing a definite link between technology and performance of a firm, the study put into use survey design

alone which is evidently inadequate. For a conclusive study purpose, this research used both the descriptive and explanatory designs.

A study that sort to establish effects of operational capabilities in supply chain on state corporations performance in Kenya, established that, technology influences firm performance and further concluding that technology capability makes it possible for businesses to improve greatly on products, services and processes in accordance with the changing markets (Korir, Bonuke, & Chepkuon, 2017). The study however was based on supply chain management whereas this study focused on the airline transport industry.

2.4 Literature review and Research Gaps Summary

Table 2.1 Research Gaps Summary

Authors	Focus of study	Research findings	Research Gaps	Focus of current study
Zamani, Razaei, & Kheradyar, (2017)	Impact of marketing and operational capability on SMEs financial performance in Gulan.	Marketing and operational capabilities influence performance positively	Financial indicators to measure performance	Non-financial indicators to measure performance.
Ramanathan, (2016)	The relationship in operations, marketing capabilities and service diversification with hotel performance	Positive relationship between the variables	The study used financial indicators in measuring performance. It also used secondary data.	Non-financial indicators were used.
Musyimi. K (2016)	Effects of marketing capability on firm performance in fashion retailing industry, Nairobi, Kenya.	Marketing capability causes positive effect on a firm's performance.	The study only adopted cross sectional survey approach. It also used market capability as the only independent variable.	Both cross sectional & explanatory were used. Customer aspect, organizational aspect & employee development were included as variables.
Chuang, Liu, & Chen, (2015)	Effects of human resource capability, internal customer satisfaction on organization effectiveness.	Human resource capabilities possess VRIN characteristics which are crucial for higher performance.	The study adopted organization effectiveness as a measure for performance.	Customer attraction, retention and satisfaction, organization effectiveness & employee development
Saleh. M (2015)	Marketing capabilities roles in firm's success	Possession of marketing capabilities will result in a much greater success.	Used secondary data, Financial indicators to measure performance & marketing capability as the only independent variable.	Both secondary & primary data were used. Non-financial indicators measured performance.
Breznik. (2014)	Deployment of human resource capability for sustainable performance	Committed investment on human resource capability as dynamic capabilities are more successful.	The study used a multi-case study and exploratory in nature.	AirKenya Express Limited was used as the only case study
Narazwa, Othman, & Lazim, (2014)	Relationship between technological capability &	Crucial determinant for competitive advantage for	Financial indicators to measure performance.	Non-financial indicators were used.

Authors	Focus of study	Research findings	Research Gaps	Focus of current study
	performance in manufacturing companies in Malaysia	performance growth.		
Noromand, Masidazar & Balaghar, (2012)	Effects of marketing and operations capability of financial performances of production and manufacturing firms.	Marketing and Operations capabilities cause a positive effect on performance on all firms in the study sample population.	The study used financial aspect in measuring the performance of the firms.	Non-financial indicators were used to measure performance.
Hakala (2011)	Relationship between performance & technology.	Firms must utilize complex technologies for better performance	Only survey design used.	Cross sectional and explanatory were used Non-financial indicators.
Karaami, (2003)	Effects of human resource capabilities on performance	Investment on human resource capabilities effects successful achievement of organizational goals	The study used basically secondary data.	Primary & secondary data were used.

Source: Literature Review and Researcher (2020)

2.5 Conceptual Framework

This is a depiction of the hypothesized relationship between independent and dependent variables. Figure 2.2. is a representation of the study's conceptual framework.

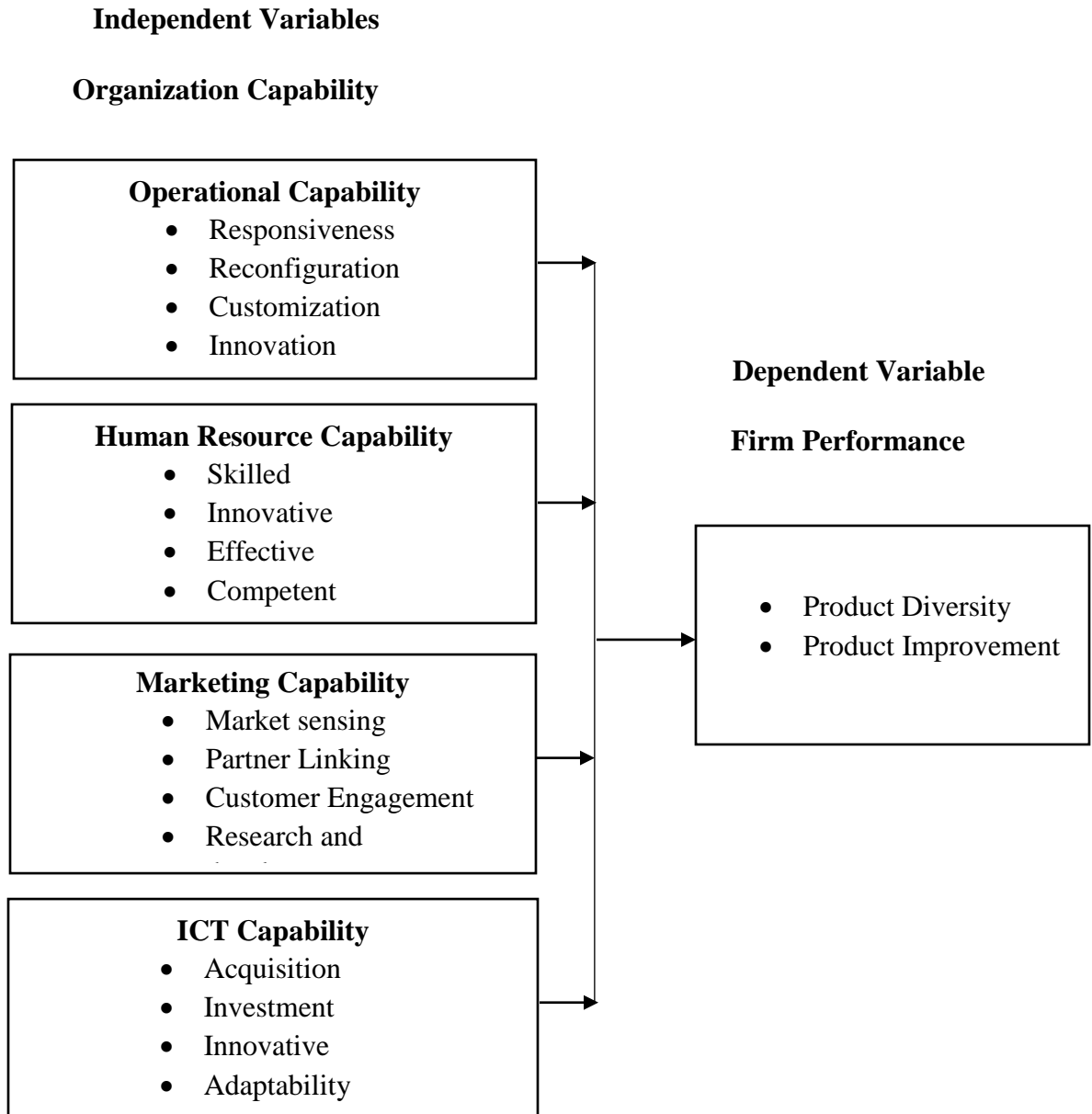


Figure 2.2: Conceptual Framework

Source: Researcher (2020)

Figure 2.2 deduces the hypothesized link between organizational capabilities of AirKenya Express Limited and its performance. The independent variables consisted dimensions of organizational capabilities while the dependent variable consists of performance. The independent variable dimensions were operational, marketing, human resource and information technology capabilities. Operationalization of the dependent variable was on non-financial indicators. They composed of new products, product diversity, and product improvement.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The third chapter of this study consists of research design, target population, sampling design, and distribution of the sample and data collection instruments. It also included data collection procedure, analysis, presentation and ethical considerations of the study.

3.2 Research Design

Both explanatory and cross sectional research designs were adopted. Explanatory design connects ideas with the aim of showing the effects and their cause in the linkage among the variables (Orodho, 2015). The extent of interrelation between certain variables and at a specified time is measured by cross sectional design. This helps in processing of information pertaining the relationship of variables (Kothari, 2004). This study was investigating the effect of organizational capabilities on performance of AirKenya Express Limited, Nairobi, Kenya. These research designs were suitable in reference to the one point in time collection of data so as to augment consistency of the environment context.

3.3 Target Population

This is a depiction of the elements that possess the relevant and desired characteristics for the research from whom a sample is picked for the sole objective of data collection (Mugende & Mugenda, 2003). Table 3.1 shows the target population.

Table 3.1 Target Population

Department	Sales & Marketing	Operation	Finance	Engineering	Customer care	Reservations	Crew	ADM
No. of Staff	20	12	10	50	10	16	20	12

Source: AirKenya Limited (2018)

The target population was made up of the eight departments' employees of AirKenya Express Limited which comprised of 150 employees who are unevenly distributed in different departments.

3.4 Sampling Design and Sample Size

A population sample was derived through stratified sampling design. This was done by dividing the target population into strata before selecting samples randomly from each of the strata. The table below shows the employee distribution of the employees selected from all departments.

Table 3.2 Sample Size

Strata	Total Population	Sampling factor	Sample size
Sales and marketing	20	0.5	10
Operation	12	0.5	6
Finance	10	0.5	5
Engineering	50	0.5	25
Customer service	10	0.5	5
Reservations	16	0.5	8
Crew	20	0.5	10
ADM	12	0.5	6
Total	150		75

Source: AirKenya Limited (2018)

A proportionate number of participants were derived from each stratum and be used in the research with line personnel making the greatest contribution to the derived sample, while customer service made the lowest contribution. Employees who have contracts and working with AirKenya Express Limited were the only ones included. Mugenda & Mugenda (2003) established that for a sample size to meet adequacy for observation and in making references, it must comprise a percentage of more than 10% of the target population. Kothari (2004) also established that a sample should comprise at least 30 elements. Based on these two arguments a sampling factor of 0.5 was used.

3.5 Data Collection Instrument

This is a method of gathering and grouping of data into primary and secondary instruments. Each respondent was allowed to express their views by the use of closed and open ended questions in the semi structures questionnaires. Questionnaires were preferred since they are easy to administer and economical in terms of time and money. From these questionnaires, it was possible for responses that can be transformed into quantitative to be collected. In addition to this, responses from questionnaires were compared to eliminate biasness. Secondary data information was derived from documentations about AirKenya Express Limited in its central library, previous researches, official websites and the relevant authority which is the Kenya Civil Aviation Authority (KCAA).

3.6 Pilot Study

This is conducted in advance before the study is done (Mugenda & Mugenda, 2003). A preliminary study is carried out to evaluate various aspects of the actual study which include time and the cost (Bernard, 2017). The findings of this preliminary activity was

then used to make changes to improve the actual research, for example through question restructuring and improvement. A sample of five AirKenya Express Limited employees were selected randomly to undertake the pilot study. However, they did not take part of the actual survey of the study. This activity essentially facilitates the testing of the questionnaires' reliability and validity.

3.7 Validity of the Research Instrument

It is a degree of precision and appropriateness of the measure by research instruments against what it was intended to (Orodho, 2015). It appraises the accuracy of the presented data in reference to a variable or a construct of the study (2003). The supervisors and peers who have taken courses in statistics and research method assisted in reviewing the instrument to address its content and face validity. The supervisor defined the extent of the specific content of the tool and determine how well this extent was sampled by its items in determining content validity.

3.8 Research Instrument Reliability

This is the ability to generate reproducible results and assure internal consistency of the research tool. It evaluates the degree by which the various variables in the questionnaire compute a particular element (Shanghverzy, 2003). The test-retest technique was applied to ensure research instrument reliability whereby a similar questionnaire was given to a respondent twice and the results of the two questionnaires compared. It was expected that the two questionnaires to be always similar. To ensure internal consistency, the split half method was used whereby the responses were split into two equal halves and then compare the two. Internal consistency was measured by Cronbach's alpha index that established the items were within a scale measure and research construct. A

coefficient extending above 0.7 is suggested and demonstrates that the exploration instrument is acceptable and reliable (Bonnet & Wright, 2015).By applying SPSS the Cronbach’s alpha index was determined. This deduced standard quantifiable items and the correlation. Table 3.3 presents the aggregate summary.

Table 3.3 Results of Reliability Test

Research Variable	Cronbach’s Alpha Index	Number of Items	Comment
Operational Capability	0.716	5	Reliable
Human Resource Capability	0.736	5	Reliable
Marketing Capability	0.847	5	Reliable
ICT Capability	0.759	6	Reliable
Performance	0.713	7	Reliable
Aggregate	0.754	28	Reliable

Source: Pilot Data (2020)

Marketing capability indicators from Table 3.3 were the highest with a reliability ($\alpha=0.847$), after which ICT capability ($\alpha=0.759$), Human resource capability ($\alpha=0.736$), operational capability ($\alpha=0.716$) and performance ($\alpha=0.712$) followed in that order. The index values were in excess of 0.7 and affirmed the reliability of the five variables in reference to Cronbach’s alpha values as proposed by (Bannet & Wright, 2015). Additionally, it was deduced by the outcome that an aggregate alpha index of 0.754 was met by the five research variables for each of the 28 items and was within the commended research instrument reliable scale.

3.9 Data Collection Procedure

A valid and certified transference letter was secured from Kenyatta University with which permit for research was processed from NACOSTI. These documents were required for appointments with both the management of AirKenya Express Limited and

the respondents. In conjunction with a contact person within the airline, the researcher scheduled formal meetings with available participants. The study questionnaires were issued physically, while those who were unavailable were issued electronically via email. Both the questionnaires and interviews were conducted the same time for the respondent who were available. Respondents who were not able to provide their responses on time, were given four extra days, after which all responses were compiled using a register that helped in keeping track of the questionnaires that had been issued.

3.10 Data Analysis and Presentation

This involved the editing, analyzing and working on collected data with the aim of ensuring they are error and problem free. It facilitates problem identification in the responses such as completeness and consistencies with the responses in the questionnaires. This data was grouped depending on the department of the respondents before being input on the rationale of unique codes, before the last scan for accuracy and error free. The sorted data was typed into SPSS. Descriptive statistics in form of percentages, standard deviation, average and median were computed to develop a summary of observed sample. This was used to prepare quantitative data for detailed analysis to produce descriptive analysis and enable figures and tables to be used for presentation. Questionnaire responses were given a score of between 1 and 5 to enable transform descriptive data into quantitative form. SPSS was used for multiple regression with results presented in table forms. This research made use of content analysis to analyze the qualitative data whose results were presented in prose form. Themes ingrained from the collected data formed the basis of the presentation. The analysis of the

inferential statistics was by multiple regression as there were four explanatory variables in this study. Below is the regression model that was used.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: **Y** =Performance
 X₁= Operation Capability
 X₂ = Human Resource Capability
 X₃= Marketing Capability
 X₄ = I.C.T Capability
 β₀, β₁, β₂, β₃, β₄= Beta coefficients
 ε = error term

SPSS was used for multiple regression. The statistical significance of the model was evaluated by applying ANOVA output which indicates whether or not R² might have taken place in a random way or not. Estimated regression model utilized the f-statistic for the ANOVA table at 95% confidence level. A threshold of at most 0.05% P-value was a reference for making decisions and conclusions. T-statistic of solitary variables in conjunction p-values were utilized to determine the beta co-efficient statistical significance that the regression analysis generated. P-value with a maximum threshold of 0.5% was used for confirming that a statistically significance of 95% level of confidence of the corresponding beta coefficient was met. Tables were used for presenting the Statistical analysis results. Content analysis was used to analyze qualitative data that have been collected from the questionnaire's open ended questions. Common theme results was presented in prose form and immanent from the feedback data.

3.11 Ethical Consideration

Before data collection, a permit from NACOSTI was obtained. It was also an obligation to provide enough and detailed information pertaining the aim of the study, the research procedure, credibility of the researcher and how the data was used. This is to assist participants make informed decisions on their participation. The study also made certain that the respondents' privacy was classified for example by using codes to uphold participant response confidentiality. The researcher ensured embarrassing, and threatening questions which otherwise made participants nervous were not used (Mugenda & Mugenda, 2003).

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the analyzed data that was collected by use of structured questionnaires. In addition, the findings of the study in relation to the review of empirical and theoretical literature are discussed herein.

4.2 Response Rate

Analysis of response rate was based on the proportion of returned questionnaires and questionnaires actually distributed as Figure 4.1 shows.

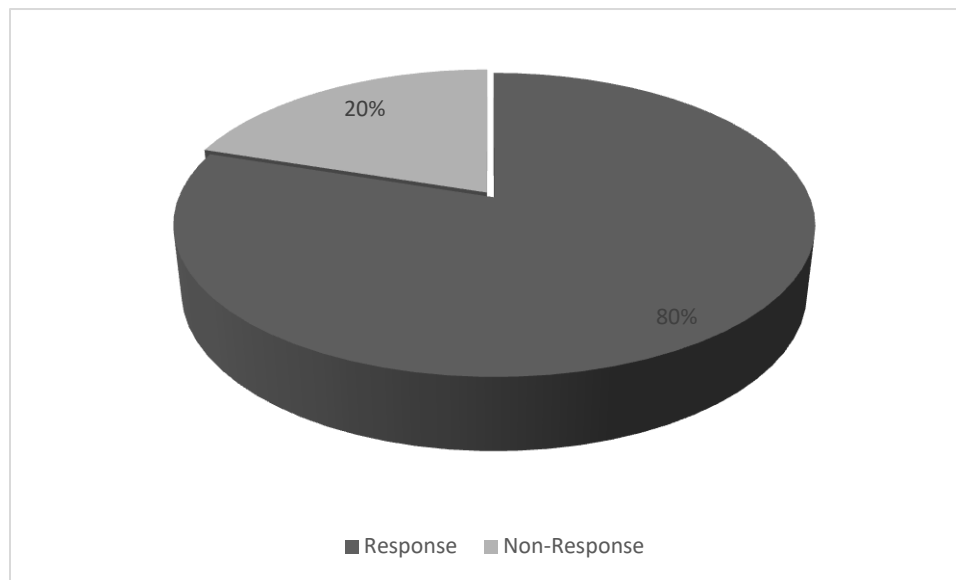


Figure 4.1 Response Rate Analysis

Source: Research Data (2020)

Figure 4.1 shows that 60 questionnaires were filled and returned out of the possible total of 75 distributed. This constituted 80% of the response rate which was sufficient for the

research. It was in correspondent with Mugenda and Mugenda (2003) recommendation of a response rate of 50% as being satisfactory to analysis and reporting; a rate of 60% is good and while 70% and above rate of response is very good. The high response rate increased demographic representation and also the accuracy of the results of this study.

4.3 Background Information

Demographic particulars presented were age, gender, level of education and participants' work experience.

4.3.1 Gender of the Respondents

The gender representation of participants who filled in and remitted their questionnaires was as presented by Figure 4.2

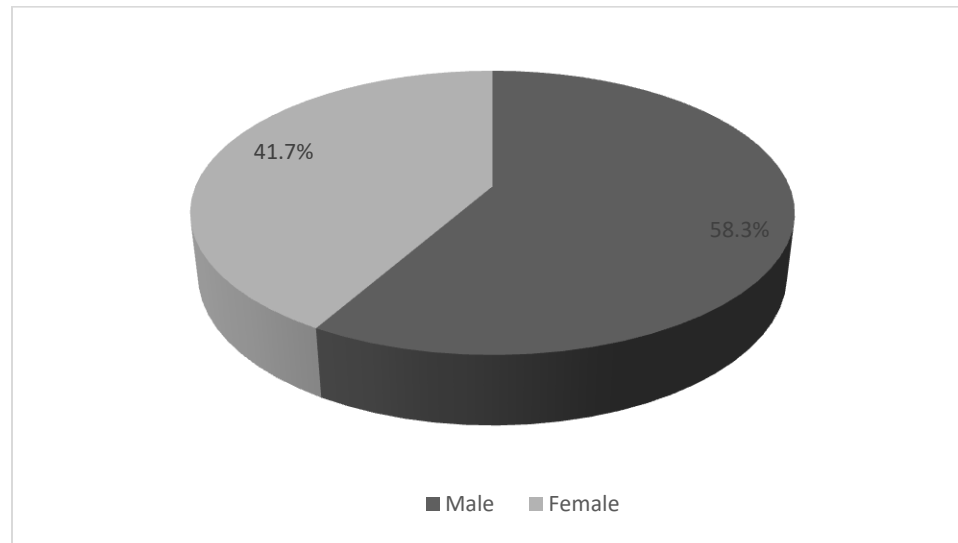


Figure 4.1 Gender Analysis

Source: Research Study (2020)

Figure 4.2 shows that male respondents accounted for 58.3% while female accounted for 41.7%. This implied that all gender groups were well represented and expurgated any gender biasness.

4.3.2 Age of Respondents

Employee age analysis of the participants was done and results tabulated and presented in

Table 4.1

Table 4.1 Analysis of Age of Respondents

Age	Frequency	Percent
Below 35 years	8	13.3
35- 40 years	15	25.0
41-45 years	20	33.3
46-50 years	11	18.3
Over 50 years	6	10.0
Total	60	100.0

Source: Field Data (2020)

Table 4.1 shows a good number of employees belonged between the ages of 41 and 45 years constituting a 33.3% representation. On the other hand, 10% of the respondents had attained over 50 years of age. The results indicate that majority of the employees at AirKenya Limited Express are middle aged who are energetic and can effectively perform the duties.

4.3.3 Level of Education

Analysis of level of education data collected of the employees as illustrated in Figure 4.3

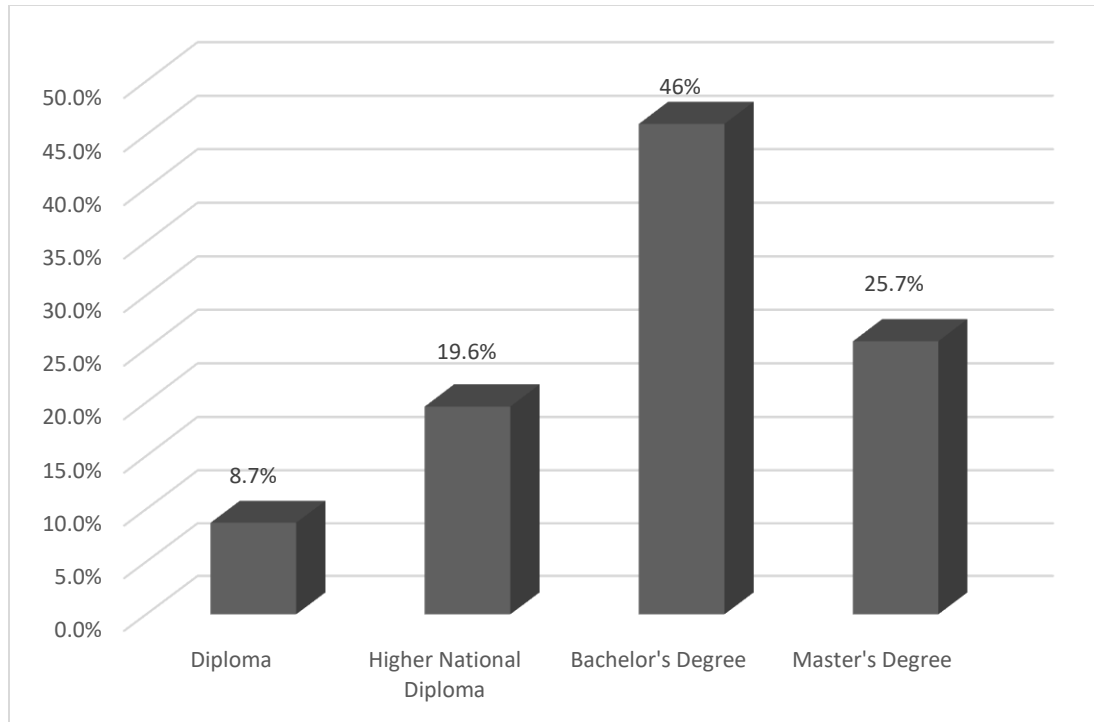


Figure 4.2 Level of Education

Source: Research Field Data (2020)

From Figure 4.3, 46% of the respondents had acquired a Bachelor's degrees, 25.7% of the respondents indicated that they had master's degree, 19.6% higher national diploma and only 8.7% had diploma as their highest education level. These results imply that all the respondents had above average literacy levels to understand the information sought by this study.

4.3.4 Work Experience

The collected data on work experience of the participating employees in terms of years was analysed and presented in Figure 4.4.

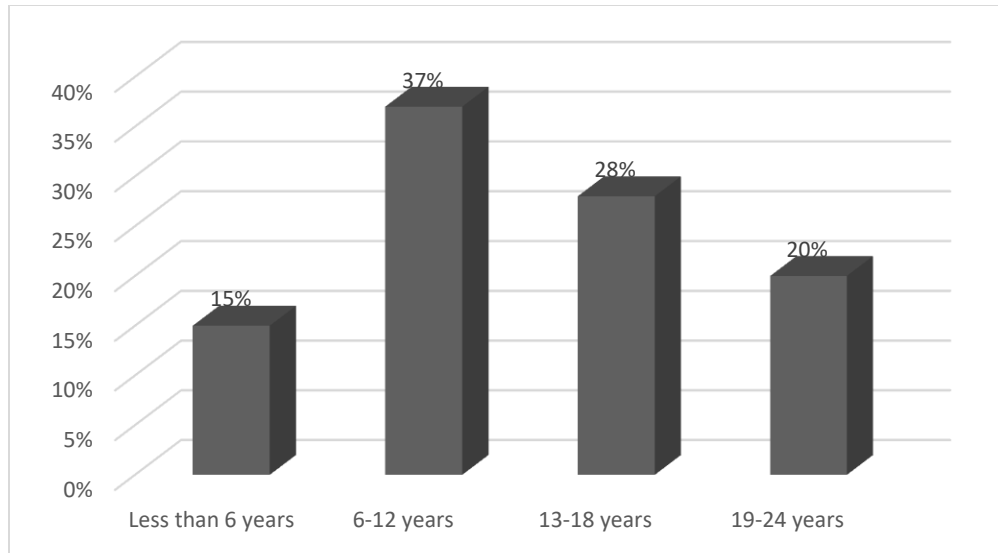


Figure 4.3 Analysis of Work Experience of Respondents

Source: Field Data (2020)

The findings in Figure 4.4 exhibits most respondents of up to 37% had worked with the airline for a duration ranging from 6 to 12 years. Participating employees who had worked between 12 and 18 years constituted 28%. In addition, 20% of the respondents had worked for a period between 18 and 24 years while 15% had tenure of service of less than 6 years. This indicates that the respondents had the necessary experience to give out responses to the study hence making the study findings dependable.

4.4 Descriptive Analysis

The observed sample summary measures were presented by coefficient of variation, mean and standard deviation. The study's variables formed the basis for analysing descriptive statistics of the collected data. Analysis of quantitative data for this study was informed by the basic feature of observed sample.

4.4.1 Operation Capability

Table 4.2 presents the results from data analysis of operational capability indicators of this study.

Table 4.2 Descriptive Statistics for Operation Capability

Statements	n	Min	Max	Mean	Std Dev	CoV
The Airline operations are very responsive in case of any in eventualities	60	1.00	5.00	4.34	0.64	0.13
The company is able to reconfigure its operations whenever the need arises	60	1.00	5.00	3.91	0.63	0.16
The operations of the Airline can be customized and tailored to suit customer needs and desires	60	1.00	5.00	4.23	0.57	0.17
The company can innovate its operations to suit the current trends and beat the competitors' operations	60	1.00	5.00	4.14	0.55	0.12
Average scores				4.16	0.60	0.15

Source: Field Data (2020)

Descriptive analysis on operation capability computed 41.6 as an aggregate mean score which agrees with the Likert scale. Standard deviation and coefficient variation was computed to be 0.60 and 0.15 respectively. The diverse employee responses were close to the mean response as per a computation of a 15% level of variability. In addition, a range between 3.91 and 4.34 was computed as the mean values of the individual items. Likewise, a range between 12% and 17 % was computed as a consistent representation of the coefficient for individual indicators responses. A sample mean with a narrow variability proved that it had stable and reliable characteristics as a population mean estimator and capable of being utilised in making conclusions. Computed low response

variability depicted that the airline incorporated the operation capability activities in their operations and as thus contemplated as key to firm performance.

4.4.2 Human Resource Capability

Collected data on the measures of Human resource capability was analysed and presented in Table 4.3.

Table 4.3 Descriptive Statistics for Human Resource Capability

Statements	n	Min	Max	Mean	Std Dev	CoV
The Airline Employees are well match-skilled with their job descriptions and roles.	60	1.00	5.00	4.41	0.60	0.14
Employees of AirKenya have the innovative ability within their job roles and the way they carry out their roles.	60	1.00	5.00	4.12	0.62	0.15
The company human resource is effective in discharging their responsibilities	60	1.00	5.00	4.36	0.59	0.17
Employees of AirKenya are professionally qualified and meet their job requirements	60	1.00	5.00	4.24	0.65	0.18
Average scores				4.28	0.62	0.16

Source: Field Data (2020)

Deduced results from response analysis in reference to human resource capability measures computed an aggregate of 4.28 and a standard deviation of 0.62. The reported sample mean confirmed employee positive responses with statements on human resource capability. Response variability was also small as illustrated by a coefficient variation of 16%. Response mean and coefficient variation with a narrow range confirmed that disparate measures were in place in the study to indicate human resource capability. An aggregate sample mean was proved as a true mean estimator by the low response variability. This also legitimised making inferences on its basis. The diverse response

variability also affirmed an evaluation on the importance and practise of human resource capability. .

4.4.3 Information Technology Capability

Collected data on indicators of information technology capability was analysed with computed results presented as shown in Table 4.4.

Table 4.4 Descriptive Statistics for Information Technology Capability

Statements	n	Min	Max	Mean	Std Dev	CoV
The company has acquired, installed and operate the latest and state of the art technology in its operations	60	1.00	5.00	3.47	0.55	0.11
There has been a considerable investment in the information technology of the airline	60	1.00	5.00	3.38	0.59	0.13
Employees, work processes and equipment utilization can easily be innovative in nature by virtue of technology	60	1.00	5.00	4.02	0.56	0.15
The company departments and stations easily incorporate and put into use the current technology available in their operations	60	1.00	5.00	3.89	0.57	0.12
Average scores				3.69	0.57	0.13

Source: Field Data (2020)

Information technology capabilities underwent a descriptive analysis that computed 3.69 and 0.57 as their aggregate mean and standard deviation respectively. The compute sample mean was within the five point Likert scale the study used. A low aggregate variability of 13% coefficient variation affirmed that different information technology capability response measures had a narrow range of mean. This demonstrated that the estimator was reliable and stable for the population mean achieved and conclusions and inferences in respect of the target population can be made in their reference. In addition,

variability that is low asserts that the airline incorporated activities for measuring information technology capability in their operations.

4.4.4 Market Capability

Analysis of data collected based on the market capability measures was presented as in Table 4.5

Table 4.5 Descriptive Statistics for Market Capability

Statements	n	Min	Max	Mean	Std Dev	CoV
The Airline has invested and is utilizing the market sensing technique in profiling its target market.	60	1.00	5.00	4.21	0.59	0.15
There is a commendable linkage of AirKenya with its partners in the industry.	60	1.00	5.00	3.94	0.62	0.12
AirKenya is carrying out activities and availing platforms aimed at improving customer engagement	60	1.00	5.00	3.99	0.58	0.17
The management and marketing team are constantly carrying out market researches on the dynamic customer preferences and tastes	60	1.00	5.00	3.92	0.61	0.16
Average scores				4.01	0.60	0.15

Source: Field Data (2020)

Market capabilities descriptive analysis aggregated to a mean of 4.01 which is in line with the five-point scale the questionnaire adopted. The analysis also showed a standard deviation of 0.60 and a coefficient variation of 0.15. This implied that the variability was low and responses from the different subjects were close to the sample mean. The range of the mean score of individual responses was from 3.92 to 4.27. The response coefficient of variation on independent measures was noted to range from 12% and 17% customarily which implied that the responses had a narrow variability. A low variability implied a

stable sample mean estimator of the population mean. In addition, it revealed that marketing capability activities were adopted and practiced in AirKenya Express Limited.

4.4.5 Performance of AirKenya Express Limited

An analysis on six AirKenya Express Limited performance indicators was conducted and presented in Table 4.6.

Table 4.6 Descriptive Statistics for Performance of AirKenya Express Limited

Statements	n	Min	Max	Mean	Std Dev	CoV
The airline is keen in attracting new and potential clients	60	1.00	5.00	3.89	0.59	0.13
AirKenya is improving its existing services and products to satisfy its clientele	60	1.00	5.00	3.97	0.61	0.12
The company is offering a diverse range of services for different needs of clients	60	1.00	5.00	4.11	0.54	0.16
AirKenya is constantly improving its service delivery processes to enhance its service delivery	60	1.00	5.00	3.76	0.58	0.14
The airline employee services delivery are distinct in the industry	60	1.00	5.00	3.95	0.62	0.15
The airline trains and sensitizes its employees on the current and emerging industry dynamics in airline services and products	60	1.00	5.00	4.13	0.60	0.11
Average scores				3.97	0.59	0.14

Source: Field Data (2020)

Table 4.6 depicts a mean score of 3.97 as an aggregate of five measures of performance of Air Kenya Express Limited which confirmed the five point Likert scale that the study adopted. Principally a coefficient of variation of 14% clearly indicated an aggregate response mean score of low variability. Based on the indicated aggregate mean response the study affirmed that activities that improve operational performance were practiced in Air Express Kenya Limited. A concentration of employees' responses around the

aggregate mean score was showed by a narrow variability which confirmed that the sample mean was a stable estimator of the true mean in this study.

4.5 Inferential Analysis

The relationship between organization capability and performance of AirKenya Express Limited was investigated through multiple regression. In this case, operation capability, human resource capability, market capability and information technology capability were regressed on performance. The findings of Model Summary, ANOVA and Regression Coefficients are as shown in subsequent sections.

4.5.1 Model Summary

The findings of coefficient of correlation and coefficient of determinations was identified by the researcher. The findings are indicated in Table 4.7.

Table 4.7 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.862	0.743	0.721		0.124

a. Predictors: (Constant), Operation Capability, Human Resource Capability, Market Capability, Information Technology Capability

b. Dependent Variable: Performance

Table 4.7 shows that coefficient of correlation was 0.762, an indication that the study variables significantly influenced performance of AirKenya Express Limited. Coefficient of adjusted determination was 0.721 which translates to 72.1%. This indicates that variations in dependents variable was explained by the independent variables (operation capability, human resource capability, market capability and information technology

capability). The residual of 27.9% could be explained by other factors beyond the scope of the current study.

4.5.2 ANOVA

An ANOVA was carried out at 5% level of significant level. A comparison between calculated F and critical F was conducted. The findings are indicated in Table 4.8.

Table 4.8 ANOVA

Model	SS	df	MS	F	Significance
Regression	1.24	4	.474	4.46	0.001 ^b
Residual	75.65	56	1.952		
Total	76.89	60			

a. Predictors: (Constant), Operation Capability, Human Resource Capability, Market Capability, Information Technology Capability

b. Dependent Variable: Performance

Source: Field Data (2020)

From the above Table 4.8 shows that calculated F was 4.46 while the critical F was 2.14. Since $4.46 > 2.14$ it's an indication that the study was greatly influenced by the overall regression model. The P-value was $0.001 < 0.05$ indicating that the performance Air Kenya Express Limited was significantly influence by the study variables.

4.5.3 Regression Coefficients

In the investigation on effects organization capabilities on the performance of Air Kenya Express Limited, the following coefficient were generated as in Table 4.9

Table 4.9 Regression Coefficients

Variables	Unstandardized Coefficient*+-s		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	.511	0.214		4.923	.003
Operation Capability	0.656	0.0171	1.158	2.856	.002
Human Resource Capability	0.621	0.0214	1.022	2.542	.003
Market Capability	0.591	0.0263	1.324	2.856	.004
Information Technology Capability	0.563	0.0142	1.484	2.891	.001

Source: Researcher (2019)

From the SPSS generated table, the estimated equation is:

$$Y = 0.511 + 0.656X_1 + 0.621X_2 + 0.591X_3 + 0.563X_4 + \varepsilon$$

Where Y = Performance of Air Kenya Express Limited

X_1 = Operation Capability

X_2 = Human Resource Capability

X_3 = Market Capability

X_4 = Information Technology Capability

Presented in Table 4.9 is a regression analysis illustration that significance for strategy of market expansion strategy was at $\beta=0.656$; $t = 2.856$; $p = .002$. It insinuated a 95% confidence level of cooperational capability effected performance of AirKenya Express Limited positively. This meant that increasing a single unit of operational capabilities results in a 0.656 rise in performance. In conclusion, the study determined operational capability as having progressive effects on the performance of AirKenya Express Limited in Nairobi City County, Kenya. This affirmed conclusions from previous studies that operational capability influence SMEs financial performance (Zamani & Kheradyar,

2017). These findings were in agreement with Ramanathan (2016) study conclusion on the significant relationship established between operations capability, marketing capability and service diversification with performance of hotels.

Grant (1991) capability theory was affirmed by this study's findings. The theory asserts that an organizational capability form the primary foundation of competitiveness and performance. These findings affirmed the Resource Based View theory (Mahoney, 1995) that focuses on the resources attributes as heterogeneity, valuable, in-imitable and non-substitutable and sustainability in an organization's operations. In the case, AirKenya Express can make use of operations capability to enhance enhancing its performance through monitoring, quality assurance, surpassing customer requirements, interests and needs.

Table 4.9 exhibited results of the regression analysis on human resource capability significance being at $\beta=0.621$; $t = 2.542$; $p = .003$. This meant that at a confidence level of 95% human resource capability influences performance of AirKenya positively. An increase by a unit in human resource capability translates to a performance rise of 0.621. In conclusion, human resource capability was determined as to having positive affects performance of AirKenya Express Limited in Nairobi City County, Kenya. The study findings affirmed Chuang, Liu and Chen (2015) study conclusion on human resource capabilities being essentially critical essential influencing factors for effectiveness hence performance. For firms to achieve customer service excellence, there is need for a valuable, rare and inimitable characterized human resource capability. This is vital for a sustainable competitive advantage that brings about higher performance and therefore should not be neglected. This exhibited consistency with Mulindu (2014) dissertation on

the relationship between human resource capabilities and performance of firms. Also, investment in human resource capabilities facilitates to the attainment of goals and objectives.

In support of organizational learning theory, Stewart (1996) concluded that organizational learning has a function of realizing competitive advantage and superior performance. This is to be ensured through employee empowerment with up to date information (Armstrong, 2001) that strengthen the human capital with the latest, relevant and important industrial information (Spender & Grant, 1996). The findings also asserted human resource capabilities as affecting the performance of an organization and AirKenya Express Limited can use instrumentally the capability in attaining a superior performance.

Also, the findings in Table 4.9 revealed that the significance of information technology capability stands at $\beta=0.563$; $t = 2.891$, $p = .001$. In this regard, with a confidence level of 95%, information technology capability translates a positive effect on performance of AirKenya Express limited. It was demonstrated that an increase in one unit of information technology capability was responsible of 0.563 performance increase. In this regard, the study concluded that the performance of the airline was definitely influenced by information technology capability. This affirmed Nurazwa, Othman & Lazim, (2014) study's conclusion that technological capability affect performance in the manufacturing companies based in Malaysia. The obtained results confirmed the research conclusion made by Hakala (2011), investigating the relationship between performance and technology, confirmed that it's imperative for firms to utilize complex technologies that cannot be duplicated by the opponents for them to realize better performance. Winter

(2000) concluded that for an organization to achieve high performance, it is inevitable for it to learn fast within the industry from its failures and successes. One of the most effective way of enhancing learning within an organization is technology since it has a capability of ultimately changing the employee and the organization at large. This study's findings also affirmed that technological capability had a positive impact on AirKenya Express Limited performance. In conclusion, the study noted that firms that are technologically oriented stand to obtain the required capability and will to acquire advanced technological setting increasing the chances for superior performance.

Lastly, the findings in Table 4.9 indicated that statistical significance of marketing capability stood at $\beta=0.591$; $t = 2.856$; $p = .004$. When at 95% confidence level according to t statistic, marketing capability effect on AirKenya Express Limited performance is positive. In addition, from the deduced results, a unit increase in marketing capability translates to a performance increase of 0.591. In conclusion, it was established that the performance of AirKenya Express Limited is positively influenced by marketing capabilities.

The study findings affirmed the findings of Noromand, Majidazar and Balaghar (2012) that had reported marketing capability effect on performances of firms as being positive. Capabilities and competencies can promote financial performances of firms. The study however established the degree to which marketing capability affects firms is more on an efficient firm than in an inefficient and wasteful firm. In addition, the outcome of the study agreed with the postulates of Musyimi (2016) marketing capabilities having a remarkable effect on performance of firms. Marketing capabilities play a role of ensuring that a businesses are not hurt by wrong marketing and its efficiency is highly regarded as

key to a successive business. The Marketing capability is dependent on the resources disposable to the marketing employees and a firm's employees' training and development. The organization learning theory affirms that employees empowered with relevant and important industry information and knowledge will in effect impact on the organization's performance (Garvin, 1993).

4.6 Analysis of Qualitative Data

The study aimed at seeking participants to show in what way operation capability affect the performance of AirKenya Express Limited. The response showed that operation capability enhances monitoring of products, quality assurance, surpassing customer requirement, interest and needs. However, when done properly, operation capability can lead to increased customers hence improves sales and increased profitability.

The study looked out for employee opinion on how human resource capabilities affect the performance of AirKenya Express Limited. The feedback stipulated clearly that human resource is one of the core competencies that enable a firm to generate effective and high performance. Incorporation of human resource capabilities in the development and implantation of strategies is vital for organizational performance.

The study established employees' opinions on how information technology capability affects the performance of AirKenya Express Limited. The responses indicated that effective information technology capability enhance performance. Information technological capability acts as a catalyst towards the attainment of competitive advantage by aiding organization growth. Information technology capability makes it

possible for businesses to improve greatly on products, services and processes in accordance with the changing markets.

Likewise, the study sought to investigate on employee opinions on how marketing capability affects the performance of AirKenya Express Limited. The feedback showed that market capability affect performance of AirKenya Express Limited. Also, marketing capability can be enhanced through brand of image or distinct reputation, proper distribution of networks, customer service, sales and promotion related activities, marketing programs implementation and communication with clients.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

A summary of the study findings are provided herein. Study conclusions, recommendations and suggestions on areas of further study formed part of this chapter. The main objective focussed on probing the effect of organizational capabilities on performance of AirKenya Express Limited in Nairobi City County, Kenya.

5.2 Summary of the Findings

The first objective was to investigate the effects of operational capability on the performance of AirKenya Express limited in Nairobi City County, Kenya. The measurement of operational capabilities comprised of indicators such as responsiveness, operations configuration, suit customer needs and desires, and suit current trends and beat competitors' operations. The findings indicated that cost, quality, speed, flexibility and dependability objectives were important because they have mutual effect to performance of Air Kenya Express Limited. The descriptive statistics analysis revealed operational capability measure activities were practiced in AirKenya Express Limited. Analysis of statistical data gathered showed that operational capability had a statistically effect on performance.

The aim of the second objective was on investigating the effects of human resource capability on the performance of AirKenya Express. The operationalizing of human resource capabilities was by measure of skills such as innovative ability, effectiveness in

discharging responsibility and professionally qualification. The findings show that human resource capability activities were incorporated in the Airline's operations. Analysis of statistical data indicated that human resource capability had statistical significance effects on performance of AirKenya Expressed Limited.

Objective number three aimed at investigating the effects of information technology capability on the performance of AirKenya Express Limited in Nairobi City County, Kenya. The study gauged information technology capability through installation of new technology, investment in information technology, new equipment and use of current technology. The sample summary measures analyses showed that activities regarding information technology capabilities were remarkably executed at AirKenya Express Limited. Statistical analysis stipulated a positive effect of information technology capability on performance and as such affirming the study's expectation.

The focused of the fourth objective was on investigating the effects of marketing capability on the performance of AirKenya Express Limited in Nairobi City County, Kenya. The measure of marketing capabilities was by indicators like market sensing technique, partnerships, customers' platforms and dynamic customer preferences and tastes. Indications from descriptive analysis showed that marketing capabilities were operationally included in AirKenya Express Limited. In addition, extensive statistical analysis affirmed the objective of the study by showing that marketing capability statistical significance affect performance of AirKenya Express Limited.

5.3 Conclusion of the Study

Organization performance is the principal topic of empirical studies and an elemental perturb for managers in modern organizations. Investigating the effect of organizational capabilities on the performance of AirKenya Express Limited in Nairobi City County, Kenya was the aim of the study. The derived findings from both quantitative and qualitative data analyses made it practicable for the study to make prime determinations. Objective number one was investigating the effects of operational capability on the performance of AirKenya Express Limited. Statistical analysis results manifested how operational capability affects performance. Based on this, the study concluded that operational capability affects performance of AirKenya Express Limited in Nairobi City County, Kenya.

Investigating the effects of human resource capability on the airline's performance was the aim of objective number two. The statistical analysis results showed that human resource capability effect on performance is a positive one. The study therefore concluded that human resource capability positively affects performance of AirKenya Express Limited in Nairobi City County, Kenya.

The third specific objective sought to investigate the effects of information technology capability on the performance. The statistical analysis showed that information technology capability significantly affected the airline's performance. The researcher therefore concludes that information technology capability positively affects performance AirKenya Express Limited in Nairobi City County, Kenya. The fourth specific objective was intended to investigate the effects of marketing capability on the performance. Demonstration from statistical analysis showed that marketing capability contributes to

the performance of the airline. The study thus concluded that marketing capability contributes to the performance of AirKenya Express Limited in Nairobi City County, Kenya.

5.4 Recommendations for Policy and Practise

Operation capability exhibited definite effects on the performance of AirKenya Express Limited. The operations, reservations and customer care managers and their respective staff should offer and embrace effective customer service, update customers on new routes, products and services regularly. AirKenya Express Limited ought to have automated customer services from ticket booking to online checking in.

Human resource capability proved to possess a desirable impact on the performance of AirKenya Express Limited. Therefore, AirKenya Express Limited should come up with good human resource policies to increase job performance. Relevant departmental managers with the Human resource manager can collectively achieve this through encouraging more training, having an ongoing new hire orientation by use of job manuals at all stages since they facilitate the job performance.

Market capability was also confirmed as a positive factor on AirKenya Express Limited performance. In regards to this, AirKenya Express Limited should come up with new products for customers. AirKenya should offer unique and exemplary services and embrace efficiency in its operations. Air Kenya Express customer care and marketing managers ought to use customer feedback to improve service delivery by incorporating the feedback in the service.

Information technology capability also proved to possess vital contributions towards the performance of AirKenya Express Limited. It is obligatory for AirKenya Express Limited to concentrate on strengthening actions that enhance technology innovative. It is of overriding call for AirKenya Management to dispense abundant resources for the marketing and customer care personnel for research and development so as to develop more technological platforms to supplement existing product features.

5.5 Recommendations for Further Studies

Conclusions made based on the study's findings were limited to organizational capabilities and performance of AirKenya Express Limited. Scholars ought to conduct related studies in diverse organizations not limited to airlines but also in other economic sectors to credence to findings that this study has based on its conclusions. In addition, extended studies ought to be done to explore on how other factors that are not studied in this study as described by results of model summary.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Omach Seth Ong'esa

Cell. No +254 729 287 279

Email: ongesaseth@gmail.com

Dear Sir/Madam,

RE: FILLING OF QUESTIONNAIRE

I am an MBA postgraduate student at Kenyatta University, School of business, working on a research project on Organization capability and performance of AirKenya Express Limited, Nairobi County, Kenya.

It's on this basis I humbly entreat for your help in data collecting by filling the attached research questionnaire. Information provided will be solely for academic objectives and handled in utmost credence. Upon request you will be furnished with a duplicate of the final report of this research.

Your support is highly appreciated.

Thank you.

Yours faithfully,

Omach Seth Ong'esa

D53/CTY/PT/39412/2016

APPENDIX II: QUESTIONNAIRE

The aim of this study is purely for academic purposes only. I request your answers to the questions provided as legitimately and absolutely as possible. Your feedback will be managed as classified information. Your name, contact or your department **MUST NOT** appear anywhere on this questionnaire. Only select a value or fill the required information.

Section A: Background Information

1. Indicate your Gender: Male [] Female []
2. Age in Years:
 - Below 35 []
 - 35– 40 []
 - 40 – 45 []
 - 45–50 []
 - 50 and above []
3. Indicate your highest level of education:
 - Diploma []
 - Higher National Diploma []
 - Bachelor’s Degree []
 - Post graduate []
4. Indicate your work experience:
 - Less than 6 years []
 - 6 – 12 Years []
 - 12 – 18 Years []
 - 18–24 Years []
 - At least 24 Years []

Section B: Operation Capability

Kindly select an appropriate scale value that represents your view on the statements below:

Key: Strongly Agree (SA) =5, Agree (A) =4, Somewhat Agree (U) = 3, Disagree (D) =2, Strongly Disagree (SD) =1.

Statement	1	2	3	4	5
The Airline operations are very responsive in case of any in eventualities					
The company is able to reconfigure its operations whenever the need arises					
The operations of the Airline can be customized and tailored to suit customer needs and desires.					
The company can innovate its operations to suit the current trends and beat the competitors' operations.					

5. In your opinion, briefly state how operation capability affect the performance of AirKenya Express Limited?

.....

Section C: Human resource capability

Kindly select an appropriate scale value that represents your view on the statements below:

Key: Strongly Agree (SA) =5, Agree (A) =4, Somewhat Agree (U) = 3, Disagree (D) =2, Strongly Disagree (SD) =1.

Statement	1	2	3	4	5
The Airline Employees are well match-skilled with their job descriptions and roles.					
Employees of AirKenya have the innovative ability within their job roles and the way they carry out their roles.					
The company human resource is effective in discharging their responsibilities.					
Employees of AirKenya are professionally qualified and meet their job requirements.					

6. In your opinion, briefly state how human resource capability influence the performance of AirKenya Express Limited?

.....
.....
.....

Section D: Market Capability

Kindly select an appropriate scale value that represents your view on the statements below:

Key: Strongly Agree (SA) =5, Agree (A) =4, Somewhat Agree (U) = 3, Disagree (D) =2, Strongly Disagree (SD) =1.

Statement	1	2	3	4	5
The Airline has invested and is utilizing the market sensing technique in profiling its target market					
There is a commendable linkage of AirKenya with its partners in the industry					
AirKenya is carrying out activities and availing platforms aimed at improving customer engagement					
The management and marketing team are constantly carrying out market researches on the dynamic customer preferences and tastes					

7. In your own opinion, briefly state how marketing capability influence the performance of AirKenya Express Limited?

.....

Section E: Information Technology Capability

Kindly select an appropriate scale value that represents your view on the statements below:

Key: Strongly Agree (SA) =5, Agree (A) =4, Somewhat Agree (U) = 3, Disagree (D) =2, Strongly Disagree (SD) =1.

Statement	1	2	3	4	5
The company has acquired, installed and operate the latest and state of the art technology in its operations					
There has been a considerable investment in the information technology of the airline					
Employees, work processes and equipment utilization can easily be innovative in nature by virtue of technology					
The company departments and stations easily incorporate and put into use the current technology available in their operations					

8. In your own opinion, briefly state how information technology capability influence the performance of AirKenya Express Limited?

.....

Section G: AirKenya Express Limited Performance

Kindly select an appropriate scale value that represents your view on the statements below:

Key: Strongly Agree (SA) =5, Agree (A) =4, Somewhat Agree (U) = 3, Disagree (D) =2, Strongly Disagree (SD) =1.

Statement	1	2	3	4	5
The airline is keen in attracting new and potential clients					
AirKenya is improving its existing services and products to satisfy its clientele					
The company is offering a diverse range of services for different needs of clients					
AirKenya is constantly improving its service delivery processes to enhance its service delivery					
The airline employee services delivery are distinct in the industry					
The airline trains and sensitizes its employees on the current and emerging industry dynamics in airline services and products					

Thank You.

APPENDIX V: RESEARCH AUTHORIZATION



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: 26th November, 2019

TO: Omache Seth Ong'esa
C/o Business Administration Dept.

REF: D53/CTY/PT/39412/2016


SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 6th November, 2019 approved your Research Project Proposal for the M.B.A Degree Entitled, "Organization Capability and Performance of Airkenya Express Limited, Nairobi City County, Kenya"

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

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.


ANNBELL MWANIKI
FOR: DEAN, GRADUATE SCHOOL






c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Godfrey Kinyua
C/o Department of Business Administration
Kenyatta University

AM/Inn

APPENDIX VI: RESEARCH PERMIT

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 254121	Date of Issue: 09/January/2020
RESEARCH LICENSE	
	
<p>This is to Certify that Mr.. SETH OMACHE of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: ORGANIZATIONAL CAPABILITY OF AIRKENYA EXPRESS LIMITED, NAIROBI CITY COUNTY, KENYA. for the period ending : 09/January/2021.</p>	
License No: NACOSTI/P/20/3365	
254121 Applicant Identification Number	 Director General, NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
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