



**DRIVERS INFLUENCING EMPLOYEE PERFORMANCE IN AIRLINE INDUSTRY: A CASE OF KENYA AIRWAYS**

**PAMELA KEMUNTO OMBEGO**

---

## DRIVERS INFLUENCING EMPLOYEE PERFORMANCE IN AIRLINE INDUSTRY: A CASE OF KENYA AIRWAYS

Ombego, P., Jomo Kenyatta University of Agriculture and Technology (JKUAT), Kenya

Makori, M., Jomo Kenyatta University of Agriculture and Technology (JKUAT), Kenya

Accepted: October 9, 2015

---

### ABSTRACT

Over the years, employee performance has been identified as one of the organization's most important key ingredient for its performance, growth and global competitiveness. It is a common cause that every employee in a business should understand the objectives and pull in the same direction to maximize profit and growth towards achieving the performance of that business. However, there is a measure of unsuccessful stories in this regard especially where employee performance issues occupy the center stage; morale, commitment and performance are negatively affected. The general objective of this study was to establish the drivers influencing employee performance in airline industry in Kenya. The study adopted descriptive survey and target population was 1714 employees in Kenya Airways headquarters and sample of 171 employees or 10% of the target population was used in this study. A stratified sampling technique method was used and data was collected through the use of questionnaires. A pilot study was conducted to pretest the validity and reliability of instruments for data collection. The data was analyzed by use of both qualitative and quantitative methods with the help of Statistical Package for Social Sciences (SPSS) version 21 and excel. The study established that human resource policies, reward management, work environment and leadership influenced positively and significantly the performance of Kenya Airways. The analysis showed that reward management had the strongest positive (Pearson correlation coefficient =.713) influence on employee performance. In addition, human resource policies, work environment and leadership style are positively correlated to employee performance (Pearson correlation coefficient =.544, .655 and .651). The study established that use of human resource policies influenced Employees' performance in Kenya Airways to a great extent. In this regard, the study recommends that government and other supporting partners should undertake research to come up with the best approaches of human resource policies to increase Employees' performance in Kenya Airways. This can be done by paying particular attention by involving the employees through influence of training, job manuals and continuous new hire, rewarding employees, provide a conducive working environment efficient and effective leadership style management in decision making. The study also recommends for similar studies to be undertaken for the generalization of the findings of the study.

**Key Words:** Drivers, Employee Performance

---

## **INTRODUCTION**

This chapter provides a basis for the study on the analysis of drivers influencing employee performance in airline industry. It provides the background and the setting required to put the research problem in to proper context and understanding. This chapter includes the background of the study, the research problem, purpose of the study, specific objectives, research questions, significance of the study and limitations.

### **Background of the Study**

Employees are very important inputs in the production process and service delivery in any given industry. Their skills, roles and satisfaction at the place of work influence the competitive edge of the firm within the industry, Armstrong (2008). For employees to play their part effectively, it is important that they are satisfied, motivated and managed in a way that enhances their level of satisfaction with the employer. Firms need to create conducive working environment and institute policies which support employee commitment. Gunnigle & Moore (2004) note that human resource policies are not only derived from business strategy but also that business strategy is likely to be problematic if not properly attached to human resource policy. Human resource strategies and policies that are concerned with the use of labor in firms, Boxall & Purcell (2002) consequently need to be effective.

Good spirit at work and at the personal level reflects a distinct state that involves profound feelings of wellbeing, a belief that one's work makes a contribution, a sense of connection to others and common purpose, an awareness of a connection to something larger than self and a sense of perfection Kinjerski & Skrypnek (2004). Perceived as beneficial to employees, customers and employers, spirit at work is being promoted by academics and

organizational consultants. Organizations are introducing programs to increase spirit at work, however, research identifying organizational characteristics that directly cultivate an individual's experience of spirit at work is lacking. At the organizational level, spirituality in the workplace refers to an organizational culture guided by mission statements, leadership and business practices that are socially responsible and value driven that recognizes the contributions that employees make to the organization and that promotes personal spiritual development and well-being Ashmos & Duchon (2001); Guillory, (2000); Mitroff & Denton (2006).

### **Global Perspective on Employee Performance**

It is common cause that everyone in business should understand the objectives and pull in the same direction to maximize profit and growth, Albercht (2008). There is a measure of success stories in this regard especially where people and productivity issues occupy the center stage; morale, commitment and performance are positively affected. Nevertheless, some organizations have year after year made a concerted effort to address employee commitment and performance issues and as always, successes have varied from organization to organization Wellins, Bernthal & Phelps (2005).

It takes little persuasion on a theoretical level to convince a business leader, those employees who are more committed or involved, work harder and smarter and will be better for the company than those who turn up and do merely what they are obliged to do, Gallup Research Report (2003). The Gallup Research Report (2003) estimated that actively disengaged workers are 10 times more likely to say they will leave their organizations within a year than involved staff. Their 2003 survey in the US and Canada of 1000 workers found that only a quarter were actively engaged in their work with a huge group of between 56% and 60% not engaged

and 17% actively disengaged. The research estimates that actively disengaged (uncommitted) workers cost US businesses between \$270 and \$343 billion a year due to low productivity.

### **Kenyan Perspective on Employee Performance**

Wambugu (2010) conducted a study on the relationship between employee commitment and job performance at the Kenya Institute of Surveying and Mapping. Mutunga, (2009) did a research on the factors that contribute to the level of employee performance in the airline industry in Kenya. It was concluded that several factors contribute to employee performance but, salary and benefits was the largest contributor. Maluti, Warento, & Shiundu, (2011) carried out a study on the impact of employee commitment on retention in state financial corporations in Kenya. The results indicated that there was no significant impact of employee commitment on employee retention. Mwangi (2011) carried out a research on the utilization of emotional intelligence and transformational leadership for employee performance in public universities in Kenya. The results established that emotional intelligence impacts employee performance significantly through the competencies in self-awareness, social awareness, self-management and social management.

### **Statement of the Problem**

The employee performance has not been effectively managed in many airline transport organizations and firms loose between 5%-15% of sales revenue as a result of lack of attention on factors influencing employee performance, Kenya Airways Limited (2012). Robins et al (2006) found that employee performance strategies are associated with higher work and life satisfaction. Increased changes in businesses orientations driven by strategic options such as mergers, privatization, downsizing and restructuring have rapidly increased work place

conflicts affecting employee performance. Major Airlines with massive resources and global network have not been spared from this challenge e.g. Delta Airline and Austrian Airlines are grappling with industrial unrest arising from Collective Bargaining Agreements just like Air France and British Airways, Kenya Airways Limited (2012).

In the last few years, the air transport industry in Kenya has been battling with increased work place conflicts emanating from its new business strategic options aimed at re-organizing its competitive edge. Initiatives related to reduction of the labour cost, reviewing and renegotiating third party contract and recruiting expatriates pilots have been met with stiff resistance from workers and Unions. Go slows have been witnessed in business sections like Air flight where the Union representing pilots is opposed to the recruitment of expatriate pilots, technical departments where engineers are opposed to job evaluation and also in ground services where there is continued resistance from operators due to change in shift patterns. These episodes impact negatively on employee performance.

Robins et al. (2006) found out that most supervisors spent more than 25% of their time on conflict management while managers spent more than 18% of their time on relational employee performance. This has doubled since the year 2006 because of the growing complexity of organizations, modernization, work place demands e.g. work life balance, generational issues and the pressure of globalization. Most recently South African Airways (SAA) was forced to cancel dozens of flights due to labour conflicts arising from stalled CBA leading to one of the worst industrial strikes in the airline's history, Kenya Airways limited (2012). To ensure air transport industry in Kenya remains competitive, the industry has gradually embraced employee performance strategy to manage risk, improve its performance and achieve its corporate goals and objectives. These conflicts dynamics have had important implications

on the process and methods of employee performance in the company. In this regard there is need for instance to re-examine the factors influencing employee performance and if possible modify them in line with this new reality.

### **Objectives of the study**

#### **General Objective:**

The purpose of the study was to establish the drivers influencing employee performance in airline industry in Kenya.

#### **Specific objectives**

The specific objectives of the study were to:

- I. Determine the influence of human resource policies on employee performance of airline industry in Kenya.
- II. Establish the influence of reward management on employee performance of airline industry in Kenya.
- III. Determine the influence of work environment on employee performance of airline industry in Kenya.
- IV. Establish the influence of leadership style on employee performance of airline industry in Kenya.

#### **Research Questions**

The study was guided by the following research questions;

- I. In what ways does human resource policies influence employee performance of airline industry in Kenya?
- II. Does reward management influence employee performance of airline industry in Kenya?
- III. What is the influence of work environment on employee performance of airline industry in Kenya?
- IV. How does leadership style influence employee performance of airline industry in Kenya?

### **Justification of the study**

Many organizations would want to achieve the optimum performance from all human resource. They would want no shortage of staff and ensure non leaves the organization. It takes a lot of resources to train and develop a staff to the level of competency in terms of skills which is an expensive exercise for organizations. Though this is not often the case, organization fail short of this goal, not because they do not want optimum output but they have forgotten to create an atmosphere that embrace minimum level of employee performance. Hence internal human resource policy must be enshrined to always take care of the need of each and every employee without biasness or whatsoever. Therefore, this study aims at helping all organization that do not have high level of employee performance to understand the factors influencing employee performance and eventually implement them in their organization before it becomes a problem in their organization.

The study would contribute to the body of knowledge by establishing new models and theories. The management shall benefit from the study by helping them come up with better practices of management that would increase the level of employee performance. The study would help other researchers in carrying out more detailed studies on factors influencing the level of employee performance in organizations. More specifically, the findings are expected to benefit the Kenya Airways by finding out why there is no high level of employee performance in the airline industry and how to improve it. The employer would benefit from the study because the findings would help Kenya Airways come up with proper strategies to increase the level of employee performance rate.

#### **Scope of the Study**

The study was confined to Kenya Airways headquarters personnel and was carried out within

the Head office in Embakasi, Nairobi. The organization plays a significant role in airline industry in Kenya. The study targeted 1710 employees but a sample of 171 was used for the study. The study also limited itself to four variables which included leadership style, work environment, reward management and human resource policies.

### **Limitations of the Study**

The limitations of the study was that some targeted respondents were reluctant to share sensitive information while others misinterpreted the intentions behind the research and refused to provide accurate information for fear of disclosure besides assurances of confidentiality. However, by discussing the relevance of the study to the respondents it helped to provide the required information. The researcher presented an introduction letter obtained from the University to the organization management and this helped to avoid suspicion and enabled the organization management to disclose much of the information sought by the study.

The issue of unreturned questionnaires and uncooperative respondents proved difficult for the researcher. The respondents were assured that the research was only for academic writing and would not jeopardize their positions in any way. Follow ups were also made to facilitate the response rate. The organizations confidentiality policy restricted most of the respondents from answering some of the questions since it was considered to be against the organization confidentiality policy to expose the organization's confidential matters. The suspicion normally associated with any kind of a research study. This was solved by assuring the respondent of utmost confidentiality and disclosing the academic purpose and intention of the study.

## **LITERATURE REVIEW**

### **Introduction**

This chapter presents the literature review of the study. The other key sub-section contained in this chapter is a theoretical background, theoretical framework and theories tied to the study. The empirical review highlights the past studies on the variables of the study. There is also a section on the critical review, summary and gaps of the study.

### **Theoretical Review**

The theoretical review is a logically developed, described and elaborated network of associations among the variables deemed relevant to the problem situation identified Sekaran & Bougie (2010). A theoretical framework introduces and describes the theories that attempt to explain the research problem under study with a keen focus on the specific variables being sought in the study, William (2006). Cooper (2011), defines a theory as a set of interrelated concepts which can be used in the study, definitions, prepositions that have been put forth to explain or predict a scenario under study. The relationship depicted by these theories and models is therefore reflected in this section of the literature concerning influence of employee performance of airline industry in Kenya. The study was guided by the Douglas McGregor (Theory X and Theory Y), Human Capital Theory, Maslow's Hierarchy of Needs Theory and Expectancy Theory.

### **Human Capital Theory**

From an organizational perspective, the human capital theory hypothesizes that in a perfectly operating labor market, organizational productivity increases as individuals become more highly trained. The overall link between training and development to productivity at the workplace is based on a concept referred to as factor pricing, Maglen (2008).

The theory assumes that organization specific training, such as in the events of changes, is likely to increase the organization long term productivity results on their training investment. The employees are more likely to have a better understanding of the structures resulting from the change and will use them appropriately to ensure productivity to the firm Blakemore,2008). Hence, Maglen (2008) asserts that this leads to employees' satisfaction and will also influence the level of employee performance.

A proper investment in training and development by an organization on its employees increases their understanding of their duties, tasks and obligations. Training also creates a conducive environment for cooperation and collaboration within employees in performing their work, Blythe (2006). This, based on the human capital theory, results in both individual and firm-wide productivity Juan (2010).The above theory instigated the first study objective that is to establish the influence of human resource policies on employee performance of airline industry in Kenya

### **Expectancy Theory**

The expectancy theory puts forth the premise that employees will put forth an amount of work and commitment equal to what they expect to receive in return. Commission compensation structures leverage this theory by allowing employees to earn as much money as they desire, completely based on their job performance. Making sure that employees always expect future pay raises and potential job promotions can keep them working hard to achieve

personal goals. If employees expect little compensation and no growth opportunities in return for their work, they may put forth only minimal effort until they eventually look to a new employer for new opportunities, Heize (2009). The above theory facilitated understanding of the second study objective that is to establish the influence of reward management on employee performance of airline industry in Kenya

### **Maslow's Hierarchy of Needs Theory**

Abraham Maslow's hierarchy of needs theory places employees' needs into five progressive categories, beginning with basic physical needs and progressing up to needs for personal growth and career development. Maslow claims that employers must meet each level of employees' needs for employees to truly commit themselves to workplace goals. Failing to meet employees' needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing them to eventually try to fulfill these needs on their own, possibly by finding a new employer who provides better opportunities to satisfy their needs, Juan (2010).The above theory instigated the third study objective that is to establish the influence of work environment on employee performance of airline industry in Kenya

### **Douglas McGregor (Theory X and Theory Y)**

Management style is strongly influenced by someone's beliefs and assumptions about what motivates members of a team: If team members dislike work, a manager will tend towards an authoritarian style of management; On the other hand, if there is an assumption that employees take pride in doing a good job, a manager will tend to adopt a more participative style of leadership Coventry (2007). Theory X assumes that employees are naturally unmotivated and dislike working and this encourages an authoritarian style of

management. According to this view, management must actively intervene to get things done. This style of management assumes that workers dislike working, avoid responsibility and need to be directed. They also have to be controlled, forced and threatened to deliver on their targets. This therefore means that they need to be supervised at every step, with controls put in place and need to be enticed to produce results; otherwise they have no ambition or incentive to work Sagemo (2006).

X-Type organizations tend to be top heavy with managers and supervisors required at every step to control workers. There is little delegation of authority and control remains firmly centralized and this never go well with all the staff in an organization. McGregor recognized that X-Type workers are in fact usually the minority and yet in mass organizations, such as large scale production environment, X-Theory management may be required and can be unavoidable Juan (2005).

Theory Y expounds a participative style of management that is decentralized. It assumes that employees are happy to work, self-motivated and creative. They enjoy working with greater responsibility. It assumes that workers seek and accept responsibility and are motivated to fulfill the goals they are given. They do not need much direction and consider work as a natural part of life therefore solves work problems imaginatively. This participative management style tends to be more widely applicable. In Y-Type organizations, people at lower levels of the organization are involved in decision making and have more responsibility, Nick and Nelson (2007). Therefore, any type of management style used by an organization will influence the level of employee involvement on performance in that organization, Teine (2008). The above theory facilitated the understanding of the fourth study objective that is to establish the

influence of leadership style on employee performance of airline industry in Kenya.

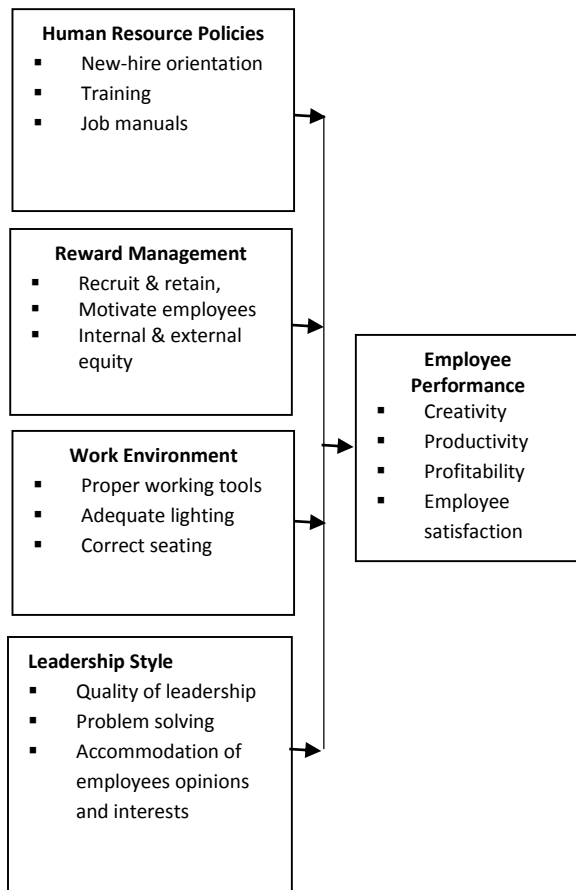
### **Conceptual Frame Work**

Conceptual framework, according to educational researcher Saunders (2007) are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his study question and aim Bordens & Abbot (2008). According to Young (2009), conceptual framework is a diagrammatical representation that shows the relationship between dependent variable and independent variables. Mathieson et al (2011) defined a conceptual framework as a virtual or written product, one that explains, either graphically or in narrative form, the main things to be studied- the key factors, concepts, or variables and the presumed relationships among them.

Conceptual framework, according to educational researcher Stratman & Roth(2013), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his research question and aim. Miles and Huberman (1994) defined a conceptual framework as a visual or written product, one that explains, either graphically or in narrative form, the main things to be studied. The key factors are concepts or variables and the presumed relationships among them. Here, in broader term of the sense, it refers to the actual ideas and beliefs that you hold about the phenomena studied, whether these are written down or not; this may also be called the "theoretical framework" or "idea context" for the study. It is used to make conceptual



distinctions and organize ideas. Strong conceptual frameworks capture something real and do this in a way that is easy to remember and apply, Juan (2010). In this study, the conceptual framework will look at the factors influencing employee performance of airline industry in Kenya.



Independent Variables    Dependent Variable

**Figure2.1: Conceptual Frame Work**

**Human Resource Policies**

New-hire orientation and training are two required components of job preparation for which employers are responsible. Job preparation begins with the initial step in training during new-hire orientation hence the need for HR Policies and manuals that

support good job orientation. Employees who start new jobs without any kind of orientation or training are often unaware of workplace policies and processes that would benefit their job performance, Coventry (2007) Additional training throughout the employment relationship keeps employee skill sets up-to-date and enables a more productive and efficient workforce. When employees lack the training necessary to become more productive, their performance suffers and they will either leave of their own volition for jobs that provide training and employee support or they will be terminated for poor performance, Mullins (2011) thus human resource polices will influence employee performance in the organizations.

**Reward Management**

Reward Management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization, Drucker (2007). Objectives of reward management includes but not limited to; support the organization’s strategy, recruit & retain, motivate employees, internal & external equity, strengthen psychological contract, financially sustainable, comply with legislation and efficiently administered, Juan (2010). Thus reward management has a direct effect to employee performance and so organizations should endeavor to develop rewards policies that support total rewards systems.

Reward management has an important part to play in the development of culture in which individuals and teams take responsibility for continuous improvement in an organization. It affects employee performance because of the impact it has on people’s expectations as to how they will be rewarded, Forbes (2010). Organization must reward employees because in return, they are looking for

certain kind of behavior; they need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in return for their commitment, expect certain extrinsic rewards in the form of salary, promotion, fringe benefits, perquisites, bonuses or stock options, Geal (2009). Individuals also seek intrinsic rewards such as feelings of competence, achievement, responsibility, significance, influence, personal growth, and meaningful contribution. Employees judge the adequacy of their exchange with the organization by assessing both set of rewards, if they indeed fail to associated themselves with the offer of the organization, they will decide to seek it from another organization, Mullins (2011).

### **Work Environment**

There is a growing recognition that work-environment factors affect health system performance, Graham (2006). Basically, the work environment factors affect the quality of work life, individual quality of work life outcomes and organizational outcomes. The study mainly focused on various factors such as work hours, schedules, time off, professional development and training, job quality, workload, job satisfaction, work team or unit, quality of supervision and management, organizational change, work-life balance, health and well-being, career plans and basic demographic and employment characteristics affect the work environment and work life of healthcare providers' particularly nursing staff, Teresa (2007).

Employees must have the necessary tools to perform their duties. This includes the proper working tools as well as adequate lighting, work space and ergonomically, correct seating and in compliance with Occupational Health and Safety guidelines. Poor working conditions due to physical elements lead to low productivity and overall job dissatisfaction. The latter, particularly when left unaddressed leaves

employees feeling unappreciated and they ultimately leave, Unise (2004).

Characteristics of unhealthy work environments are subtle but can be seen in the way individuals interact on a day-to-day basis with each other. For more than a decade, evidence of unhealthy work environments, such as abusive behavior (Randy Hodson, Vincent J Roscigno and Steven H Lopez), has been reported. However, there continue to be places in which abusive and disrespectful interactions between colleagues are the norm, the disrespectful and non-collaborative behaviors make for an unhealthy work environment and create negative and unsafe conditions, Health, Jobanson & Blake (2004).

It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage with the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay on the job. Many studies have revealed that most employees leave their organization because of the relationship with their immediate supervisor or manager, Gensler (2006).

### **Leadership Styles**

They are different kinds of leadership styles: autocratic, democratic and laissez faire. These types of leadership will eventually influence the leadership style of the management in an organization and eventually the level of employee performance, Jobber (2008). The quality of leadership will also influence the leadership style. Thus poor or good leadership will influence the level of employee performance of an organization. Hence the perception of a leader from his followers' point of view is very important in the reduction of the degree of employee performance, Hawkin (2011).

According to Nwagbara (2011) without shared leadership, organizations will not experience high level of employee performance. Shared leadership is about collaborative, participatory leadership that takes employees' views and interests on board in decision-making and leadership process, Kotler (2011). Employee performance is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success and are able at the same time to enhance their own sense of well-being. Thus, he argues that if the interests and opinions of employees are not considered in organizational decision-making process and leadership, they will feel disenchanting as well as alienated from the organization's leadership which will eventually lead to low employee performance, Hawkin (2011).

Leadership style is a force behind relationship to the employees which they will need to be attached together, Mayer & Herscovitch (2001). The purpose of having the framework is to see the commitment of the supervisor toward the employees. Mentoring needs to be done by the supervisors in order to create a mutual understanding and relationship in between the supervisor and the employees. By having this mutual understanding, it will create a mutual satisfaction between them, Allen et al., (2000).

A leader is known as a person with experience, a person who can solve problems and a role model at the first level of organizational management, Nijman (2004). Therefore, as an experience leader, the supervisors should always be involved in conducting training programs. The training program that is being conducted are such as establishing the objectives, selecting the trainer, developing a lesson plans, selecting the program method and techniques that is being used, preparing the materials, scheduling the program and also conduct a training needs analysis.

According to Rabey (2007), she stated that a leader could be a trainer to the employees as the trainer will assist the employees in getting their job done by guiding the employees on the operational process especially when it comes to new operational procedures.

### **Employee Performance**

The primary employee performance strategies have to do with creating and maintaining a workplace that attracts, retains and nourishes good people. This covers a host of issues, ranging from developing a corporate mission, culture and value system to insisting on a safe working environment and creating clear, logical and consistent operating policies and procedures, Nwagbara (2010). Environmental employee retention strategies address three fundamental aspects of the workplace: the ethics and values foundation upon which the organization rests; the policies that interpret those values and translate them into day-to-day actions and the physical environment in which people work. The overall goal is to make the organization a place where people want to come to work, stay and prevent the in-out trend of employees, Juan (2010).

Conflict is not always negative and does not always create hostilities. It very much depends on how the conflict is handled. If handled properly, it can become a very rich source of development, Kigali (2006). When corporate managers ignore the conflicts between co-workers, this will result in clashes amongst them. In turn, these clashes will be converted into personal and emotional conflict in the long run and therefore damages the organizational culture, worker morale, and overall organizational performance. It can also lead to a reduction in creativity, innovation, quality and performance of employees and organizations ultimately leading to

negative effects on the team performance, Passos& Caetano (2005).

### **Empirical Review**

This includes the studies conducted on employee performance of airline industry. It reviews the aspects of leadership style, work environment, reward management and human resource policies on employee performance of airline industry.

### **Leadership**

Leadership training, employee development and professional seminars and workshops demonstrate employer's interest in tapping current human resources for higher-level roles within the organization through promotion-from-within policies and succession plans, Kent (2009). Ineffective leadership results from employers' failure to provide support for employees who demonstrate aptitude and interest in promotional opportunities. Promoting employees without the benefit of basic leadership training puts the employer at risk for high turnover and low productivity. It's akin to setting the supervisor up for failure and it jeopardizes employee-supervisor relationships. For example, an employee receiving a promotion based on job competency alone may not have the skills necessary to manage employees who now report to her/him, McCarthy (2012). Leadership training and employee development can help the new supervisor understand how to balance dual responsibilities – managing department functions and managing people. Without leadership training, however, the supervisor can fail because he did not receive the training he needed and employees who report to him suffer because of potentially poor employee-supervisor relationships, Jobber (2008).

Retaining employees is important to the continuing success of a business, especially a small business because of the skills and knowledge that employees

accumulate while working for a particular business, Pyle & Larson (2008). A company with a high level of employee engagement faces the costs and effort of recruiting, inducting and training new employees, with the risk of business disruption while new employees get up to speed on the job. Leadership concepts such as respect, engagement and involvement can help fix the problem of employee performance when business owners and managers put them into action using a leadership style that motivates employees and recognizes their contributions, Sadhard (2009).

### **Human Resource Policies**

Success in the field of human relationships in the world of work stems from good human resources management (HRM) policy, practice and effective personnel functions, Mullins (2011). Whatever the nature of the work an organization achieves, it results through the work activities of people in the organization that they have been provided for by the policies and practices of HRM guiding their respective activities in a clear and directional manner, Burnet (2011). Therefore, HRM practices are reflections of policies put in place to guide employees in the course of taking action or decision that will direct the activities which have consequences on the overall behavior in the organization. The personnel functions are compressed in the term HRM. For Kenyan banking industries to survive in a global economy in this present millennium, they need to design effective human resources management (HRM) practices that encourage the retention of high performing employees, particularly among employees with core skills and should develop competitive practices to retain them. This must not be left at the door step of the personnel department only but should be seen as responsibility to be shared by other units in the organization, Daly (2012).

Firms that do not select the right employees to begin with may not be able to keep these employees in the long run because of low employee morale arising from poor job fit. Also, firms that do not socialize new employees into their jobs or the organization may not be able to cultivate from them, a sense of loyalty and commitment to the firm because of the lack of attachment demonstrated by the firm to the newcomers, Ray (2009). In the area of selection tools, Kettlitz, Zbib and Motwani (2007) found that firms that used the weighted applications blanks (WABs) to screen job candidates had lower employee performance. This was because the use of WABs reduced the number of poor candidates selected for employment to begin with which was a proactive approach to reducing turnover among those not suitable for the job. This finding supported Brockner (2008) results which found that job compatibility and employee characteristics predicted employee turnover or tenure. Firms that were able to assess if individuals were compatible for the jobs they applied for, were more able at reducing employee performance. Specifically, firms that used an application review, reference check and interview to assess job applicants' job compatibility had lower employee performance.

Conversely, employees' perception of the organizational and job fit are also factors that have an effect on employee involvement. For example, McElroy et al (2006) found that voluntary employee performance was contingent on the amount of fit or misfit between the individual's values and the predominant organizational structure or management style. Employee performance was therefore the result of an interaction between personal factors and organizational factors.

### **Reward Management**

Compensation of employees is accounted for on an accrual basis and it is measured by the value of the

remuneration in cash or in kind which an employee becomes entitled to receive from an employer in respect of work done, during the relevant accounting period whether paid in advance, simultaneously or in arrears of the work itself, Opel (2010). According to Chapman (2010). Reward management is one of the biggest factors that lead to high level of employee performance in any organization. This is because many employees would like to be paid the same as a person doing the same job in another organization.

Reward management is about the design, implementation, maintenance, communication and evolution of reward processes which help organizations to improve performance and achieve their objectives. Reward processes are based on reward philosophies and strategies and contain arrangements in the shape of policies and strategies and contain arrangements in the shape of policies, guiding principles, practices, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of reward, Chapman (2010). This constitutes the financial reward aspect of the process which incorporates processes and procedures for tracking market rates, measuring job values, designing and maintaining pay structures, paying for performance, competence and skills, and providing employee benefits. However, reward management is not just about money, it is also concerned with those non-financial rewards which provide intrinsic or extrinsic motivation, Byte (2008). There are other inputs to production which are to be valued at the point when they are actually used. For statistical purposes, the relationship of employer to employee exists when there is an agreement, formal or informal, between an enterprise and a person, normally entered into voluntarily by both parties, whereby the person works for the enterprise, in return for remuneration in cash or in kind, Dubrin (2007). The remuneration is normally based on either the time spent at work, or some other

objective indicator of the amount of work done; the amount will always affect the turnover rate in an organization, Byte (2008).

Employee remuneration refers to the reward or compensation given to the employees for their work performances. Remuneration provides basic attraction to an employee to perform job efficiently and effectively. Remuneration leads to employee motivation. Salaries constitute an important source of income for employees and determine their standard of living. Salaries affect the employees' productivity and work performance. Thus the amount and method of remuneration are very important for both management and employees, Byte (2005). Methods of employee remuneration include time rate method: Under time rate system, remuneration is directly linked with the time spent or devoted by an employee on the job.

The employees are paid a fixed pre-decided amount hourly, daily, weekly or monthly irrespective of their output. It is a very simple method of remuneration. It leads to minimum wastage of resources and lesser chances of accidents. Time Rate method leads to quality output and this method is very beneficial to new employees as they can learn their work without any reduction in their salaries. This method encourages employees' unity as employees of a particular group/cadre get equal salaries, Thine (2005). Thus the method of employees' remuneration affects the level of employee involvement in an organization, Kent (2011).

There are some drawbacks of other method, such as; it is not easily computable, leads to deterioration in work quality, wastage of resources, lesser unity of employees, low level of employee involvement, higher cost of production and insecurity among the employees. Piece rate system is more suitable where the nature of work is repetitive and quantity is emphasized more than quality, Juan (2004). A well designed remuneration systems play a strategic role by promoting organizational success in highly

competitive markets in which technological change constantly influences how employees perform their jobs. Indeed, some go so far as to argue that there are strong links between remuneration system design and organizational performance. A well-structured remuneration policy of organization influences' how the employees perform and their level of commitment to the organization, Chapman (2004).

### **Work Environment**

Employees involved in workplace conflict, especially when management or human resources fails to investigate or resolve the issues, leave for other employment or simply become disengaged employees whose performance suffers. Unresolved workplace conflict has a detrimental effect on employee morale. Employer precautions include enforcing workplace policies that support fair employment practices and implementing a process for employees to report incidents that often rise to the level of workplace conflict, such as harassment or bullying, Kent (2004).

Employers who communicate regularly with employees lessen the risk of creating a workforce that feels undervalued and unappreciated. Keeping employees informed about organizational changes, staffing plans and fluctuating business demands is one way to ensure employees remain with the company. Neglecting employee concerns about job security through lack of communication or excluding employees from discussions that can affect their job performance, such as policy or procedural changes, negatively impacts the way employees view their employer. Their views transform to dissatisfaction and finally low productivity due to low morale and disengagement, Drucker (2005).

### **Critiques of Literature Review**

The literature review talks about all independent variables being the factors affecting the dependent variable, though it does not highlight the exact Kenyan situation viz a viz turnover in airlines and specifically KQ. In as much as the review is relevant, there is no literature review that touches exactly on KQ. It is also clear that many organizations do not disclose reasons for their high level of employee involvement on performance.

Leadership is an essential part of any organization, though the different kinds of leadership cannot guarantee the level of employee performance decline. The literature review affirms that different kinds of leadership styles suits different kinds of organization. Whereas that is right, the review does not give us the exact leadership style to be used to increase the level of employee on performance at the studied organization.

Human resource policies are vital for any organization human resource management, growth and development. It is evident that policies associated with human resource management affect the level of employee involvement on performance, whereas that is true, the literature does not give us the specific policies that affect the organization under study and hence the review ought to have established this in totality. That said the research has been endeavored to establish whether human resource policies affect high level of employee performance in the stated organization or similar airlines.

It is clear that rewards affects the level of employee performance, though we have not been told exactly how much of rewards affects it highly or lowly, then the review does not give us reward management which leads to high rate of employee involvement, leave alone showing us which industry or organizations are highly influenced by reward management and is significantly affecting the level of

employee involvement on performance. Internal and external environment affect the level of employee performance, whereas that is true, the review does not give us what this kinds of factors affecting the referenced organization are and whether they are internal or external environment.

## **Summary**

According to Konrad (2006) organizational behaviour is manifested in an environment in which employees have the power and the knowledge to make their own decisions about working arrangements, we can achieve positive performance improvements in customer satisfaction, profitability and productivity, as well as reduce employee turnover, International Labour Organization (2006). This is all attained by the leadership style the organization management team decide to implement or use.

Employees who are uncertain about the future of their company may decide to leave because they feel that opportunities will be better at another company. To motivate employees and counter that uncertainty, management must communicate a clear vision of the company's future. A visionary leadership style is particularly important if a company is going through a period of change or restructuring. A vision sets out a company's future direction and the employee's place in the company, helping to dispel rumors and other misinformation that can destabilize the workforce, Kelloy (2009). A democratic approach to leadership that features levels of employee involvement and participation creates a work environment that encourages employees to give their best. In contrast, an autocratic leadership style, in which leaders simply issue instructions, does not create the environment for performance that helps to fix employee turnover. Thus leadership affects an organization's level of employee performance.

New-hire orientation and skills training are two required components of job preparation for which employers are responsible. Job preparation begins with the initial step in training during new-hire orientation. Employees who start new jobs without any kind of orientation or training are often unaware of workplace policies and processes that would benefit their job performance. Hence the need for a work induction and orientation policy. Additional training throughout the employment relationship keeps employee skill sets up-to-date and enables a more productive and efficient workforce. When employees lack the training necessary to become more productive, their performance suffers and they will either leave on their own volition for jobs that provide training and employee support or they will be terminated for poor performance. Organizations should have sound training policies, Mullins (2011).

Compensation of employees is accounted for on an accrual basis, it is measured by the value of the remuneration in cash or in kind which an employee becomes entitled to and receive from an employer in respect of work done, during the relevant accounting period whether paid in advance, simultaneously, or in arrears of the work itself, Opel (2010). According to Chapman (2010), reward management is one of the biggest factors that lead to high level of employee engagement in any organization. This is because many employees like to be paid the same as a person doing the same job in another organization. Employees involved in workplace conflict, especially when management or human resources fails to investigate or resolve the issues, leave for other employment or simply become disengaged employees whose performance suffers. Unresolved workplace conflict has a detrimental effect on employee morale. Employer precautions include enforcing workplace policies that support fair employment practices and implementing a process for employees to report incidents that often rise to the level of workplace conflict, such as harassment

or bullying, Kent (2004). Thus the variable must be taken with utmost seriousness in any organization. Failure in doing so, Muset (2012) states the rate of level of employee involvement will reduce.

### **Research gaps**

From the previous studies and the literature review, it is evident that most of the researches conducted had scanty studies available that have focused on the employee performance in airline sector Kenya. Ebei (2011); Ochilo (1999);Wanjau (2011); Nwagbara et al. (2006). Most of the studies focused on relationship between the firm's characteristics, financing, customer relation management and the growth of the sector, Ebei (2009).However less focus has been paid on the drivers of the employee performance as key strategy to improving competitiveness specifically through understanding of airline industry. Even fewer or no studies have investigated the system used in creating new or conversion of ideas into employee performance perspective.

This study therefore intended to fill theses pertinent gaps in literature by studying the influence of selected independent variables on the employee performance in the airline industry in Kenya. Gaining knowledge in this area would enable stakeholders in the sector to understand and focus on implementing the key business practices and adopting the key areas that can lead their businesses to long-term survival through improved employee performance on the competitive industry. Achieving this would contribute to the increasing competitiveness and future sustainability of players on the sector.

## **RESEARCH METHODOLOGY**

### **Introduction**

This chapter brings out the research design and methodology used in the study. The section contains



the research instruments which the researcher incorporated in the study. In addition to that, the sampling design and the data collection procedures are important components of a research and are also contained in this chapter. This section of the study describes the research design, the target population, sample size and the sampling method, procedure of data collection and data analysis in totality.

### Research Design

The research adopted a descriptive research design in the study. It provides a systematic way of looking at events, collecting data, analyzing information and reporting the results, Mugenda & Mugenda (2003). This helps the researcher to gain a sharpened understanding of why the instance happened as it did and what might become important to look at more extensively in future research. It also helps the researcher to critically analyze the problem in question with a view of drawing more detailed and specific information about the subject that can be useful to the management. Descriptive research design is a systematic method which involves collecting relevant data and subsequently describing the behavior of a subject without influencing it in any way. Most often than not, it is used as a precursor to more statistical research as it gives some valuable pointers as to what variables are worth testing quantitatively. According to Orodho (2003), a descriptive survey design is appropriate as the researcher sets out to study the state of affairs as they exist in regard to the variables under investigation.

### Target population

Population is the totality of elements that has one or more characteristics in common, Berg (2009). The researcher chose the airline industry to efficiently and effectively accomplish an in-depth study of the topic under study. The population of employees in

Kenya airways was 1714 who included top, middle and lower level of management, Head Office in Embakasi, Nairobi. The Kenya Airways Limited ('the Airline') is incorporated in Kenya under the Company's Act and is also licensed to do the business of airline under the Airline Act.

**Table 3.1: Target population of the study**

Management cadre	Target Population	Percentage
Top Level Managers	164	10
Middle Level Managers	350	20
General Staff	1200	70
<b>Total</b>	<b>1714</b>	<b>100</b>

**Source: KQ (2015)**

### Sampling frame, sampling technique and sample size

The sampling frame is a list of elements in the population of interest and generally a list of all members of a population used as a basis for sampling. In this study, the sample frame involved top level managers, middle level managers and general staff to get the divergent views held by the different levels on employee engagement on organizational performance.

Sampling technique refers to a systematic process of selecting individuals to represent the larger group from which they will be selected Mugenda & Mugenda (2003). The researcher used stratified random sampling approach to cover the total population given the nature of the respondents. A sample is a proportion of the target population that is representative of the whole population from which it is drawn in order to generalize the research findings. The main advantage of sampling is that it is difficult to observe the whole population; therefore sampling helps to reduce costs and time related to

observing the entire population as is the case in census, Kothari (2004).

Sample size refers to the number of actual respondents of research instruments. Johnson and Christensen (2010) suggest that the sample size should be as large as possible so as to produce the salient characteristics of the accessible population to an acceptable degree. The sample frame of the study includes a representative sample of the individuals living in the informal settlement. According to Kombo and Tromp (2006) a sample size of 10% or 20% of the target population selected using stratified sampling is appropriate. Thus, 10% of the accessible population is enough for the sample size. In this context, the researcher took the minimum accepted because of limited resources.

**Table 3.2 Sample Size**

Category	Population	Sample ratio	Sample Size
Top Level Managers	164	0.1	16
Middle Level Managers	350	0.1	35
General Staff	1200	0.1	120
<b>Total</b>	<b>1714</b>	-	<b>171</b>

### Data Collection Instruments

For the collection of data, a questionnaire was used. A questionnaire is a set of questions or statements that assess attitudes, opinions, beliefs, biographical information or other forms of information, McMillan and Schumacher (2001). According to research scholars, the questionnaires are preferred for primary data collection because they are economical; they ensure anonymity, permit use of standardized questions ensure uniform procedures, provide time for the subject to think about response and are easy to administer and score, Peil (1995); Mugenda & Mugenda, (2003); Kothari, (2011). For

these reasons, therefore and considering that the entire target population will be able to read and write the research used questionnaires as the main instrument for primary data collection.

The responses are gathered in a standardized way, so questionnaires are more objective, certainly more so than interviews. Generally it is relatively quick to collect information using a questionnaire. However in some situations they can take a long time not only to design but also to apply and analyse. Potentially information can be collected from a large portion of a group. This potential is not often realized, as returns from questionnaires are usually low. However return rates can be dramatically improved if the questionnaire is delivered and responded to in good time.

### Data collection procedure

The researcher used questionnaires to collect primary data. The questionnaires were self-administered and distributed to the respondents and reasonable time given before they could be collected. The completed questionnaires were sorted and cleaned of errors. Secondary data was collected by a study of records and documents in various departments in the firm involved in supply chain management; data that was collected concerned written records about variables understudy and reports with documentary evidence

### Pilot Test

According to Bordens & Abbott (2008), pilot study is as a small-scale version of the study used to establish procedures, materials and parameters to be used in the full study. According to Cooper and Schindler (2010), pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample. Pilot study is an activity that assists the researcher in determining if there are flaws, limitations, or other

weaknesses within the interview design and allows him or her to make the necessary revisions prior to the implementation of the study Kvale (2007). A pilot study was undertaken on 15 respondents to test the reliability and validity of the questionnaire. It is recommended that 10% of the sample should constitute the pilot test Creswell (2003).

### **Reliability of the research instruments**

Reliability is the extents to which a research instrument yields findings that are consistent each time it is administered to same subjects Mugenda & Mugenda (2003).The measurement of reliability provides consistency in the measurement variables Wanyoike (2013). Internal consistency reliability is the most commonly used psychometric measure assessing survey instruments and scales Zhang (2000). Cronbach alpha is the basic formula for determining the reliability based on internal consistency Kim & Cha (2002).The standard minimum value of alpha of 0.7 is recommended Malhotra (2004).The theoretical and empirical literature, however, accepts a Cronbach's alpha of 0.4 as minimum Zheka (2006), Beltratti (2005) & Abdulah (2004) in their study adopted the use of 0.4 as the minimum level for item loadings.

### **Validity of the research instruments**

Validity is the degree to which the sample of the test item represent the content that is designed to measure, that is, the instrument measures the characteristics or trait that is intended to measure Mugenda and &Mugenda (2003).Data need not only to be reliable but also true and accurate. If a measurement is valid, it is also reliable Joppe (2000).The research adopted content validity which refers to the extent to which a measuring instrument provides adequate coverage of the topic under study. The content validity was achieved by subjecting the data collection instruments to an evaluation group of experts who provided their comments and relevance of each item of the

instruments and the experts indicated whether the item was relevant or not.. The content validity formula by Amin (2005) was used in line with other previous studies Cull, Deigurc-kunt & Morduch (2007; Lefort & Urzua (2008) ; The formula is; Content Validity Index = (No. of judges declaring item valid) / (Total no. of items). It is recommended that instruments used in research should have CVI of about 0.78 or higher and three or more experts could be considered evidence of good content validity (Amin, 2005).

### **Data Analysis and Presentations**

Data collected was analyzed using both quantitative and qualitative methods with the help of (SPSS) version 2.1 and excel. The findings were presented using tables and graphs for further analysis and to facilitate comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency. The researcher further adopted correlation analysis and multiple regression model at 5% level of significance and 95% level of confidence to study the strength and direction of the relationship between the independent variables (Human resource policies, reward management, work environment and leadership style) and the dependent variable (performance of airline industry).

Employee Performance in Kenya Airways was regressed against four independent variables namely human resource policies, reward management, work environment and Leadership style. The equation was expressed as follows:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ , where, Y= Performance of airline industry in Kenya Airways,  $\beta_0$ = constant (coefficient of intercept),  $X_1$ = Human resource policies;  $X_2$ = Reward management;  $X_3$ = Work environment;  $X_4$ = Leadership style;  $\epsilon$  = error term;  $\beta_1 \dots \beta_4$ = regression coefficient of four variables.

### Correlation Analysis

The Pearson product-moment correlation coefficient measure the strength of a linear association between two variables Kothari (2004) The Pearson correlation coefficient,  $r$ , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable, Creswell (2003). A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The correlation of the variables will be tested to establish their significance at the 0.05 level for 2-tailed Kothari (2010).

## DATA ANALYSIS, RESULTS AND INTERPRETATIONS

### Introduction

The main objective of this study was to establish the drivers influencing employee performance in airline industry with a case of Kenya airways as the study area. The data was gathered exclusively from the questionnaire as the research instrument. This chapter, therefore, provides analysis, presentation, interpretation and discussion of the findings from the data collected for the research study.

### Response rate

The study targeted a sample size of 171 respondents from which 102 duly filled in and returned the questionnaires making a response rate of 59.65% while 69 that is 40.35 % did not return or returned partially filled questionnaires. This response rate was satisfactory as it was considered credible, sufficient and representative to make conclusions for the study. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to be good for

analysis for the study.

**Table 4.1: Response rate**

Response	Frequency	Percentage
Responded	102	59.65
Not Responded	69	40.35
<b>Total</b>	<b>171</b>	<b>100</b>

### Reliability analysis

Reliability is the extent to which a research instrument yields findings that are consistent each time it is administered to same subjects Mugenda and Mugenda (2003). Cronbach alpha is the basic formula for determining the reliability based on internal consistency Kim & Cha (2002). The standard minimum value of alpha of 0.7 is recommended, Amin (2005) as the minimum level for item loadings. The findings were as shown in Table 4.2.

**Table 4.2: Reliability analysis**

Variable	Number of valid items	Cronbach's alpha	Cronbach's Alpha Comments
Human Resource policies	6	0.7843	Accepted
Reward management	5	0.8756	Accepted
Work environment	6	0.7774	Accepted
Leadership style	6	0.8533	Accepted

From the results as shown in Table 4.2, the constructs used in the study were for every objective which formed a scale. Gliem & Gliem (2003) established the Alpha value threshold at 0.7, thus forming the study's benchmark. The table shows that reward management had the highest reliability ( $\alpha=0.8756$ ), followed by leadership style ( $\alpha=0.8533$ ), Human policies ( $\alpha=0.7843$ ) and Work environment ( $\alpha=0.7774$ ). This illustrates that all the four variables

were reliable as their reliability values exceeded the prescribed threshold of 0.7. This infers that the data collection instrument was reliable as emphasized by Gliem & Gliem (2003).

**Validity analysis**

If a measurement is valid, it is also reliable Joppe (2000). The content validity formula by Amin (2005) was used in this study. The formula is; Content Validity Index = (No. of judges declaring item valid) / (Total number of items). It is recommended that instruments used in research should have CVI of about 0.78 or higher and three or more experts could be considered evidence of good content validity, Amin (2005). The results were as shown in Table 4.3.

**Table 4.3: Content Validity Index**

Variable	Valid items	Fraction	Comment
Human Resource policies	8	0.7900	Accepted
Reward management	5	0.7895	Accepted
Work environment	6	0.7786	Accepted
Leadership style	7	0.7856	Accepted
<b>Overall</b>	-	<b>0.7859</b>	<b>Accepted</b>

From the results in table 4.3, it illustrates that all the four variables were valid as their CVI values exceeded the prescribed threshold of 0.78. This infers that the data collection instrument was valid as emphasized by Amin (2005) as validity of test yielded an average index score of 78.59%.

**Demographic Information**

Demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population and testing appropriateness of the respondent in answering the questions for generalization purposes. The demographic

information comprised of the gender, age and highest level of education of the respondents.

**Gender of Respondents**

The research went further to establish the gender of the respondents from the study area. This information is shown in the Table 4.4.

**Table 4.4: Gender of Respondents**

Gender	Frequency	Percentage
Male	56	54.90
Female	46	45.10
<b>Total</b>	<b>102</b>	<b>100</b>

From the results in Table 4.4, it was found out that 54.90% of the respondents were male and 45.10% were female. This implies there were more males than female respondents though with less disparity meaning that there is gender balance among the employees. Shaw and Carter (2007) found that organizations with gender balance were motivated to perform better towards organization goal as women and men compete favorably to deliver on their assignments.

**Age of respondents**

The study went further to establish the distribution age of the respondents. The information is shown in the Table 4.5.

**Table 4.5: Age of the respondents**

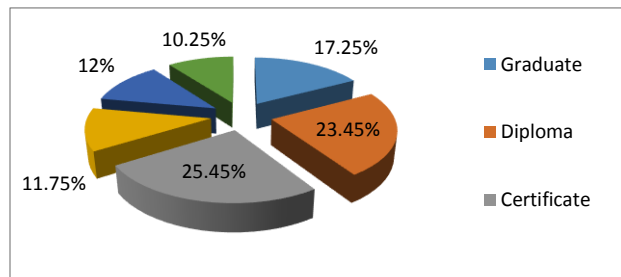
Years	Frequency	Percentage
18 - 30	28	27.45
31 - 40	36	35.29
41 – 50	23	22.55
Above 50	15	14.71
<b>Total</b>	<b>102</b>	<b>100</b>

From the findings in Table 4.5, the highest percentage of the respondents 35.29% was 31 to 40 years of age, 27.45% for 18 to 30 years, 22.55% for 41

to 50 years and 14.71% above 50 years. This implies that respondents were well distributed in terms of their age. This implies that majority of the respondents were at their maturity stage and therefore able to handle their roles responsibly. The findings support the move by the departments giving emphasis on maturity and experience. Haugh and Kitson, (2007) found that age is associated with experience and responsibility at work place. The high percentage of respondents aged between 31 to 40 years may be explained that young people are more likely to be employed and involved in airline industry than the old people. Therefore, this finding may also be significant for enhancing growth of airline industry in Kenya airways as established in the study. This infers that age of employee influenced the experience, performance and growth of the airline industry in the study area. The findings are in line with Ebei (2011) who observed that there is a correlation between age of the employee and performance of airline sector in Kenya.

**Respondents’ Level of Formal Education**

The study sought to establish the respondents’ level of education in Kenya airways. The findings were as shown in Figure 4.1.



**Figure 4.1: Respondents’ Level of Formal Education**

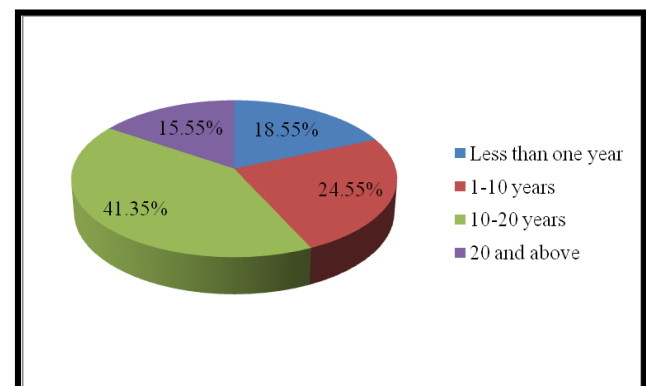
From the results in Figure 4.1 most of the respondents (25.45%) had acquired Certificate level of Education, 23.45% of the respondents stated to have acquired Diploma, 17.25% Bachelors, 11.75% had High School, 12% cited to have acquired Primary Level of Education and 10.25% had no formal Education but hands on skills. This is a clear

indication that most of the respondents were literate and thus they were in a position to answer all the questions in this study. This implies that the level of education is an important factor in understanding performance of airline industry in Kenya airways. The findings agree with literature by Chaddad (2004) that high level of literacy is important which can easily help in understanding and responding to the study. Abushaban (2008) found out that availability of personnel with high qualification lead to better performance and growth of a firm or industry. Katz, Lazer, Arrow& Contractor, (2004) associated the education level of entrepreneurs with business success with findings that, those with higher levels of education are more successful because higher education provides them knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capabilities to manage employees.

The findings therefore indicate that the respondents have the capacity, skills and management acumen to steer employee performance. These skills may help them handle and interpret their respective business environments and the emerging issues in employee performance to the best level possible.

**Working experience in airline industry**

The research went further to find out on the respondents’ length of service in the airline industry. This information is shown in Figure 4.2.



**Figure 4.2: Length of service in airline industry**

From the findings in Figure 4.2 most of the respondents (41.35%) had worked for 10 - 20 years, 24.55% for 1 – 10 years, 18.55% for less than a year and 15.55% for 20 years and above. This implies that the respondents had worked for a relatively long period to give credible information about use of EDI in supply chain performance in the study area. These findings correspond to those by Reagans, Argote & Brooks (2005) that individual experience, organizational experience and experience working together on a team each provide a distinct contribution to performance. According to Enshassi, Mohamed & Abushaban (2008) availability of experienced personnel leads to better performance of quality, time, cost, productivity in a firm. This shows that work experience is an important factor in the performance of airline industry.

The findings also collaborates Larnsen, (2012) observation that the longer employees stick with their organization the more they demonstrated an explicit motivation that was not for financial gain but a wish to make a difference. This meant that they would invest time and effort to make sure they succeed. It may also imply that work related experiences are important in developing motivation for performance. The study therefore observes that the respondents are experienced people who are in their respective departments for the long haul. Longevity at the organization therefore becomes a trait that ensures continuity and perpetuation of the vision of an organization. Employee performance would ordinarily thrive under such circumstances where their management remains focused in realizing both their objectives and economic outcomes.

**Human Resource Policies**

The first objective of the study was to establish the influence of human resource policies on employee

engagement on performance of airline industry in Kenya.

**Human Resource Policies on Employee Performance**

The research sought to establish the influence of human resource policies on employee performance in Kenya Airways. The findings were as shown in Table 4.6:

**Table 4.6: Human resource policies on employee performance in airline industry**

	Frequency	Percentage
Yes	65	63.73
No	37	36.27
<b>Total</b>	<b>102</b>	<b>100</b>

From the study findings in Table 4.6; the majority (63.73%) of the respondents agreed that human resource policies did influence employee performance in Kenya airways while 36.27% posited that human resource policies did not influence employee performance in Kenya airways. This infers that human resource policies are important factors on employee performance in Kenya Airways.

**Extent to which of human resource policies influence performance of Kenya Airways.**

The respondents were further asked to indicate the extent to which of human resource policies on employee engagement on performance of airline industry in Kenya Airways. The information is as shown in Table 4.7.

**Table 4.7: Extent to which human resource policies on employee performance in Kenya Airways.**

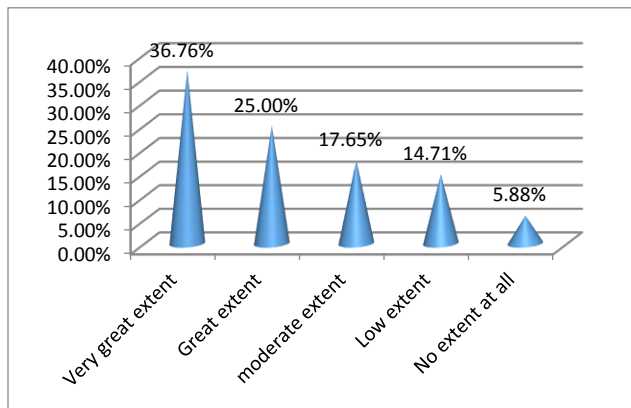
Extent	Respondents	
	Frequency	Percentage
Very great extent	43	42.16
Great extent	38	37.25
Moderate extent	12	11.76
Low extent	5	4.90

Very low extent	4	3.92
<b>Total</b>	<b>102</b>	<b>100</b>

From the results of the study in Table 4.7, the majority of the respondents (42.16%) stated that human resource policies on employee performance in Kenya Airways to a very great extent; 37.25% to a great extent; 11.76% to moderate extent; 4.90% to a low extent and 3.92% a very low extent. This infers that human resource policies on employee performance in Kenya Airways to a very great extent. These findings agree with Husband & Mandal (2013) argument that there exists a strong relationship between human resource policies and employee performance of airline industry.

### Training on employees' performance in Kenya Airways

The study sought to evaluate the extent to which training influence employees' performance in Kenya Airways. The findings were as shown in Figure 4.3:



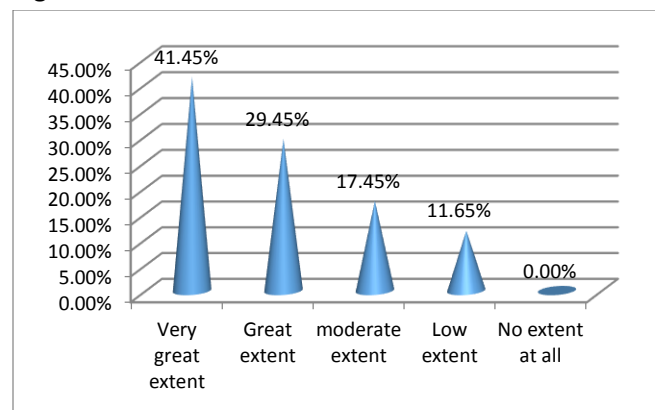
**Figure 4.3: Extent which training influence employee performance in Kenya Airways**

From the results in figure 4.3, it shows that 36.76% of the respondents indicated that training influence employees' performance in Kenya Airways to a very great extent, 25.00% of the respondents indicated that training influence employees' performance in Kenya Airways to a great extent, 17.65% of the

respondents indicated that training influence employees' performance in Kenya Airways to moderate extent, 14.71% of the respondents indicated that training influence employees' performance in Kenya Airways to low extent while 5.88% of the respondents indicated training influence employees' performance in Kenya Airways to no extent at all. This study revealed that training influence performance of Kenya Airways to a very great extent. These findings agree with Daly (2012) argument that training of employees facilitates employee performance of an organization.

### New hire orientation influence employees' performance in Kenya Airways

The study sought to evaluate the extents which new hire orientation influence employees' performance in Kenya Airways. The findings were as shown in Figure 4.4:



**Figure 4.4: New hire orientation on influence employees' performance in Kenya Airways**

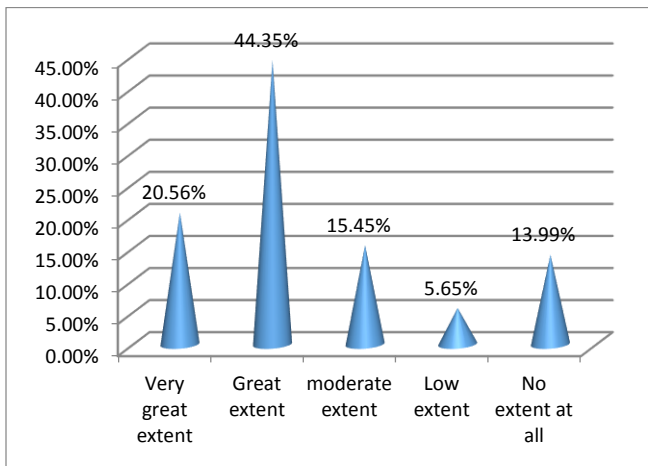
From the results in Figure 4.4; it show that 41.45% of the respondents indicated that new hire orientation influence employees' performance in Kenya Airways to a very great extent, 29.45% of the respondents indicated that new hire orientation influence employees' performance in Kenya Airways to a great extent, 17.45% of the respondents indicated new hire orientation influence employees' performance in Kenya Airways to moderate extent, 11.65% of the respondents indicated that new hire orientation



influence employees' performance in Kenya Airways to low extent while zero percent of the respondents indicated new hire orientation influence employees' performance in Kenya Airways to no extent at all. This infers that new hire orientation influence employees' performance in Kenya Airways to a very great extent. These findings agree with Mullins(2011) that new hire orientation influence employee performance of an organization positively.

**4.6.5: Job manuals influence employees' performance in Kenya Airways.**

The study sought to evaluate the extent to which job manuals influence employees' performance in Kenya Airways and results were as shown in Figure 4.5:



**Figure 4.5: Job manuals influence employees' performance in Kenya Airways**

From the results in Figure 4.5; it show that majority (44.35% ) of the respondents indicated that Job manuals influence employees' performance in Kenya Airways to a great extent, 20.56% of the respondents indicated that Job manuals influence employees' performance in Kenya Airways to a very great extent, 15.45% of the respondents indicated that Job influence employees' performance in Kenya Airways to moderate extent, 5.65% of the respondents indicated that Job manuals influence employees' performance in Kenya Airways to a low extent while

13.99% of the respondents indicated Job manuals influence employees' performance in Kenya Airways to no extent at all. This implies that Job manuals influence employees' performance in Kenya Airways to a great extent. These findings agree with Brockner (2008) argument that job manuals have a positive influence on employees' performance of a firm.

**Reward management**

The second objective of the study was to determine the influence of reward management on employees' performance in airline industry in Kenya.

**Reward management influence employees' performance in Kenya Airways**

The research sought to establish on reward management influence employees' performance in Kenya Airways. The findings were as shown in Table 4.9:

**Table 4.8: Reward management influence employees' performance in Kenya Airways**

	Frequency	Percentage
Yes	89	87.25
No	13	12.75
<b>Total</b>	<b>102</b>	<b>100</b>

From the study findings in Table 4.9, the majority (87.25%) of the respondents agreed that reward management on employees did influence performance of Kenya Airways while 12.75% cited that reward management on employees did influence performance of Kenya Airways. This infers that reward management is an important factor that that influence performance of Kenya Airways. This is in tandem with Chapman (2010) argument that reward management on employees contributes significantly to the performance of an organization.

**Extent to which reward management influence performance of Kenya Airways**

The respondents were further asked to indicate the extent to which reward management influence employee performance in Kenya Airways. The information is as shown in Table 4.10:

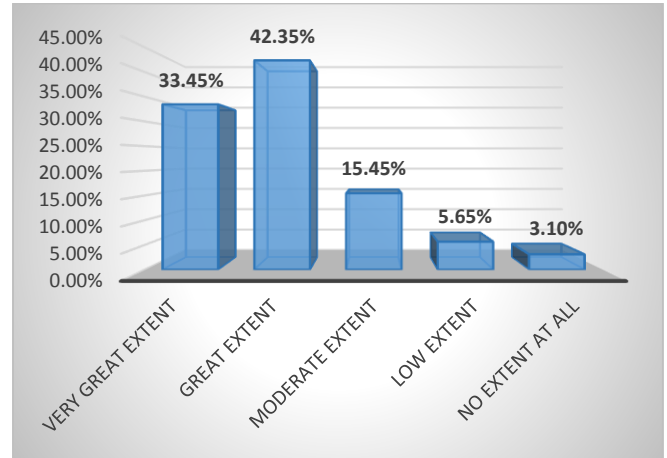
**Table 4.9: Extent to which reward management influence employee performance in Kenya Airways**

Extent	Respondents	
	Frequency	Percentage
Very great extent	34	33.33
Great extent	42	41.18
Moderate extent	9	8.82
Low extent	9	8.82
Very low extent	8	7.84
<b>Total</b>	<b>102</b>	<b>100</b>

From the results of the study in Table 4.10, the majority of the respondents (41.18%) stated that reward management influence employees' performance in Kenya Airways to a very great extent; 33.33 cited reward management influence employees' performance in Kenya Airways to a great extent; 8.82% indicated reward management influence employees' performance in Kenya Airways to moderate extent; 8.82% stated that reward management influence employees' performance in Kenya Airways to a low extent and 7.84% cited that reward management influence employees' performance in Kenya Airways to a very low extent. The study revealed that reward management influence employees' performance in Kenya Airways to a very great extent. These findings agree with Opel (2010) that reward management plays a key role and influence performance and growth of firms positively.

**Recruit and retain influence on performance of Kenya Airways**

The study sought to evaluate the extent to which recruit and retain influence employees' performance in Kenya Airways and the results were as shown in Figure 4.6.

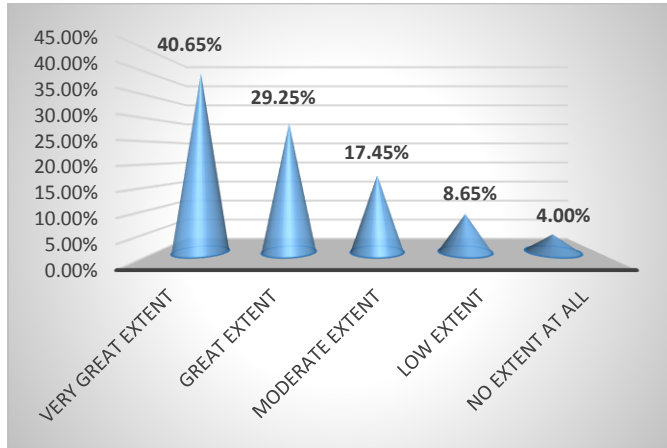


**Figure 4.6: Recruit and retain influence employees' performance in Kenya Airways**

From the results in figure 4.6, it shows that 33.45% of the respondents indicated that recruit and retain influence employees' performance in Kenya Airways to a very great extent, 42.35% of the respondents indicated that recruit influence employees' performance in Kenya Airways to a great extent, 15.45% of the respondents indicated recruit and retain influence employees' performance in Kenya Airways to moderate extent, 5.65% of the respondents indicated that recruit and retain influence employees' performance in Kenya Airways to low extent while 3.10% of the respondents indicated recruit and retain influence employees' performance in Kenya Airways to no extent at all. This infers that recruit and retain on employees is an important factor which influence employees' performance in Kenya Airways to a very great extent. These findings agree with Juan (2010) argument that recruit and retain influence on performance of a business positively.

**4.7.4: Employee motivation influence employees' performance in Kenya Airways**

The study sought to evaluate the extent to which employee motivation influence employees' performance in Kenya Airways and the results were as shown in Figure 4.7:

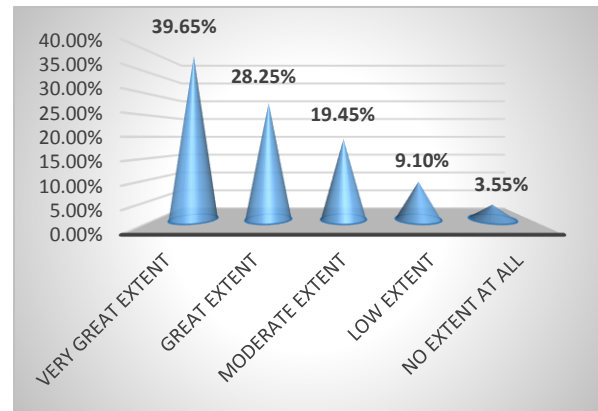


**Figure 4.7: Extent to which Employee motivation influence employees' performance in Kenya Airways**

From the results in Figure 4.7, it shows that 40.65% of the respondents indicated that employee motivation influence employees' performance in Kenya Airways to a very great extent, 29.25% of the respondents indicated that that employee motivation influence performance of Kenya Airways to a great extent, 17.45% of the respondents indicated that that employee motivation influence performance of Kenya Airways to moderate extent, 8.65% of the respondents indicated that that employee motivation influence performance of Kenya Airways to low extent while 4.00% of the respondents indicated that employee motivation influence on performance of Kenya Airways to no extent at all. This infers that employee motivation is an important factor which influences performance of Kenya Airways to a very great extent. These findings agree with Geal (2009) argument that employee motivation such as salary increase, promotion, holidays to mention a few enhance performance of employees thus enhance performance of an organization positively.

**4.7.5: Internal and external equity influence employees' performance in Kenya Airways**

The study sought to evaluate the extent to which Internal and external equity influence employees' performance in Kenya Airways and the results were as shown in Figure 4.8.



**Figure 4.8: Internal and external equity influence employees' performance in Kenya Airways**

From the results in Figure 4.8 ; it shows that 39.65% of the respondents indicated that Internal and external equity influence employees' performance in Kenya Airways a very great extent, 28.25% of the respondents indicated that Internal and external equity influence performance of Kenya Airways to a great extent, 19.45% of the respondents indicated that Internal and external equity influence performance of Kenya Airways to moderate extent, 9.10% of the respondents indicated that Internal and external equity influence performance of Kenya Airways to low extent while 3.55% of the respondents Internal and external equity influence performance of Kenya Airways to no extent at all. This infers that Internal and external equity influence performance of Kenya Airways to a very great extent. These findings agree with Geal (2009), Mullins (2011) and Juan(2010) argument that internal and external equity influence performance of an organization significantly.

**Work environment**

The third objective of the study was to examine the influence of work environment on employees’ performance in Kenya Airways

**Work environment influence employees’ performance in Kenya Airways**

The research sought to establish work environment influence employees’ performance in Kenya Airways. The findings were as shown in table 4.11.

**Table 4.10: Work environment influence employees’ performance in Kenya Airways**

	Frequency	Percentage
Yes	75	73.53
No	27	26.47
<b>Total</b>	<b>102</b>	<b>100</b>

From the study findings in Table 4.11, the majority (73.53%) of the respondents agreed that work environment influence employees’ performance in Kenya Airways while 26.47% cited that work environment did not influence employees’ performance in Kenya Airways. This infers that work environment influence employees’ performance in Kenya Airways. This is in tandem with Unise(2004) who observed that work environment for employees did influence performance and growth of business positively.

**Extent to which work environment influence performance of Kenya Airways**

The respondents were further asked to indicate the extent to which work environment influence employees’ performance in Kenya Airways. The information is as shown in Table 4.12.

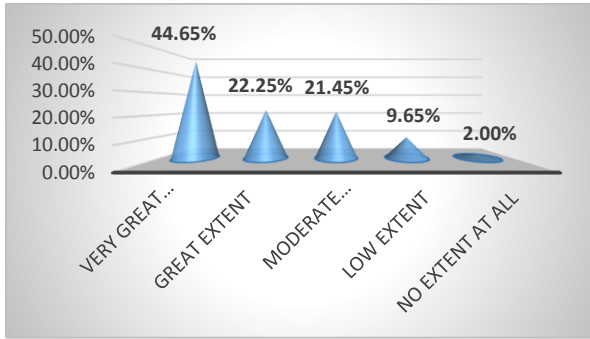
**Table 4.11: Extent to which work environment influence employees’ performance in Kenya Airways**

Extent	Respondents	
	Frequency	Percentage
Very great extent	32	31.37
Great extent	20	19.61
Moderate extent	24	23.53
Low extent	14	13.73
Very low extent	12	11.75
<b>Total</b>	<b>102</b>	<b>100</b>

According to the results of the study in Table 4.12, majority of the respondents (31.37%) cited that work environment influence employees’ performance in Kenya Airways to a very great extent; 19.61% indicated that work environment influence employees’ performance in Kenya Airways to a great extent; 23.53% posited that work environment influence employees’ performance in Kenya Airways to a moderate extent; 13.73% indicated that work environment influence employees’ performance in Kenya Airways to a low extent and 11.75% cited that work environment influence employees’ performance in Kenya Airways to a very low extent. This infers that work environment is important factors that influence employees’ performance in Kenya Airways to a very great extent. These findings agree with Drucker (2005) who observed that work environment influence employee performance which has positive significant impact performance of an organization.

**Availability of work tools influence employees’ performance in Kenya Airways**

The study sought to evaluate the extent to which work tools influence employees’ performance in Kenya Airways and the results were as shown in Figure 4.9.

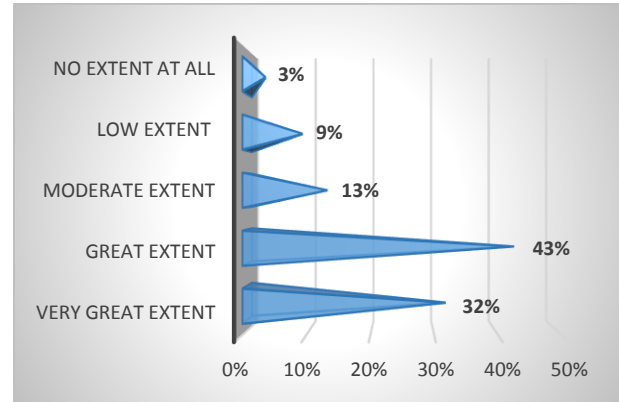


**Figure 4.9: Influence of work tools influence employees' performance in Kenya Airways**

From the results in Figure 4.9 ; it shows that 44.65% of the respondents indicated that work tools influence employees' performance in Kenya Airways to a very great extent, 22.25% of the respondents indicated that work tools influence employees' performance in Kenya Airways to a great extent, 21.45% of the respondents indicated that work tools influence employees' performance in Kenya Airways to moderate extent, 9.65% of the respondents indicated that work tools influence employees' performance in Kenya Airways to a low extent while 2.00% of the respondents posited work tools influence employees' performance in Kenya Airways to no extent at all. This implies that work tools influence employees' performance in Kenya Airways to a very great extent. These findings agree with Kent(2004) argument that work tools for employees are essential and influence employee performance in an organization positively.

**Influence of adequate and lighting on employees' performance**

The study sought to evaluate the extent to which adequate and lighting influence employees' performance in the organization and the results were as shown in Figure 4.10.

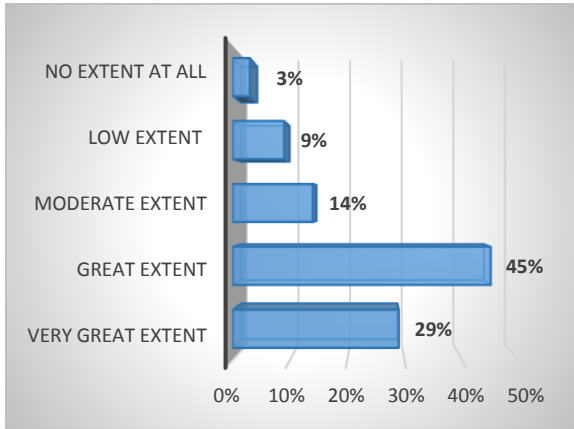


**Figure 4.10: Influence of adequate lighting and seating on employees' performance**

From the results in Figure 4.10, it shows that 43% of the respondents indicated that adequate lighting and seating influence employees' employee performance to a very great extent, 32% of the respondents indicated to a great extent, 13% of the respondents indicated to moderate extent, 9% of the respondents to a low extent while 3.00% of the respondents posited to no extent at all. This implies that adequate lighting and seating influence employees' performance in the organization to a very great extent. These findings agree with Kent (2004) argument that work adequate lighting and seating for employees are essential and influence their commitment and growth of organization.

**Influence of employee occupational and health guidelines on employee performance**

The study sought to evaluate the extent to which employee occupational and health guidelines influence employees' performance in the organization and the results were as shown in Figure 4.11.



**Figure 4.11: Employee occupational and health guidelines influence employees' performance**

From the results in Figure 4.11, it shows that 45% of the respondents indicated that employee occupational and health guidelines influence employees' employee performance to a great extent, 29% of the respondents indicated to a very great extent, 14% of the respondents indicated to moderate extent, 9% of the respondents to a low extent while 3.00% of the respondents posited to no extent at all. This implies that employee occupational and health guidelines influence employees' performance in the organization to no extent at all. These findings agree with Lebloci (2004) findings that employee occupational and health guidelines for employees in many organizations play a significant role on employee performance.

### Leadership Style

The fourth objective of the study was to establish influence of leadership style on employee performance in Kenya Airways

### Leadership style influence employees' performance in Kenya Airways

The research sought to establish influence of leadership style on employee performance in Kenya Airways. The findings were as shown in table 4.14.

**Table 4.12: Influence of leadership style on employee performance of Kenya Airways.**

	Frequency	Percentage
Yes	91	89.22
No	11	10.78
<b>Total</b>	<b>67</b>	<b>100</b>

From the study findings in Table 4.12, the majority (89.22%) of the respondents cited that leadership style influence employees' performance in Kenya Airways while 10.78% cited that leadership style did not influence employees' performance in Kenya Airways. This infers that leadership influence employees' performance in Kenya Airways to a very great extent. This is in tandem with Nwagbara (2011) who states that leadership style influence employee performance significantly in an organization.

### Extent to which leadership style influence performance of Kenya Airways

The respondents were further asked to indicate the extent to which leadership influence employees' performance in Kenya Airways. The information is as shown in Table 4.15.

**Table 4.13: Extent to which leadership style influence employees' performance in Kenya Airways**

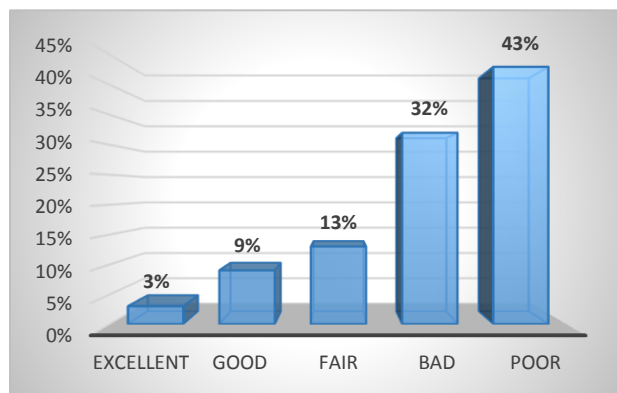
Extent	Respondents	
	Frequency	Percentage
Very great extent	42	41.18
Great extent	23	22.55
Moderate extent	22	21.57
Low extent	13	12.75
Very low extent	2	1.97
<b>Total</b>	<b>102</b>	<b>100</b>

According to the results of the study in Table 4.14, majority of the respondents (41.18%) cited that leadership influence employee performance of

Kenya Airways to a very great extent; 22.55% indicated to a great extent; 21.57% posited that leadership influence employee performance of Kenya Airways to moderate extent; 12.75% indicated that leadership influence employee performance of Kenya Airways to a low extent and 1.97% cited that leadership influence to a very low extent. This infers that leadership is an important factor that influences employee performance of Kenya Airways to a very great extent. These findings agree with McCarthy(2012), Jobber(2008) and Sadhard (2009) argument that leadership influence performance of a firm employees positively.

### Employee performance in airline industry

The study sought to rate employee performance in airline industry. The findings were as shown in Figure 4.12.

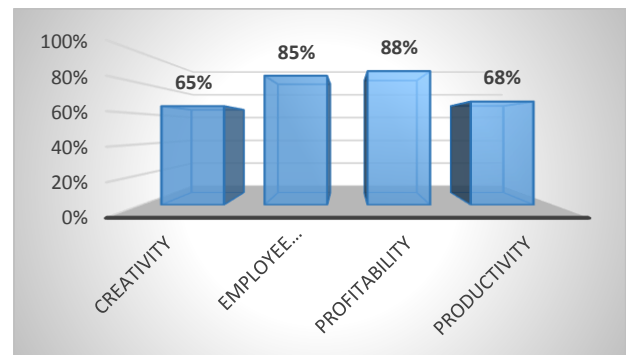


**Figure 4.12 Rating of employee performance in airline industry in Kenya**

From the results in Figure 4.12, it shows that 45% of the respondents indicated employees' performance was poor, 32% of the respondents indicated that it was bad, 13% of the respondents indicated that to be fair, 9% indicated to be good whereas cited it to be excellent. This implies that employee performance on Kenya Airways was poor thus affecting overall performance of the organization

### Measures of employee performance in airline industry

The study sought to establish about the creativity, productivity, and profitability and employee satisfaction as a measure of employee performance in Kenya Airways. The findings were as shown in Figure 4.12.



**Figure 4.13 Measures of employee performance in airline industry in Kenya**

According to the findings in Figure 4.9, it shows that most of the respondents indicated that 65% stated that creativity is a good measure of employee performance, 85% indicated that productivity, 88% stated profitability and 68% employee satisfaction as a good measure of employee performance to a great extent. This implies that these factors are a good measure of employee performance at in airline industry. The findings are in agreement with literature review by Ebei (2012) who states that improved efficiency, quality, job satisfaction, increased customer base, increased revenues and employee motivation is a good measure of employee performance in airline industry.

### Inferential statistics

#### Correlation analysis

To quantify the strength and direction of the relationship between the variables, the study used Karl Pearson's coefficient of correlation, Cooper & Schindler (2003). The Pearson product-moment

correlation coefficient measure the strength of a linear association between two variables, Kothari(2004) The Pearson correlation coefficient, *r*, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does the value of the other variable (Creswell, 2003). A value less than 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The correlation is significant at the 0.05 level for 2-tailed, Kothari (2010).The results were as follows in Table 4.18.

**Table 4.14: Correlation analysis**

		Employee Performance	Human resource policies	Reward management	Work environment	Leadership Style
Employee Performance	<i>R</i>	1.000				
	Sig. (2-tailed)					
	<i>N</i>					
Human resource policies	<i>R</i>	.776	1.000			
	Sig. (2-tailed)	.006				
	<i>N</i>	102				
Reward management	<i>R</i>	.885	.414	1.000		
	Sig. (2-tailed)	.001	.004			
	<i>N</i>	102	102			
Work environment	<i>R</i>	.873	.445	.331	1.000	
	Sig. (2-tailed)	.003	.033	.020		
	<i>N</i>	102	102	102		
Leadership Style	<i>R</i>	.783	.251	.216	.302	1.000
	Sig. (2-tailed)	.004	.024	.044	.002	
	<i>N</i>	102	102	102	102	

According to the findings in Table 4.15, there is a positive relationship between employee performance in Kenya Airways and human resource policies (0.776), reward management (0.885), work environment (0.873) and leadership of magnitude 0.783. It was established that all the independent variables had a significant p-value ( $p < 0.05$ ) at 95% confidence level. The significance values for relationship between employee performance of Kenya Airways and human resource policies, reward management, work environment and leadership

were 0.006, 0.001, 0.003 and 0.004 respectively. This implies that reward management was the most significant factor, followed by work environment, leadership and human resource policies respectively. The findings are in line with Kinte (2004), who indicated that in light of this, it is vital for firms to develop or adopt an effective management practices associated with leadership, reward management to motivate employees and important of all is also creating enabling working environment to facilitate performance of an organization.

### Multiple Regression Analysis

The study adopted a multiple regression analysis so as to establish the performance of Kenya Airways. The study applied SPSS version 21 to code, enter and compute the measurements of the multiple regression. According to Green & Salkind (2003) regression analysis is a statistics process of estimating the relationship between variables. Regression analysis helps in generating equation that describes the statistics relationship between one or more predictor variables and the response variable. The results are shown in Table 4.18.

**Table 4.15 Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881 <sup>a</sup>	.776	.721	.2302

a. Predictors: (Constant), Human resource policies, reward management, work environment, Leadership

R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the Table 4.16 is notable that there exists strong positive relationship between the study variables as shown by 0.881. The coefficient of determination (Adjusted  $R^2$ ) explains the extent to which changes in the dependent variable can be explained by the change in the independent



variables or the percentage of variation in the dependent variable (Employees' performance in Kenya Airways) that is explained by all four independent variables (Human resource policies, reward management, work environment, Leadership). According to the four independent variables studied, they explain only 72.10% of the Employees' performance in Kenya Airways as represented by adjusted R<sup>2</sup>. This therefore means that other factors not studied in this research contribute 37.90% of the Employees' performance in Kenya Airways. Therefore, a further study should be conducted to investigate the other factors (37.90%) that influence the Employees' performance in Kenya Airways. The findings are in line with Becheikh et al.,(2006);Harrison &Watson(2008); Castijello(2008); who states that economic performance of a firm, is influenced by reward management, working environment, human resource issues and leadership of employees.

**Analysis of Variance (ANOVA)**

**Table 4.16: Analysis of Variance<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	95.6	4		104.0	.0002
		54		23.913	622	<sup>b</sup>
			5			
	Residual	14.2	97	.2298		
		47				
	Total	109.9	101			

a. Dependent Variable: Employee Performance of Kenya Airways

b. Predictors: (Constant), Human resource policies, Reward management, Work environment, leadership

c. Critical value: 13.846

From the ANOVA statistics Table 4.17, the study established the regression model had a significance level of 0.2% which is an indication that the data was

ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (104.0622>13.846) an indication that the set of independent variables; Human resource policies, Reward management, Work environment, leadership influence Employee performance of Kenya Airways. The significance value was less than 0.05 indicating that the model was significant.

**Regression Coefficients**

**Table 4.17: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Beta		
		Error			
1	(Constant)	19.578		2.339	.001
	Human Resource Policies	.544	.485	.002	2.455
	Reward management	.853	.156	.235	3.366
	Work environment	.655	.487	.015	2.211
	Leadership style	.651	.336	.309	2.269

a. Dependent Variable: Employee Performance in Kenya Airways

The general form of the equation was to predict Employees' performance in Kenya Airways from human resource policies, reward management, work environment and leadership is:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$  Where

Y= Employee Performance in Kenya Airways;  $\beta_0$  = Constant Term;  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  = Beta coefficients; X1= Human resource policies; X2= Reward management; X3= work environment; X4 = leadership and  $\epsilon$  = Error term. The model equation would be;  $Y=19.578 + 0.544X_1 + 0.853X_2 + 0.655X_3 + 0.651X_4$ . The predicted Employee performance in Kenya Airways =  $19.578 + (0.544 \times \text{Human resource policies}) + (0.853 \times \text{Reward management}) + (0.655 \times \text{Work environment}) + (0.651 \times \text{Leadership Style})$ . From above regression equation; the study found out that when all independent variables (Human resource policies, Reward management, Work environment and Leadership Style) are kept constant at zero, the Employee performance at Kenya Airways will be at 19.578. At one unit change in Human resource policies will lead to 0.544 increases in performance of Kenya Airways. Also a one unit change in Reward management will lead to 0.853 increases in the Employees' performance in Kenya Airways. Further, a one unit change in Work environment will lead to 0.655 increases in the Employees' performance in Kenya Airways and one unit change in Leadership will lead to 0.651 increases in Employees' performance in Kenya Airways. This concludes that Reward management contributes more to Employees' performance in Kenya Airways followed by Work environment, Leadership and Human resource policies respectively. This can be used to conclude also that there is a positive significant relationship between Human resource policies, Reward management, Work environment and Leadership and Employees' performance in Kenya Airways

To test for the statistical significance of each of the independent variables, it was necessary to test at 5% level of significance and 95% level of confidence of the p-values and from the table 4.18 the Human resource policies had a 0.005; Reward management showed a 0.002 level of significance, Work environment showed a 0.003 level of significance and Leadership had a 0.004 level of significance; a t-values were greater than 2. Therefore, the most significant factor is Reward management followed by Work environment, Leadership and Human resource policies respectively. The findings are in line with McElory (2006) and Rohitratana & Boon-Itt (2001), who indicated that firms need to develop or adopt an effective employee performance associated with Human resource policies, Reward management, Work environment and Leadership influence employee performance and business.

## **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **Introduction**

The study sought to answer the four questions relating to how each independent variable influenced the dependent variable that is employees' performance in Kenya Airways. This chapter presents a summary of the findings, conclusions and recommendations. It also gives suggestions for areas of further research arising from the gaps identified.

### **Summary of the findings**

#### **Human resource policies**

The study found out that new hire orientation, employee skills training and job manuals positively and to a very great extent influenced employees' performance in Kenya Airways. The respondents also strongly agreed that human resource policies influenced employees' performance in Kenya Airways. Further, the study found out that human

resource policies was the fourth most significant factor at 5% level of significance with P-values of 0.005 and a great influence of 0.544. This infers that human resource policies were an important factor that influenced performance of Kenya Airways.

#### **Reward management**

The study revealed that recruit and retain, employee motivation and internal and external equity, influenced Employees' performance in Kenya Airways to a very great extent. The respondents also strongly agreed that reward management performance of Kenya Airways. Further, the study found out that reward management was significant at 5% level of significance with P-values of 0.001 and had a great influence of 0.853. This infers that reward management was an important factor and it influenced positively Employees' performance in Kenya Airways.

#### **Work environment**

The study revealed that equipment and machinery and occupational health guidelines and adequate lighting and seating influenced Employees' performance in Kenya Airways positively. The respondents also agreed that work environment influenced Employees' performance in Kenya Airways to a very great extent. Further, the study revealed that there is a positive significant relationship at 5% level of significance with P-values of 0.003 and work environment had a great influence of 0.655. This infers that work environment was an important factor that influenced Employees' performance in Kenya Airways.

#### **Leadership**

The study revealed that there is a positive significant relationship between leadership and Employees' performance in Kenya Airways. The respondents also agreed that leadership style influenced Employees' performance in Kenya Airways. Further, the study also found out that decision making, problem solving and accommodation of employee opinions and

interests influence to a great extent Employees' performance in Kenya Airways. Further, the study revealed that there is a positive significant relationship at 5% level of significance with P-values of 0.003 and leadership style had a great influence of 0.651.

#### **Conclusions**

The study concludes that human resource policies, reward management, work environment and leadership style influences employee performance in Kenya Airways. The study found out that all the independent variables influenced the dependent variable positively and reward management was the most significant factor followed by work environment, leadership and human resource policies respectively at 5% significance level and 95% confidence level. The study also established that 72.10% of the performance of Kenya Airways was explained by Human resource policies, Reward management, Work environment and Leadership style.

#### **Recommendations**

The study established that human resource policies influenced Employees' performance in Kenya Airways to a great extent. In this regard, the study recommends that government and other supporting partners to undertake research to come up with good human resource policies to increase Employees' performance in Kenya Airways. This can be done by paying particular attention by involving the entrepreneurs and employees through encouraging more training, use of job manuals and continuous new hire orientation in all stages as they facilitate the performance and growth of Kenya Airways.

Additionally, the study established that reward management positively and significantly influenced the Employees' performance in Kenya Airways to a great extent. In this regard, the study recommends

that top management of Kenya Airways come up with the best methods of rewarding employees to increase and to foster performance of Kenya Airways. This can be done by paying particular attention by involving employees through better management and ensuring there is employee motivation both internal and external equity.

Further, the study established that work environment positively and significantly influenced the performance of Kenya Airways to a great extent. In this regard, the study recommends that top management provide a conducive working environment for their employees to increase the performance. This can be done by paying particular attention to involving employees through provision of adequate lighting and seating and existence of occupational and health guidelines.

Finally, the study established that leadership significantly influenced Employees' performance in Kenya Airways to a great extent. The study recommends for efficient and effective leadership management in decision making a problem solving

accommodation of employee interests and opinions to enhance performance and growth of Kenya Airways.

### **Recommendations for further research**

Since this study sought to establish the drivers influencing employee performance in airline industry in Kenya, it is evident that globally, most studies are done in airline industries and companies in United States, Nigeria, Netherlands and South Africa among others and scanty studies are available in developing countries especially in the Kenyan organization set up. More so very little has been undertaken to explore drivers influencing employee performance in airline industry related to government airlines reason why the researcher call for similar studies to be undertaken in Kenya.

The researchers also recommends further studies on the policies of the key determinants on the employee performance of the airline organizations and encourage more studies on employee performance critical approaches, discursive approaches, practitioner/consultant approach to build up more scholarly work in this area.

## REFERENCES

- Albrecht, William P. (2008). *Economics*. Englewood Cliffs, Prentice-Hall, New Jersey.
- Armstrong M. (2010). *The Handbook of Management Techniques*. Kogan Page Publishers. London
- Babbie, E. (2009). *Survey research methods* (2nd ed.). Belmont: Wodsworth
- Birkland T (2005). *Introduction to Economic*, Pitman Publishing Company. Cambridge
- Blakemore N (2008). *Organization Development*. Arrow Publisher. Connecticut.
- Blythe J (2006). *Principles and Practice of Marketing*, Jennifer Pegg Cambridge. Madrid
- Bryman A and Bell E. (2005). *Business Research Methods*. Oxford University Press Publishers. London.
- Burnet R (2011), *Organizational Behavior*. Prentice Hall, New Jersey.
- Cooper, D. R., & Schindler, P. S. (2003). *Business research methods (8<sup>th</sup>ed.)*. United States of America: Tata McGraw-Hill.
- Cooper, D. R., & Schinder, P. S. (2010). *Business research methods. 11th Ed*. New York: McGraw-Hill.
- Cooper, D., & Schindler, P. S. (2011). *Business research methods (8th ed)*. New Delhi: Tata: McGraw-Hill Publishing Company. India.
- Creswell, J. W. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches*. Thousand Oaks, CA: Sage
- Carter, J.R. (2010). *Human Resource Management*. Parkland Publishers. Stockholm
- Chapman P,(2013). *Organization Behaviour*. Gretonleer Publishers. Sydney
- Coventry W (2007), *Management Made Simple*. Pitman Publishing Company. Cambridge
- Dooley D (2005). *Social Research Methods*. Prentice Hall Publishers Ltd. New Jersey:
- Drucker P (2007), *Practices Of Management*. Heinman Condon Publishers. London
- DubrinJ. Andrew (2007). *The Manager's Domestic and International Environment*. Essentials of Management, 4th Ed, South-Western College Publishing. Kansas.
- Forbes (2010): *Leadership Success Always Starts with Vision*. European Business Journal. Volume 10.
- Hawkin K (2011) Labour Turnover and its impact –Harvard Business Journal review, Havard Business School Publications. U.S.A
- InseadKelloy (2009). *Financial Times*, London business school and Wharton. London
- Jobber D (2008). *Principle and Practice Of Marketing*. Latey Publishers. Shieflied

- Kent L (2008) *Identifying Common Causes of Low Productivity*. International Labour Organization. LasAngeles. California.
- Kotler P (2011). *Marketing Management*. Prentice – Hall International Publishers. New Jersey:
- Kombo P.O. (2006). *Proposal and Writing: An Introduction*. Pauline’s Publications Africa.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Delhi: New Age International (P) Limited Publishers.
- Laison M (2011) *Engaging Employees Through High-Involvement*. Ivey Business Journal. Work Practices. Vancouver.
- Madison Performance Group (2011). *Six Guiding Principles for Better Communication*. An Informed Employee is a Productive Employee. International Journal. Philadelphia.
- McCarthyHandParreault M (2010). *Basic Marketing*.Prentice Hall. New Jersey.
- Michael E. Porter, (2006).*What is Strategy?* Harvard Business Review.U.S.A
- Milgrom P and Roberts J (2010).*The Economics of Modern Manufacturing: Technology, Strategy, and Organization*. American Economic Review.
- Milgrom P, Yingyi Q and Roberts J (2008).*Complementarities, Momentum, and Evolution of Modern Manufacturing*, American Economic Review, Illinois.
- Minnaar, F. 2010. Strategic and Performance Management in the Public Sector. Pretoria: Van Schaik Publishers
- Mugenda, O.M and Mugenda, A.G.(2008), *Research Methods. Quantitative and Qualitative Approaches*. Nairobi: ACTS Press
- Mugenda M.O and Mugenda G.A (2006).*Research Methods*.Qualitative and Quantitative Approaches. Acts press. Nairobi
- Murlis I, Michael Armstrong & Helen R (2004). *Reward management: a handbook of remuneration strategy and practice (5th ed. ed.)*. London [u.a.]: Kogan Page.
- Nick J and Nelson K (2007).*Small Enterprise Development*.Policies and Program. International Labour Organization. Geneva. Switzerland.
- Nwagbara. U (2010) *Rethinking Labour Turnover: Prospecting For Shared Leadership*. Esteem Publishers. Lagos.
- Orodho,A.J. (2003). *Essentials of Educational and Social Science Research methods:Qualitative and Quantitative Approaches*. Nairobi: Acts Press.
- Pyle W and Larson K (2008).*Fundamental Accounting Principles*. Homewood Publishers, Illinois
- Sadhard W. (2005) .*Organization Dynamics*.Kepteors publishers. Istanbul.
- Sagemo P (2012). *Management Dynamics*, EAEP. Cambridge
- Tromp, L.A. (2006) proposal and thesis writing. Pauline publications: Makuyu