

**OPERATIONAL ENVIRONMENT AND PERFORMANCE OF
AIRLINE PROJECTS IN KENYA: A CASE OF KENYA
AIRWAYS LIMITED**

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS
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DECLARATION

This Research Project Report is my original work and has not been presented for an academic award to any other University or any other institution of higher learning.

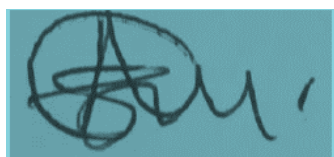
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DEDICATION

I devote this Project report to my parents; Mr. Habel Ogul and Mrs. Susan Achieng who have reinvigorated me entirely and whose reassurance has corroborated that I push myself to finish that which I have started, and finally to my friend Bernard Odhiambo who have been a constant support every step of the way.

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ABBREVIATIONS AND ACRONYMS

ACI:	Airport Council International.
BN:	Billion.
COVID:	Coronavirus disease
CU:	Customs Union
DEA:	Data envelopment analysis
EU:	European Union
EC:	European Commission.
GDP:	Gross domestic product
IFE:	In-flight entertainment
ICAO:	International Civil Aviation Organization
IATA:	International Air Transport Association
KQ:	Kenya Airways
MEDEVAC:	Medical Evacuation
PESTLE:	Political, Economic, Sociological, Technological, Legal and Environmental
UAE:	United Arab Emirates
UK:	United Kingdom
US:	United States

ABSTRACT

Operational environments are extremely unbalanced fluctuations experienced in the macro-environments. Despite airlines using the PESTLE model analysis to unravel the impact of these micro-environments on their performance, they have not confidently concluded that they are satisfied with the accomplishments to date. Fuel fluctuation and labor miles ahead the airline operating costs and high labor turnover is still experienced in airlines. Government taxes, fines and trade wars are still affecting airline performance despite numerous studies to minimize their effect. Political unrest and economic recession on the other hand also affect airline performances to a greater extent worldwide. The purpose of this study was to examine the operational environment and performance of airline projects in Kenya. This study focused on six projects within Kenya Airways which were grouped under political, economic, and legal operational environments. The study was led by the following objectives: To establish the influence of economic operational environment and the performance of airline projects in Kenya, to determine the influence of political operational environment and the performance of airline projects in Kenya and to identify and assess the influence of legal operational environment and the performance of airline projects in Kenya. The study was anchored on contingency theory. The research used a descriptive survey design under a qualitative mixed approach. The target population was 335 employees from different departments in Kenya Airways. The study used Stratified sampling technique in defining the job groups. A sample of 182 was computed using Yamane formula. The researcher conducted a face-to-face interview and employed a closed questionnaire as tools for data collection. The researcher then conducted a pilot testing of the instrument by administering the questionnaires to 10% of the sample size and use construct and content validity to prove how valid the research instrument is. Descriptive statistics and correlation analysis of Karl Pearson's correlation (r) were conducted to determine the relationship between the variables which revealed that: there was a statistically strong positive correlation exhibited between operational environments and performance of an airline projects ($r= 0.73$). At the same time the researcher used Cronbach's alpha method, based on the internal consistency of the research instruments to check how reliable the results are. A tail probability of 0.05 and 95% confidence level was and 0.72 was obtained quantifying the result as reliable. The study concluded that operational environments should be integrated in performance of an airline projects. It was recommended taxation should be minimized, maintenance methods should be employed in fuel saving initiatives and to employees' turnover should be fully researched according to employee's needs. Among the further study suggestions were a study on the political unrest, use of synthetic fuel, exploration of taxation areas in airlines and economic recession.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Operational environment is astonishingly fundamental to the continued existence of the innumerable airline as it exercises a gigantic aftermath to the industry, (Uwagwuna, 2011). Uwagwuna goes ahead and describes operational environments as extremely unbalanced due to regular fluctuations experienced in the macro-environments and analyzes the important factors that affect these external micro-environments for airline industries using the PESTLE model analysis. This study has discussed Political, Economic and Legal (PEL) operational environments because they are known to affect airlines to a greater extent and have not been fully exhausted in terms of finding solutions compared to the Social, Technological and Ecological (STE) operational environments.

As per the first virtual townhall meeting of Kenya Airways (2021) held in March, the airline listed twenty key projects that it was to undertake in the subsequent four years from 2021 to 2024. The projects were expected to address airline's performance issues hence increase in revenue and breakeven from the company losses by 2024. Out of the twenty projects, this study focused on six projects which influences the performance of airline not only in Kenya but also globally. These projects include Fuel saving initiative project, Employee's empowerment and retention project, Bilateral/Multilateral and foreign Trade agreements review/amendment projects, Government intervention review projects, Political instability measure and prevention project and finally economic recession preparation and averting project.

In their report on Gulf-EU open skies the Centre for Aviation article (2018) discussing economic recession in Europe, the slackening tourism and business travel due to the economic sluggishness and security concerns were persistent in multiple states especially in mid-2016. The European Commission (EC) was mandated to negotiate bloc level Open Skies agreements with Qatar, the UAE and other Gulf states, replacing the existing bilateral level relationships. This operational issue led to low performance of the airlines on the European Union and Middle-East airlines about the uncertainty of Brexit, low services and manufacturing sector confidence in Europe affecting outlooks for travel in one of the most important source markets for Middle Eastern carriers as conquered by Steele (2018) report .

In the United States and Gulf carriers, Steele's article (2018) explained the engagement in a long running debate over Open Skies subsidies and access to the US market by different airlines across the globe. Delta Air Lines and United Continental airlines in the continent led lobbying efforts to have the Open Skies agreements with Qatar and the UAE re-negotiated, on the basis that the Middle East Big 3 expansion in the US is state-subsidized competition. These operational issues of Bilateral/Multilateral and open skies agreements between states in the world were known to be a hindrance in the performance of airlines because of the strict rules imposed thereby impeding swift performance.

Political factors are known to reshape a business by rendering individual market encompassing all intents and purposes friendly, and airline performance is also affected by operational issues like political instability. In 2017, In Asia the China's economic and outbound travel growth slowed down partially in response to European security concerns. China had been one of the expanding source markets for Middle East airlines, but its economy was forecasted to expand a relatively modest 6.4% in 2017, compared to an average of 9% in 2011-2015 (Centre for Aviation article, 2017). Government authorities tyrannize businesses making them powerless in offering contrary viewpoints and these authorities can therefor prehend an endangerment leading to forfeiture of a business. A country's political turmoil as seen in that of China by Centre for Aviation can remarkably crash the performance of businesses, especially on the worldwide level and hostile takeover on the government can lead to looting, riots, and general disorder within the environment (Shaw, 2018).

In the United States, the 2008 economic recession led to increase in petroleum prices which led to the increased rate of unemployment and rising expenses for necessities. The cost of the major fuel in aviation which is influenced by the environment micro-economic factors led to losses in airlines due to high operation costs, U.S. Department of Transportation, (2012). Since jet fuel cost is a critical variable and paramount element of the total airline costs, its levy is fractionated into the fixed component that is aiming to optimize price and capacity under a fixed itinerary and the variable component, which directly related to passengers' numbers in each flight. Growth in the cost of jet fuel generates an additional charge closely connected to each passenger carried by the airline leading to low performance in airlines (International Airport Review, 2019).

The recent recession of COVID-19 has not only influenced profits and airline performance negatively by increasing oil and fuel prices within the airline industry, but also 90% of airlines

have been forced to retrench their employees leading to thousands of jobs lost. Fuel costs come second place on industry's operational expense and at fair prices, they average around 10% to 12% of industry expense, (Benjamin, 2018). Benjamin goes ahead and enlightens us that the air sector is unmasked to severe price spike leading to a rise in industry cost of about \$180 million per year for every one-cent increase cost of a gallon of jet fuel.

African airlines and air transport is regulated by several laws and regulations that are becoming stricter than before. As researched by Mhlanga, (2017) South African Airline was ordered to pay more than 104 million Rand in damages to Nationwide by the South Gauteng High Court following the ruling of the Competition Tribunal in 2016. Air Namibia on the other hand lost several lawsuits from aircraft service providers due to legal operational environments; it was forced to pay N\$337 million after it lost a case against Challenge Air. In March 2016, Air Namibia was forced to pay lease and maintenance fees of N\$17 million for two aircraft to Intrepid Aviation, and in the following year 2017 the airline was embroiled in a lawsuit of another US\$77 million (N\$1 billion) with a company called BCI Aircraft Leasing Incorporated. Air Zimbabwe on the other hand, embroiled in a legal battle with about 400 sacked workers who are demanding US\$1.3m in severance pay awarded to them by an independent arbitrator (Mhlanga, 2017).

With operational environments affecting airlines, performance still is an issue. This project report sought to study the three operational environments taking in to account the existing problems and further elaborated how they can be tackled to minimize their occurrence and maximize the performance of airline projects in Kenya.

1.2 Statement of the Problem

Airlines around the world have been facing challenges in totality with operational environments influencing their performance and despite numerous studies to lessen these problems; they have not been full research to eliminate them in entirety. These operational environments have a great impact on the finance, the revenue of airline industry and its operational efficiency and many airlines have not managed to remain confident that they have taken these situations in control.

In Rohan (2016) study on Effects of fluctuating fuel prices on the VAR of the Indian Airline Industry, the scholar found out that was no clear link between jet fuel hedging and market value of the firm and that Airlines that have hedged their fuel exposures may find it profitable to sell

cheaper air tickets compared with airlines that have not hedged against oil price increases. The study of Hassan et. al. (2021) on Factors Affecting the Rate of Fuel Consumption in Aircrafts the other hand, found out that the reduced weight of the flight significantly affects the fuel consumption, proper planning increases fuel efficiency. The two scholars however did not consider the other side of hedging as a financial risk and did not identify the operating factors that do not create link between jet fuel hedging and market value of the firm. The study bridged the gap created by the two scholars on hedging and operational factors and introduce maintenance factors as a means of fuel saving initiative.

Economic recession on the other hand, is a challenge that has a great negative impact on airline performance. As seen in the current COVID-19 pandemic, countries have locked down their territories, and aircrafts have been grounded leading to airlines falling and even others closing. Travel restrictions are still imposed in different countries around the world. According to an analysis done by (Airlines IATA, 2021) approximately 4.8 million aviation jobs were lost at the beginning of year 2021, which was about a 43% reduction from those in pre-COVID levels.

On research conducted by Olaganathan (2021) on Impact of COVID-19 on Airline Industry and Strategic Plan for its Recovery with Special Reference to Data Analytics Technology, and Sotiria Dimitrelou et. al, (2020) on the effects of covid-19 in the European airline industry. Results from PEST analysis; the researchers conclusion was the governments to intervene and offered economic support to the airlines operating in their air space. The scholars also recommended practicing social distancing and suggested that countries to cut any unnecessary costs and possibly change their structure to surpass them loses. These measures alone are best for personal safety but do not increase the performance of airlines. This cannot be considered as a long-term solution. This study bridged the gap on the study of the two scholars and introduced other alternative measures that airlines can employ to improve their performance rather than relying on government support since a government cannot offer support to all airlines in the country.

Political instability is also another challenge affecting airlines performance especially in Kenya with the prosperity of government collapse because of conflicts. They affect growth through physical and human capital buildup leading to harmful economic growth as seen from the Kenya's 2007 post-election violent and the tension imposed in the year 2013 general election. With tension imposed, airports remain as ghost towns because no one even tourists are willing to fly in or out the country during this period. The aftermath too is something that cannot be

anticipated and therefore it is not known whether airlines will resume normalcy in terms of operations or not.

Employee's turnover is another factor that affects performance of airline. According to Ombego & Makori (2015) study on drivers influencing employee performance in airline industry: A case of Kenya Airways. The study established that use of human resource policies influenced Employees' performance in Kenya Airways and encouraged involving the employees through influence of training, rewarding employees, providing a conducive working environment and efficient, effective leadership style management in decision making. Owen Ouma Odongo et. al, (2019) on the other hand on the influence of labor relations on performance of airline industry, found out that labor relation had positive and significant influence on performance of Kenya Airways. The scholars recommended ideas that were general and not specific to employee's needs, and they do not mention how employees are motivated and compensated especially when there is a shortage of staff in a particular section. Every employee has his/her own need and so general recommendations will only favor several employees.

Lastly with government intervention through taxation and fines has also been known to affect airline performance. This can be seen in airlines where government intervenes by either raising corporate taxes or introducing economic policies which to some extent favors their interests without caring about the airlines interests. Trade wars between countries have also been known to affect airline performance because any decision made by a government of a country to another affects even air service agreements leading to cancelled flights and operations to the said country. This study sought to investigate how these unsolved operational environments can be expounded further and new measures put in place to efficiently operate an airline for maximum performance.

1.3 The Purpose of the Study

The purpose of this study is to examine the operational environment and performance of airline projects in Kenya.

1.4 The objective of the study

The following objectives guide this study:

1. To establish the influence of economic operational environment and performance of airline projects in Kenya.

2. To determine the influence of political operational environment and performance of airline projects in Kenya.
3. To identify and assess the influence of legal operational environment and performance of airline projects in Kenya.

1.5 Research Questions

1. To what extent do the economical operational environments influence the performance of airline projects in Kenya?
2. In what ways do political operational environment influence the performance of airline projects in Kenya?
3. To what degree does legal operational environments influence the performance of airline projects in Kenya?

1.6 Significance of the study

To academia and researchers, the study builds on the existing literature. It comes at the right time when exist demand for collecting new information pertaining to operational environmental especially on airline performance. The academia is starved due to the very fact that some of the operating environments even though explored have not been fully dealt with in achieving a hundred percent performance on airlines. This evidence is by the few literature sources that the researcher encountered during the review.

To the Aviation body of knowledge, this study is very significant in the viewpoint that it is to give airline opportunities to prepare and execute essential organizational and viable strategy plans that will ensure reliable financial performance of airlines. It will also help the management of airlines to strategically maneuver out the challenges affecting airline performance thereby boosting airline revenue growth. The study will also enable overall industry profitability, thus accepting pure competition and adherence to law leading to smooth operations.

Last, the researchers, students, university professors, and other scholars will have data at their disposal in their future academic endeavors and to further the research.

1.7 Limitation of the study

The survey chose Kenya Airways because of the nature of operation both local and international, the size of the fleet operated and that it is the major international airline in Kenya.

This has huge influence in airlines performance. The research findings gave a wider insight into how operations were to be managed with increase in performance which is to be adopted by other smaller airlines in Kenya and the world.

The researcher chose a sample population of 182 employees because of the shortage in staff due to company restructuring that occurred in 2020 and the Voluntary Early Retirement that occurred in early 2021. The researcher also delimited the study on the selection of respondents. The employees were selected from specific departments because of their criticality and consideration of being higher revenue generation departments and their importance to the airline.

The researcher also limits the study on the data collection methods. The researcher chose face-to-face interviews and structured in-depth questionnaires because of the nature of measures given like social distancing to combat the spread of the COVID-19. This made a few respondents not show up for the interview or keep postponing despite being even reminded of the same on phone.

1.8 Delimitation of the study

As with most studies, this study is subject to delimitations. The first is that the study is delimited to the gathering of information from specific persons who are considered knowledgeable compared to anyone in an airline. Also, even though fluctuating factors like fuel and oil prices is being researched every time, these elements cannot be measured.

The second delimitation concerns the sample biases. Kenya airways underwent a resizing process in late 2020 and some major employees exited the company through the Voluntary Early Program. With this, the number of employees with sufficient and crucial information from various departments is less, and therefore diminished access to the applicable type or geographic area of participants is possible.

The third delimitation is the choice of projects. The study chose six projects out of the twenty set out by the organization as of March 2021. This was so because only the six were existing projects that are known to have impact in the performance of airlines and have been researched previously by other scholars. There was therefore literature and recommendations that have been done on them. The remaining fourteen were initiation projects that were being started

from scratch and only identified internally to be the ones to improve performance by generating revenue.

Lastly, the study is only limited to one Airline in Nairobi County. For more conclusive results, more airlines should have been studied. However, this was not possible because Kenya Airways is the only big airline that can be used as a benchmark to others outside the country and so other small airlines in Kenya may not suffer the same impact in operational environments as Kenya Airways.

1.9 Assumption of the study

It is inferred that other airlines excluding Kenya Airways that are not discussed in the study face similar challenges of operational environment on their performance. It was also believed that the participants were always avail themselves, honest, and willing to give information upon which the study findings were based. Further, it was assumed that the solutions provided in this study is not only be used during this pandemic but also in the future for airline revenue maximization and efficient operation.

1.10 Definition of Significance Terms used in the study

The following significant terms shall be applied in this study.

COVID-19 Pandemic: Worldwide pandemic and a communicable respiratory disease that was discovered in 2019.

Economic Recession: This is the weakening of economic activity that affects a country.

Employee Turnover: This is the number of employees who leaves an organization for one reason or the other and be restituted by new employees.

Economic Recession: Crisis or slackening of the economy.

Employee compensation: The reimbursement of services offered by the employee.

Employee's appreciation: Recognition and approval of employees.

Effective planning: better and impressive execution of tasks.

Flight Scheduling: Planning of flight on operation of different routes.

Fuel efficiency: The cost effectiveness of fuel.

Fuel Saving Initiative: Preservation approach to be employed on fuel costs

Fuel Surcharge: Extra fee allocated by airlines on passenger tickets to cover fluctuation cost of fuel

Fluctuation: Irregular variation of a product or a service.

Government intervention: These are rules imposed by government and is expected to change the decisions of individual, groups, or organizations.

Guideline instigation: initiation of measures and instructions by an authority.

Hedging: This is a contract set to lock fuel prices to help set ticket prices and fleet scheduling in the long-term as opposed to speculating.

Job morale: The motivation on work done.

Operational Environment: This is the element that forms the nature of an environment and how it affects operations.

Operational efficiency: effectiveness of operational activities.

Political Instability: This is the collapsing of government either because of conflicts or competition between political parties.

Performance: This is the process of meeting set goal effectively and efficiently.

Tariffs Imposition: Application of tax by the government.

Trade war: Conflicts or fights experienced by a country on trade affairs.

Work imbalance: Instability experienced at the work environment.

1.11 Organization of the Study

The researcher has organized this report into five chapters. The first chapter constitutes the background to the study, statement of the problem, the purpose of the study, research objectives, research question, significance of the research study, the limitation and delimitation of the study, assumption of the study, and the definition of key operational terms. Chapter two of the research study details the literature review and expounds on the study's dependent and independent variables on the influence operational environment in airline performance. Chapter three of the study discusses the research methodology, organizing them under research design, the target population, the sample size and sample procedures, data collection instruments and procedures, data analysis techniques used, and ethical considerations. Chapter four comprises data analysis, presentation, interpretation, and discussion. Chapter Five covers a summary of the findings, conclusion, and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Although the literature engulfs an extensive wide array of operational environments, this literature focused on legal, economic, and political operational environments that appear recurrently throughout the literature review. It drew strategies that are to be employed by airlines for their operation efficiency and revenue maximization. The literature presented a theoretical overview by discussing the theoretical framework using the Contingency Management Theory. The study basis on the conceptual framework is that of concept map format represented dramatically with independent variables moderating and measured variables of the fact-finding. This chapter also present presented the research/literature gap of the entire research study.

2.2 Performance of airline projects in Kenya

Economic factors are the more decisive components to the achievement of any enterprise, within the confines of economy. In his study, Jumi (2019) assessed the civil aviation regulations impact on the increment of the local airline industry in Kenya. Based on his findings, he concluded that the growth and performance of the domestic airline industry is largely measured by the level of traffic, the fleet number, the number of local operators, the level of cargo, and the increased adoption of new technologies within the industry. The researcher concurs with the conclusion of Jumi regarding the measures provided in the growth and performance of the domestic airline industry in Kenya.

The aviation industry driven by the performance of airlines is amongst the industries that influence the economic advancement of a country. It has therefore, a determining factor in the economy of Kenya, furtherance tourism, enticing local hub of conglomerate firms, and enhancing business, logistics, overseas capital in the country covering a percentage of 4.6 of Kenya's GDP and sustaining 410,000 jobs as of 2019. (International airport review, 2019). The researcher affirms this article since aviation industry especially airlines are used as a gateway to open borders for trade between countries thereby a major contributor to the economy's GDP. For air transport to be ranked as a driving factor in economic growth, airlines ought to be at their maximum performance. Airline projects on the other hand can be measured using drivers from operational environments which usually influence the level of performance in airlines. It is

therefore the responsibility of airlines to brainstorm on appropriate tactics to intensify their degree of execution both operations-wise and human resource-wise.

As per the findings Jomo et al., (2017) on their report on the Determinants of Profitability of Airlines in the Aviation Industry in Kenya, Management actions, and decisions such as management practices, organizational restructuring, and retrenchment practices were some of the factors that affected the profitability margins. Their conclusion, therefore, was that the effectiveness of leadership on a business can be measured by how airlines steer themselves to operate on the path of profitability. The survey conducted revealed that management actions and decisions made especially towards employee's motivations were wanting. Most respondents expressed concerns on job promotions and compensations. The management was seen to be bias, and expression of favoritism was evident when it came to promotions. The employees therefor lacked morale in their day-to-day job claiming that their efforts were not being recognized whether in terms of academic or on job experience. This survey as a result agreed with Jomo et al., (2017) article as factors that affects the profitability margins thereby performance of employee empowerment and retention airline projects. Managers should investigate new insight and retort briskly to the vibrant environmental changes and be capable of foreseeing and responding to the varying ecological wants and opponent strategies.

Foreign airlines have adversely impacted the business segment retained by the regional airlines terrifying the civil aviation authorities to be increasingly aware and considerate to local airlines. Consequently, findings as per the article on Influence of competitive strategies on performance of commercial airlines in Kenya; waiver of airport fees at prime airport gates and parking bays and landing and takeoff fees is a way of enhancing the performance of the airlines. (Farah et al, 2018). The result of the study found out that government taxes in airlines otherwise departure and arrival taxes are taxes that must be paid by airlines and therefore cannot be avoided. These taxes are known to have afflicted the performance of airline projects. The study also found out that these taxes cannot be waived by government, but numerous negotiations have been ongoing between the airline and the government to reduce the taxes and fees to a minimum level that both the airline and the government will benefit from.

Cost-effectiveness in the airline intently retorts to Kenya's economic expansion and business accomplishment and airlines including Kenya Airways acknowledge the yearning to dramatic shifts to verify its subsistence and affluence thanks to the numerous encounters it has countenanced. These dramatic shifts impelled the need to ascertain compelling strategic

alternatives to be made to satisfactorily continue to undertake high operation costs and improve the airlines' performance (Farah et al., 2018). Airline should maximize innovation strategies like capacity utilization and developed liaisons with service providers and other fiscal or ancillary instigations to cost share across roles and practices tying products.

In 2015 compensation management was the principal component driver that was found to influence the performance of employees in Kenya airways and so it is important to consider employees while measuring airline performance (Ombego & Makori, 2015). In 2021, the data from the survey remains the same as what was found by Ombego et al., (2015). Lack of compensation is still a major factor in performance of employees and even though different employees have different ways in which they would prefer to be compensated, the survey found out that employees were not rewarded according to the services offered. Majority considered remuneration as a major compensation tool since it is a motivating factor in the current economy but Kenya airways as an airline was not taking this mode of compensation into account. It was job as usually year in year out and so employees lacked passion which is one of the core pillars of the organization hence poor individual performance thereby driving poor overall performance of the airline.

Client orientation, continuous enhancement emphasis, employee acquiescence, and senior executive dedications were some of the project considerations that were determined to sway the performance of Air Kenya Express Limited. Airlines in Kenya therefore should devise new products for customers, offer exceptional and excellent services, embrace efficiency in their operations and use customer response to enhance service delivery. (Kiprono & Genga, 2018). Even though the competition is value creation, airlines need to adopt competitive strategies to avoid unhealthy competition activities in Kenya Market. Affirmative actions by economic policymakers were seen to enable the weaker local airlines to be strengthened to allow them to compete fairly with the larger competitors-local or international hence allowing airlines to improve their performance (Okwach, 2012).

Reflecting on Kenya Airways, the acknowledgement of the airline and authentication as an Embraer Authorized Service Centre (EASC) guaranteed continued internal servicing of the Embraer fleet as well as the creation of additional income by offering services to third-party clients. This in turn increased the performance of the airline in the year 2018, (Joseph, 2019). The airline declared a reduced loss before deduction position of Kshs 7.59 billion. With their focus on cost cutting initiatives, increasing revenue initiatives, network enlargement, renovation

of customer encounter, and amendments in the top executive projects as actions to ensure business continuity, the airline observed revenue growth in the year 2019 as explained by the chairman (Joseph, 2019). This growth was substantially elevated by growth in passenger revenue, cargo, and additional comforts simultaneously, managing to keep their running costs at manageable levels.

The 2020 press release on 2019 full-year financial result, the airline recorded a 12.4% rise in income for the year ended December 31, 2019. The affirmative accomplishment was accredited to the projects like enlargement of the network, enhanced passenger, freight, ancillaries, and other avenues for generating income. This endowment contributed to an increase in passenger numbers of 6.7% hitting a record of 5.1 million, an heighten of 68,264 tonnes Cargo loads from 64,238 tonnes the previous year and a positive contribution to the ultimate outcome of Kshs 0.2b (Kenya Airways, 2020).

2.3 Economic operational environment and performance of Airline Projects

The purpose of studying economic environment in measuring airline performance is to generate a country's economic growth, sustains development and to make it easier for global business. (Air transport Action Group, 2005). Aviation sector is approximated to have sustained a \$1.5 billion gross aggregated benefit bequeathing to GDP in Kenya in the year 2014 with a further \$1.7 billion gross aggregated benefit contribution by foreign tourists' expenditures. (Saxon, 2017). Kenya's aviation industry according to a report by Airport technology, (2017) contributed to \$3.2bn which was equated to 5.1% of the country's gross domestic product (GDP). This shows that airlines contribute significantly to economic growth of a country and therefore, this study focused on Fuel saving initiative project, and economic recession preparation and averting project as the economic environments affecting airline performance projects in Kenya.

Airlines are affected badly by the recent recession of COVID-19 and are forced to adopt a cost cutting measure because of the decrease in profits generated; poor airline performance and thousands of jobs lose. Askan Academic, (2019). The economy recession has left behind very negative effects leading to increase in oil and fuel prices, a critical variable, and the most important component of total airline costs. This has contributed to losses in airlines due to high operation costs. (International Airport Review, 2019). The preceding fuel increment and collapses have allowed detrimental effect on the airline industry, and cost-effectiveness has been incurred as a direct result of the deteriorating economy. Regrettably for airlines, they

are incapable of heightening their prices in reprisal for these intensified costs owing to a highly competitive environment designating the industry. (Benjamin, 2018)

COVID-19 affects the operational profitability of the airline, and the agility of airlines to change amid unpredictable markets played a bigger responsibility in the knife-edge of the airline. Airlines that adapted fast, responding to changing market needs and cargo demand fared considerably better than airlines that did not. Study from the field concurred with the 2019 International Airport Review article on COVID-19 contributing to losses in airlines due to high operation costs. The field study revealed that Covid-19 greatly affected Kenya Airways during its onset especially quarter two of 2020 where almost 98% of the organizations' fleet were grounded. Since flying was the then airlines only source of revenue, they incurred a lot of expenses in maintaining the aircrafts in terms of carrying out daily, weekly, and monthly checks. The airline too was squeezed of cash while paying leases on grounded aircrafts which are not generating any revenue. This led to losses in the airlines due to the low performance.

The airline's fleet scheduling is also a determinant for revenue and sustainability of economy. This is because of the amount of the total operating costs being highly reliant on the type of aircraft operated by an airline. An increase of 1,800 Indonesian Rupiah in the price of aviation fuel was experienced in Indonesian airlines in the year 2003 because of the use of fuel inefficient Turbo Jets. This led to their government imposing a fuel surcharge on all the airlines to shield the cost of fuel and stay operational. Most of the airlines changed the type of aircraft they were operating to an economic Turbo Fan and younger aircrafts while others were not able to afford such aircrafts therefore experienced bankruptcy and ceased operations. (Simarmata et al., 2014). On the other hand, increase in fuel price may have decelerated the domestic growth in the U.S. and abridged little stage length traffic between the year 2004 and 2007 due to network structure and airport connectivity (Hansman et al., 2014).

The study findings from the field discovered that the airline was all equipped and operated with fuel efficient fleet which were not consuming a lot of fuel as the inefficient turbo jets. The study reports from 106 (68%) respondents shows that the implementation of fuel surcharges and fuel saving initiatives in the organization was ensuring excellent performance of airlines projects by generating more revenue and saving more cash. The study also concedes that exercising flight scheduling and fuel efficiency measures is a means to ensured better performance of airlines projects.

Fuel efficiency is also an indicator that provides a measure of economic operational environment in airlines. In their report Hansman et al., (2014) found out that US Airlines have identified additional operational changes through fuel management programs like operational efficiency and finances that leads to increased fuel efficiency. The researchers enlighten us that with perpetual fuel inefficiency, a 45 percent increase in the actual price of oil was experienced between the year 2010 and 2020. This resulted in an increase in air fares for both local and foreign passenger flights as high as 11 percent. Local travel for leisure decreased by 6.1 percent as the travel cost increased as a result of heightened oil prices and similarly, foreign travel by U.S. residents decreased by 6.5%. Their research recommended applying strategies that would enhance the effectiveness of fuel, lowering the reduction in local air travel by 0.2 to 0.4 percent less considering the amount of \$427.7 billion that the US residents spent on domestic travel and tourism in 2010.

Acknowledging Hansman et al., (2014) report, the study found out that Kenya Airways had already identified and was employing additional operational changes through fuel management programs like operational efficiency and finances that leads to increased fuel efficiency. The organization also managed to save \$952,000 from the beginning of Jan 2021 to October 2021. This therefore concludes that flight scheduling by using fuel efficient fleet and application of fuel saving initiatives is still considered the best ways to improve performance of airlines projects.

The researcher further researched on additional maintenance changes that the airline could employ to further increase fuel efficiency that can be used on conjunction with the operational changes. From the study, the researcher considered how much the airline will save by removing paper in-flight magazines carried onboard each seat. The study found out that the airline operates 32 passenger aircrafts which carry 2 in flight magazines per seat. For one year the company uses around \$22,971,700 extra on fuel for extra weight of carrying the magazines and carbon emission on fuel burned. If the airline considers removing these, the operational performance and efficiency will increase by saving the organization such an amount. The finding calculation is as tabulated in Table 2.1. The research therefore advises the airline to consider incorporating the in-flight magazines on the in-flight entertainment systems embedded on the seats which can be easily displayed for the passengers. They should also consider making it downloadable from their site so that passengers can print at their own convenience.

Table 2.1: Fuel savings from removing paper in-flight Magazines

AIRCRAFT	BOEING 787-8	BOEING 737-800	EMBRAER 190
Total Number in Operation	9	8	15
Total Number of Seats	234	145	96
Total Magazines per seat	2	2	2
Average weight of one magazine in Kg (160 Pages)	0	0	0
Average flights per year for all fleet (Hrs)	39,842	40,482	46,340
Extra Weight of magazine carried per year (Kgs)	5,127,665	3,228,440	2,446,752
Fuel Burn rate (Kg/h)	4,900	2,530	1,970
Total fuel burned per year (Kgs)	1,046	1,276	1,242
Carbon Emission per year (Kgs)	3,302	4,026	28
Total Extra weight per year (Kgs)	5,130,967	3,232,465	2,446,780
Total Extra weight per year (Litres)	6,413,709	4,040,582	3,058,474
Cost of fuel per litre (Oct 2021)	2	2	2
Total Price for the Extra weight carried (\$)	10,903,305	6,868,989	5,199,406
TOTAL (\$)		22,971,700	

Source: Kenya Airways, 2021

Due to demand segment within airlines fares are adjusted appertaining to total fuel cost and to suppress this apropos of fuel prices increase majority of the airlines use evasion schemes against fuel cost risk, making it higher reliable (Mendoza, 2016). The scholar and many others have recommended fuel hedging as an initiative for saving fuel. However, this initiative is not a pricing insurance but a financial one which is not expected to add value in the long term; if not researched and thought through well, can also lead to losses in an airline. Many airlines are known to have hedged and gained profit with prices of fuel increasing and others have lost massive amount of dollars due to hedging with fuel prices becoming lower (Morrell & Swan, 2006).

In the year 2009 and 2010 Kenya Airways actual losses on fuel through hedging was Ksh. 1373Million and 3771Million respectively. Nonetheless, his was countered in the subsequent period between April 2010 to March 2011 when the airline recorded an increase of Ksh.298 Million (Kimeu, 2011). This example alone shows that hedging cannot be fully relied on as a measure of saving fuel initiative. Since hedging alone cannot bring operational costs like fuel prices down, introduction of additional operational fuel saving methods in conjunction

with hedging can assist Kenyan Airlines manage fuel saving initiative project while looking at recessions that affect airlines economy at large.

The study research affirmed Kimeu (2011) article and found out that the airline still practices hedging as an initiative for saving fuel. The report found out 106 (68%) respondents agreeing that fuel hedging process may be applied as a means of increasing performance of airline projects in conjunction with operational considerations for fuel saving initiatives. The airline practices hedging together with combination of operational considerations for fuel saving like the application of Cost Index, flying at optimum flight levels, flying at calculated cruise speeds, using GPU instead of APU when aircraft is on ground, Single Engine Taxi, and using Reverse Thrust when landing.

2.4 Political operational environment and performance of Airline Projects

Political factor is another operational environmental factor that affects the performance of airlines in Kenya. The purpose of reviewing political environment in this study was identify the ways in which they have negatively influenced the performance of airline projects in Kenya and how they can be curbed to enable efficient operation and maximum performance. According to Shaw, (2018) Political environment can transform because of the approaches and performances of the predominant government at national to local level; therefore, it is imperative that a business should arrange for the mutability in the guidelines and legislations of the government to keep a steady business environment. Political instability measure and prevention and employee's empowerment and retention projects are the political environments that have been discussed in this study.

Political instability like the Brexit and US President Trump's coronation in 2017 affected the broader aviation industry and according to Airports Council International (ACI), the potential consequences for aviation of the UK leaving the EU was something that warrants worry. The council raised interest about doubtfulness over rules that would come to regulate aviation between the UK and the EU27 calling for transparency for passengers, airlines, and airports, to enable pursued investment in growing their joint congruence. Mr. Olivier Jankoves the then director general of ACI was troubled by the fact that the airline industry was to be kept apprised for evidently more months to transpire hence ending up restricting route channel development for airports, eventually affecting air alliance for their communities (Steele, 2018).

IATA's viewpoint on the other hand as opinionated by (Steele, 2018), stated that although President Trump the then US president declared a hope to heighten policy on investment in considerable need US foundation, he had not uncovered any budgetary or investment policies which have affected the airline industry. His administration however, had recommended a prohibition on entry, awaiting the consequence of the legal proceedings in the US (IATA, 2019). The prohibition on laptops and other electronic devices in the cabin, inspired by the US and reproduced by the UK, Australia, and Canada, was affecting on some airlines and gave an example of Emirates broadcasting drops in its services to the US because of declining claims attributed to by the laptop ban.

According to Prokopovič, (2018), the Middle East airline industry faced a series of protests and demonstrations across the region from the 2010 Arab Spring and had not yet totally recovered it in 2018. (IATA, 2011) press release on the other hand, quoted the state unrest in the Northern Africa and the Middle East that led to a greatest tragedy collapse in freight multiplication from 8.7% in January 2011 to 2.3% in February was affected partially by industry closure because of the Lunar New Year time which fell in the beginning of February in 2011. The political unrest in Egypt and Tunisia that disseminate across the Middle East and North Africa led to growing demand in the entire region taking a stand back and the catastrophic seism and its wake in Japan that happened the same year.

Political instability through tension imposed during general election in Kenya has been experienced at least twice. As explained by Kimani (2008), an approximated 1,000 lives were lost, and surpassing 350,000 people displaced by the skirmishes that happened after the December 2007 Kenya's post-election inflicting a considerable burden both internally and over and above its borders. Air traffic between Rwanda, Burundi and Kenya reduced as a consequence of enormous price of jet fuel and Kenya Airways, discontinued non-stop flights to Paris, impacting passengers from Seychelles, Comoros, Burundi, Rwanda, and DRC who had to alternate to lengthy and price spike routes.

Political factors of a country can affect any corporate body initiating a risk quotient that can induce the business to either incur losses or jeopardize over its profit stream (Shaw, 2018). Kenya being known as the global export provider of black tea, reduced its harvest in the year 2008 by 7% as estimated the Kenya Tea Council because of the crisis and the then 36% production of Europe's flower bouquets, as well as horticultural products were also affected. Tourism which is Kenya's core income generator and the formerly predict of \$1 bn revenue

in the year 2008 was not so because of the 2007 skirmishes (Kimani, 2008). Other political instabilities experienced in Kenya that affects performance of airlines in Kenya are the Al Shabab attack from Somalia and the and food security among the East African community.

Kenya airways too has faced poor performance regarding political instability especially in the year 2007 and 2013. The findings from the field revealed a wide response with 103 (69.1%) of the respondents affirming that the political instability and tension affects the performance of airline projects. Kenya airways mostly operate international flight compared to domestic flights. During the national elections that were held in 2007 and 2013, the airline had several its fleet grounded because there was not too much activity in the election months. Tourists who fly in the country feared for their safety and so ceased flying in the country. The ones, who were in, flew out and so no normal flying in and out was experienced in the onset and subsequent election months. The national general election is coming up in August 2022 and the study found out that the airline had put in place measures to prevent low performance with this operational environment. The airline has increased their cargo operations and recently converted two of their Dreamliner's to cargo which has increased their performance drastically. The study also found out that the airline signed agreements with South Africa Airways and Congo, which is to benefit both parties.

The researcher recommends the introduction third party training for both engineers and pilots. The airline is an approved training organization recognized internationally and if they take the opportunity to offer training to other airlines locally and internationally, they will improve their performance not only during political instabilities and tension but also during normal operating environments. The survey outcome disclosed that the airline has started offering maintenance, repair, and overhaul services to 9% of airlines in African countries and the researcher recommends that the service should be increased to cover a wider percentage of airlines. This will help the services pay the workers instead of only relying from revenue generated from operations. The airline should also consider MEDEVAC services as a recommendation from the study internally during unrest to parts of the country with war and to other neighboring countries that are at war due to instability.

Employee turnover is another political operational environment that is considered a serious issue to airlines. Even though the airline industry continues to growth, it is still wriggling to support a continual number of engineers, technicians, and pilots. As defined by Nahar et al., (2017), personnel turnover rate is the extent of employee shift that betide externally and

internally. In their report, they found out that remuneration was an intrinsic influential factor which considerably reinforced the employee turnover events and advise airlines in Bangladesh to consider restructuring their salary scales. Apart from the monetary incentives, being valued for the excellent job was a recommendation offered airlines to create a change in employees job satisfaction. Mokaya and Kittony (2008) advises Kenya Airways to standardize its service conditions with other major players in the industry, organize meeting with its technicians to divulge matters of concern, and examine its existing administration and command style conducive to making it enhanced communication among the employees.

From the research discoveries a wide response with 97 (65.1%) of the respondents attested that the poor compensation of employees and work imbalance affected the performance of airline projects, on the other hand a wide response with 90 (60.4%) of the respondents divulged that lack of purpose and job morale affected the performance of airline projects. Most respondents claimed that remuneration was the major factor since the airline was not reviewing salaries yearly as other airlines do. They weighed and compared the same salaries between two years of 2007 and 2017 considering countries inflation and they conclude that the money was not of the same value. The airline was not giving bonuses or increasing salaries annually to motivate the employees. Over and above, job rotation was not encouraged and so employees felt bored as working on one job for a long time is too monotonous and sometimes led to introduction of human factors dirty dozen. These sequentially led to lack of job morale and purpose.

Effectual leadership management in cognitive capacities negotiation of employee concerns and views to supplement performance and development of Kenya Airways was a suggestion given by Ombego and Makori (2015) to enhance Employees' accomplishment in Kenya Airways. The data from the survey showed a 95 (63.8%) of the respondents concurring that the appreciation of employees at workplace affected the performance of airline projects, and 105 (70.4%) of the respondents acknowledged that the relationships with managers at workplace affect the performance of airline projects. The researcher found out that most employees were not appreciated at their workplace and some relationships with managers were peculiar. Hiring and promotions were done on favouritism and job applications were tailored to suit a specific employee. The managers were not looking at employees' qualifications, but promotions were done on favouritism. The employees felt that if appreciation was done based on hard work and qualifications then the relationships managers will be good, and employees would work with passion hence increase performance of airline projects.

Further exploration discoveries from the human resource department revealed that KQ has a recognition framework that engages, recognizes, and celebrates staff achievements and performance by connecting and enhancing the contribution of each employee towards fulfilling the focus areas and company values. The department employees interviewed revealed that they consider employees whose ideas effort or initiatives have significantly made an impact in the business by increasing productivity, reducing cost, improving efficiency, and creating a safe working environment. These recognitions are done quarterly and annually and in a transparent manner since the nominations of staffs were done by staff themselves and verification was done by the human resource department. The survey also uncovered that the organization had extended strategies of employees' retention project by liaising with different banks and Sacco's to offer employees loans at affordable rates as well as introducing online classes outside specific scopes that employees can gain mastery in.

The researcher carried out more intense survey to find out why international airlines pay more to their employees and some airlines like the Middle East are poaching more employees from Kenya Airways. The researcher advises Kenyan airlines to consider giving their employees education grant for their children who are eligible in school up to the age of 18 years old. The airlines should also consider offering job security and giving employees opportunities to access loans not to limited Sacco's and specific banks but to all financial institutions. Since different employees have different preferences, the researcher finally recommends that more investigation on the root cause of employees turns over in Kenyan airline should be done and best corrective action that can be employed to minimize the turnover by going above and beyond to find solutions of employee retention from well performing organizations within and out of aviation is a long-term solution for this problem be determined.

2.5 Legal operational environment and performance of Airline Projects

Legal operational environmental is the last factor that is discussed in this study and that affects the performance of airlines industry. This are set of rules and regulations that airlines must adhere to and can sometimes affect their performance. Airlines are known to be governed by rules and regulations that are legal in nature and must be adhered to with the intention of efficient and safe operations. A finding report by Haide (2010) showed that some of the legal procedures imposed in a country may not be directly applied to airlines but greatly affects their performance. As Aviation industry is known to be one of the contributors of a country's GDP, its effect will automatically affect the performance of a country in terms of GDP. With there

being several laws that affect airlines indirectly, this study narrowed down its research to government intervention by imposition of taxes and fines and how Foreign Trade agreements is affected by Trade war between countries hence affecting Air Service Agreement.

Trade agreements are agreements that are signed between nations so that exchange of goods and services should be experienced freely. (International Trade Administration, 2020) stated that Kenya had several agreements signed not only between it and other African countries but also other countries outside African continent. With these trades done in countries where major airline in Kenya, KQ flies, a bilateral or multilateral air service agreements is also signed in conjunction with the trade agreement so that export and import of goods can be done across these countries freely by air. As at 2020 Kenya had endorsed bilateral trade agreements with 27 countries both in Africa and out of Africa.

The survey information discovered that trade and air service affect performance of airline projects to a greater extent. Aviation is a highly sensitive, regulated and must go through intense approvals in terms of safety and security. Since airline and flying is the only way to penetrate a border even without landing in a country, it is considered a way of opening borders for either business or tourism. If states declare war, express disappointments, mess up or when diplomatic ties are in disarray, either in terms of trade or any other issue nonrelated to airlines; the easiest and the closest way to get to each other is closing the borders by closing flights. When trade is affected, passengers too are affected because they will not travel either since borders will be closed and the businesses ceased. When airlines are not operating then the performance of airline projects goes down.

This surveys result depicted a response of 8 (38.1%) agreeing that instigation of guidelines on trade affects performance of airline projects. The airline was found not to have guidelines on trade agreement because guidelines are government instituted and are non-related matter to aviation therefore states are at their own disposition instigate guidelines. The research study recommends that talks should be set up between the government and airlines to instigate guidelines so that whenever countries have disarray in their diplomatic ties, airline transportation should not be ceased.

Trade war occurs when disagreements are experienced between countries. Take for instance the insecurity caused by the Al Shabaab between Somalia and Kenya that has led to cessation of flight between the countries. The COVID-19 Indian variant led to the suspension of passenger flights in compliance with Government's directive banning air travel from and to the

Asian nation (Tongola, 2021). Besides Africa, trade war is also seen to have affected aviation industry in other parts of the world. In 2019 a trade war experienced between China and US after the US President Trump imposing tariff rates of 25% on \$300 billion in Chinese consumer goods importation after already enforcing 10%-25% levy on steel and aluminum importation the previous year (Fafinski Mark & Johnson Law firm, 2019). This levy enhanced the price for U.S. companies to produce airframes and aircraft components which heightened the value of new aircraft consignments in the United States.

High taxation on customs clearance and government fines that are imposed to airlines are also legal environments that affects operational performance of airlines in Kenya. Government policies such as government claims to reduce or increase the fares, interruptions in the flight by virtue of the power structures or late registers can arbitrate in the airline industry and have atrocious impact. Excise taxes and other charges the government imposes on airline tickets are so high that they account for a significant portion for nearly 17 percent of the total fare (Jones Day, 2011). The exploration results brought to light the type of government taxes in airlines as departure and arrival taxes. These are taxes paid by airlines and collected by government for sustenance and therefore cannot be avoided. The legal team from the airline affirmed that these taxes affect the performance of airline projects and cannot be waived by government. The team however assured the researcher that negotiations between the airline and the government is ongoing to ensure reduction of the taxes and fees to a minimum level. The research discovered that value added tax of 16 percent of purchase price, repair or overhaul is imposed on all components shipped in the country but refunded by the government which means that in this sector taxes is exempted.

The 2011 Consumer requirements created by the executive on American Airlines added \$1.7 billion per year in airline cost and \$395,850 fine is imposed on US Airways for infringing rules on freight of dangerous goods. (Dempsey, 2013). The researcher that concluded that the lack of action from governors to review expert views, and the disposition for the authority to govern predicated on a cost-efficiency, was a large benefactor to the ineptitude of the rules prayed to airlines operating under 14 CFR Part 121. There was also, an estimated increase in the taxation tare from \$61 to \$75 per \$300 ticket sold in the year 2014. With such tax hikes, there was anticipated hope of decline in airline passengers by 17.7 million in the same year contributing to airline reducing their fleet, hence affecting their operational performance (Stellin, 2013)

There are also fines proposed per each incident for violation of passenger rights such as the violations as frailty to furnish replete fare publicity, lack of airplane status changes, frailty to inform passengers every thirty minutes of hold up reasons, abortive attempt to food and water for passengers during the two hours of pushback, and tarmac hold up over 3 hours. (Jenkins et al., 2011) If an airline delays, loose passenger baggage on transit or fails to provide flight status changes to passengers, they end up paying more money for accommodation of the said passengers and compensating them for the inconvenience. The scholars also report on the fine of \$900,000 fine imposed by the Department of Transport in America to American Eagle in 2011 for violation of passengers and increased the number of penalties in the aviation industry. Procedures followed while signing air service agreements and how they are influenced in relation to trade agreements should be investigated. Solutions should then be included in both agreements to make sure that there is no effect on operations of airlines in Kenya.

The analysis results affirmed Jenkins et al., 2011 where the fines imposed that affects the performance were incident for violation of passenger rights especially by not informing them on flight status changes or delay. Government punitive fines were also found to be imposed on airline when a violation or non-compliance on one regulation is encountered. This can be in form of ferrying undocumented passenger either by having an expired passport, or not having a passport at all. The fines are usually a higher percentage more than the ticket price of the passenger. From research on application of tariffs to international trade and how they affect the performance of airline projects, 12 (60.2%) respondents agreed with the statement. This is backed up by an additional finding where the airline does not impose tariffs on international trade because it is documented in a clause under the latest ICAO bilateral agreement. The clause discourages the act and rather recommends airlines to leave the market liberalization for demand and supply to take effect.

The researcher observed that the violation of air service agreement was evident due to the strict set rules and regulations especially on safety matters that could not be infringed. This is also evident by 7 (33.4%) respondents ratifying that the violation of air service compliance has affected the performance of airline projects For example, if an airline departs from point A to point B without following due regulations and unintentionally the matter happens to be picked up either by the media or any authority then reported to the country, loyal passengers might avoid the airline because of safety issues which might lead to poor performance of airline projects. The airline therefore was found to strictly adhere to set rules and standards from the authority.

2.6 Theoretical Framework

This module examines the concept that is associated to the study. This includes Contingency Management Theory.

2.6.1 Contingency Theory

The study was also be guided by contingency theory of management suggested by an Austrian psychologist - Fred Edward Fiedler, in 1964 (Virkus, 2009). Fiedler examined leaders in different circumstances but predominantly in militaristic terms and their form is founded on their study outcomes. This model asserts that there is no better form of management; instead, a manager's efficiency is founded on the circumstance (Mind tools, 2021). Having a contingency plan means having an established structure for what transpires when things go wrong, who works where and how to come out of a dire situation safely and successfully. It is having self-assurance that the eventuality or mitigation plans that are established will work for any situation and that their resources are always profited from. Since there is no defined process of how to handle situations as one, each organization ought to identify their leadership style, identify their solutions and then determine the practical idiomatic expressions to employ in that situation. (Mind tools, 2021).

According to Mrusek (2017), the Contingency Theory assume firm's performance as a role of reciprocities intercompany inner and outer constructs which can be categorized as environmental, resource, and management practices. He goes ahead and states that environs up casts are elements that simulate the organization but are beyond the immediate command of the organization while resource up casts are elements in which administration has greater influence. His research also defines management which is considered as a final construct as any particular in the company that has the power to determine the distribution of appropriations. He therefore concludes that the Contingency Theory is a suitable setting specially to survey the effectiveness of joint leadership on an aviation support multiteam systems environment because of the constructs mentioned.

Southwest Airlines and Emirates Airlines illustrate how different concepts can take effect and applied concerning the existing discipline, financial, and organizational facets. Southwest Airlines attests the means by the way that it is conceivable to coalesce metamorphic, contingency, and behavioral concepts while Emirates Airlines' leaders are expert gratifying desires of clients and workers and providing the higher standards of service in the most

unforeseen circumstances (Ivy, 2020). Piyu, (2019) on the other hand states that contingency theory regards the affiliation between organization and outside environment to permeate the lapses of system theory.

This theory is widely applied in areas like resource, finance, leadership and in organizational management facets. Therefore, from the theory, it is true to say that each section dealing with the project discussed in this study ought to identify their leadership style, identify their solutions, and then determine the practical idiomatic expressions to employ in that situation. For instance, government fines and taxes affect airlines in general but human resource department cannot employ a solution to this because, it does not deal with tax matters. The legal department is in a better position to identify styles and solutions with the government to curb the problem of increased taxes. Human resource can only offer solution regarding employee’s retention projects.

2.7 Conceptual Framework Model

The researcher used a conceptual framework model because it shaped the foundation of the survey cluster and imparted conceptual tools to crucially scrutinize and support pragmatic accesses to the given variables. This study employed a conceptual framework concept map format which is represented dramatically with independent variables alleviating and dependent variables of the research study as per figure 2.1

Independent Variable

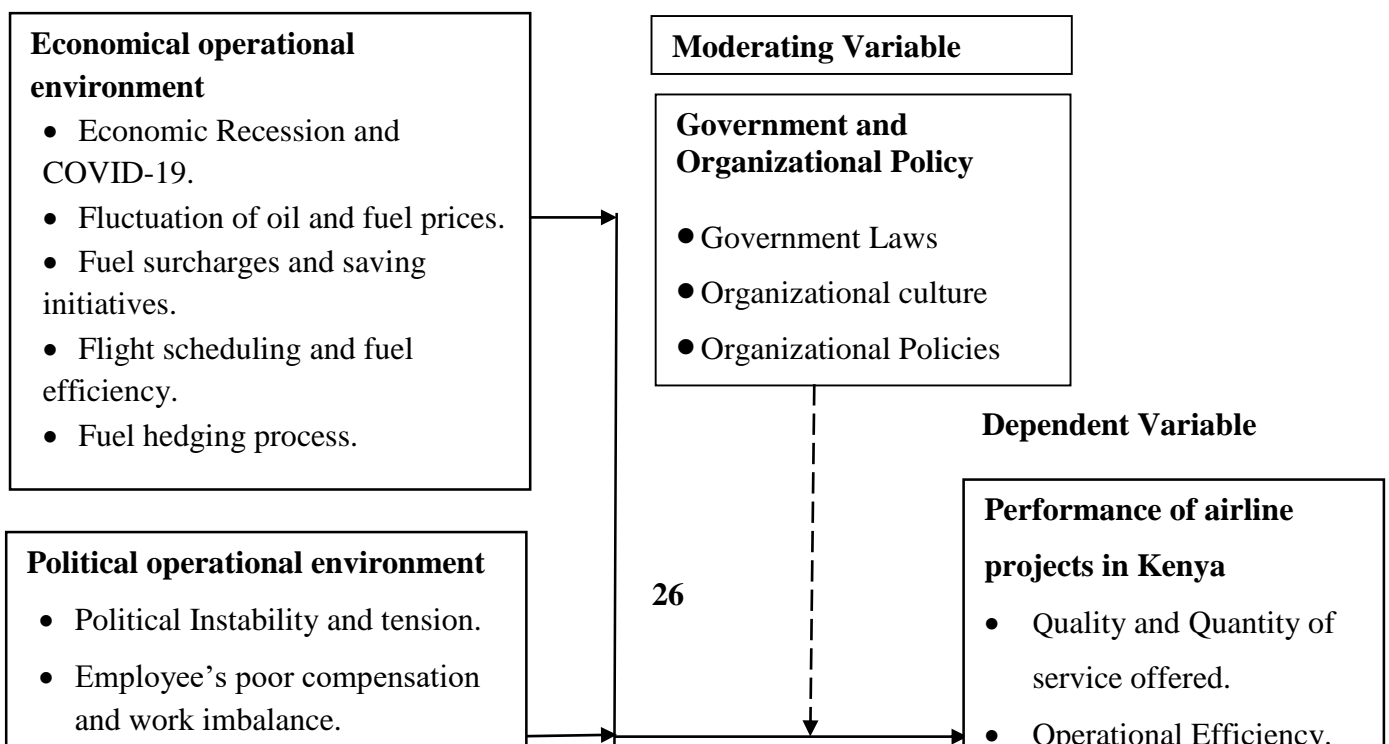


Figure 2.1: Conceptual Framework on operational environment on performance of airline projects in Kenya

2.8 Research Gap/literature gap

Table 2.2 Research Gap/literature gap

Author (Year of Study)	Topic/Title	Findings	Research Gaps	Focus of the current study
Rohan Gujar (2016)	Effects of fluctuating fuel prices on the VAR of the Indian Airline Industry	<p>Airlines that have hedge their fuel exposures may find it profitable to sell cheaper air tickets compared with airlines that have not hedged against oil price increases.</p> <p>There is no clear link between jet fuel hedging and market value of the firm as there are numerous simultaneously operating factors. Also, hedging results in lowering of business risk which could be reflected in the stock price of the specific airline</p>	<p>Hedging is an insurance on fuel and not all airlines benefit from them especially when prices are locked and drop from the hedged amount therefore considered a financial risk The process alone cannot be relied upon as a means of increasing revenue.</p> <p>The simultaneous operating factors that are alleged to not create link between jet fuel hedging and market value of the firm is not identified.</p>	<p>To further investigate on hedging process and any operational consideration and to introduce maintenance considerations as a means of fuel saving initiative.</p> <p>To create a link between jet fuel hedging and market value of the firm by giving an example of how much an airline will save if these maintenance considerations are employed</p>
Thowayeb Hassan, Abu Elnasr Sobaih and Amany E. Salem (2021)	Factors Affecting the Rate of Fuel Consumption in Aircrafts	To reduce the weight of the flight, which significantly affects the fuel consumption, attention needs to be paid to ground crew, flight check crew, and cabin crew. Proper planning should also be conducted to provide information for flight check crew about the flight and undertake appropriate maintenance for the airplane. In relation to the ground distance, accurate information should be established during the planning phase and before scheduled time of departure	The study looked at the operational consideration alone on rate of fuel consumption and considered further operational consideration to reduce fuel consumption in aircraft which is a practice done by many airlines. Other ideas like maintenance considerations were not explores which contributes significantly to low fuel consumption	To find out whether the case study airline has employed any maintenance consideration and introduce other maintenance considerations not employed as a means of fuel saving initiative.

Ombego, P., & Makori, M. (2015).	Drivers influencing employee performance in airline industry: A case of Kenya Airways.	The study established that use of human resource policies influenced Employees' performance in Kenya Airways and encouraged involving the employees through influence of training, rewarding employees, providing a conducive working environment and efficient, effective leadership style management in decision making.	The study recommended ideas that were general and not specific to employee's needs. Every employee has his/her own need and so general recommendations will only favor several employees.	To identify different needs of employees and try to find solutions that can be employed collectively to cater for a wider range of personnel thereby reducing employees turn over.
Owen Ouma Odongo et. al, (2019)	Influence of labor relations on performance of airline industry: A case study of Kenya airways limited.	Labor relation has positive and significant influence on performance of Kenya Airways. KQ has improved the working condition of the employees. Pay structure and evaluation of employees affect Kenya Airways employees' performance. Industrial action by the employees in the form of strikes affects performance. Employees of Kenya Airways are motivated, and their morale boosted and the organization employees skilled personnel.	The study does not mention how employees are motivated and compensated especially when there is a shortage of staff in a particular section.	To identify different needs of employees and try to find solutions that can be employed collectively to cater for a wider range of personnel thereby reducing employees turn over.
Melánia Hudáková (2021)	The long-term implications of the COVID-19 pandemic on the aviation industry	A rise in customer satisfaction and anticipated value for money can positively influence the intention to travel. Therefore, to motivate potential passengers to use airline services in pandemic times an increased 50 attention should be paid to meeting their needs and justifying the price they pay for air transport. to have a satisfied customer base.	Customers are human beings that can change their mind anytime and concerned about their safety so no one can force a pax to fly if they do not want to. Passenger services are not the only means of improving airline performance amidst the COVID-19 pandemic	To introduce other means of revenue generation that can increase performance of airlines during and after the pandemic asides ferrying passengers.

Rajee Olaganathan (2021)	Impact of COVID-19 on Airline Industry and Strategic Plan for its Recovery with Special Reference to Data Analytics Technology.	As the economy of the airline industry decreased drastically most of the governments intervened and offered economic support to the airlines operating in their air space. The COVID-19 pandemic reduced the social relationship due to travel restrictions and social distancing. Regarding technological factors, governments tried to identify the super-spreaders of the virus through contact tracing while airlines and airports used the latest technology to disinfect and sanitize the aircraft and airports.	These are plans by the governments that are imposed worldwide but are not the ultimate solutions or strategic plans to recover from COVID-19. Government cannot support all airlines in a country and airlines cannot generate revenue if the passengers they are ferrying are reduced by half due to social distancing.	To introduce other means of revenue generation that can increase performance of airlines during and after the pandemic asides ferrying passengers.
Sotiria Dimitrelou et. al, (2020)	The effects of covid-19 in the European airline industry. Results from PEST analysis.	Governments to offer economic support to companies that are registered or operate within their territory. Companies are suggested to cut any unnecessary costs and possibly change their structure in order to surpass them loses. Companies can change their target areas or switch to cargo flights for more profit	Government cannot support all airlines in a country. Even though airlines cut costs and possibly change their structure in by eliminating aircrafts or employees, resources are only wasted, and airlines cannot recover. PEST analysis does not identify what environment needs more research and is dominant among the 6	To introduce other means of revenue generation that can increase performance of airlines during and after the pandemic asides ferrying passengers. To explain why PEL are more important and affects performance that the EST.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter debates on the method of research, population target, sample size and the selection of the sample, procedures for data collection, techniques for analyzing data, instruments used in research, the pilot testing of research instruments, the reliability, and the validity tests of the research instruments through data processing, ethics to consider while undertaking the research and finally the operationalization of the variables.

3.2 Research design

This study employed a descriptive survey design under a qualitative mixed approach. Descriptive survey design describes a problem, and its solution and it considers it a more specific study. It is used to show the traits of a population or occurrences being explored, and it offers the solution to whatever, and does not provide the answers to in what way, at what time, and wherefore (Bhasin, 2019). This study employed the descriptive type of survey design because it gathers an enormous amount of rich data borne for future reference, a more engrossed study develops using and limitations of the study as a tool.

3.3 Target population

The population of 335 respondents was chosen based on the current number of employees in Kenya Airways. These respondents were classified under their departments. 11 Human Resource employees, 180 technical department production engineers, 4 legal employees, 109 flight operations department fuel section employees, 12 from engineering finance and 19 technical managers. Choice of departments was done because of intense knowledge and direct connection to the projects being tackled in the study.

The researcher based the population target on the employees of Kenya Airways – Nairobi Office located at the Jomo Kenyatta International Airport because of availability of time, budget constraints, proximity to gaining first-hand data, and the possibility of improving accuracy and quality of faster data collection.

Table 3.1: Target Population

Category/ strata	Target Population
Flight Operations Fuel section Department	109
Engineering financial Department	12
Technical department production engineers	180
Human Resource work life cycle	11
Legal Department	4
Technical Managers	19
Total No. of Employees	335

Source: (Kenya Airways, 2021)

3.4 Sample Size and Sampling Procedure

Sampling is an observation drawn from a population (Qualtrics, 2020). It is also the assortment of constituents from a population of concern so that by examining the sample, the researcher may simplify back a unbiased outcome to the population from which they choose (Trochim, 2020). Sampling also refers to choosing a cluster from a plentiful loftier population that is analogous in its trait. For example, income, gender, age, culture, and allocation of the larger population. Results from studying the group can then be generalized to the larger population (Picciano, 2020)

3.4.1 Sample Size

The calculated sample size of the study was 182 out of the 335 target population respondents. The sample size identifies the number of subjects to be incorporated within a sample and devising the true sample size, is vital in uncovering a statistically considerable outcome (Qualtrics, 2020). Before calculating the sample size, the researcher chose a sample size from six categories of the 182 employees, allowing a marginal error of +/- 5% and assuming a confidence level of 95%. The purpose of using a sample size drawn from the population target was to allow the researcher derive conclusions regarding the entire space that the research is studying.

The sample size was gotten from Yamane formula (1967)

Formula 1:

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

Where:

- n = sample size.
- N= Population Size.
- e = margin of error

$$n = \frac{335}{1 + 335 (0.05)^2}$$

$$n = \frac{335}{1 + 335 (0.0025)}$$

$$n = \frac{335}{1.84}$$

$$n = 182.3$$

$$n \approx 182$$

3.4.2 Sampling Procedure

This research study adopted a stratified sampling technique which divides the total population into six strata according to the job profile. These were Engineering finance employees, technical department production employees, Flight operations fuel group section employees, Legal department employees, Human Resource work life cycle and Technical managers. Based on the sampling techniques, the researcher used Yamane formula (1967) approach in this study to select the sample size.

The sample study distribution category is as Table 3.2.

Table 3.2: Distribution of Sample Size

Category/ strata	Target Population	Sample size	Percentage
Flight operations fuel group employees	109	58	32
Technical Department production employees	180	96	53
Engineering finance employees	12	7	4
Legal department employees	4	4	2
Technical managers	19	10	5
Human Resource work life cycle employees	11	7	4
Total	335	182	100

Source: Author, 2021

3.5 Research Instruments

The researcher used interview guides and questionnaires as tools for collecting data in this study. The researcher observed social distancing while collecting data due to COVID-19 protocols. Email and phone survey was also used as a backup tool to acquire more data and clarification. The researcher conducted interviews and used questionnaires to the entire sampled population to gather more in-depth data on all the projects the study was seeking to explore. The discussion with the respondents gave a deeper level of understanding that could not have been accessed with a survey form thereby adding meaning and understanding to the existing knowledge.

3.6 Pilot testing of the Instrument

The research conducted research instrument testing on a pilot sample of the study which helped in defining the research question by dividing the questionnaires in to two before collecting data for those that will be used for pilot study and those that will be used for collecting data. 7 respondents from Human Resource work life cycle section, 20 technical managers, 44 technicians, 32 engineers, 4 respondents from legal department, 7 finance managers, 58 fuel group, and 10 technical managers were chosen to answer questionnaires and interviews for more information inquiry. The researcher then administered the questionnaires designed for pilot testing to a 10% sample size and checked whether the arguments developed for document analysis was appropriate.

3.6.1 The validity of Research Instruments

The researcher used both construct and content validity to prove how valid the research instrument is. The researcher tested content validation by assurance that the questionnaires encompass all the variables of the study. The research measured construct validity using Karl Pearson's Coefficient of Correlation to confirm the predicted correlations with verification of the answered questions and the results found were as table 3.3

Validity is the extent to which instrument measures and performs as intended. Because instruments are rarely 100% valid, the validity measure is in degrees and its validation process involves the collection and analysis of data to assess the accuracy of the instrument. Research rundowns, (2020). Content validity is the extent to which a quantify covers the view of interest not usually evaluated quantitatively; instead, by cautiously inspecting the measurement method counter to the intangible definition of the concept (BC Campus, 2020). Construct validity on

the other hand, measures what the computed scores intend and if there is a possibility for generalization of these scores. They use numerical thoughts, such as correlations, to substantiate the significance of the questions (Statistics solution, 2020).

Table 3.3: Results of the study validity

Operational Environment and performance of private airline projects			
Variable	Coefficient (r)	Number of Items	Comment
Economic Operational Environment	0.691	5	Strong positive correlation
Political Operational Environment	0.687	5	Strong positive correlation
Legal Operational Environment	0.729	5	Strong positive correlation

Source: Author (2021)

3.6.2 Reliability of the Research Instrument

The researcher used Cronbach’s alpha in this study to assess the internal consistency, and achieved an alpha value is 0.70 and higher on all the tested objectives thereby considering the instrument reliable as per Statistics Solutions (2021)

Reliability is the conformance to the tools to produce the comparable outcome over several experiments. Its assessment is through the verified-reverified procedure, substitute form procedure, internal coherence approach, the chance-halves approach, and inter-rate reliability (Statistics solution, 2020). When an evaluation has good verified and reverified reliability and internal coherence, researchers are more assured that the tallies portray its expectation (BC Campus, 2020).

Table 3.4: Results of the study reliability

Operational Environment and performance of private airline projects			
Variable	Cronbach’s Alpha	Number of Items	Comment
Economic Operational Environment	0.719	5	Acceptable
Political Operational Environment	0.721	5	Acceptable
Legal Operational Environment	0.763	5	Acceptable

Source: Author (2021)

3.7 Data Collection Procedure

The researcher acquired a declaration of intent from the university of Nairobi, Open learning department office and a research license from the National Council for Science, Technology, and Innovation (NACOSTI) to aid get authorization to collect data from respondents of Kenya Airways. The study collected primary data using questionnaires because of their suitability for a descriptive study. The researcher employed sectioned structured questionnaires for the departments that contained closed questions using a Likert scale of 1 to 5, where 1= Strongly Disagreed, 2= Disagreed, 3= Neutral, 4= Agreed, and 5= Strongly Agreed. The researcher employed the questionnaire through email, telephone and verbal interview methods.

The sample research letters from both the university and NACOSTI is attached under the appendix section of this research study. The researcher assured the respondents and the airlines of confidentiality on their responses and data. An introduction at each section of the questionnaire was done to ensure respondents get an idea of what was expected in the answers thereby, achieving the purpose of the study. The sample questionnaires and interview guide are also attached in the appendix section of this report.

3.8 Data Analysis Techniques

The data collected was analyzed using an Excel tool that manipulated spreadsheets and build analyses. The researcher chose the Excel tool because it was easier to gain and supported almost any standard analytics workflow. The researcher computed and generated the frequencies, percentages, mean, standard deviation and tables using the Excel tool. The researcher then got the interview data from the correspondents' writings, sorted them using conceptual content analysis, and present both the qualitative and quantitative findings in Excel.

Data analysis is the clean-up, converting, and simulating of data to determine productive data for business governing whose aim is to evoke useful information from data and judge subject to the data analysis. (Guru99, 2020). According to Grant, (2020) it is also testing of data using logical or numerical tools to disclose useful information. The researcher analyzed and arranged the data using tools, interpret the results, and deliver them as a synopsis, or as a visible chart or graph like.

3.9 Research ethical considerations

In this research, a signed introductory letter by the University of Nairobi and addressed to the National Commission of Science, Technology and Innovation (NACOSTI) was issued to the researcher to carry out the research. The letter was then be delivered to NACOSTI where a letter authoring the data collection was issued. The researcher respected the dignity of research participants by prioritizing the full consent before the study and guaranteed the indemnity of the concealment of contestants with a satisfactory level of anonymity of the research data. This study employed the anonymity of individuals taking part in the research and any communication concerning the survey was truthful and straight forward. This study research avoided any equivocal information and misapprehension of primary data findings in a biased way. The researcher shared the data and the results seriously considering citation and referencing to avoid plagiarism or duplicating other researchers' study and aspire to masquerade as her own.

3.10 Operationalization of the Variables

Table 3.5: Operationalization of the Variables:

Objectives	Variables	Indicators	Measuring scale	Statistical Method	Tools of analysis
To establish the influence of economic operational environment on performance of airline projects in Kenya.	Independent Economic operational environment	<ul style="list-style-type: none"> • Economic Recession and COVID-19. • Fluctuation of oil and fuel prices. • Fuel surcharges and saving initiatives. • Flight scheduling and fuel efficiency. • Fuel hedging process. 	Nominal Interval Ordinal	Descriptive Inferential	Percentage Mean Frequency Standard Deviation ANOVA: Two-Factor Without Replication (α) Pearson's correlation (r) Analysis
To determine the influence of political operational environment on performance of airline projects in Kenya.	Independent Political operational environment	<ul style="list-style-type: none"> • Political Instability and tension. • Employee's poor compensation and work imbalance. • Lack of purpose and job morale. • Relationship with managers • Appreciations at workplace. 	Nominal Interval Ordinal	Descriptive Inferential	Percentage Mean Frequency Standard Deviation ANOVA: Two-Factor Without Replication (α) Pearson's correlation (r) Analysis
To identify and assess the influence of legal operational environment on performance of airline projects in Kenya.	Independent Legal operational environment	<ul style="list-style-type: none"> • Trade and air service agreement. • Instigating guidelines on trade wars. • Imposition of tariffs to international trade. • Air service compliance violation. • Government taxes and fines 	Nominal Interval Ordinal	Descriptive Inferential	Percentage Mean Frequency Standard Deviation ANOVA: Two-Factor Without Replication (α) Pearson's correlation (r) Analysis
To determine the performance of airline projects in Kenya.	Dependent Performance of airline	<ul style="list-style-type: none"> • Quality and Quantity of service offered. • Operational Efficiency. • Safety and effective planning. • Reliability and time management. • Capacity, Utilization, and Profitability. 	Nominal Interval Ordinal	Descriptive Inferential	Percentage Mean Frequency Standard Deviation ANOVA: Two-Factor Without Replication (α) Pearson's correlation (r) Analysis

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This chapter shows the research outcome that has been presented under the topic and sub-topic sections in accordance with the objectives of the study. The topic areas are questionnaire return rate, demographic characteristics of respondents, performance of airline projects, analysis of economic operational environment and performance of airline projects, analysis of political operational environment and performance of airline projects and the analysis of legal operational environment and performance of airline projects. The presentation of the results has been analysed using Microsoft Excel Package, a summary of both statistical and empirical results that seek to address the meaningful connection between operational environment and the performance of airline projects in Kenya. The analysis of the results is founded on the study questions and the research reviewed in the literature section.

4.2 Questionnaire return rate

A close-ended questionnaire was used to collect both qualitative and quantitative data as tabulated in table 4.1.

Table 4.1: Questionnaire Return Rate

Questionnaire Return Rate responses	Frequency	Percentage
General Respondents		
Number of Questionnaires Filled	65	100%
Number of Questionnaires Retained	0	0%
Number of Questionnaires administered	65	100%
Professional Respondents		
Number of Questionnaires Filled	105	90%
Number of Questionnaires Retained	12	10%
Number of Questionnaires administered	117	100%
Total number of Questionnaires administered	182	100%

The questionnaires were administered in person and through email to two groups of respondents. From the first group involving close-ended questionnaires administered to the general respondents, the entire 65 designed sample was interviewed representing a 100%

response rate. This was possible because 39 questionnaires were administered through email and telephone as per most requests from respondents constituting 60% and 26 were administered in person. The second group involving open-ended questionnaire was administered to professional respondents both through combination of face to face and email and returned a response rate of 90% since 105 out of the possible 117 professionals responded to the questionnaires. These included engineers, technicians, lawyers, financiers and Technical managers, who were practically available and willing to take the administered questionnaires during the data collection period.

The high questionnaire return rate was obtained because the questions were simplified for ease of understanding and respondents were notified earlier of the exact time it will take answering the questionnaires before being administered. The researcher also kept a checklist for ease of conducting a follow up and most of the respondents were educated up to diploma level which was a major contributing factor to the high questionnaire return rate.

4.3 Demographic Characteristics of Respondents

The research solicited information on the demographic characteristics of the research respondent and the questionnaires administered collected information on the respondent's gender, age bracket, highest level of education, professional qualification, year of service and employment status. These demographic characteristics of interest in the study were chosen because they were key factors in guiding the interpretation of results acquired.

4.3.1 Distribution of respondents by gender

The respondents were questioned on their age and the statistical result collected showed the ratio of male to female in the entire survey was 7:13. This is tabulated to represent the summary frequency of the gender of the respondents who engaged in the entire survey.

Out of the 117 professional respondents interviewed, 73 (62.4%) were male while 44 (37.6%) were female. On the other hand, out of the 65 general respondents interviewed, 45 (69.2%) were male while 20 (30.8%) were female. The researcher took all the participants responses into consideration irrespective of the gender and no biasness was done in data collection. This was to ensure that the information given by all gender is taken into consideration in evaluating the operational environment on performance of airline projects in Kenya.

Table 4.2: Distribution of respondents by Gender

Gender	Frequency	Percentage
General Respondents		
Male	45	69.2%
Female	20	30.8%
Total	65	100%
Professional Respondents		
Male	73	69.5%
Female	32	30.5%
Total	105	100%
Total Respondents	170	100%

4.3.2 Distribution of respondents by age

The respondents were also asked to respond to their ages and the findings are presented in Table 4.3.

Table 4.3: Distribution of respondents by age

Age	Frequency	Percentage
General Respondents		
17-25 Years	0	0.0%
26-35 Years	36	55.4%
36-50 Years	29	44.6%
Over 50 Years	0	0
Total	65	100%
Professional Respondents		
17-25 Years	0	0.0%
26-35 Years	51	48.6%
36-50 Years	44	41.9%
Over 50 Years	10	9.5%
Total	105	100%
Total Respondents	170	100%

Out of the 105 professional respondents who took part in the study, none were between the age bracket of 17-25 years, 51 (48.6%) were between the age bracket of 26 – 35 years, 44 (41.9%), and 10 (9.5%) respondents were between the age brackets of 36 – 50 years, and over 50 years

respectively. At the same time, out of the 65 general respondents interviewed, none were between the age bracket of 17-25 years and over 50 years. 36 (55.4%) and 29 (44.6%) respondents were between the age brackets of 26 – 35 years and over 50 years respectively. This can be construed that the national employment of professional staff has been consistent for ages of employable persons especially between the ages of 26-over 50 years. However, findings for general respondents indicated that age is distributed between two age brackets of 26-36 years and 36-50 years of those who were available for the interview thus indicating that the research relied more on info from these two age brackets.

4.3.3 Distribution of respondents by Level of Education

The respondents were asked to respond to their Level of Education and the findings are presented in Table 4.4.

Table 4.4: Distribution of respondents by level of education

Level of education	Frequency	Percentage
General Respondents		
Attended high school but did not finish	0	0.0%
Diploma level	15	23.1%
Attended college but did not finish	0	0.0%
Vocational/Technical degree or certificate	0	0.0%
Bachelor’s Degree	43	66.2%
Master’s Degree	7	10.7%
Doctorate Degree	0	0.0%
Total	65	100%
Professional Respondents		
Attended high school but did not finish	0	0.0%
Diploma level	36	34.3%
Attended college but did not finish	0	0.0%
Vocational/Technical degree or certificate	21	20%
Bachelor’s Degree	30	28.6%
Master’s Degree	18	17.1%
Doctorate Degree	0	0.0%
Total	105	100%
Total Respondents	170	100%

Table 4.4 indicates the descriptive statistics of the research participant's educational level. The 105 professional respondents who took part in the study had 36 (34.3%) respondents who were diploma holders, 21 (20.0%) respondents were technical degree or certificate holders, 30 (28.6%) participants were bachelor's degree holders, and 18 (17.1%) respondents were master's degree holders. None of the respondent was holding either a doctorate degree, did not attend high school or attended a college but did not finish. A similar case can be seen with the 65 general respondents who were interviewed. None were holding either a doctorate degree, technical degree, or certificate, did not attend high school or attended a college. 15 (23.1%) respondents however were diploma holders, and 43 (66.2%) and 7(10.7%) were bachelor's degree holders, and master's degree holders respectively.

This means that the participants were very reliable because they all possessed a minimum of diploma as their level of education thus having a deeper understanding of giving facts based on the survey being used to address the research problem.

4.4 Performance of airline projects

The dependent variable of the study was the performance of airline projects. The survey inquired from the research participants' the perspectives on the performance of airline projects with specifics to safe operation of aircrafts and effective planning, organizational time management and reliability of fleet, maximum utilization of fleet, full capacity and profitability, the quality and quantity of service offered by an airline, and the efficiency of operations. Their responses were assessed on the degree of concordance or disagreement using a Likert scale of 1 to 5, where 1= Strongly Disagreed, 2= Disagreed, 3= Neutral, 4= Agreed, and 5= Strongly Agreed

4.4.1 Descriptive Statistics of the performance of airline projects

The results of the descriptive statistics are as presented in the table 4.5.

Table 4.5: Descriptive Statistics of the performance of airline projects

Item	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Pap1	Safe operation of aircrafts and effective planning is essential in the performance of airline projects.	65	66	20	13	6	170
	Percentage (%)	38.2	38.8	11.8	7.6	3.5	100
Pap2	Organizational time management and reliability of fleet ensures excellent performance of airline projects.	30	68	45	23	4	170
	Percentage (%)	17.6	40	26.5	13.5	2.4	100
Pap3	Maximum utilization of fleet, full capacity and profitability ensures excellent performance of airline projects.	17	57	64	27	5	170
	Percentage (%)	10	33.5	37.6	15.9	2.9	100
Pap4	The quality and quantity of service offered by an airline leads to excellent performance of airline projects.	61	69	15	19	6	170
	Percentage (%)	35.9	40.6	8.8	11.2	3.5	100
Pap5	Efficiency of operations ensures excellent performance of airline projects.	56	58	26	20	10	170
	Percentage (%)	32.9	34.1	15.3	11.8	5.9	100

Item Pap1 sought to prove whether safe operation of aircrafts and effective planning was essential in the performance of airline projects. Of the 170 respondents who were sampled in the survey, 65 (38.2%) strongly agreed, 66 (38.8%) agreed, 20 (11.8%) were neutral about the issue, 13 (7.6%) disagreed while 6 (3.5%) strongly disagreed with the statement. The field findings revealed most participants response of 86 (50.6%) stating that safe operation of aircrafts and effective planning was essential in ensuring efficient performance of airline projects, while 19 (11.1%) said that safe operation of aircrafts and effective planning was not essential in ensuring efficient performance of airline projects.

Item Pap2 desired to establish whether organizational time management and reliability of fleet was ensuring excellent performance of airline projects. 30 (17.6 %) respondents who were sampled for the study strongly agreed with the statement, 68 (40%) agreed, 45 (26.5%) were neutral, 23 (13.5%) disagreed with the statement and 4 (2.4%) strongly disagreed with the statement. This result therefore depicts that respondent with 98 (57.6%) agreed with the statement provided regarding the organizational time management and reliability of fleet while 27 (15.9%) disagreed.

Item Pap3 solicited to confirm whether maximum utilization of fleet, full capacity and profitability ensured excellent performance of airline projects. Of the 170 respondents who were sampled in the study, 17 (10.0%) strongly agreed, 57 (33.5%) agreed, those who were neutral were 64 (37.6%), while 27 (15.9%) disagreed with the statement and only 5 respondents representing a 2.9% strongly disagreed with the statement. This also, shows that appreciable amount of the respondents 64 (37.6%) were neutral with the statement provided.

Item Pap4 pursued to institute whether the quality and quantity of service offered by an airline leads to excellent performance of airline projects. Of the 170 respondents who were sampled in the study, those who strongly agreed were 61 (35.9 %), 69 (40.6%) agreed with the statement while 15 (8.8%) were neutral about it. 19 (11.2%) respondents disagreed and 6 (3.5 %) strongly disagreed with the statement. This therefore shows that appreciable amount of the respondents 130 (76.5%) concur with the statement that the quality and quantity of service offered by an airline leads to excellent performance of airline projects while 25 (14.4%) do not.

Item Pap5 probed to determine whether the efficiency of operations ensured excellent performance of airline projects. Of the 170 respondents who were sampled in the study, those who strongly agreed were 56 (32.9%), 58 (34.1%) agreed with the statement while 26 (15.3%) were neutral. 20 (11.8%) disagreed with the statement while 10 respondents (5.9%) strongly

disagreed with the statement provided. This also, means that almost there quarter of the respondents 114 (67%) agreed with statements regarding the efficiency of operations and the performance of airline projects.

Plurality of said respondents agreed with all the statements on performance of airline projects. The findings from the field state that the performance of airline projects should be for certain thematic indicators as mentioned in the themes and not just enforce the project as they choose which agrees with the works of Jomo et al., (2017) and Farah et al., (2018) expressed in chapter two.

4.5 Analysis of Economic operational environment and performance of airline projects

This is one of the independent variables which form one of the objectives of the study. The main aim of this theme was to achieve how and to what extent it was affecting the performance of Airline projects in Kenya. The study sought information from the research participants' perspectives on economic operational environment and performance of airline projects. It specifically investigating the extent that the economic Recession and COVID- 19, fluctuation of oil and fuel prices, fuel surcharges and saving initiatives, flight scheduling and fuel efficiency and fuel hedging process has influenced the performance of airline projects in Kenya.

4.5.1 Descriptive Statistics of the economic operational environment and performance of airline projects

The responses of the participants were assessed on the degree of concordance or disagreement using a Likert scale of 1 to 5, where 1= Strongly Disagreed, 2= Disagreed, 3= Neutral, 4= Agreed, and 5= Strongly Agreed. The results of the descriptive statistics are as presented in the table 4.6.

Table 4.6: Descriptive Statistics of the economic operational environment and performance of airline projects

Item	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Eoe1	Economic recession and the COVID-19 affect the performance of airlines projects.	59	59	13	20	5	156
	Percentage (%)	37.8	37.8	8.3	12.8	3.2	100
Eoe2	Fluctuation of aviation oil and fuel prices in Kenya affects performance of airlines projects.	58	59	15	20	4	156
	Percentage (%)	37.2	37.8	9.6	12.8	2.6	100
Eoe3	Implementation of fuel surcharges and fuel saving initiatives ensures excellent performance of airlines projects.	51	55	18	27	5	156
	Percentage (%)	32.7	35.3	11.5	17.3	3.2	100
Eoe4	Exercising flight scheduling and fuel efficiency measures ensures better performance of airlines projects.	54	64	16	16	6	156
	Percentage (%)	34.6	41.0	10.3	10.3	3.8	100
Eoe5	Fuel hedging process is applied as a means of increasing performance of airline projects.	53	53	17	25	8	156
	Percentage (%)	34.0	34.0	10.9	16.0	5.1	100

Item Eoe1 sought to establish whether economic recession and the COVID-19 affect the performance of airlines projects. Of the 156 respondents who were sampled to answer this part of the questionnaire, 59 (37.8%) strongly agreed, 59 (37.8%) agreed, 13 (8.3%) were neutral about the issue, 20 (12.8%) disagreed while 5 (3.2%) strongly disagreed with the statement. This findings from the field therefore reveals a wide response with 118 (75.6%) of the

respondents stating that the economic recession affects the performance of airline projects, while 25 (16%) saying that it does not.

Item Eoe2 pursued to establish whether Fluctuation of aviation oil and fuel prices in Kenya affects performance of airlines projects. Of the 156 respondents who were sampled to answer this part of the questionnaire, 58 (37.2 %) strongly agreed, 59 (37.8%) agreed, 15 (9.6%) were neutral, 20 (12.8%) disagreed with the statement and 4 (2.6%) strongly disagreed with the statement. This result therefore depicts that (3/4) three quarter of the respondents 117 (75%) agreed with the statement provided regarding the Fluctuation of aviation oil and fuel prices while 24 (15.4%) disagreed.

Item Eoe3 sought to establish whether Implementation of fuel surcharges and fuel saving initiatives was ensuring excellent performance of airlines projects. Of the 156 respondents who were sampled to answer this part of the questionnaire, 51 respondents (32.7%) strongly agreed, 55 (35.3%) agreed, those who were neutral were 18 (11.5%), while 27 (17.3%) disagreed with the statement and 5 respondents representing a 3.2% strongly disagreed with the statement. This also, displays a cluster of respondents 106 (68%) agreed with the statement provided.

Item Eoe4 sought to establish whether Exercising flight scheduling and fuel efficiency measures ensured better performance of airlines projects. Of the 156 respondents who were sampled to answer this part of the questionnaire, those who strongly agreed were 54 (34.6%), 64 (41%) agreed with the statement while 16 (10.3%) were neutral about it. 16 (10.3%) respondents disagreed and 6 (3.8%) strongly disagreed with the statement. This therefore displays a cluster of respondents agreeing with the statement that exercising flight scheduling and fuel efficiency measures ensured better performance of airlines projects.

Item Eoe5 sought to establish whether fuel hedging process is applied as a means of increasing performance of airline projects. Of the 156 respondents who were sampled to answer this part of the questionnaire, those who strongly agreed were 53 (34.0%), 53 (34%) agreed with the statement while 17(10.9%) were neutral, 25 (16%) disagreed with the statement while 8 respondents (5.1%) strongly disagreed with the statement provided. This also, means that many respondents 106 (68%) agreed with statements regarding fuel hedging process.

Most respondents concurred with all the statements under economic operational environments. This therefore confirms the importance of the discussed themes in relation to performance of airline projects.

From the study findings, the variables in this objective that performed well were the application of fuel hedging process and exercising flight scheduling and fuel efficiency measures. This is because the airline was able to save a substantial amount of money in their application which in turn improved their performance. The remaining three variables performed moderately regarding the questions answered on the performance of airline.

Reporting on how Economic recession and the COVID-19 has affect the performance of Kenya Airways, two engineers had this to say:

Eng 1: *“Covid-19 has greatly affected us as an organization especially during its onset where we had to ground almost 98% of our fleet. Flying was our only source of revenue then and we incurred a lot of expenses in maintaining the aircrafts in terms of carrying out daily, weekly, and monthly checks, and paying leases on aircraft grounded which are not bring any revenue. Employees had to be placed on a pay cut and some had to take voluntary early retirement because of not knowing the future of the organization. Everything was at a standstill and employees were devastated not knowing how the airline will revive with the pandemic impacting the airlines performance greatly.”*

Eng 2: *“A lot of skilled employees have separated from the company by the Voluntary Early Retirement that was introduced by the organization. Some feared for their termination while others feared for the uncertainty of the company. This has therefore left the company with few people who are skilled in specific areas, and it is dangerous when a service might be needed, and the staff is not there due to one way or the other. Lack of unskilled employees leads to poor performance of airlines, and it is even hard to recruit due to the financial era of the company. The few skilled employees too are overwhelmed when there is too much work and may get fatigued compromising safety.”*

The statements shows that Economic recession has greatly impacted the organization’s performance and should therefore not be taken lightly if the airline wants to return to what it was pre-COVID. This is in accordance with the report by (Airlines IATA, 2021) as stated in chapter two.

Another reporting on how fluctuation in fuel and oil prices affects airline performance and how fuel saving initiatives ensures better performance, one of the fuel analysts had this to say.

“Fuel consists of a huge percentage of expenses in the organization and due to its fluctuation if fuel saving initiatives are not put in place, Kenya Airways may be impacted in terms of

performance. We have considered applying operational terms as fuel saving initiatives and we have managed to save the organization around \$952,000 from the beginning of 2021 to end of September. This has improved our performance as Kenya Airways.”

The Chief Captain who is also the fuel manager in Kenya Airways reported on COVID-19 and fuel hedging as:

“While COVID did affect the operational profitability of airlines, the agility of airlines to change amid unpredictable markets played a bigger role in the success or failure of the airline. Airlines that adapted fast, responding to changing market needs and cargo demand fared considerably better than airlines that did not. Fuel Hedging on the other hand, is primarily a tool used by airlines to safeguard the budgetary allocations of an airline. Through fuel hedging, airlines can lock in their fuel costs and thereby authoritatively price their tickets to achieve operational profitability even in highly price volatile jet fuel markets”

The two statements shows that fuel saving initiatives and fuel hedging has strongly improved the organization’s performance and should therefore be given serious consideration if the airline wants to remain at high performance. This is in conformity with the report by Hansman et al., (2014) and Kimeu, (2011) as mentioned in chapter two.

4.5.2 Internal consistency reliability Analysis on the economic operational environment and performance of airline projects

After the pilot administration and before final use of the data collected the questionnaires administered were subjected to detailed analysis and reliability measured using Cronbach’s alpha for internal consistency. The alpha result on the economic operational environment and performance of airline projects is as presented in the table 4.7.

Table 4.7: ANOVA: Two-Factor Without Replication on the economic operational environment and performance of airline projects

Source of Variation	SS	df	MS	F	P-value	F-critical
Rows	479.7333333	155	3.095053763	3.561884546	4.05998E-29	1.223601325
Columns	5.658974359	4	1.41474359	1.628131113	0.165485434	2.386303438
Error	538.7410256	620	0.868937138			

Total	1024.133333	779
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$$\text{Alpha} = 1 - (\text{MSE}/\text{MSR})$$

$$\alpha = 0.72$$

The Alpha of 0.72 was found in the analysis making the reliability acceptable.

4.5.3 Correlation Analysis on the economic operational environment and performance of airline projects

Karl Pearson's correlation analysis was used to determine the degree of relationships between economic operational environment and performance of airline projects. The results are as presented in the table 4.8.

Table 4.8: Correlation analysis between economic operational environment and performance of airline projects

	Economic Recession	Fluctuation of Oil & Fuel	Fuel Saving Initiatives	Flight Scheduling	Fuel Hedging
Economic Recession	1				
Fluctuation of Oil & Fuel	0.402589581	1			
Fuel Saving Initiatives	0.346826251	0.301230634	1		
Flight Scheduling	0.377246393	0.259573744	0.299504825	1	
Fuel Hedging	0.399579932	0.363315113	0.42267948	0.30642612	1
Overall Performance	0.722276529	0.663765885	0.694269468	0.642876322	0.733767546

According to Statistics Solutions (2021), the degree of correlations can be grouped into five. If correlation value is nearby ± 1 , then it is a perfect correlation because if positive, as one variable increases, the other variable also increases. The vice versa is the same. If the coefficient value lies between ± 0.50 and ± 1 , then it is said to be a strong correlation and if the value lies between ± 0.30 and ± 0.49 , then it is said to be a medium correlation. On the other hand, when a value lies below ± 0.29 , then it is said to be a small correlation and when the value is zero there is no correlation.

From the results in Table 4.8, all the five questions asked regarding economic environment were found to have correlation with the overall performance of airline projects. Economic recession and COVID-19 were found to have a 0.72 coefficient value which is strong correlation with performance of airline projects. The same can be seen with the strong correlation exhibited between the fluctuation of oil and fuel and performance of airline projects

giving a coefficient value of 0.66, strong correlation exhibited between fuel saving initiative and performance of airline projects with a coefficient values of 0.69, strong correlation exhibited between the flight scheduling and performance of airline projects giving a coefficient values of 0.64 and strong correlation exhibited between the fuel hedging and performance of airline projects giving a coefficient values of 0.73.

The findings of this survey corroborate the finding of the empirical studies conducted by International Airport Review (2019) that economy recession has left behind very negative effects leading to increase in oil and fuel prices and has contributed to losses in airlines due to high operation costs. These two economic environments are the ones discussed in the study and are very important therefore, when not addressed can do effectively it can completely obscure the overall performance of airline projects

4.6 Analysis of Political operational environment and performance of airline projects

This is another independent variable which forms the second objective of the study. The main purpose of this theme was to ascertain how political operational environment influence the performance of airline projects in Kenya. The study also solicited information from the research participants' point of view on the thematic especially exploring the degree to what political stability and tension, appreciation at workplace, Poor compensation of employees and work imbalance, Relationships with managers and finally lack of purpose and job morale has influenced the performance of airline projects in Kenya.

4.6.1 Descriptive Statistics on the political operational environment and performance of airline projects

The participant's feedbacks were also evaluated and the outcome of the descriptive statistics is as presented in the table 4.9.

Table 4.9: Descriptive Statistics of the political operational environment and performance of airline projects

Item	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Poe1	Political instability and tension affect the performance of airlines projects.	40	63	17	24	5	149
	Percentage (%)	26.8	42.3	11.4	16.1	3.4	100
Poe2	Appreciation at workplace may lead to better performance of airlines projects.	50	45	25	22	7	149
	Percentage (%)	33.6	30.2	16.8	14.8	4.6	100
Poe3	Poor compensation of employees and work imbalance leads to poor performance of airline projects.	46	51	21	20	11	149
	Percentage (%)	30.9	34.2	14.1	13.4	7.4	100
Poe4	Relationships with managers are a factor that drives performance of airline projects.	51	54	17	21	6	149
	Percentage (%)	34.2	36.2	11.4	14.1	4.0	100
Poe5	Lack of purpose and job morale leads to poor performance of airline projects.	38	52	24	28	7	149
	Percentage (%)	25.5	34.9	16.1	18.8	4.7	100

Item Poe1 pursued to establish whether Political instability and tension affect the performance of airlines projects. Of the 149 respondents who were sampled to answer this theme, 40 (26.8%) strongly agreed, 63 (42.3%) agreed, 17 (11.4%) were neutral about the issue, 24 (16.1%) disagreed while 5 (3.4%) strongly disagreed with the statement. This findings from the field therefore reveals a wide response with 103 (69.1%) of the respondents affirming that the

political instability and tension affects the performance of airline projects, while 29 (19.5%) arguing the opposite.

Item Poe2 pursued to establish whether appreciation at workplace affect the performance of airlines projects. Of the 149 respondents who were sampled to answer this theme, 50 (33.6%) strongly agreed, 45 (30.2%) agreed, 25 (16.8%) were neutral about the issue, 22 (14.8%) disagreed while 7 (4.6%) strongly disagreed with the statement. This result therefore depicts that cluster of participants agreed with the statement provided regarding appreciation of employees at workplace. A wide response with 95 (63.8%) of the respondents concurring that the appreciation of employees at workplace affected the performance of airline projects, while 29 (19.4%) said it does not.

Item Poe3 pursued to establish whether poor compensation of employees and work imbalance was leading to poor performance of airlines projects. Of the 149 respondents who were sampled to answer this theme, 46 (30.9%) strongly agreed, 51 (34.2%) agreed, 21 (14.1%) were neutral about the issue, 20 (13.4%) disagreed while 11 (7.4%) strongly disagreed with the statement. This result therefore depicts that cluster of respondents agreed with the statement provided regarding poor compensation of employees and work imbalance. A wide response with 97 (65.1%) of the respondents attested that the poor compensation of employees and work imbalance affected the performance of airline projects, while 31 (20.8%) said it does not.

Item Poe4 searched to know whether relationships with managers at workplace were a factor that drives performance of airline projects. Of the 149 respondents who were sampled to answer this theme, 51 (34.2%) strongly agreed, 54 (36.2%) agreed, 17 (11.4%) were neutral about the issue, 21 (14.1%) disagreed while 6 (4.0%) strongly disagreed with the statement. This result therefore displays significant part of respondents agreeing with the most of the respondents agreed with the statement provided regarding relationships with managers at workplace. A wide response with 105 (70.4%) of the respondents acknowledged that the relationships with managers at workplace affected the performance of airline projects, while 27 (18.1%) said it does not.

Item Poe5 probed to establish whether the lack of purpose and job morale leads to poor performance of airline projects. Of the 149 respondents who were sampled to answer this theme, 38 (25.5%) strongly agreed, 52 (34.9%) agreed, 24 (16.1%) were neutral about the issue, 28 (18.8%) disagreed while 7 (4.7%) strongly disagreed with the statement. This result therefore displays significant part of respondents agreeing with the statement provided

regarding lack of purpose and job morale. A wide response with 90 (60.4%) of the respondents divulged that lack of purpose and job morale affected the performance of airline projects, while 35 (23.5%) said it does not.

A great number of respondents assented with all the statements under political operational environments. This therefore corroborates the importance of the discussed themes in relation to performance of airline projects. Reporting on how political instability and tension has affect the performance of Kenya Airways, one of the engineers had this to say:

“The percentage of operations in terms of international flight is higher compared to domestic flights in KQ and during the general elections in Kenya as those that were held in 2007 and 2013, the airline had low operations because several of its fleet were grounded. There was unrest on these 2 different years especially during the month of election and so tourists who were in the country for vacation flew out in the earlier months for the fear of war and no new tourists were visiting the country either. Passengers who conduct business internationally also ceased operations for fear of safety and so the airports were mostly ghost towns. KQ loses a lot of revenue when one aircraft is grounded in a day and so during this period almost all the airline’s fleets are grounded for several days, therefore the airline loses a lot of revenue that recovering back takes quite a long time. This ends up lowering performance of airline for the period and subsequent days until the airline breaks even in recovering the loses. Some take months for operations to resume fully and for airlines to start generating profit.”

Another report on how political instability and tension has affect the performance of Kenya Airways, one of the flight operations employees had this to say:

“It is very unfortunate that lives are usually lost during this period and a lot of people get displaced from their homes. This not only affect other counties, but also a certain percentage of our employee’s relatives who are in different counties get affected too. These losses lead to low performance of the employees which affects their job performance and therefore overall poor performance of the airline. Take the instance of 2007 election, KQ discontinued flights to Paris and a lot of passengers from Burundi and Rwanda were affected because they had to use an alternate long and expensive route. We got a number of complaints from the bookings that we cancelled, and this led to losing a huge number of customers from these countries which ended up affecting the performance of the airline.”

The statements shows that political instability and tension has greatly impacted the organization’s performance and should therefore be researched, and a concrete corrective

action given so that whenever these elections happen, the airline does not perform poorly but finds an alternative solution to heighten performance of airlines. They agree with the findings of Kimani (2008) reported in chapter two.

Another reporting on how poor compensation of employees and work imbalance affects airline performance, one technician had this to say.

“Salary is the main factor that keeps me in this airline. We may be compensated by being offered trainings but without additional income job morale goes down. I know of airlines that review their employees’ salary every two years and their morale increases too. This is however not done in KQ. With the inflation in the country, Ksh. 10,000 ten years ago is not of the same value in 2021. How is the company expecting me to have morale doing my job efficiently, yet everything has increased in value and the salary is the same? Many people end up having debts because whatever is given is not enough. We used to be given bonuses long time ago but suddenly things changed, and the airline is not even talking about any initiative they are having to compensate their employees.”

Another employee commenting on work imbalance and relationships with managers had this to say:

“There is no job rotation in the organization. I have been working in my current position for 10years doing the same thing over and over and it is too monotonous and sometimes introduces elements of human factors like stress, fatigue, norm, and complacency. When I apply for a job vacancy in another position I get rejected repeatedly because hiring and promotions in the organization is based on favouritism. The managers do not consider my qualifications but rather tailors application requirements to suit a specific employee that he/she feels deserve the position. Asides this, there is no job security, I feel like one day I might wake up and find myself with no job because of the instabilities in the company especially with the loses we are incurring”

These statements shows that poor compensation of employees, work imbalance, relationships with managers, lack of appreciation and lack of job morale are still big factors that drives performance of airline projects and if not tackled may lead to poor performance of airlines as stated in Nahar et al., (2017) and Ombego & Makori (2015) study in chapter two.

Even though some of the human resource employees were neutral with the statements from employees in other sections as concerns compensation and appreciation, one human resource personnel had this to say:

“KQ has a recognition framework that engages, recognizes, and celebrates staff achievements and performance. We do this by connecting and enhancing the contribution of each employee towards fulfilling the focus areas and company values considering employees initiatives have significantly made an impact in the business by increasing productivity, reducing cost, improving efficiency, or creating a safe working environment. We encourage employees to nominate one another so that recognition is done in a fare manner. We have also liaised with different training organizations to offer general trainings in different areas so that employees can gain more knowledge outside their scope of work and build themselves.”

From the study findings, the variables in this objective that performed well are the political instability and tension and on the employee appreciation. This is because a greater impact was felt by many employees on how they affect their performance individually and hence the performance of the airline. The remaining three variables performed moderately regarding the questions answered on the performance of airline.

4.6.2 Internal consistency reliability Analysis on the political operational environment and performance of airline projects

After the pilot administration and before final use of the data collected the questionnaires administered were subjected to detailed analysis and reliability measured using Cronbach’s alpha for internal consistency. The alpha result on the economic operational environment and performance of airline projects is as presented in the table 4.10.

Table 4.10: ANOVA: Two-Factor without Replication on the political operational environment and performance of airline projects

Source of Variation	SS	df	MS	F	P-value	F critical
Rows	493.7933	148	3.336441	3.584104	3.61E-28	1.229192
Columns	4.907383	4	1.226846	1.317914	0.261913	2.386986
Error	551.0926	592	0.9309			
Total	1049.793	744				

$$\text{Alpha} = 1 - (\text{MSE}/\text{MSR})$$

$$\alpha = 0.72$$

The Alpha of 0.72 was found in the analysis making the reliability acceptable.

4.6.3 Correlation Analysis on the political operational environment and performance of airline projects

Karl Pearson’s correlation analysis was used to determine the degree of relationships between economic operational environment and performance of airline projects. The results are as presented in the table 4.11.

Table 4.11: Correlation analysis between political operational environment and performance of airline projects

	Political instability & tension	Appreciation at workplace	Poor compensation & work imbalance	Relationships with managers	Lack of purpose & job morale
Political stability and tension	1				
Appreciation at workplace	0.474471981	1			
Poor compensation & work imbalance	0.39520546	0.444919818	1		
Relationships with managers	0.27297228	0.317026256	0.309146102	1	
Lack of purpose & job morale	0.307781105	0.235374641	0.348311371	0.301201327	1
Performance	0.70408014	0.721164104	0.735764232	0.636826046	0.638631808

From the results in Table 4.11, all the five questions asked regarding political environment were found to have correlation with the overall performance of airline projects. Political stability and tension were found to have a 0.71 coefficient value which is strong correlation with performance of airline projects. The same can be seen with the strong correlation exhibited between the appreciation at workplace and performance of airline projects giving a coefficient value of 0.72, strong correlation exhibited between poor compensation and work imbalance and performance of airline projects with a coefficient values of 0.74, strong correlation exhibited between the relationships with managers and performance of airline projects giving a coefficient values of 0.64 and finally strong correlation exhibited between lack of purpose and job morale and performance of airline projects giving a coefficient values of 0.64.

The results of this survey corroborate the finding of the empirical studies conducted by Ombego and Makori (2015) that states effectual leadership management in cognitive capacities negotiation of employee concerns and views is a supplement to performance and development of Kenya Airways.

4.7 Analysis of Legal operational environment and performance of airline projects

This is the last independent variable and the last objective of the study. Its key objective was to identify and assess legal operational environment on performance of Airline projects in Kenya. The research sought information from the sampled research participants' perspectives on the legal operational environment and performance of airline projects specifically surveying trade and air service agreement, guidelines instigated on trade war, tariffs imposed on international trade, violation of air service compliance and Government taxes and fines imposed on airlines. These themes were to be assessed on how they influence the performance of airline projects in Kenya.

4.7.1 Descriptive Statistics of the legal operational environment and performance of airline projects

The outcome of the descriptive statistics are as presented in the table 4.12. The responses of the participants were also assessed on the degree of concordance or disagreement using a Likert scale of 1 to 5, where 1= Strongly Disagreed, 2= Disagreed, 3= Neutral, 4= Agreed, and 5= Strongly Agreed.

Table 4.12: Descriptive Statistics of the legal operational environment and performance of airline projects

Item	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Loe1	Trade and air service agreement affect the performance of airline projects.	2	9	6	3	1	21
	Percentage (%)	9.5	42.8	28.6	14.3	4.8	100
Loe2	Instigating guidelines on trade wars will help improve performance of airline projects.	1	7	6	5	2	21
	Percentage (%)	4.8	33.3	28.6	23.8	9.4	100
Loe3	Imposition of tariffs to international trade affects the performance of airline projects.	1	6	11	2	1	21
	Percentage (%)	4.8	28.6	52.4	9.4	4.8	100
Loe4	Violation of Air service compliance affects the performance of airline projects.	1	6	6	7	1	21
	Percentage (%)	4.8	28.6	28.6	33.3	4.8	100
Loe5	Government taxes and fines imposed on airlines affect the performance of airline projects.	4	6	4	2	5	21
	Percentage (%)	19.1	28.6	19.1	9.4	23.8	100

Item Loe1 sought to establish whether trade and air service agreement affect the performance of airline projects. Of the 21 respondents who were sampled to answer this part of the questionnaire, 2 (9.5%) strongly agreed, 9 (42.8%) agreed, 6 (28.6%) were neutral about the issue, 3 (4.8%) disagreed while 1 (4.8%) strongly disagreed with the statement. These findings from the field revealed most response on legal operational environment with 11 (52.3%) submitting that the trade and air service agreement affect the performance of airline projects,

while 4 (19.1%) saying that trade and air service agreement does not affect the performance of airline projects.

Item Loe2 desired to establish whether Instigating guidelines on trade wars will help improve performance of airline projects. Of the 21 respondents who were sampled to answer this part of the questionnaire, 1 (4.8 %) strongly agreed, 7 (33.3%) agreed, 6 (28.6%) were neutral, 5 (23.8%) disagreed with the statement and 2 (9.4%) strongly disagreed with the statement. This result therefore depicts that respondent with 8 (38.1%) agreed with the statement provided regarding the instigation of guidelines on trade wars while 7 (15.4%) disagreed.

Item Loe3 sought to establish whether Imposition of tariffs to international trade affects the performance of airline projects. Of the 21 respondents who were sampled to answer this part of the questionnaire, 1 (4.8 %) strongly agreed, 11 (52.4%) agreed, those who were neutral were 6 (28.6%), while 2 (9.4%) disagreed with the statement and only 1 respondent representing a 4.8% of the study strongly disagreed with the statement. This also, depicts that most of the respondents 12 (57.2%) agreed to the statement provided.

Item Loe4 solicited to establish whether the violation of air service compliance affects the performance of airline projects. Of the 21 respondents who were sampled to answer this part of the questionnaire, those who strongly agreed were 1 (4.8 %), 6 (28.6%) agreed with the statement while 6 (28.6%) agreed were neutral about it. 7 (33.4%) respondents disagreed and 1 (4.8 %) strongly disagreed with the statement. This therefore shows that there was almost an even response on the theme with 7 (33.4%) ratified that the violation of air service compliance has affected the performance of airline projects, while 8 (38.2%) saying there was not.

Item Loe5 sought to establish whether government taxes and fines imposed on airlines affect the performance of airline projects. Of the 21 respondents who were sampled to answer this part of the questionnaire, those who strongly agreed were 4 (19.1%), 6 (28.6%) agreed with the statement while 4 (19.1%) were neutral, 2 (9.4%) disagreed with the statement while 5 respondents (23.8%) strongly disagreed with the statement provided. This also, means that copious amount of the respondents 10 (47.7%) acquiesced statements regarding government taxes and fines imposed on airlines affect the performance of airline projects.

Plurality of said respondents agreed with all statements under legal operational environments. This therefore confirms the importance of the discussed themes relating to performance of airline projects. The findings from the field state that the performance of airline projects should

make allowances for certain thematic indicators as mentioned in the themes which agrees with the works of Haider (2010) stated in chapter two.

Reporting on how Trade and air service agreement and how imposition of tariffs to international trade affects the performance of airline projects, the Manager Government & Industry Affairs had this to say:

“Trade and air service agreement are very crucial in aviation industry. With trade being the main agreement, service level agreement is an operational document which help to actualize and operationalize the trade agreement. Aviation is a sensitive and highly regulated industry which has approvals that needs to be adhered to. Asides travelling for leisure, majority of people do travel for business and if trade is affected then a person might not travel. By flying over a territory, boarders are deemed open; and if diplomatic ties between nations are in disarray or states declare war or express their disappointments in one way or the other, the first action taken is closing the border by ceasing flights. This will in turn affect the performance of airline. According to ICAO’s recommendation on modern bilateral agreement, imposition of tariffs to international trade is highly discouraged and markets are left to liberalize for demand and supply to take effect.”

Another reporting on how instigating guidelines on trade wars will help improve the performance of airline projects, one of the legal representatives had this to say.

“States are at their own disposition to instigate guidelines on trade wars especially on matters non-aviation related. Currently there are no guidelines that are imposed on how to mitigate matters arising from trade wars regarding performance of airlines. I absolutely agree that if guidelines are instigated there would be regulations that would be adhered to and so airlines would not be affected by closure of borders or cessation of flights to territories with war.”

Additional reportage on how imposition of government taxes and fines affects the performance of airline projects, one of the legal representatives had this to say.

“The taxes that KQ are liable to are taxes imposed on both departure and arrival. These taxes are mandatory and cannot be avoided because since they are what sustains the government. Every industry pays taxes and so this cannot be evaded, Kenya Airways is in constant negotiation with the government to reduce the taxes imposed to a minimum so that both the airline and the government can benefit. Fines on the other hand can be punitive and non-compliance. If an airline is involved in violation of one regulation for example ferry an undocumented passenger or passenger without proper documentations, the airline may be

fined more than 100 percent of the passenger ticket as fines. This can also lead to poor reputation of the airline leading to passengers flying other airlines hence reducing the performance of airlines.”

These findings shows that legal operational environments are very crucial to the performance of airline projects and should not be tacked frivolously but researched and implemented fully. The findings corroborate with the empirical studies conducted by John Day (2015), Dempsey (2013) and Jenkins et. al (2011) stated in chapter two.

From the study findings, the variables in this objective that performed well were imposition of government taxes and fines and trade and air service agreements. This is because a greater impact was felt by the airline on taxes and fines imposed by the government and trade agreement affect the performance of the airline. The remaining three variables performed moderately regarding the questions answered on the performance of airline.

4.7.2 Internal consistency reliability Analysis on the legal operational environment and performance of airline projects

The alpha result on the legal operational environment and performance of airline projects is as presented in the table below.

Table 4.13: ANOVA Two-Factor without Replication on the legal operational environment and performance of airline projects

Source of Variation	SS	df	MS	F	P-value	F critical
Rows	64.19048	20	3.209524	4.225705	1.92E-06	1.70316
Columns	2.438095	4	0.609524	0.802508	0.527151	2.485885
Error	60.7619	80	0.759524			
Total	127.3905	104				

$$\text{Alpha} = 1 - (\text{MSE}/\text{MSR})$$

$$\alpha = 0.76$$

The Alpha of 0.76 was found in the analysis making the reliability acceptable.

4.7.3 Correlation Analysis on the legal operational environment and performance of airline projects

Karl Pearson's correlation was used to ascertain the level of relationships between the legal operational environment and performance of airline projects. The outcome is as tabulated.

Table 4.14: Correlation analysis between legal operational environment and performance of airline projects

	Air Service Agreement	Guidelines on Trade wars	Imposition of tariffs	Violation of Air service compliance	Government taxes and fines
Air Service Agreement	1				
Guidelines on Trade wars	0.356753	1			
Imposition of tariffs	0.590909	0.356753	1		
Violation of Air service compliance	0.530337	0.313748	0.626277	1	
Government taxes and fines	0.27191	0.462595	0.333208	0.372291	1
Overall Performance	0.720055	0.695031	0.763606	0.736754	0.731686

From the results in Table 4.14, all the five questions asked regarding legal environment were found to have correlation with the overall performance of airline projects. Air Service Agreement was found to have a 0.72 coefficient value which is strong correlation with performance of airline projects. The same can be seen with the strong correlation disclosed between the Guidelines on Trade wars and performance of airline projects giving a coefficient value of 0.69, strong correlation between Imposition of tariffs and performance of airline projects with a coefficient values of 0.76, strong correlation between the Violation of Air service compliance and performance of airline projects giving a coefficient values of 0.74 and strong correlation exhibited between the Government taxes and fines and performance of airline projects giving a coefficient values of 0.73.

The outcome of this survey substantiates the outcome of the observed survey conducted by Haider (2010) that affirms that some of the legal procedures imposed in a country may not be directly applied to airlines but greatly affects their performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a consolidated overview of the main study outcome, the conclusions achieved from the findings, recommendations from findings and allusion to further research.

5.2 Summary of Findings

This section displays a consolidated overview of research outcome which have been tabulated and represented in chapter four referencing the purpose of the study; to examine the operational environment on performance of airline projects in Kenya. The three objectives of research were covered which include: To establish the economic operational environment on performance of airline projects, to determine the political operational environment on performance of airline projects, to identify and assess the legal operational environment on performance of airline projects. The key indicators for the performance of airline projects include the quality and quantity of service offered, operational efficiency, safety and effective planning, reliability, and time management and finally the capacity, utilization, and profitability.

On objective one motif, the study desired to establish the economic operational environment on performance of airline projects in Kenya. The overview of the results is as follows; There was a wide response on the effect of economic recession and the COVID-19 on the performance of airlines projects with 118 (75.6%) of the respondents agreeing to the statement while 25 (16%) disagreeing. The effect of the fluctuation of aviation oil and fuel prices on the performance of airlines projects got a 117 (75%) acceptance with 24 (15.4%) denial. Alternatively, implementation of fuel surcharges and fuel saving initiatives got a positive response with 106 (68%) of the respondents affirming the statement provided. Exercising flight scheduling and fuel efficiency measures got a wider response too with 118 (75.6%) agreeing to the statement that it ensures better performance of airlines projects while 22 (14.13%) disagreed. Finally, application of fuel hedging process scored an agreement of 106 (68%) with a disagreement of 31(21.1%) on increasing the performance of airline projects. The study on this motif found a strong positive correlation on all indicators between the economic operational environment and the performance of airline projects, which indicates a statistical significance between the two variables at average coefficient ($r=0.68$) and a reliability of ($\alpha = 0.72$).

On the Subject matter of objective two, the research desired to ascertain the political operational environment on performance of airline projects in Kenya. The summary of outcomes is as follows; There was a huge response on how political instability and tension affects the performance of airlines projects with 103 (69.1%) of the respondents agreeing to the statement while 29 (19.5%) said it does not. 95 (63.8%) of the respondents concurred with the statement on appreciation at workplace affecting the performance of airlines projects while 29 (19.4%) said it does not. Poor compensation of employees and work imbalance leading to poor performance of airlines projects got a 97 (65.1%) acceptance with 31 (20.8%) denial. Alternatively, relationships with managers at workplace got a wider response with 105 (70.4%) of the respondents affirming that it was a factor that drives performance of airline projects while 27 (18.1%) said it does not. Finally, lack of purpose and job morale also got a wider response too with 90 (60.4%) of the respondents agreeing that lack of purpose and job morale affects the performance of airline projects, while 35 (23.5%) said it does not. The study on this subject matter found a strong positive correlation on all indicators between the political operational environment and the performance of airline projects, which indicates a statistical significance between the two variables at average coefficient ($r=0.69$) and a reliability of ($\alpha = 0.72$).

On the theme of the third objective, the survey sought to identify and assess the legal operational environment on the performance of airline projects in Kenya. The result in brief is as follows; On the finding to establish whether trade and air service agreement affect the performance of airline projects 11 (52.3%) respondents agreed while 4 (19.1%) disagreed. There was an almost equal response on the instigation of guidelines on trade wars with 8 (38.1%) respondents agreeing that the statement affects performance of airline projects while 7 (15.4%) disagreed. Consequently, imposition of tariffs to international trade affecting the performance of airline projects was agreed upon by 7 (33.4%) respondents. Imposition of government taxes and fines on airlines comes last with majority of the respondents 10 (47.7%) agreeing to its effect on performance of airline projects. The survey on this theme also found a strong positive correlation on all indicators between the legal operational environment and the performance of airline projects, which indicates a statistical significance between the two variables at average coefficient ($r=0.73$) and a reliability of ($\alpha = 0.76$).

5.3 Conclusions

The goal of the research was to examine operational environment on performance of airline projects in Kenya. Objective one desired to establish the economic operational environment on performance of airline projects in Kenya. The survey established that economic operational environment positively influences performance of airline projects and that the influence is significant. The study concluded that fuel remains to be a higher driving factor on expenses in airlines and a major element that is being monitored to ensure performance of airlines by minimizing its cost as little. Economic recession on the other hand, affects airline performance because when it occurs airlines do not operate their fleet maximumly which is mostly a major source of revenue, which forces most airlines to declare their employees redundant. These economic operational environments affect airlines not only in Kenya but also worldwide and should be researched fully from where the study has reached and addressed by different scholars so that a permanent solution can be drawn to ensure airlines remain at optimum performance.

The second objective sought to determine the political operational environment on performance of airline projects in Kenya. The survey established that political operational environment positively and significantly influences performance of airline projects. The study concluded that political instability and tension still affects Kenyan airlines by locking out both international and domestic travels which leads to most aircraft being grounded and so no lots of operations during the period. Employee's turnovers have different root causes that cannot be tackled wholesomely because different employees have different reasons for leaving an organization. This therefore means that no given time can an organization fully exhaust the issue of employee's turnover.

The third objective sought to identify and assess the legal operational environment on performance of airline projects in Kenya. The survey established that legal operational environment positively and significantly influences performance of airline projects. This study therefore concluded that government taxes cannot be evaded by airlines, but fines can be avoided. Air regulations cannot be violated as airlines may even cease operating, trade wars affects air service agreements which in turn affects airline performance and in Kenya there are no guidelines instigated on trade wars to help improve performance of airline projects.

Comprehensively, the study concluded that each variable under operational environment should be applied independently and appropriately during performance of airline projects in Kenya. This is agreeable because each strategy has a statistically positive effect on the project implementation.

5.4 Recommendations

The research recommends the following.

As an interim solution other than operational considerations as a fuel saving initiative which has enabled the airline to save a substantive amount of money, Kenya airways should also employ maintenance considerations like removal of inflight magazines and replacing them with digital on Inflight Entertainment systems. Removal of coffee and beverage makers on short flights where food is not served will also reduce overall aircraft weight hence weight of fuel to be carried during operations.

The final solution that the airline should employ is moving towards use of synthetic fuels as a means of drop-in alternative fuel. Renewable energy sectors are core element in enabling the emissivity of aviation and eco-friendly aircraft fuels is among the leading avenues probed today by the airline associations and a tremendous occasion to alleviate current aviation carbon emissions. Synthetic fuels are generally regarded a durable alternative in the long term, owing to their low lifespan emissions and additional ecological consequences. (ICAO, 2021)

For economic recession, COVID-19 and political instability and tension the airline should employ other revenue generating avenues to increase their performance. They should consider more international cargo operations and offer more maintenance, repair, and overhaul services to both local and international airlines. Besides that, the airlines should also consider leasing their aircraft and crew to operate MEDEVAC services and offer relief food in areas where tension and war is high both in the country and out of the country like DRC Congo and Somalia. Aviation technicians and engineers also requires training from time to time irrespective of the situation. Airlines like Kenya Airways should also consider extending their scope of training to other airlines outside their purview. This will not only increase their revenue but also performance in general.

For the employee's retention project, there is no definite solution that can solve the issue of turn over because of different employee's preferences. The airline should therefore consider adjustment of remuneration in terms of country's inflation. The amount of money 20 years ago

cannot be the same as the amount of money now. There should be adjustment of salary on a pro rata basis taking into consideration economy's inflation. The airline should also consider relooking at job security for their employees by giving them platform for access of better loans as those in the Middle East. Finally, the airline should consider giving their employees education grant for their children who are eligible in school up to the age of 18 years old.

For trade wars and air service agreements, the ministry of transport in collaboration with Kenya Civil Aviation Authority should consider instigating guidelines on trade war so that in case there is war between states, the performance of airline is not affected due to closure of borders.

Regarding imposition of taxes by the government, the study only found the airlines impacted greatly on departure and arrival taxes. Even though these were the only taxes discusses, the study recommends the following.

There is always taxation imposed on aviation fuel and carbon emission by the government. The airline should consider employing maintenance considerations as discussed earlier which will reduce the fuel used and carbon emitted thus reducing the taxation on both fuel and carbon emission.

The airline should also consider drafting clauses for support measure so that when government intervenes on existing air connections especially on domestic flights by hiring aircrafts for any reason, taxes should be waived for landing and take-off.

Finally, negotiations should extend to waiver on domestic air connectivity and domestic passengers tickets so that more local passengers are encouraged to fly. This will not only improve performance of airline projects by increasing revenue but also improves country's GDP which will create a win-win situation for both airlines and the government.

5.5 Suggestions on areas for Further Research

The researcher imply that a similar study should be conducted focusing on implementation of synthetic fuel as a means of fuel saving initiative.

The study only focused on six operational environments on performance of airline projects in Kenya. A similar research ought to be done on other operational environments.

More research should be done on other taxes that affect performance of airlines and how they can be minimized if not averted.

Finally, COVID-19 is a new pandemic further research should be conducted on finding a permanent solution on tackling this pandemic without compromising performance of airline projects.

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APPENDICES

Appendix I: Questionnaire

Dear Respondent,

My name is Maryil Goriet, a postgraduate student at the University of Nairobi, Nairobi Campus pursuing Master of Arts in Project Planning and Management. I am currently doing academic research on the operational environments on performance of airline projects in Kenya. I cooly beseech your contribution in this research by completing this questionnaire. I assure you the data collected is purely for academic purposes and this research only. Thank you

Instructions

1. Please fill all the place by marking with an (X) or tick alongside the word or phrase that best agrees with your rebuttal. The questionnaire has 5 sections (A-E)
2. Please be brief for the sections that requires explanation.
3. Do not reveal your identity by writing your name or telephone contact on the questionnaire.

SECTION A: Demographics information of the respondents.

1. What is your gender?
 - a) Male []
 - b) Female []
2. How old are you?
 - a) 17 – 25 Years []
 - b) 26 – 35 Years []
 - c) 36 – 50Years []
 - d) Over 50 Years []
3. What is your high educational level?
 - a) Attended high school but did not finish []
 - b) Diploma level []
 - c) Attended college but did not finish []
 - d) Vocational/Technical degree or certificate []
 - e) Bachelor's Degree []
 - f) Master's Degree []
 - g) Doctorate Degree []

4. What is your current Job Title?

.....

5. Give a brief description of your role in your section

.....

.....

6. How long have you worked in your organization?

a) 0 – 5 Years []

b) 10 – 20 Years []

c) Over 20 Years []

7. Define your current occupational status?

a) Working – Full Time []

b) Working – Part Time []

c) Apprentice []

d) On contract []

SECTION B: Economic operational environment and performance of airline projects.

This section contains statements on the economic operational environment and performance of airline projects. Kindly assess the following on a scale of 1 to 5 depending on your degree of concordance as follows.

Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

Item	Representation on Economic operational environment	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
Eoe1	Economic recession and the COVID-19 affect the performance of airlines projects.					
Eoe2	Fluctuation of aviation oil and fuel prices in Kenya affects performance of airlines projects.					
Eoe3	Implementation of fuel surcharges and fuel saving initiatives ensures excellent performance of airlines projects.					

Eoe4	Exercising flight scheduling and fuel efficiency measures ensures better performance of airlines projects.					
Eoe5	Fuel hedging process is applied as a means of increasing performance of airline projects.					

SECTION C: Political operational environment and performance of airline projects.

This section contains statements on the political operational environment and performance of airline projects. Kindly assess the following on a scale of 1 to 5 depending on your degree of concordance as follows.

Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

Item	Representation on Political operational environment	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
Poe1	Political stability and tension affect the performance of airlines projects.					
Poe2	Appreciation at workplace may lead to better performance of airlines projects.					
Poe3	Poor compensation of employees and work imbalance leads to poor performance of airline projects.					
Poe4	Relationships with managers are a factor that drives performance of airline projects.					
Poe5	Lack of purpose and job morale leads to poor performance of airline projects.					

SECTION D: Legal operational environment and performance of airline projects.

This section contains statements on the legal operational environment and performance of airline projects. Kindly assess the following on a scale of 1 to 5 depending on your degree of concordance as follows.

Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

Item	Representation on legal operational environment	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
Loe1	Trade and air service agreement affect the performance of airline projects.					
Loe2	Instigating guidelines on trade wars will help improve performance of airline projects.					
Loe3	Imposition of tariffs to international trade affects the performance of airline projects.					
Loe4	Violation of Air service compliance affects the performance of airline projects.					
Loe5	Government taxes and fines imposed on airlines affect the performance of airline projects.					

SECTION E: Performance of airline projects.

This section contains statements on performance of airline projects. Kindly assess the following on a scale of 1 to 5 depending on your degree of concordance as follows.

Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

Item	Performance of Airline Projects	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)

Pap1	Safe operation of aircrafts and effective planning is essential in the performance of airlines.					
Pap2	Organizational time management and reliability of fleet ensures excellent performance of airlines.					
Pap3	Maximum utilization of fleet, full capacity and profitability ensures excellent performance of airlines.					
Pap4	The quality and quantity of service offered by an airline leads to excellent performance of airlines.					
Pap5	Efficiency of operations ensures excellent performance of airlines.					

THE END. I appreciate your cooperation!

Appendix II: Interview Guide

OPERATIONAL ENVIRONMENT ON PERFORMANCE OF AIRLINE PROJECTS IN KENYA.

1. How does economic operational environment in the county influence the performance of airline projects in Kenya?

Probe for; Economic Recession and COVID-19, fluctuation of oil and fuel prices, fuel surcharges and saving initiatives, flight scheduling and fuel efficiency and fuel hedging process.

2. How does political operational environment in the county influence the performance of airline projects in Kenya?

Probe for; Political Instability and tension, employee's poor compensation and work imbalance, lack of purpose and job morale, relationship with managers and appreciations at workplace.

3. How does legal operational environment in the county influence the performance of airline projects in Kenya?

Probe for; Trade and air service agreement, instigating guidelines on trade wars, imposition of tariffs to international trade, air service compliance violation and government taxes and fines

4. How is the performance of airline projects in Kenya?

Probe for; Quality and Quantity of service offered, operational efficiency, safety and effective planning, reliability and time management and capacity, utilization, and profitability.

Appendix III: Introductory Letter for Research



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26 October 2021

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
MARYIL GORIET OCHIENG – REGISTRATION NO. L50/9664/2018

This is to confirm that the above named is a bona fide student in the Master of Arts in Project Planning and Management degree program in this University. She is conducting research on *"Operational Environment on Performance of Airline Projects in Kenya: A Case of Kenya Airways and Kenya Civil Aviation Authority"*.

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.





Your co-operation will be highly appreciated.



PROF. JACKSON MAALU
DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

JM/fo

Appendix IV: Nacosti Research License

 <p>REPUBLIC OF KENYA</p>	 <p>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION</p>
RefNo: 274932	Date of Issue: 10/November/2021
RESEARCH LICENSE	
	
This is to Certify that Miss. MARYIL GORIET OCHIENG of University of Nairobi, has been licensed to conduct research in Nairobi on the topic: OPERATIONAL ENVIRONMENT ON PERFORMANCE OF AIRLINE PROJECTS IN KENYA: A CASE OF KENYA AIRWAYS AND KENYA CIVIL AVIATION AUTHORITY for the period ending : 10/November/2022.	
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