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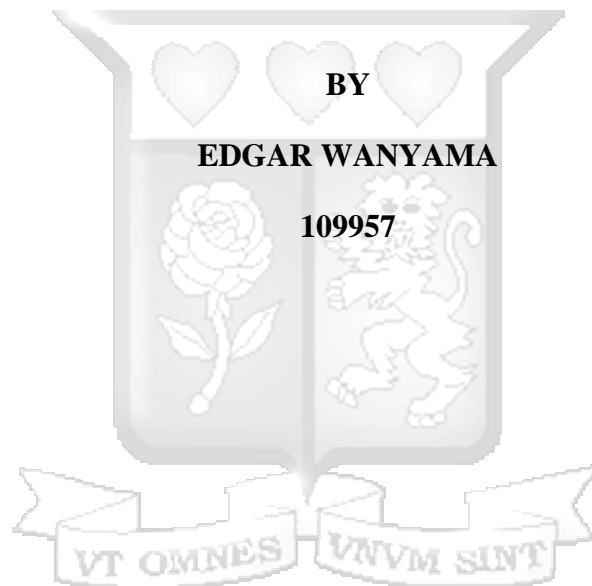
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**AN ASSESSMENT OF THE FACTORS AFFECTING THE ACHIEVEMENT OF
TURNAROUND STRATEGIES AT KENYA AIRWAYS**



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION AT STRATHMORE UNIVERSITY**

APRIL 2023

DECLARATION

I declare that this project has not been previously submitted for defence in this or any other university.

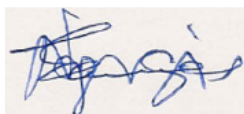


Edgar Wanyama

April 19th 2023

Approval

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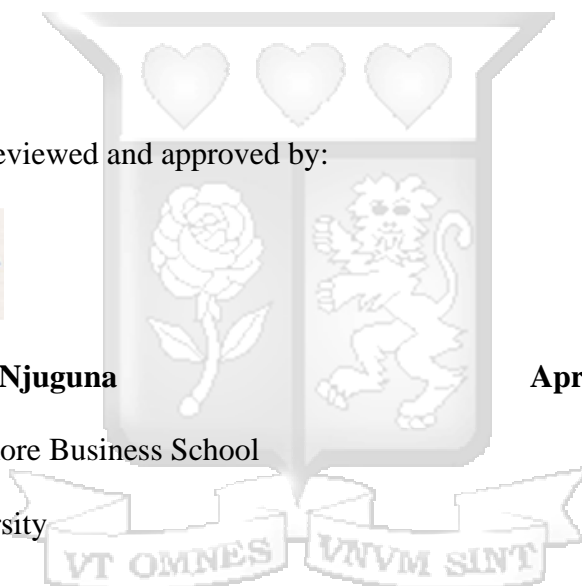


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ABSTRACT

By December 2019, the turnaround strategy at Kenya Airways had shown improved revenue. There was an increase in number of revenue passengers and new routes were opened to Geneva and Rome with connections to Malindi. Just as the turnaround strategy was gaining success, the emergence of the Covid-19 pandemic resulted in suspension of flights and government lockdowns which severely impacted the achievement of the turnaround strategy. These factors forced Kenya Airways to implement significant cost-cutting measures. The purpose of this study was to assess the factors that affect the achievement of turnaround strategies in airlines, with a focus on Kenya Airways. The specific objectives were; to examine the effect of strategic alliances, competitive strategies, leadership and Covid-19 pandemic on the achievement of turnaround strategies at Kenya Airways. The study was grounded on the strategic turnaround theory. Descriptive research design was adopted for this study and the researcher probed for information from employees using survey methodology. The unit of observation was managers at Kenya Airways from the following departments: Strategy and Finance department, Human Resources, Technical Operations, Ground Services and Flight Operations. The unit of analysis was 155 employees drawn from senior level, middle level and lower level of management at Kenya Airways. The sample size for the study was 112 employees drawn from the 4 departments. Primary data was collected using a structured questionnaire. Simple random method was applied on respondents earmarked for participation in the study then descriptive and inferential statistics were finally used to analyze and interpret the data. The researcher ensured that the study complies with research quality standards including validity, objectivity and reliability. The study was able to obtain 78% response rate which is adequate when conducting quantitative analysis. Correlation tests showed strategic alliances, competitive strategies and leadership have a positive effect on competitiveness and profitability of Kenya Airways. The study concluded that achievement of turnaround strategies within Kenya Airways is positively related to the execution of strategic alliances, competitive strategies, leadership and Covid-19. Independently the research concluded that strategic alliances, competitive strategies and leadership do have a significant positive effect on achievement of turnaround strategies. The research further concluded that Covid-19 had a negative and insignificant effect on the achievement of turnaround strategies at Kenya Airways. The research recommended that the airline should cooperate more with other major airlines globally that will help in enhancing the diversification of the services offered by the airline. The study recommends that management should consider more hybrid strategies that are more practical when operating in a fluid environment. This will help in avoiding any corrosive effects to the profitability and competitiveness of the airline. The study also recommends that management should implement better recruitment and retention of a highly qualified and diversified workforce which will enhance the effective execution of strategies which can lead to better performance.

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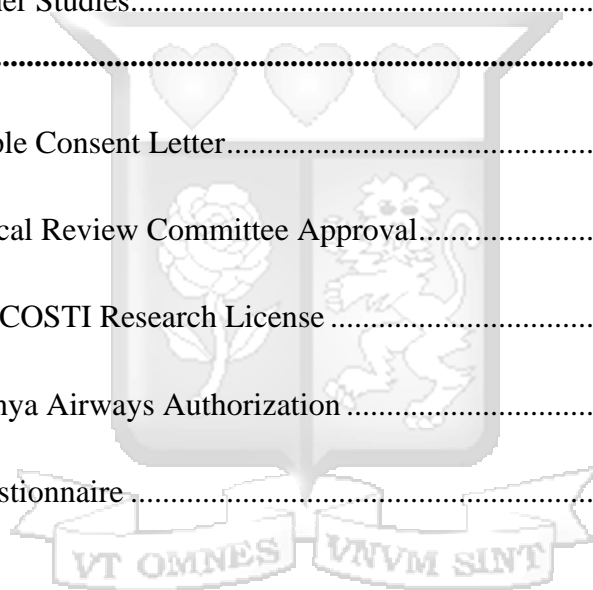
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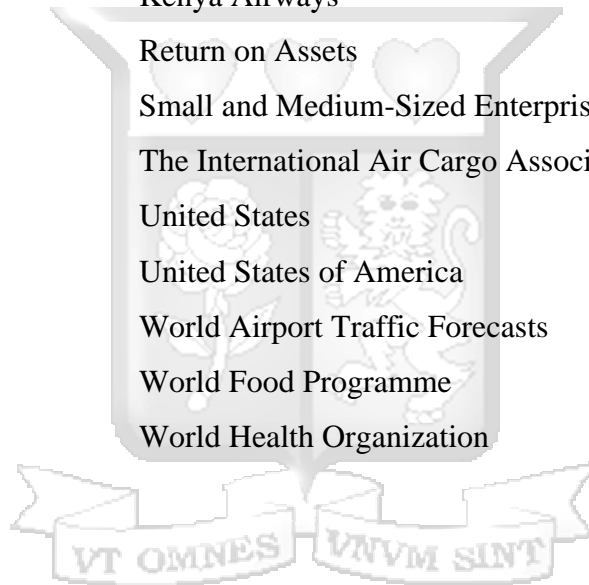
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DEFINITION OF TERMS

ACI	Airports Council International
ASA	Air Service Agreement
CEO	Chief Executive Officer
FDI	Foreign Direct Investment
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
JKIA	Jomo Kenyatta International Airport
KSA	Knowledge, Skills and Abilities
KQ	Kenya Airways
ROA	Return on Assets
SME	Small and Medium-Sized Enterprise
TIACA	The International Air Cargo Association
US	United States
USA	United States of America
WATF	World Airport Traffic Forecasts
WFP	World Food Programme
WHO	World Health Organization



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This study focused on the association between four independent variables that drive turnaround strategies at Kenya Airways. These are strategic alliances, competitive strategies, leadership and the Covid-19 pandemic. The dependent variable is achievement of turnaround strategies at Kenya Airways.

The global environment is ever changing and businesses are often forced to adapt to different circumstances and situations as they pursue their main objectives. To accomplish this, they need effectively thought-out and implemented strategies which act as guides for the approach to be adopted. However, most companies are often unsuccessful at formulating and implementing such strategies (Kumalo & Scheepers, 2021). As observed by Gotteiner, Mas-Machuca and Marimon (2019), a firms' ability to effectively implement chosen strategies is key to survival in a competitive business environment and in times of distress. Turnaround strategies are those strategies that firms adopt when trying to recover or adopt to rapidly changing environments. According to Santana, Valle and Galana (2017), effective implementation of turnaround strategies is reliant on various factors such as the management's ability to understand and identify its areas of strengths and weaknesses, as well as advance and implement a clearly evaluated problem-solving strategy.

The COVID-19 outbreak was declared a public health of international concern in January 2020, and a pandemic in March 2020. Its pronouncement created an uncertain environment where most income generating activities were halted. While many businesses were hit, a halting in all travels had significant impacts on firms operating in the travel sector, including airlines, with airline travel dropping sharply to contain the virus. For instance, ACI (2020) estimates that the COVID-19 resulted in a drop of two-fifths of passenger traffic in 2020, with the International Civil Aviation Organization (ICAO) estimating that airline firms lost more than \$135 billion in revenue in the first half of 2020 alone (ICAO, 2022). Mofokeng, Mativenga and Marnewick (2020) add that the cost of maintaining the

airplanes, which usually costs the insurance sector an average of \$40 billion annually was contributing to the liquidity challenges facing airline firms.

Given the decline in demand for airline services and shut down of air travel, airlines were faced with the dilemma of having to maintain a large, inactive workforce as well as fleets of inactive airplanes, and to meet shareholders' expectation which is sustained competitiveness and profitability. In such situations, turnaround strategies are the main recourse for many firms (Buhusayen, Seet, & Coetzer, 2020). Turnaround strategies are usually formulated with the aim of ensuring a struggling organization can find alternative ways to remain financially sustainable in tough business environments (Buhusayen, Seet, & Coetzer, 2020). The researchers affirm that while turnaround strategies are inevitable, effective management of turnaround strategies is challenging given that people are often less receptive to change and distracted by the severe lifestyle and operational changes that accompany a turnaround.

Research into factors influencing successful implementation of turnaround strategies reveals a host of factors. According to Ghazzawi (2017), turnaround strategies require visionary leaders who are competent and have adequate control over the firm's resources. Fairley (2019) adds that when implementing turnaround strategies, leaders have to be innovative and to devise strategic choices and structures that will harness available resources more effectively and return the firm to its previous competitive position. In India, Agrawal (2020) affirms that when turnaround strategies involve strategic alliances, the type of alliance and the strategic fit between the partners plays a key role in supporting the business that is in financial distress. This researcher argues that since implementing turnaround strategies poses numerous financial and reputational implications, strategic partners should have a similar vision and develop clear lines of communication to minimize possible conflicts.

On the other hand, according to Malaysia's Kyaw (2020), before implementing turnaround strategies, the management has to consider the culture of the organization. According to the researchers, for instance, cost reduction strategies have negative effects on profitability and growth when implemented in firms that prioritize staff development and retention. In another research, CEO attributes were observed to influence turnaround success in hectic

times (Schweizer & Nienhaus, 2022). The researchers observed that while many firms choose to dismiss the CEO as a turnaround move, CEO-founder-duality and CEO-chairman-duality have greater impacts on turnaround success than firing the CEO. In Austria, Kuttner, Mayr, Mitter and Duller's (2022) research on bankrupt SMEs revealed a significant positive association between the quality of accounting systems, the quality of early warning systems and the presence of written reorganization plans on the outcomes of the analyzed court-supervised reorganizations.

Namibia's Aipinge and Shopati (2022) investigated the factors influencing the effective implementation of turnaround strategies in the public sector and ascertained that client consultation, service delivery and clear goals and objectives for the turnaround are the most significant success factors. Locally, Mbundu (2022) observes that the use of alliances as a turnaround strategy is not always successful in research that observed consistent failure to recover by Kenya Airways despite joining the SkyTeam Alliance in a bid to improve business performance, reduce cost of operation and increase profitability. In another research that focused on turbulence faced by Kenya Airways during the implementation of turnaround strategies, the degree of employee involvement and support, leadership stability, the presence of a business continuity plan and a turnaround implementation fund were identified as the main factors influencing turnaround success (Nyatumba & Poee, 2022).

Globalization is increasing the pressure on firms to adapt best practices and procedures to remain competitive in an ever-changing business environment. Airline firms operate on an international scale and they serve a wide range of customers who demand high quality service execution. Many large firms have struggled to adapt to this environment and questions are emerging on whether they will be able to remain competitive (Kasim & Mahmut, 2020). This challenge was exacerbated by the COVID-19 pandemic which led to the closure of many businesses around the world. Surviving firms have had to adapt by implementing turnaround strategies aimed at minimizing operational costs in order to maintain quality service delivery (Amankwah-Amoah, et al., 2021). However, only 40 percent of firms are successful at implementing turnaround strategies (Rico & Puig, 2021). This study seeks to contribute to managerial literature by carrying out an assessment into the factors that influence successful implementation of turnaround strategies.

1.1.1 Turnaround Strategies

One of the earliest researchers on turnaround, Schendel, Patton, and Riggs (1976) defined turnaround as a decline and recovery of performance. It is the turning around of a venture from decline to recovery and resumption of normal operations through reorientation of strategies, structures, positioning, control systems, and power distribution (Fairley, 2019). Buhusayen, Seet and Coetzer (2020) define turnaround strategies as those defensive unsystematic reactions to financial, operational, human or market-related challenges. The researchers opine that turnaround strategies revolve around reorganization, repositioning, and retrenchment wherein; reorganization is achieved through asset and liability restructuring, a change in employee titles and roles, or a change of ownership through mergers or acquisitions. Repositioning is achieved through the reorganization of staff roles, acquisition of new ones and retrenchment, while retrenchment entails downsizing. Turnaround strategies cause radical shifts in a firm's norms and operations, and can have significant negative impacts on staff morale and productivity (Fairley, 2019).

As affirmed by Rico and Puig (2021), turnaround strategies are adopted to minimize operating costs whereby firms systematically shed off excess or unwanted expenses, reduce their size and seek efficiency. Some firms sublet secondary activities and partner with other players in the same industry to fill the emerging gap in service delivery through mergers and acquisitions (Reeves, Faeste, Friedman, & Lotan, 2019). Throughout the turnaround strategy implementation process, challenges can emerge such as staff resistance to change, inadequate finances or poor leadership decisions, and this can increase the firm's exposure to the risks that had necessitated the turnaround. According to Reeves, et al., (2019), at any point in time, one in three firms are in need of a turnaround in operations and strategy to remain competitive.

Bhattachryya and Malik (2019) aver that a successful turnaround strategy is anchored on five critical stages; the recognition and analysis of the problem, creation of a turnaround plan, implementation of the plan, monitoring and evaluation, and returning to profitability and growth. The management has to first recognize that there is a particular problem affecting the firms' ability to earn, identify appropriate corrective measures in consultation

with various stakeholders, use its influence to spur change, and to steer the organization forward in turnaround strategy implementation (Ghazzawi, 2017). However, while turnaround management usually involves predictable decisions that can be implemented across various firms, turnaround managers can use poor management practices during the process such as pressuring the firm for quick change, failure to properly identify the problems affecting the firm, an overemphasis in cost cutting and retrenchment, lack of communication and failure to protect the shareholders' interests which has significant negative implications on the success of turnaround strategies (Buhusayen, Seet, & Coetzer, 2020).

Research into the factors facilitating successful implementation of turnaround strategies categorize them into internal and external factors. Specifically, the literature identifies factors that revolve around the role of the leaders in strategy implementation, the financial capacity of the firm to properly implement the turnaround strategy, and the strategies adopted to accomplish core goals (Buhusayen, Seet, & Coetzer, 2020; Gotteiner, Mas-Machuca, & Marimon, 2019). In the research by Baliuskas, Llopis, Gasco and Gonzalez (2022), high operating costs, internal bureaucracy, and lack of liquidity were identified as the main challenges to effective turnaround implementation. The researchers affirmed that tactics deployed such as price reductions and discounts, as well as cost reduction measures play a big part in turnaround of small SMEs. In another study, firms with alert managements were able to be more responsive and applied turnaround tactics in time before the firm became more illiquid (Osiyevskyy, Sinha, Sarkar, & Dewald, 2023).

Aggarwal and Schenone (2017) opine that since the airline industry operates in an environment characterized by high market turbulence, turnaround strategies are critical drivers for the sustainability and performance of the sector. Among airlines in distress, the leaders, alliances and strategies adopted to reduce cost and remain competitive have a significant influence on the success of turnaround strategy implementation. Similarly, Schmidt, Heinemann and Hornung (2017) identified the competitive strategies implemented, strategic alliances, and proactive leadership as critical factors that influence turnaround in the airline sector. Amankwah-Amoah, Ottosson and Sjogren (2017) study examined the strategic-renewal turnaround strategies of Scandinavian Airlines and

identified strategic alliances, competitive strategies and leadership factors. These factors will inform the current research.

A strategic alliance refers to an arrangement between two or more business entities which undertake a project with mutual benefits but minimal interference in each other's core activity (Kasim & Mahmut, 2020). Companies cooperate through joint ventures, equity alliances and non-equity alliances (Shahri & Sarvestani, 2020). A joint venture refers to a child company of two firms in strategic alliances. Both firms play a role in running the organization and share resources and equity under a binding agreement (Iatrou & Oretti, 2016). In an equity alliance, one firm purchases equity in another while non-equity alliances refer to strategic alliances whereby firms share resources without sharing equity or creating a new venture. The type of alliance has been shown to influence turnaround success with Amankwah-Amoah, Khan and Osabutey (2021) research affirming that firms should form strategic alliances with internationally recognized airlines with established networks and a recognizable brand name. Kasim and Mahmut (2020) observed that while membership into the Star Alliance increases financial indicators, it has minimal impact on service performance, implying that a fit between the firms' goals is key to alliance success.

Competitive strategies refer to those policies and procedures used to gain competitive advantage (Nyaga & Simiyu, 2018). These are the strategies adopted by firms to gain a large market share and remain more profitable than their competitors. Competitive strategies affect how businesses continue to operate after a period of change as they develop and adapt new ideas for products and services offered by the company. Eufrazio, Eller and Oliveira (2021) identify cost leadership and differentiation strategies as the main competitive strategies adopted by firms during turnaround events. Santana, Valle and Gonzalez (2019) investigated the turnaround strategies at Iberia Airlines and stated that strategic alliances were the most appreciated type of competitive strategy.

As mentioned, turnaround events are delicate undertakings which are highly influenced by the oversight authority whose role lies in deciding and motivating employees through the implementation of turnaround strategies (Sengupta, 2021). A leader's ability to influence the organization through the implementation of new policies, procedures as well as a

cultural shift plays a significant role in the success of turnaround strategies. Kumalo and Scheepers (2021) opine that the first step in the turnaround process should be to use leaders with the characteristics that would have a positive impact on the organization's performance outcomes. In the research, CEO/director leadership was preferable to shared or distributed leadership in turnaround change processes. Buhusayen, Seet and Coetzer (2020) opine that turnaround change processes require flexible leaders who must balance their approach depending on the stage of turnaround. On the other hand, Sengupta (2021) highlights transformational leadership as key to strategically converting challenges into opportunities while according to Buchanan (2019), a soft approach to leadership would be essential to managing resistance to change that may occur within the organization.

Bhattachryya and Malik (2019) indicated that adaptive learning as a turnaround strategy emanates from a successful search by the leadership for new strategies to curb poor performance in an organization. Turnaround literature emphasizes soft and hard approaches to leadership during turnaround events. However, given that different approaches have different impacts on the organization at different stages of turnaround implementation, this study examined the impact of leadership factors on successful implementation of turnaround strategies.

1.1.2 Turnaround Strategy at Kenya Airways

Kenya Airways Limited is known as KQ, the IATA designated code, and is the largest airline in Kenya and it markets itself as "The Pride of Africa". KQ was founded in 1977 after the dissolution of the East African Airways and its headquarters are in Embakasi, Nairobi, with its hub at the Jomo Kenyatta International Airport (JKIA). KQ is a member of the Sky Team Alliance and it flies to 53 destinations worldwide, 42 of which are in Africa and it carries over three million passengers annually (Kenya Airways Annual Report, 2019). KQ has a fleet of 36 aircraft which fly to various regions in Africa and around the world (Kenya Airways Annual Report, 2017).

Kenya Airways has been troubled for most of its existence and performance challenges have forced the airline to adapt various turnaround strategies to mitigate the negative performance (Kariuki, 2017). Some of the turnaround strategies include a change in

management whereby the board chairman, managing directors and company directors were all overhauled (Kenya Airways Annual Report, 2017). Previous restructuring programs were named “Operation Pride”, “Mawingu” and “Project Safari”. Operation pride focused on controlling costs by restructuring, privatization, fleet modernization and network expansion through strategic alliances (Chacha, 2019). The Mawingu project, which failed in part due to poor management execution, was initiated to focus on route and network planning through loans and capital markets (Kenya Airways Annual Report, 2017). Project Safari is the current turnaround strategy aimed at consolidating the gains of Operation Pride. Throughout these transformational strategies, the airline stewardship capacity retained both the chief executive officer and the managing director roles. On June 19 2019, the Kenyan parliament under the parliamentary transport committee formally passed a proposal to nationalize Kenya Airways (Chacha, 2019).

Over the years, the government has bailed out KQ and in March 2021, a Kshs 28 billion rescue package was proposed pending its nationalization (Macharia, 2021). It is notable that such turnaround strategies have not rescued KQ from the perennial losses since 2013. The airline appeared to have turned the corner in 2018 when the losses decreased to Kshs 7.6 billion. However, the Covid-19 pandemic worsened the financial situation for KQ. The airline was one of the hardest hit businesses in Kenya because the pandemic resulted in the grounding of both domestic and international flights from April to August 2020 (Ng’ang’a, 2020). By July 2020, the airline embarked on cost-cutting measures such as offloading of non-strategic assets, reducing its networks and downsizing the number of employees to reduce losses (Macharia, 2021).

If the airline has adopted various turnaround strategies to little success, it is a matter of importance to understand how this can be improved. The basis of this study is to unravel the factors that affect successful execution of turnaround strategies in Kenya Airways and how the Covid-19 pandemic affected the firm’s ability to implement those strategies.

1.2 Statement of the Problem

After registering negative financial performance between 2013 and 2017, Kenya Airways undertook several long-term turnaround strategies dubbed “Operation Pride”, “Mawingu”

and “Project Safari” (Okeyo & Kabare, 2019). These reorganization strategies were centred around turnaround through leadership change, controlling costs, privatization, and modernization of fleets and network expansion through strategic alliances (Mukoma, 2020). However, while the company was starting to register some improvements that resulted in revenues rising to Kshs 128 billion and a 7% increase in the number of passengers, the COVID-19 pandemic hit and a host of restrictive measures instituted to control the viruses’ spread reversed any positives that had been realized. In fact, revenues declined to between Kshs 60-70 billion in 2020 as flights were suspended and governments instituted lockdown and distancing policies (Ondicho, 2021). This brought into question the sustainability of the turnaround strategies employed in lieu of the containment measures employed during the pandemic.

There are various scholars who have studied the factors impacting turnaround strategies in airlines. However, past studies on factors affecting turnaround strategies at Kenya Airways were conducted when the gains of the company’s turnaround choices were not yet measured in terms of improved financial performance over a period of time. They were also conducted prior to the Covid-19 epidemic that has adversely affected their implementation. A number of related studies were based in foreign countries with airlines encountering differing financial performance compared to Kenya Airways. For instance, Payan- Sanchez, Perez-Valls and Plaza-Ubeda (2019) focused on the contribution of global alliances as a turnaround strategy for environmental performance in USA. Lawton, Rajwani and O’Kane (2019) study focused on strategic re-orientation as a turnaround strategy for achieving sharp recoveries in performance of global legacy airlines in Canada. Findings from Yu, Xu and Dong (2019) show that vertical strategic alliances whereby smaller firms cooperate with large firms in a different industry, have more significant impacts on performance outcomes than horizontal alliances.

Chacha (2019) study was on the impact of turnaround strategies on business performance of Kenya Airways. The variables studied were organizational restructuring, cost management practices and the impact of retrenchment on business performance. Mungai and Bula (2018) studied the turnaround strategies and performance of Kenya Airways. Specifically, the study focused on four objectives; revenue generating strategy, cost

reduction strategy, asset reduction strategy and financial restructuring and performance of Kenya Airways. Whereas previous studies were focused on the performance of Kenya Airways, the conceptualization of this study differed in two main areas. First, this study examined the extent to which specific constructs affected the achievement of turnaround strategies at KQ. Second, this study sought to analyse the factors affecting achievement of turnaround strategies at KQ during the COVID-19 pandemic which was a period of unprecedented disruption to the entire aviation industry.

1.3 Research Objectives

The main objective of this study was to analyse the factors affecting achievement of turnaround strategies in airlines, with a focus on Kenya Airways.

1.3.1 Specific Objectives

- i. To examine the effect of strategic alliances on achievement of turnaround strategies at Kenya Airways.
- ii. To establish the effect of competitive strategies on achievement of turnaround strategies at Kenya Airways.
- iii. To determine the effect of leadership on achievement of turnaround strategies at Kenya Airways.
- iv. To assess the effect of Covid-19 pandemic on achievement of turnaround strategies at Kenya Airways.

1.4 Research Questions

- i. What is the effect of strategic alliances on achievement of turnaround strategies at Kenya Airways?
- ii. What is the effect of competitive strategies on achievement of turnaround strategies at Kenya Airways?
- iii. What is the effect of leadership on achievement of turnaround strategies at Kenya Airways?
- iv. What is the effect of Covid-19 pandemic on achievement of turnaround strategies at Kenya Airways?

1.5 Scope of Study

The scope of this study was to assess the factors affecting achievement of turnaround strategies at Kenya Airways. Four independent variables guided the study; strategic alliances, competitive strategies, leadership and Covid-19 pandemic. To justify the independent variables, Amankwah-Amoah et al. (2017) stated that to improve performance and reverse decline, three categories of turnaround strategies may be formulated and implemented; strategic alliances, competitive strategies, and leadership. This study intended to expound on the achievement of the turnaround strategies envisioned by the leadership of Kenya Airways especially after the emergence of Covid-19 pandemic.

As stated by Dube, Nhamo and Chikodzi (2021), Covid-19 pandemic ushered a wave of economic decline that heavily impacted turnaround strategies in the airline industry and was formulated as recourse for overcoming the global economic decline of 2008-2012. Despite the existence of other airlines in Kenya, this study focused on Kenya Airways being the national carrier and a greater contributor to the country's gross domestic product. This study targeted a population of lower-level, middle-level and upper-level management at Kenya Airways and the respondents targeted are based in Nairobi County. A questionnaire was used to collect primary data. This study covered the period 2020-2022 that is at the height of the Covid-19 pandemic.

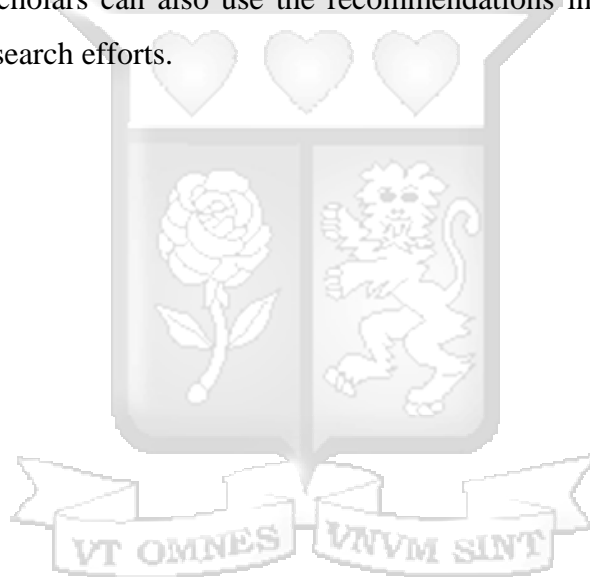
1.6 Significance of Study

The findings of the study were significant to the government and strategic partners in Kenya Airways as they provide information on the outcomes of turnaround strategies. The findings will inform investors and shareholders in Kenya Airways on the various factors that affect turnaround strategies in Kenya Airways and whether the Covid-19 pandemic has affected their implementation. The findings were expected to create awareness within the management teams at Kenya Airways on the performance of key metrics suggested in the turnaround strategies and through this study they will gain insight on variation of the strategies especially due to the pandemic.

The findings were beneficial to strategy implementers at Kenya Airways since they will gain knowledge of the trends on underlying factors within the strategic choices that may

not be visible from a theoretical point of view. The study provided an explanation for the factors that influence of successful implementation of turnaround strategies and will be essential to turnaround practitioners in the travel sector.

This study contributed to theory and literature by highlighting the relationship between the strategic turnaround theory and turnaround success in harsh environments such as the one presented by the COVID-19 pandemic. Further, it contributed to empirical literature on the factors that influence strategic implementation success. Future scholars and academicians will gain from this study because it lays a foundation for future studies on the topic of the study. The study will also serve as a source of citation and item of reference for future scholars. These scholars can also use the recommendations included in the research to advance future research efforts.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed theoretical and empirical literature that informed the factors that affect achievement of airline turnaround strategies. Critical and in-depth evaluation of previous research was intended to elucidate specific objectives, namely strategic alliances, competitive strategies, leadership, the Covid-19 pandemic and turnaround strategy. This chapter also leveraged the Strategic Turnaround theory by Hofer as the foundation of the study.

2.2 Theoretical Review

2.2.1 Strategic Turnaround Theory

The strategic turnaround theory was developed by Hofer in 1980. The theory proposes that turnaround strategies are crucial remedies for mitigating challenges and problems associated with lack of achievement of set objectives in organizations. The theory articulates two categories of turnaround strategies; strategic and operating strategies. First, operating turnaround strategy refers to actions and practices performed by firms suffering from poor performance characterized by inefficiencies and threats of bankruptcy. Second, strategic turnaround practices deal with firms that have challenges related to improper market alignment.

Strategic turnaround practices taken by a firm usually take into account new methods of competing in an existing market or deciding to enter into a totally new market (Hofer, 1980). This includes envisioning of new alliances or incorporation of competitive strategies that reinvigorate performance of an organization. On the other hand, the context of operating turnaround strategy is focused on attempts at coping with economic recession by a firm characterized by practices like induction of new leadership, new operation strategies, cost reduction, asset reduction, generating more revenue or a combination of these strategies.

Hofer (1980) added that the choice of turnaround strategy opted by a firm depends on the severity of the operational situation at that moment and is at the discretion of the leadership

of the organization. The goal of the strategy is to enable the firm to break-even and increase the level of profitability. Strategic alliance as a turnaround strategy is a strategy of last resort where firms opt to incorporate new leadership with a better vision and is practically associated with firms encountering high-level severity of under-performance. The aim is to minimize the level of redundancy of the human capital by inclusion of new knowledge and experience to enable the firm to assimilate better strategic thinking and visioning.

Infusion of competitive strategies is a visionary strategy opted by a firm that enjoys average performance but not to the extent of below break-even levels. The focus on such firms is to generate more competitive strategies that are skill-based and that incorporate strategic thinking, innovation, execution, positioning, and critical thinking to achieve competitive advantage for the firm. The focus of competitive strategies is to equip firms like those in the airline industry with advantages over rivals through attraction of customers and creating a defense against potential competitive forces (Nyaga & Simiyu, 2018).

Strategic management literature recognizes turnaround strategies as critical management processes applied at the corporate level. Hofer (1980) suggested that operating turnaround strategies require to be implemented by visionary leaders with capabilities for innovation, creativity and envisioning, which play a pivotal role in realization of competitive, sustainable and corporate roles within the airline industry. This theory is applicable in anchoring this study because it spells out the importance of strategic alliance, competitive strategies and leadership as critical components for understanding turnaround strategy implementation. Hofer's (1980) turnaround model is key in this study since it highlights appropriate recovery actions such as cost reduction, revenue increasing, market/product refocusing and asset reduction practices as the key factors that influence firms' ability to reach the break-even point. It shows the importance of competent managements, refocus on core operations and improved employee motivation as critical success factors. These will be investigated in the context of Kenya Airways after the emergence of Covid-19 pandemic.

2.3 Conceptual Review

2.3.1 Impact of Turnaround Strategies

Firms in the competitive, global aviation industry have for a long time encountered performance challenges that usually require turnaround strategies for them to remain afloat. Some of these challenges include government actions, influential labour groups, and intensive investment in aircraft equipment, unpredictable fuel prices, competition, terrorism, weather absurdities, and epidemics like Covid-19 among many others (Schultz, Evler, Asadi et al., 2020). Scholars such as Shahri and Sarvestani (2020) refer to turnaround strategy as a rejuvenation and actual entrepreneurial phenomenon that combines organizational strategy and organizational changes. Eufrazio, Eller and Oliveira (2021) averred that three years of sustained positive performance is an indicator of successful turnaround strategy. However, while many companies attempt to institute turnaround strategies, Enitan, Junaid, Avwioro et al. (2020) affirm that only 40 percent of firms are successful in their efforts. They face challenges including internal resistance, poor strategic choice or lack of adequate finances. This high degree of failure has inspired research into factors that drive success of implementation of turnaround strategies. The end result of turnaround strategies is increased profitability and competitiveness. These will be explained in detail.

2.3.1.1 Profitability

In the airline industry, profitability is measured through Return on Assets (ROA) since it shows the per dollar profits an airline earns on its assets. This is since the primary assets of an airline are its planes that normally generate the bulk of its revenues (Amana, 2016). Even before the emergence of Covid-19 and the subsequent lockdowns coupled with grounding of aircrafts, airlines in Europe faced profitability-related challenges. This was reflected in high regulatory costs, inefficiencies on infrastructure and onerous taxation among European airlines (Button, 2016). Although European airlines had achieved the second highest load factors by 2019, the industry was bedeviled by poor financial performance (Amana, 2016).

Similarly, the American airline industry continued to face financial performance challenges leading to the exit from the market of a number of key players. Schultz et al. (2020)

indicated that the United States Airline industry has on average recorded six bankruptcies per year since 1978. Some of these airlines include Trans World Airways, Braniff airlines, Continental and US Airways. Due to the ramp-down of flight operations and cessation of movement due to Covid-19, airlines such as Air France, American Airlines, Air Canada and Emirates indicated significant financial performance drops resulting from seat allocation restrictions, reduction in capacity of passengers and grounding of aircrafts.

2.3.1.2 Competitiveness

The efficiency and effectiveness of an airline in terms of meeting its specified goals is the overall competitiveness of an airline (Ozil, 2020). Amankwah-Amoah, Khan and Osabutey (2021) indicated that the consequence of poor financial performance resulting from Covid-19 has negatively impacted the competitiveness of airlines against a number of other airlines. This has led a number of airlines to propose turnaround strategies such as total grounding of entire operations, operation restructuring, and re-alignment of business plans, cost structure and operations, debt restructuring, liability management and renegotiation or termination of onerous contracts. South African Airways implemented a turnaround strategy due to challenges facing the government-appointed board. This had a negative effect on the appeal and competitiveness of the airline among the local and international customers (Kwesta, 2015). Competitive airlines are able to attract customers and maintain their flight periods (Enitan, Junaid, Avwioro, 2020). This study will use these measures to measure the degree to which KQ was able to retain its customers after the COVID-19 pandemic.

2.4 Drivers of Turnaround Success

2.4.1 Strategic Alliances

Airlines are normally prevented from acquiring a majority stake of airlines in other countries because of Air Service Agreement (ASA) restrictions on foreign ownership. On the other hand, an airline taking a majority stake in another airline in its own country is much easier e.g., Northwest's 27.8 percent stake in Mesaba Air or Air France's 100 percent stake in Regional Airlines (Airline Finance, p. 13). An airline may set up a fully owned subsidiary airline to operate as a low cost or charter carrier. For example, KQ launched a wholly owned subsidiary named Jambo Jet to offer affordable air travel fares on domestic

routes (Kamau & Kavale, 2015). Since the inception of the airline industry, strategic alliances and corroborations have always been integral to the airline business with most agreements capitalizing on technical cooperation (Houtte, 1993). Kartikasari (2019) indicated that strategic alliances may involve joint ventures and code sharing.

2.4.1.1 Joint Ventures

A joint venture refers to the agreement between airlines that involves sharing of routes as specified in the agreed contract (Iatrou & Oretti, 2016). The arrangements also involve coordination in planning routes and schedules. Joint ventures include the exchange of aircraft parts and joint maintenance. In recent years, the degree of commitment attached to airline alliances has morphed to a competitive tool due to intensified competition. Airline cooperation has moved to a wide range of activities ranging from sales and marketing to aircraft purchasing and maintenance. Strategic alliances through joint ventures between airlines around the world is used in turnaround strategy as a means for exposure to new technology, new markets abroad that scale down the bureaucracy and protection of domestic markets (Kartikasari, 2019). Airlines employ joint ventures as a technical means to enhance growth strategy.

Bissessur and Alamdari (2008) summarize the goals of joint ventures as: to increase traffic levels through access to new markets; to code share or upgrade an interline connection to on-line statutes offering substantial advantages in selling tickets; to increase market share, frequent flyer programs, ease of baggage transfers and single check-in capabilities through multiple sector points; and, to reduce costs through reciprocal sales arrangements, joint catering, joint scheduling and shared maintenance. Further empirical literature has shown that since airlines began to take advantage of joint ventures through internal growth and/or mergers, growing government concern about industry consolidation began to receive greater regulatory scrutiny which now limits foreign ownership enforced by many countries. The response of airlines has been to expand their networks through joint ventures designed to offer a standardized set of products to project a unified marketing image to consumers (Belobaba et al., 2009). Under open market agreements, no restrictions are imposed on the capacity that an airline can offer in a market with a key feature being that these agreements permit a change in aircraft type on Fifth Freedom flights (Belobaba et al.,

2009). The Fifth Freedom of the air allows an airline registered in its home country to transport passengers and cargo between two foreign countries if the flight originates or terminates in the airlines home country.

2.4.1.2 Code Shares

As a marketing strategy, code sharing is a process where an airline installs its designator code on a given flight operated by a collaborating airline and takes charge of selling tickets on that flight. A code sharing arrangement is a situation that enables an airline to share its code with another designated airline. This implies that if Kenya Airways shares its code with Emirates, that arrangement is termed as code sharing (Law, Zhang & Zhang, 2018). The flight in that case is operated by Emirates; however, the marketing and sales duties are administered by Kenya Airways. Code sharing arrangements help in the strengthening and expansion process of an airline creating more market presence and competitive ability (Nugraha, 2018). The codes are normally given by IATA.

2.4.2 Competitive Strategies

Scholes (2012) suggested that most organizations basically have a competitive advantage that they formulate and is generally formulated through analysis of the strengths, weaknesses, skills and assets that are compared to competitors. Such competitive strategies include financial resources and technical skills that encompass the inner boundaries for which the firm may successfully adapt and operate. Shahri and Sarvestani (2020) stated that competitive strategy of a firm is determined by strategically selecting the favourable environment and industries that a firm is to create linkages with. This strategy is aimed at enhancing the long-term profitability that impacts the positioning of a firm in the market (Nowicka, 2017). A firm's strategic positioning may limit its profitability relative to the rest of the industry. Accordingly, competitive advantage can be categorized in two ways, namely; the differentiation strategy and the cost-leadership strategy (Porter, 2012).

2.4.2.1 Pricing Strategy

Pricing strategy refers to the process of fixing the price of a given product or service through consideration of various factors such as market conditions, demand and supply,

ability of customers among others (Farahani, Rezapour, Drezner & Fallah, 2014). Pricing strategy is the most common competitive strategy employed in the airline industry. During festive seasons and other seasons of high demand, the industry implements demand-based pricing of tickets at peak seasons and much lesser rates are provided during the off-peak season. The ability of a firm to discover and exploit all sources of pricing advantages in its market segment is said to be chasing a sustainable pricing strategy (Menon, 2015). Research by Tanwar (2013), established that pricing leadership strategy pursue the competitive advantage strategy through comprehensive choices of a relevant market segment, while focus strategy aims to improve pricing advantage or differentiation in a narrow segment. Tanwar (2013) further highlighted that in order to achieve a durable and above-average performance; a firm's value was dependent on pricing strategy as compared to the low-cost strategy.

Competitive advantage may develop from an organizational ability to create value that exceeds the buyers' expectations over the pricing of its products (Bertozzi, Ali & Gul, 2017). Pricing strategy allows airline firms to lower the costs of production in order to attain a competitive price so that they may be able to raise their profits. The organization seeking to be different from the rest of the industry, along with some dimensions of its product or service that is widely valued by customer needs to follow a demand-based pricing strategy. For a firm to succeed through pricing strategy, its activities ought to facilitate charging a premium price that exceeds the additional cost of being unique. It requires the organization to carefully select activities that make it truly exclusive in order to receive a premium price (Tanwar, 2013).

Saranga and Nagpal (2016) added that maximization on profits is a paramount pricing strategy that ensures the survival of a firm in the competitive global market. Research is critical for the deployment of profit-oriented pricing strategy, which entails understanding the potential competitors, suppliers, potential entrants and even the available products and services. The focus of pricing strategy is to understand the behaviour of the firm particularly when competitive advantage strategies are deployed. According to Lawton, Rajwani and O'Kane (2019), such pricing strategies are essential turnaround practices especially where the concerned firm is focused on diversification. This is essential since

competition as a turnaround strategy is critical for the success or failure of a firm. Competitive practices are crucial in contributing to the overall performance of a firm and may entail use of innovations, cohesive culture and sound implementation strategies.

2.4.2.2 Marketing Strategy

A marketing strategy encompasses the overall game plan of an airline or any other organization for reaching prospective consumers and converting them into potential customers for their products and services. A marketing strategy should contain the value proposition of the airline, key brand messaging, information on the demography of potential customers and other such data (Ferrell & Hartline, 2013). Porter's five forces framework was developed as a means of assessing the profit potential of different industries to help identify the sources of marketing competition in an industry or sector, because organisations have diversified operations. For example, an airline may compete in different arenas such as domestic and non-domestic markets targeting different customers such as business, leisure and freight (Scholes, 2012). The Porters Five Forces Model allows for determination of the attractiveness of the industry. The result could be a new marketing strategic direction. It is not clear whether the presence of the airline can critically affect the marketing strategies of low-cost carriers (Kamau & Kavale, 2015).

Since the economic deregulation of airlines, beginning with the USA in 1978, operating profit, cost efficiency and marketing strategies have been the key success factors facing airline management. The growth of air travel has increased by approximately 5% per year over the past 30 years with significant annual variations caused by economic conditions and differences in economic growth across continents. Despite concerns of deregulation that competitive marketing pressures may lead to reduced maintenance standards there is no statistical evidence that airline safety has deteriorated (Belobaba et al., 2009). Up until the mid-1980s, almost all airports with scheduled airline services were either government owned or operated by independent companies labelled "airport authorities".

Research shows that major airports have become increasingly congested in proportion to the growth of air traffic. Many of these airports have taken steps to prevent further congestions and delays by imposing restrictions through capacity allocation procedures.

Airport access is turning into a new form of market strategy involving regulation and barrier to the functioning of a competitive marketplace. Empirical evidence shows a movement toward privatization of airport ownership and management (Belobaba et al., 2009).

2.4.3 Leadership

Great leadership is influential in ensuring that an organization's capacity is directed towards achieving its goals in a unified manner. It ensures that the organization's effort is united and directed towards achievement of its goals. The leadership of the organization should be at the forefront in providing vision, initiative, motivation and inspiration. Management should activate team spirit and act as a catalyst in the whole strategy implementation process. As much as possible, the organization should fill in relevant positions with qualified people committed to change efforts (Baliuskas, Llopis, Gasco, & Gonzalez, 2022).

Organizations need strategic leaders to help overcome inhibitions on risk taking and resource allocation. Strategic directors such as Aliko Dangote at Dangote Group influence strategic decisions in their organization by affecting the components of strategy. The role of leadership in strategic decision making is critical as it sets the tone, culture and widens the horizons of the organization. Interventions of leadership affect all components of strategy and the leadership of an organization may emphasize different aspects of strategy at different times (Kamau & Kavale, 2015). Strategic leadership in the airline industry should possess two critical components; competency and experience (Ginnet, 2019).

2.4.3.1 Competency

As organizations mature and face transition, leadership must be competent to respond, identify and recognize the new skills required. Moreover, the skills required during the change period are strategic (Porter, 1980). Competency in leadership is the most essential ingredient in organizational sustainability and it is the controlling force in organizational development. In the airline industry, leadership competencies are the leadership knowledge, skills and abilities (KSA) that contribute to superior performance. They include strong ethics, sense of safety, communication and motivational skills among others

(Ginnet, 2019). Competency is the key to a realistic assessment of problems and opportunities, establishment of priorities, and the marshaling of internal and external resources to address these priorities. In effective organizations, competent leadership does not reside only at the top; elements of it are evident at various levels of the organization (Bosibori, 2013).

Competent strategic decision takers build routes and guide their response to challenges. It is important to understand the orientation of management when analyzing why they make certain decisions at certain times. The age, education, training and experience of management is indicative of the competency ability and innovation that the management team influences on strategic decisions of their organization. Management is a process that will lead to either mistakes or success in strategic planning and implementation. Poor and incompetent managers lead to organization failure (Kamau & Kavale, 2015).

Scholars assert that charisma appears to be a meaningful leadership construct whereby charismatic leadership motivates followers, their values and the culture of the organization (Fry, 2003). On the other hand, charisma in leadership can be a source of negative outcomes in cases where those who rise to the top, or are selected to lead, do not have the capacity to deliver positive outcomes once they get there (Fry, 2003).

2.4.3.2 Experience

In the airline industry, experience in leadership involves the knowledge and ability of the leader to provide purpose, direction and motivation in the process of operations aimed at accomplishing the mission for the improvement of the organization (Rohrich & Durand, 2020). Existing empirical literature on governance focusing on whether experience is integral for a Chief Executive Officer (CEO) of a firm should have to serve as board chairman reveals compelling arguments on the pros and cons of CEO duality and its impact on corporate performance and effectiveness. An explorative study by Palanissamy (2015) posits that the advantages of CEO duality include: presence of a clear direction from a single leader and reduced compensation cost to the company. On the other hand, the disadvantages cited include: amalgamated power can create segregation of duty and lack of transparency.

One contribution of Agency Theory, as researched by Eisenhardt (1989) is that it re-establishes the importance of experience in leadership as an incentives and self interest in organizational thinking. Executive behaviour can be monitored by the board of directors whereby, from an agency perspective, compensation is less likely to be based on an organization's performance when the behaviour of the experienced executive is better known. Experienced executives are rewarded for taking well-conceived actions even when the outcomes are unsuccessful. In contrast to Agency Theory, there is existing literature that elucidates a positive relationship between shareholder return and CEO experience e.g. one research result, confirmed this, based on a convenience sample of 337 U.S. corporations taken from a compensation survey based on data from Standard and Poor's Compustat Services Inc., (Donaldson & Davis, 1991). Superiority of experienced and independent chair board structures and CEO remuneration/incentives was not found.

2.5 Empirical Review

2.5.1 Strategic alliances on the achievement of turnaround strategies

Various scholars have studied the association between strategic alliances and turnaround strategies. For example, Jory, Benamraoui, Tunahan and Citci (2019) examined the factors that impacted the egocentric alliance of Etihad Airlines. This was a case study approach of the analysis of the mergers and acquisitions strategy of Etihad Airlines. The study relied on secondary data collected through press and internet sources. The findings showed that in developed, highly-regulated and competitive markets, minority equity investment as a strategic turnaround alliance strategy is risky. It was also revealed that overconfidence of Etihad leadership contributed to poor performance of the airline.

Payan- Sanchez, Perez-Valls and Plaza-Ubeda (2019) study was on the contribution of global alliances as a turnaround strategy for environmental performance in USA. The focus of the study was on the role of alliance membership of airlines on environmental performance and whether this association has significant effect on the relations. The study used longitudinal design with data collected through structured questionnaires with a sample size of 252 airlines. The data was analyzed using inferential statistical techniques.

From the findings, a notable strong and inverse relationship was established between environmental performance and sense of belonging to an alliance.

In a similar study, Santana, Valle and Gonzalez (2019) investigated the co-evolution of the sources of decline, turnaround and human resource strategies at Iberia Airlines. The study used longitudinal design with data collected using interviews. The findings established that some of the turnaround strategies adopted included downsizing as a strategic alliance feature of countering competition. The findings also revealed that partnership in terms of flexible-oriented partnership practices and strategic negotiations enhanced recovery and performance of the airline.

Nyaga and Simiyu (2018) studied on the influence of strategic alliances on performance of Kenya Airways. The specific objective was to determine the influence of marketing and financial alliances on the performance of Kenya Airways. The research design adopted was case study with primary data collected using questionnaire and secondary data obtained using financial and management reports of Kenya Airways. The collected data was analyzed using content analysis for qualitative data and descriptive statistics for quantitative data with the aid of Statistical Package for Social Sciences version 20.0 software. The findings revealed that Kenya Airways had coined various financial and marketing alliances that led to faster access to new markets and customers. This has enabled the company to finance its capital-intensive projects like modernization and expansion of its fleet and other related operational costs.

2.5.2 Competitive strategies and turnaround strategies

Studies have been conducted on the association between competitive strategies and turnaround strategies. For example, Shahri and Sarvestani (2020) researched the determinants of the firm's innovation as a turnaround competitive strategy that have successfully led to amelioration of poor performance in Pakistan. The data collection involved analysis of four case studies in different businesses using semi-structured interviews. The findings established that adoption of innovation as a competitive strategy was related to the specified business models that led to achievement of turnaround

strategies. The findings also showed that business model innovation as a competitive advantage process has become a critical practice in the turnaround strategy.

In Canada, Lawton, Rajwani and O’Kane (2019) study focused on strategic re-orientation as a turnaround strategy for achieving sharp recoveries in performance of global legacy airlines. The study adopted qualitative analysis of five longitudinal case studies of legacy airlines. Data was collected from archival, public documents, news clippings and internal company documents. The findings revealed two distinct approaches that were used as competitive turnaround strategies; restructuring route networks and improvement and innovation of costs.

Amankwah-Amoah, Ottosson and Sjogren (2017) study examined the strategic renewal turnaround strategies of Scandinavian Airlines from 1946-2012. The study employed case study design with data gathered through online interviews. The findings revealed that Scandinavian Airlines used strategic turnaround strategies that enhanced their competitive advantage. Some of the strategies included deregulation, and enhancement of size of networks and revenue streams. They also used routes that led to enhancement of efficiency in customer service.

In another study in India, Saranga and Nagpal (2016) examined the linkages between a number of performance drivers, operational efficiencies and market performance as turnaround competitive strategies. The study relied on primary and secondary data collected through questionnaires and interviews from private and public airlines operating in India. The collected data was analyzed using a two-stage empirical analysis, Data Envelopment Analysis through Tobit model and a two-way random effects GLS regression. The findings established that the use of selected structural and regulatory factors contributed to undesirable impacts on performance of airlines. It was also revealed that adoption of low-cost carriers as a turnaround competitive strategy led to operational efficiencies of airlines in India.

Chacha (2019) study was on the impact of turnaround strategies on business performance of Kenya Airways. The variables studied were organizational restructuring, cost

management practices and retrenchment on business performance. The research design employed was descriptive research design with a target population of 137 employees of Kenya Airways. Data was gathered using closed and open-ended questionnaires. Analysis of data was through Statistical Package for Social Sciences (SPSS) software with descriptive and inferential statistical methods adopted. The findings established that turnaround strategies like cost management practices increased business performance of Kenya Airways. The findings also revealed presence of positive association between cost management practices and business performance of Kenya Airways.

In a similar study, Abdirahman (2017) study examined the turnaround strategies and performance of Kenya Airways. The theory was anchored by Resource Based View theory, institutional and Open System Theories. The research design used was descriptive research design with primary data gathered using interview guides. The data was analyzed using content analysis methods. The findings indicated that poor performance resulted from poor ticket pricing and weak distribution channels that made customers prefer competitors with cheaper options. The cost management turnaround strategies recommended were reduction in fleet size, and reduction of unnecessary operating costs.

Similarly, Mungai and Bula (2018) study was on the turnaround strategies and performance of Kenya Airways. Specifically, the study focused on four objectives; revenue generating strategy, cost reduction strategy, asset reduction strategy and financial restructuring and performance of Kenya Airways. The study design used was descriptive research design with data collected through questionnaires. The data was analyzed using descriptive and inferential analytical techniques. The findings established that the four turnaround strategies; revenue generating strategy, cost reduction strategy, asset reduction strategy and financial restructuring had a positive and significant effect on performance of Kenya Airways.

2.5.3 Leadership and turnaround strategies

Various scholars have studied the association between leadership and turnaround strategies. For example, Santana, Valle and Galan (2019) study was on the role of human resource on the turnaround strategies in the context of the austerity and economic crisis pressures affecting European airlines; British Airways and Iberia. The research design was a case study of the two European airlines; British Airways and Iberia. The findings established that innovative managers are the enabling agent of change wherever national institutions provide several rights to representatives of employees to undertake the turnaround strategies. The findings also show that provision of fewer rights to employee representatives by national institutions lead leadership's reduced resistance to institutional pressures.

Santana, Valle and Gonzalez (2019) investigated the co-evolution of the causes of decline, the turnaround strategy and human resource strategy at Iberia Airlines. The study used longitudinal design with data collected using interviews. The findings of organizational decline at Iberia demonstrated that turnaround strategies forged by management had established stiff competition that negatively transformed and affected the rival companies. The findings also revealed that the turnaround strategies used included downsizing in organizations and flexibility-oriented practices.

Ghazzawi (2017) studied the theoretical perspectives that explained turnaround strategies in Pakistan. The objectives were to review the available literature on turnaround process, and to focus on the role of top management of the organization in the turnaround process. The study used cross-sectional design with data collected through online interviews. The findings established that turnaround strategies are usually organization centred. The findings also revealed that leadership cognition, efficiency and performance criteria are the focus of turnaround strategies. Finally, the study established that strategic leadership in terms of innovation is tasked with coordination of the turnaround process.

A study by Pusiran and King (2015) examined the leadership styles used by leaders in management of Malaysia Airlines and Air Asia both in Malaysia. This study employed case study design with data collected through secondary sources. The findings revealed

that strong leadership style led to the success of the two airlines and increase in number of customers. The findings indicated that transactional and transformational leadership styles significantly impacted the management of the airlines in the current competitive global business environment. Finally, it was revealed that presence of other leadership styles like entrepreneurial, ethical, creative and innovative styles have also emerged.

2.5.4 The effect of the Covid-19 Pandemic

The Covid-19 pandemic had a devastating effect on many sectors of the economy worldwide. The pandemic resulted in lockdowns which created immense challenges throughout the globe (Calder, 2020). The resultant and unforeseen effects of the pandemic have created fear and panic in the global financial economy leading to experts warning and forecasting on possibilities of a global recession. One of the sectors that have faced great devastation from the pandemic is the aviation industry (Boon, 2020).

2.5.4.1 Number of Flights

Amankwah-Amoah (2020) stated that number of flights in the airline industry is the volume of total plane-loads operated in a given period of time. By the end of 2019, the global commercial airline industry was worth 2.7 trillion US dollars and there was no indication that the sector would be ravaged by the covid-19 pandemic. Expectations were high that 2020 would usher in strong performance for the industry in terms of volume of flights (IATA, 2020). The World Airport Traffic Forecasts (WAFIT) had made provisions for the short, medium and long-term planning for airports as well as determination of future flights capacity requirements per regional and country markets (Boon, 2020).

Due to the impact of Covid-19, many airlines including new entrants have struggled to sustain the usual number of flights. Others have struggled to service flights efficiently without the threat of compromising on profit margins or even winding up completely (Kibe, Ogutu, Kasanzu, 2021). Many airlines are even struggling to fill their plane seats with passengers due to the low number of ticket sales occasioned by Covid-19 pandemic. Consequently, airlines have resulted to adoption of innovative if not radical measures to stay afloat. Others are operating at the threshold of survival, continuous loss making with other converting passenger planes to cargo planes (Amankwah-Amoah, 2020).

2.5.4.2 Number of Passengers

Amankwah-Amoah (2020) stated that number of passengers in the airline industry is the reference to the total capacity of customers that plane haulage can accommodate. Prior to Covid-19, it was expected that Asia-Pacific would have a 37% growth in international passenger traffic, 31% in Europe, 12% in Middle East, 9% in North America, 7% in South America and 3% in Africa (Calder, 2020). However, when the pandemic struck, the aviation industry was severely affected with the grounding of planes, closure of airports causing havoc to passengers globally (IATA, 2020). The reality of the post-Covid-19 aviation industry is that turnaround strategies are critical for revitalizing the devastation of the sector by the pandemic. Airline operators are likely to opt for strategies where small planes offering fewer flights are demanded. They may opt for more regimented boarding, downsizing the size of business classes among such strategies (Calder, 2020).

A number of studies have been undertaken on the association between Covid-19 pandemic and turnaround strategies. For example, Kiang, Chi, Huynh et al. (2021) study focused on testing strategies for airline travel during the Covid-19 pandemic. The study used desktop research in gathering clinical cases and publicly available data. The sample size was 100,000 domestic airline travellers in the USA. The findings show that testing and screening were the main turnaround strategies used by airlines during the pandemic period.

Arena and Aprea (2021) study in USA was on the major consequences of the Covid-19 pandemic on the global aviation industry. The data and observations collected relied on secondary data sources. The findings revealed that the air transport industry made a general review of all its rules and regulations that the aviation industry was supposed to follow. The findings established that international aviation bodies such as ICAO, IATA, TIACA, WFP and WHO collaborated in the development of aviation guidelines as a turnaround strategy to mitigate the effects of the pandemic.

Dube, Nhamo and Chikodzi (2021) study focused on Covid-19 pandemic and the prospects for the recovery of the global aviation industry in USA. Data was collected through archival and secondary data from IATA, ICAO, Flightdata24 and EUROCONTROL. The findings established that the aviation industry was greatly affected by the pandemic causing liquidation, bankruptcy and downgrades of several airports and airlines. The findings also

revealed that the turnaround strategies for recovery are slower than expected leading to more job losses and bankruptcy of more airlines.

Bhusayen, Seet and Coetzer (2020) study focused on the challenges related to turnaround management strategies of airport service providers operating during the pandemic in Australian airports. The study collected data through 30 semi-structured interviews from frontline managers working for airline services. The findings indicated that there are two main challenges faced by frontline workers during and after implementation the turnaround strategies. They are inadequacy in human resource and poor leadership selection.

2.6 Summary of Research Gap

Past studies on factors affecting turnaround strategies at Kenya Airways were conducted when the gains of the company's turnaround choices were not yet measured in terms of financial performance. They were also conducted prior to Covid-19 epidemic that has adversely affected their implementation. For instance, Chacha (2019) study was on the impact of turnaround strategies on business performance of Kenya Airways. Nyaga and Simiyu (2018) studied on the influence of strategic alliances on performance of Kenya Airways. On a similar note, Mungai and Bula (2018) studied the turnaround strategies and performance of Kenya Airways. In a similar study, Abdirahman (2017) study examined the turnaround strategies and performance of Kenya Airways. Additionally, conceptual, contextual and methodological gaps were evident.

First, Chacha (2019) study was on the impact of turnaround strategies on business performance of Kenya Airways. The variables studied were organizational restructuring, cost management practices and retrenchment impact on business performance. Mungai and Bula (2018) studied on the turnaround strategies and performance of Kenya Airways. Specifically, the study focused on four objectives; revenue generating strategy, cost reduction strategy, asset reduction strategy and financial restructuring and performance of Kenya Airways. The variables studied in the current study were strategic alliances, competitive strategies, leadership, Covid-19 pandemic and effect on achievement of turnaround strategy.

Second, a number of related studies were based in foreign countries on airlines encountering differing financial performance compared this study's focus was on Kenya Airways. For instance, Payan- Sanchez, Perez-Valls and Plaza-Ubeda (2019) was on the contribution of global alliances as a turnaround strategy for environmental performance in USA. Lawton, Rajwani and O'Kane (2019) study focused on strategic re-orientation as a turnaround strategy for achieving sharp recoveries in performance of global legacy airlines in Canada. Ghazzawi (2017) studied on the theoretical perspectives that lead to explanation of turnaround strategies in Pakistan.

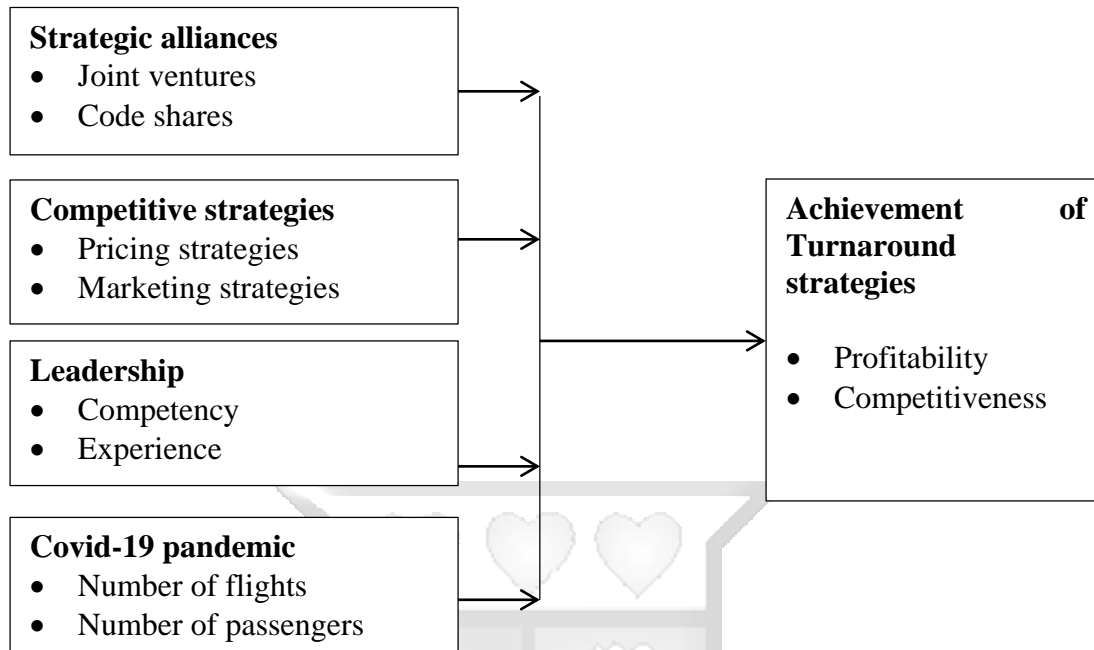
Third, Abdirahman (2017) study used descriptive research design to identify and describe the impact of turnaround strategies and performance at Kenya Airways. Similarly, Mungai and Bula (2018) studied the effects of turnaround strategies and performance at Kenya Airways and used descriptive research design to collect information from respondents on the strategies deployed. Alternatively, this study used descriptive research design with questionnaires tailored towards examining the extent to which specific constructs affect the achievement of turnaround strategies at Kenya Airways.

2.7 Conceptual Framework

The conceptual model (Figure 2.1) illustrates the relationship between the independent variables and the dependent variable of this study all of which are discussed in the literature review. The relationship between strategic alliances, competitive strategies, leadership and Covid-19 pandemic as independent variable and turnaround strategy as dependent variable is shown in Figure 2.1.

Independent Variables

Dependent Variable



Source: Author (2021).

Figure 2.1 Conceptual Framework

2.5.1 Operationalization of Variables

Table 2.1 Operationalization of Variables

Independent Variable	Constructs	Operational Definition	Measurement Indicator	Source
Strategic Alliances	Joint Ventures	A joint venture refers to the agreement between airlines that involves sharing of routes as specified in the agreed contract	A five-point Likert Scale was used	Nugraha (2018)

	Code Shares	Code sharing is a process where airlines install its designator code on a given flight operated by a collaborating airline and takes charge of selling tickets on that flight	A five-point Likert Scale was used	Iatrou and Oretti (2016).
Competitive Strategies	Pricing Strategies	Pricing strategy refers to the process of fixing the price of a given product or service through consideration of various factors such as market conditions, demand and supply, ability of customers among others	A five-point Likert Scale was used	Farahani, Rezapour, Drezner and Fallah (2014).
	Marketing Strategies	A marketing strategy encompasses the overall game plan of an airline or any other organization for reaching prospective consumers and converting them into potential customers for their products and services	A five-point Likert Scale was used	Ferrell and Hartline (2013)
Leadership	Competency	Leadership competencies are the leadership knowledge, skills and abilities (KSA) that contribute to superior performance	A five-point Likert Scale was used	Ginnet (2019)

	Experience	In the airline industry, experience in leadership involves the ability and knowledge of the leader to provide purpose, direction and motivation in the process of operations aimed at accomplishing the mission for the improvement of the organization	A five-point Likert Scale was used	Rohrich and Durand (2020)
Covid-19 pandemic	Number of Flights	Number of flights in the airline industry is the volume of total plane-loads operated in a given period of time.	A five-point Likert Scale was used	Amankwah-Amoah (2020)
	Number of Passengers	The number of passengers in the airline industry is the reference to the total capacity of customers that plane haulage can accommodate.	A five-point Likert Scale was used	Amankwah-Amoah (2020)
Dependent Variable				
Turnaround Strategy	Profitability	In the airline industry, profitability is measured through Return on Assets (ROA) since it shows the per dollar profits an airline earns on its assets	A five-point Likert Scale was used	Amana (2016)
	Competitiveness	The efficiency and effectiveness of an airline in terms of meeting its specified goals is the overall competitiveness of an airline	A five-point Likert Scale was used	Ozil (2020).

2.8 Summary

This chapter presents the literature review that entails a discussion of the variables anchoring the study. The chapter starts with an introduction and discussion of the Strategic Turnaround theory by Hofer as the foundation of the study. The chapter further introduces and discusses the various factors affecting achievement of the turnaround strategies. These include strategic alliances, competitive strategies, leadership and Covid-19 pandemic. The chapter highlights various empirical studies that support each variable discussed and also introduces the research gaps, conceptual framework and operationalization of variables.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology that was used in this study to assess factors affecting the achievement of KQ's turnaround strategies. It covers the proposed research design, population and sampling, data collection methods and tools, data analysis approaches as well as research quality and ethics.

3.2 Research Design

Research design refers to the blueprint, plan or scheme that is used in a study to fulfil the research objectives and to answer the research questions (Cooper & Schindler, 2011). Research design is a way a researcher integrates different aspects of the study in a flowing way which is logical to ensure that the research issues are effectively handled (Sekaran & Bougie, 2016). Descriptive research design describes phenomena under study be it people, circumstances or products (Creswell, 2014). The design allows the use of qualitative and quantitative data with presentation of data restricted to frequency tables and summary statistics (Tashakkori & Teddlie, 2012).

This study employed descriptive research design whereby the effects of various turnaround strategies in Kenya Airways was investigated. When employing descriptive research design, the researcher does not have control over the variables but can only report on what is happening or what has happened. The study's design also allowed for the examination of the phenomena as they are currently which differs from other studies that have adopted panel and case study approaches in examining the performance of Kenya Airways. Additionally, in descriptive research, the researcher attempts to discover what causes variables to behave the way they behave though he is not in a position to control what happens to the variables. Further, the study allowed for the collection of research data from a large sample through deployment of quantitative approaches in the data instrument development.

3.3 Target Population

Population is defined as the large collection of all subjects from where a sample is drawn (Cooper & Schindler, 2014). Moreover, Rubin and Singh (2015) established that the population comprises the aggregation of elements from which the sample is selected. According to Patten and Newhart (2017), the target population refers to an entire group of people or items of interest that a researcher wishes to investigate and make inferences from. The target population in this study was Kenya Airways.

The focus was on the employees of the airline. The unit of observation was managers at Kenya Airways from the following departments: Strategy and Finance department, Human Resource, Technical Operations, Ground Services and Flight Operations. The unit of analysis was 155 employees drawn from senior level, middle level and lower level of management at Kenya Airways. The rationale behind using these managers in the study is that they are responsible for the tactical management and implementation of turnaround strategies at Kenya Airways.

Table 3.1 Target Population

Department	Number of Employees
Strategy and Finance	46
Technical Operations	38
Ground Services and Flight Operations	43
Human Resource	28
Total	155

Source: Kenya Airways Employee Directory (2019).

3.4 Sampling Technique

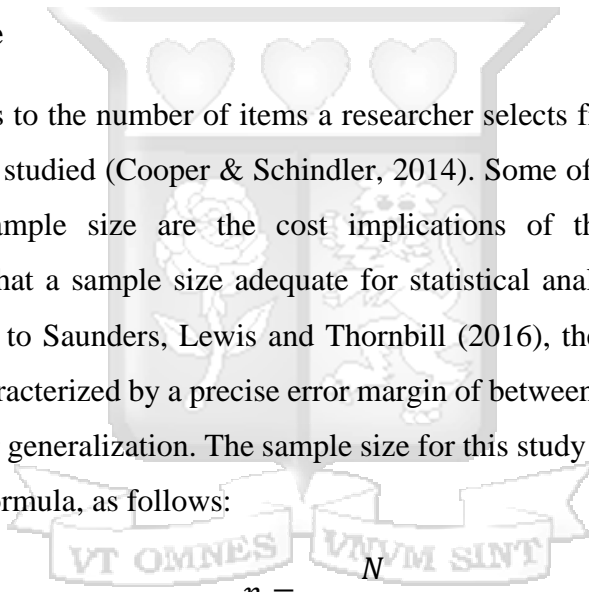
Sampling is the process of purposefully selecting the sample of the population from the original group for the purpose of undertaking research. The sample selected is usually representative of the entire population. Sampling is useful since it enables the research to save on time and other resources during the research process (Sekaran & Bougie, 2016). This study employed use of stratified sampling technique to categorize the population into three strata, according to the ranking of employees in management positions in the three targeted departments: Strategy and Finance department, Human Resource Technical

Operations department and Ground Services & Flight Operations department. The three tiers are lower, middle and senior level management.

Further, proportionate stratified sampling was employed to select representative samples of employees from each of the three strata. Cooper and Schindler (2014) revealed that proportionate stratified sampling is useful where proportions of the sample in a study are randomly selected from every stratum using the similar proportion of that population. Simple random method was finally used where respondents earmarked for participating in the study are to be listed from number one to the last number with all the even numbers selected to participate in the study.

3.4.1 Sample Size

Sample size refers to the number of items a researcher selects from the population of the phenomena being studied (Cooper & Schindler, 2014). Some of the factors considered in determining a sample size are the cost implications of the study, and statistical requirements so that a sample size adequate for statistical analysis is gained (Creswell, 2014). According to Saunders, Lewis and Thornbill (2016), the more representative the sample size is characterized by a precise error margin of between 1% and 5%. This margin of error allows for generalization. The sample size for this study was determined using the Yamane (1967) formula, as follows:


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

Where:

n is the sample size

N is the population size – 155

E is the margin error – 5%.

$$n = \frac{155}{1 + 155 (0.05)^2}$$

By application of the Yamane (1967) formula, the sample was size comprised of 112 respondents.

Table 3.2 Sample Size Distribution

Department	Number of Employees
Strategy and Finance	$46/155 * 112 = 34$
Technical Operations	$38/155 * 112 = 27$
Ground Services and Flight Operations	$43/155 * 112 = 31$
Human Resource	$28/155 * 112 = 20$
Total	112

Source: Author (2021).

3.5 Data Collection Instruments

Primary data was collected using a structured questionnaire and interview schedule (Appendix III and IV). Creswell (2014) argued that a questionnaire is an appropriate tool to measure extent of existing relationships. It enables data to be quickly collected, allows description of phenomena under study, and makes it possible to correlate data across variables to enable the application of inferential statistics. The questionnaire comprised of two parts. Section A collected demographic data of the respondents. Section B covered questions on the independent variable constructs, while Section B was on the dependent variable constructs. A five-point Likert scale was used for close ended questions rating the respondents' answers on a scale of 0-4. The scale ratings used were as follows: Using a scale of 0-4, where: Zero (0) = Not at all, (1) = Rarely, (2) = Sometimes, (3) = Often, and (4) =Always, indicate by ticking the alternative that represents your opinion on each statement. The questionnaire was administered by the researcher to the middle and lower-level managers via phone numbers and emails.

3.6 Data Collection Procedure

Permission to conduct the research was granted by Strathmore University, including conferment of the requisite research license (Appendix III), and by the managing director of KQ (Appendix IV). The actual data collection involved a face-to-face encounter with

the respondents during the questionnaire distribution period. This method of data collection has the advantage of providing the respondents the opportunity for effective interaction with the researcher and seek clarification where necessary on the questionnaire. It is also advantageous as the researcher is able to observe firsthand and interact with the actual respondents. Before interviews with respondents were conducted, the researcher made contact with them to ensure they were ready for it. Drop and pick later methods of data collection was applied to enhance the response rate of the questionnaires. The researcher made follow up and the fully completed questionnaires were picked from the respondents at appropriate and an agreed upon duration. Moreover, the study used virtual search platforms to administer some of the questionnaires due to the challenges of Covid-19.

3.7 Research Quality

This researcher made sure that the study complies with research quality standards including validity, objectivity and reliability. To help meet internal validity standards, the questionnaire was pilot tested by sending it to a sample of 10 respondents to identify and improve on any shortcomings in the data measuring tool. The participants included in the pilot survey were not part of the final sample of respondents needed for the research. Pilot testing ensured that the specificity, clarity, answerability and relevance of questions are sound. The data collected was quantitative and this ensures objectivity minimizing selective perception and bias. To ensure internal consistency reliability, this researcher intends to calculate and report Cronbach's Alpha coefficient for the Likert-type scales as recommended by Gliem & Gliem (2003). In this study, the recommended value of 0.7 was used. The findings shown in the table below indicated that all the selected research variables met the threshold of the internal consistency hence were adopted for the survey.

Table 3.3 Reliability Results

Variable	Cronbach's Alpha	N of Items
Strategic alliance	.784	4
Competitive strategies	.896	4
Leadership	.892	4
Covid-19 pandemic	.859	4
Profitability	.821	4
Competitiveness	.810	4
Overall	.930	24

3.8 Data Analysis and Presentation

Data Analysis is the processing of data to make meaningful information (Saunders, Lewis & Thornhill, 2016). This involves coding, editing, data entry, and monitoring the whole data processing procedure. After data was collected through questionnaires and interviews, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keyed in and using Statistical Package for Social Sciences (SPSS) version 23.0 computer software for analysis. Quantitative results were generated after data analysis. The use of quantitative data is informed by the use of Likert scale statements in the collection of research data and this addressed the study questions.

Descriptive and inferential statistics was used to analyze and interpret the quantitative data used in this research for all the variables. Specifically, descriptive statistics related to means and frequencies. Inferential statistics included regression and correlation analysis. According to Chatterjee and Hadi (2012) correlation is a statistical tool with the help of which relationships between two or more variables is determined. Correlation analysis was conducted for all the objectives to make a determination of whether a relationship exists between the independent and dependent variables. It measured the strength of the relationship.

After correlation analysis, linear regression models were used where the independent variables were regressed against the dependent variable to obtain inferential results. The use of linear regression models was preferred due to its ability to show the magnitude of the relationship between independent and dependent variables. In addition, they are useful in showing linear elasticity/sensitivity between independent and dependent variables (Chatterjee & Hadi, 2012).

Multiple regression models were used to determine the relationship between variables. The application of multiple regression models was used due to the presence of more than one independent variable. In multiple regression analysis, a model of relationship is hypothesized in the form $Y = \beta_0 + \beta_1 X + \varepsilon$ where β_0 and β_1 are model parameters and ε is a probabilistic error term that accounts for any variability in Y that cannot be explained by the linear relationship with X (Cooper & Schindler, 2014). The relationship between each of the independent variables and the dependent variable was hypothesized using individual multiple regression equations and an overall multiple regression equation because the measures of turnaround strategy are multi-faceted adding up to a whole.

Profitability: $Y_1 = \beta_0 + \beta_1 SA + \beta_2 CS + \beta_3 LS + \beta_4 CP + \varepsilon$

Competitiveness: $Y_2 = \beta_0 + \beta_1 SA + \beta_2 CS + \beta_3 LS + \beta_4 CP + \varepsilon$

Overall Turnaround Strategy: $Y_{ij} = \beta_0 + \beta_1 SA + \beta_2 CS + \beta_3 LS + \beta_4 CP + \varepsilon$

Y – Dependent variable which is a measure of Turnaround Strategy (Y₁ profitability, Y₂ competitiveness and Y_{ij} overall turnaround strategy).

SA – strategic alliances, CS – competitive strategies, LS – leadership, CP – Covid-19

ε – Is the error term.

β – Coefficients for which we are trying to predict the value of Y.

3.9 Ethical Considerations

Legal and ethical considerations are those standards for conduct that recognise and differentiate acceptable and unacceptable behaviour in the research investigation process (Resnik, 2011). Bryman (2011) stated that it is the researcher's responsibility to keenly

analyse the probability of harm to participants in the course of the study. This should be conducted in every possible way by taking all precautions to make sure that the respondents do not face any harm or adverse effects due to taking part in this research.

This Research complied with ethical standards by safeguarding the autonomy of respondents, establishing fairness and trust, and by acknowledging the contributors of published literature. The confidentiality of our subjects was protected from undue embarrassment, harm or material disadvantage and literature was objectively referenced to insure against bias in our findings. The purpose of this research was negotiated via an introduction letter that states the goals and objectives of our research as seen in Appendix 1.



CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter covers the presentation of the study's findings derived from the analysis of the collected research data. The chapter comprises of the demographic profile of the employees, the descriptive analysis, correlation tests and the regression models estimated to determine the relationship between the variables.

4.2 Response Rate

The research was conducted between January 2022 - May 2022 within the main hub of Kenya Airways and the Ground Operations at JKIA. The research sample was selected from the four departments and comprised of 112 participants drawn from Kenya Airways. The study was able to obtain 87 responses from the respondents representing a 78% response rate which is adequate when conducting quantitative analysis. Researchers like Cooper and Schindler (2014) have suggested that over 60% responses are suitable for estimation when conducting quantitative analysis.

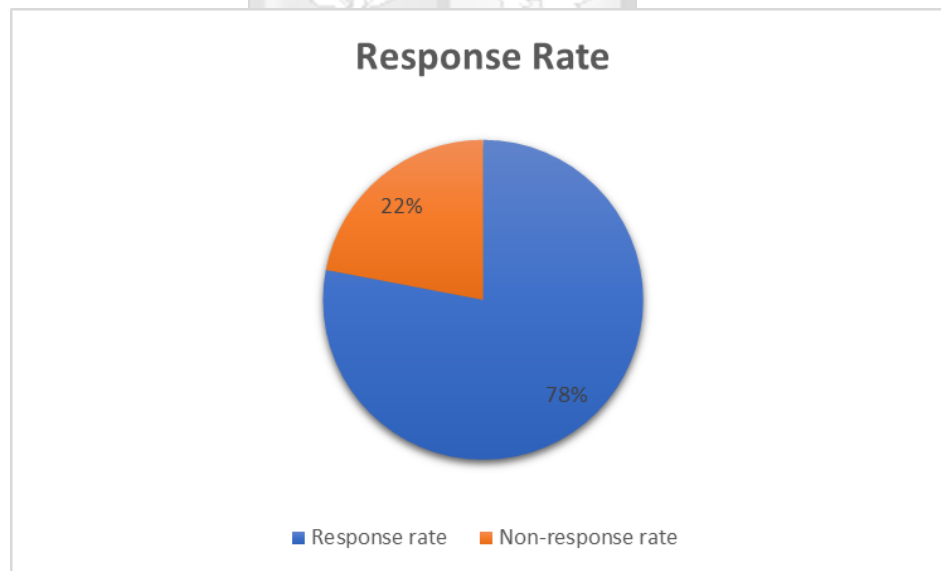


Figure 4.1 Response Rate

4.3 Demographic Information

The study was interested in reviewing the gender distribution of the respondents involved in the survey and the analysis showed that 62% (n= 54) were male employees with 38% (n = 31) were female employees within Kenya Airways. The diversity in the team can be of importance in executing the firms' objectives through pursuing the stated turnaround strategies.

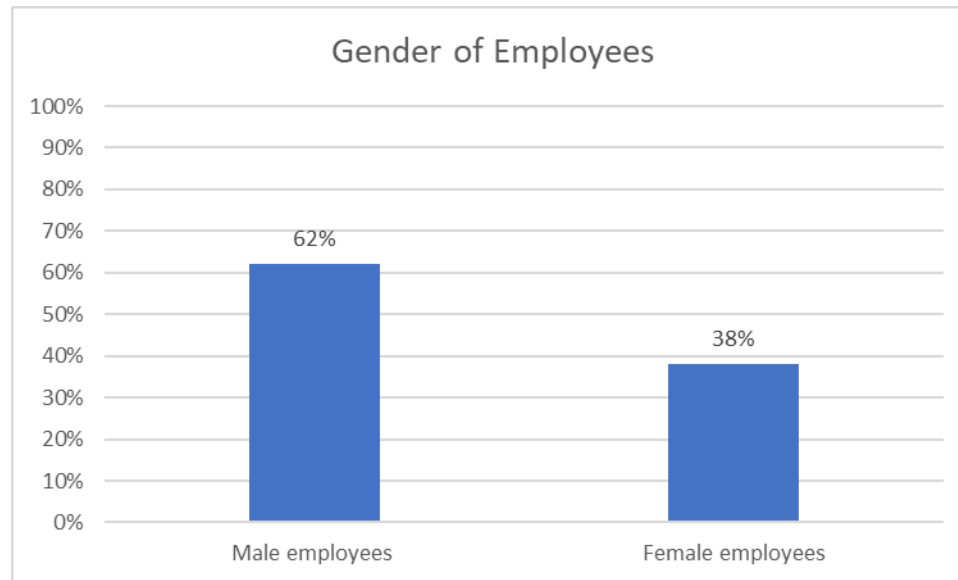


Figure 4.2 Gender of Employees

4.4 Descriptive Analysis

The use of quantitative data for the study was informed by the use of Likert scale statements in the collection of research data and this addressed the study questions. The study adopted descriptive analysis to interpret the quantitative data used in this research for all the variables. Specifically, descriptive statistics related to means, standard deviation and frequencies.

4.4.1 Strategic Alliances

The researcher reviewed the strategic alliances employed at Kenya airways and focussed on joint ventures and code shares' application in the airline. The responses received are presented below.

Table 4.1 Descriptive Analysis of Strategic Alliances

	N	Mean	Std. Deviation
Our organization has joint ventures with strategic partners leading to opening of new routes	87	2.9425	1.01565
Our organization joint ventures with domestic and international partners have led to consolidation of the market	87	2.9310	.94982
Our organization has code sharing arrangement with strategic partners leading to opening of new routes	87	3.0805	.85206
Our organization has code sharing with domestic and international partners resulting to consolidation of the markets	87	2.7011	.94149
Overall mean		2.9138	0.9398

The results show that sometimes the airline undertakes code sharing arrangements with strategic partners leading to opening of new routes as shown by mean of 3.0805. The participants indicated that sometimes the organization has joint ventures with strategic partners leading to opening of new routes (mean = 2.9425) with a high deviation of 1.0156. The study also noted that sometimes the organization has code sharing agreements with domestic and international partners resulting to consolidation of the markets (mean = 2.7011). The overall mean of 2.913 showed the participants viewed often that strategic alliances are critical to the attainment of the turnaround strategies within the airline.

4.4.2 Competitive Strategies

The research also examined competitive strategies as a factor contributing to the turnaround of the airline by reviewing the pricing and marketing strategies and a summary of the results is provided below.

Table 4.2 Descriptive Analysis of Competitive Strategies

	N	Mean	Std. Deviation
Our organization has formulated sustainable business plans leading to competitiveness	87	2.8161	1.13638
Our organization has competitive business plan tactics leading to calculated risks in pricing	87	2.7586	1.02260
Our organization has put in place proactive controls to operate in strategic markets	87	2.6667	.91075
Our organization has a sustainable business plan leading to proactive marketing approach	87	2.7701	.98478
Overall mean		2.7529	1.0136

The respondents noted that sometimes the organization has formulated sustainable business plans leading to competitiveness as denoted by mean of 2.8161. The results revealed that sometimes the organization has competitive business plan tactics which lead to calculated risks in pricing (mean = 2.7586). Analysis of the participants showed that sometimes the organization has a sustainable business plan leading to a proactive marketing approach (mean = 2.7701). The average mean of 2.7529 was an indicator that respondents perceived competitive strategies as a tool that can be used to contribute to better turnaround for the airline.



4.4.3 Leadership

The study reviewed how leadership, as operationalized by competency and experience, predicted the turnaround strategies within the firm and results are shown below.

Table 4.3 Descriptive Analysis of Leadership

	N	Mean	Std. Deviation
Our organization has leadership with competent business plan skills	87	2.8966	1.12099
Our organization has leadership with proactive policies	87	2.9310	1.05426
Our organization has leadership with experienced in implementation of business plans	87	2.9885	1.09432
Our organization has leadership with skills in implementing policies	87	2.8851	1.13532
Overall mean		2.9253	1.1012

The employees noted that sometimes the organization has leadership with experience in implementation of business plans as shown by a mean of 2.9885 with a high variation in responses of 1.094. The employees revealed that sometimes the organization has leadership with skills in implementing policies (mean = 2.8851). The analysis showed that sometimes the organization has leadership with competent business plan skills (mean = 2.8966). The analysis revealed an overall mean of 2.9253 demonstrating that leadership practices are favorably viewed in predicting the turnaround within the airline.

4.3.4 Covid-19 Pandemic

The research further reviewed how Covid-19 pandemic measured by the number of flights and number of passengers predicted turnaround strategy of the airline and the findings are shown in Table 4.4 below.

Table 4.4 Descriptive Analysis of Covid-19 Pandemic

	N	Mean	Std. Deviation
The airline has witnessed a reduction in the routes served due to Covid-19	87	3.3103	.88015
Both domestic and international airlines have reduced flights due to Covid-19	87	3.2529	.95502
The airline has reduced cargo movement due to Covid-19	87	2.9540	1.11968
The airline has reduction in domestic and international passengers due to Covid-19	87	3.0230	1.10997
Overall mean		3.1351	1.0162

The employees agreed that the airline witnessed a reduction in the routes served due to Covid-19 (mean = 3.3103). The analysis demonstrated that sometimes both domestic and international airlines reduced flights due to Covid-19 (mean = 3.2529). Further, the findings showed that the airline witnessed a reduction in domestic and international passengers due to Covid-19 (mean = 3.023). The respondents in general acknowledged that Covid-19 has greatly reduced the achievement of turnaround strategies within the airline as shown by mean of 3.1351.



4.3.5 Turnaround Strategies Kenya Airways

The dependent variable analyzed turnaround strategies using competitiveness and profitability of the airline and the findings are shown in Table 4.5.

Table 4.5 Descriptive Analysis of Turnaround Strategies

	N	Mean	Std. Deviation
Due to joint ventures with strategic partners, our organization has opened new routes thus increasing profitability	87	2.8391	.92603
Code sharing has led to opening of new routes and increase in profit margins	87	2.9885	.84212
Presence of sustainable business plan has enhanced the prices leading to more profits	87	2.9195	.90500
Using controls for operating in strategic markets, our organization has increased its profit margins	87	2.6437	.91470
Through joint ventures with domestic and international partners, there is consolidation of the market leading to growth in customers	87	3.0230	.86235
Code sharing with domestic and international partners has led to consolidation of markets and increase in customer population	87	2.9770	.91470
Employment of competitive business plan calculated has increased the number of customers	87	2.7931	.92934
Proactive marketing approach has led to increase in customer population	87	2.9195	1.08068
Overall mean		2.8879	0.9218

The analysis showed that code sharing led to opening of new routes and an increase in profit margins to some extent (mean = 2.9558). The results demonstrated that through joint ventures with strategic partners, the organization opened new routes which led to increased profitability (mean = 2.8391). The respondents agreed that by adopting joint ventures with domestic and international partners, there was consolidation of the market leading to growth in customers (mean = 3.023). The study showed that code sharing with domestic

and international partners led to consolidation of markets and to an increase in customer population (mean = 2.977). The respondents noted that a proactive marketing approach led to an increase in customer population as shown by mean of 2.9195. Overall the respondents favorably perceived the competitiveness and profitability of the airline as shown by a mean of 2.8879.

4.5 Correlation Analysis

The study applied correlation analysis to review the type of relationship between research variables. The correlation coefficient (R) helped to establish the degree to which variable movements are associated. A correlation of -1 indicates a perfect negative correlation while a correlation of 1 indicates a perfect positive correlation. 0 indicates no relationship (Huber & Elvezio, 2009).



Table 4.6 Correlation Analysis

		Strategic Alliance	Competitive Strategies	Leadership	Covid19Pandemic	Profitability	Competitiveness
Strategic Alliance	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	87					
Competitive Strategies	Pearson Correlation	.492**	1				
	Sig. (2-tailed)	.000					
	N	87	87				
Leadership	Pearson Correlation	.549**	.750**	1			
	Sig. (2-tailed)	.000	.000				
	N	87	87	87			
Covid-19 Pandemic	Pearson Correlation	.271*	.004	.152	1		
	Sig. (2-tailed)	.011	.969	.161			
	N	87	87	87	87		
Profitability	Pearson Correlation	.530**	.721**	.698**	-.073	1	
	Sig. (2-tailed)	.000	.000	.000	.501		
	N	87	87	87	87	87	

Competitiveness	Pearson Correlation	.677**	.750**	.751**	.149	.744**	1
	Sig. (2-tailed)	.000	.000	.000	.167	.000	
	N	87	87	87	87	87	87

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

* . Correlation is significant at the 0.05 level (2-tailed).



The first objective reviewed the strategic alliances and turnaround strategies at Kenya Airways and established that those strategic alliances had a moderate positive effect on profitability ($r = .530$, $\text{sig} = .000$) and a strong positive effect on competitiveness of the airline ($r = .677$, $\text{sig} = .000$). The second objective sought to establish the effect of competitive strategies on the turnaround strategies and the findings established that those competitive strategies had a strong positive effect on profitability ($r = .721$, $\text{sig} = .000$) and a strong positive effect on the competitiveness of the airline ($r = .750$, $\text{sig} = .000$).

The third objective studied the effect of leadership on the turnaround strategies at Kenya airways and the analysis established there was a strong positive effect of leadership on profitability ($r = .698$, $\text{sig} = .000$) and a strong positive effect on competitiveness of the airline ($r = .751$, $\text{sig} = .000$). Lastly the study analyzed the effect of the Covid-19 pandemic on turnaround strategies and it was established there was a weak negative insignificant effect of Covid-19 on profitability ($r = -.073$, $\text{sig} = .501$) and a weak positive insignificant effect on competitiveness of the airline ($r = .149$, $\text{sig} = .167$).

4.6 Regression Analysis

The study conducted regression analysis to determine the strength of the relationship between the research variables and the results are provided in this section.

4.6.1 Factors Affecting Achievement of Profitability of Kenya Airways

The first model regressed the factors affecting the profitability of Kenya Airways and the results are presented as follows:

Table 4.7 Regression of Factors Affecting the Profitability of Kenya Airways

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790 ^a	.625	.606	1.81616

a. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The tests result above showed a coefficient of determination (R^2) which tells us how well the response variable variation is explained by the linear model. In the above model the (R^2)

= .625) revealed that 62.5% of the changes in the profitability at Kenya Airways can be determined by the Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership within the organization.

Table 4.8 ANOVA Test of Factors Affecting Profitability of Kenya Airways

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	450.241	4	112.560	34.125	.000 ^b
	Residual	270.471	82	3.298		
	Total	720.713	86			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The findings of the ANOVA test resulted in an F-calculated value of 34.125 and Sig-value of .000 which was less than .05. This confirmed that the above research model was statistically significant thus we can affirm that Covid-19 pandemic, competitive strategies, strategic alliance, leadership jointly had a significant positive relationship with profitability of Kenya Airways.

Table 4.9 Regression Coefficient of the Factors Affecting Profitability of Kenya Airways

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.621	1.019		4.533	.000
Strategic Alliance	.214	.084	.217	2.567	.012
Competitive Strategies	.297	.086	.365	3.455	.001
Leadership	.252	.082	.334	3.070	.003
Covid 19 Pandemic	-.156	.061	-.184	-2.565	.012

a. Dependent Variable: Profitability

$$\text{Profitability: } Y_1 = 4.621 + .214SA + .297CS + .252LS + -.156CP + 1.019$$

The above regression model was tested using t-test which shows whether the dependent variable is influenced by the independent variable. Based on the findings we can establish that strategic alliances had a significant positive effect on the profitability of Kenya

Airways ($\beta_1 = .214$, $t = 2.567$, $sig = .012 < .05$). The result revealed that competitive strategies have a significant positive effect on the profitability of Kenya Airways ($\beta_2 = .297$, $t = 3.455$, $sig = .001 < .05$). The findings further established that leadership had a positive and significant effect on the profitability of Kenya Airways ($\beta_3 = .252$, $t = 3.070$, $sig = .003 < .05$). The regression coefficient for Covid-19 pandemic showed it had a significant negative effect on the profitability of Kenya Airways ($\beta_4 = -.156$, $t = -2.565$, $sig = .012 < .05$).

4.6.2 Factors Affecting Achievement of Competitiveness of Kenya Airways

The second model in the study focussed on the factors affecting the competitiveness of Kenya Airways and the results are presented in this section.

Table 4.10 Regression of Factors Affecting Competitiveness of Kenya Airways

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.850 ^a	.722	.708	1.63845

a. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The findings of the regression summary above showed a coefficient of determination (R^2) which tells us how well the response variable variation is explained by the linear model. The model resulted in a ($R^2 = .722$) which showed that 72.2% of the changes in the competitiveness at Kenya Airways can be determined by the Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership within the organization.

Table 4.11 ANOVA Test of Factors Affecting Competitiveness of Kenya Airways

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	571.686	4	142.921	53.239	.000 ^b
	Residual	220.130	82	2.685		
	Total	791.816	86			

a. Dependent Variable: Competitiveness

b. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The ANOVA analysis yielded an F-calculated value of 53.239 and Sig-value of .000 which was less than .05. This confirmed that the above research model was statistically significant

thus we can affirm that Covid-19 pandemic, competitive strategies, strategic alliance, leadership jointly have a significant positive relationship with competitiveness of Kenya Airways.

Table 4.12 Regression Coefficient of Factors Affecting Competitiveness of Kenya Airways

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.385	.920		1.506	.136
Strategic Alliance	.345	.075	.334	4.580	.000
Competitive Strategies	.316	.078	.370	4.069	.000
Leadership	.228	.074	.288	3.082	.003
Covid 19 Pandemic	.012	.055	.014	.221	.826

a. Dependent Variable: Competitiveness

$$\text{Competitiveness: } Y_2 = 1.385 + .345SA + .316CS + .228LS + .012CP + .920$$

The above regression model was tested using t-test which shows whether the dependent variable is influenced by the independent variable. Based on the findings we can establish that strategic alliances had a significant positive effect on the competitiveness of Kenya Airways ($\beta_1 = .345$, $t = 4.580$, $\text{sig} = .000 < .05$). The result revealed that competitive strategies have a significantly positive effect on the competitiveness of Kenya Airways ($\beta_2 = .316$, $t = 4.069$, $\text{sig} = .000 < .05$). The findings further established that leadership had a positive and significant effect on the competitiveness of Kenya Airways ($\beta_3 = .228$, $t = 3.082$, $\text{sig} = .003 < .05$). The regression coefficient for Covid-19 pandemic showed it had an insignificant positive effect on the competitiveness of Kenya Airways ($\beta_4 = .012$, $t = -.221$, $\text{sig} = .826 > .05$).

4.6.3 Effect of Factors Affecting Achievement of Turnaround Strategies of Kenya Airways

The overall objective of the study was to analyse the factors affecting achievement of turnaround strategies in airlines, with a focus on Kenya Airways.

Table 4.13 Regression Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870 ^a	.757	.745	2.79677

a. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The overall regression model resulted in a ($R^2 = .757$) which revealed that 75.7% of the achievement of turnaround strategies at Kenya Airways can be determined by the Covid 19 Pandemic, Competitive Strategies, Strategic Alliances, Leadership within the organization.

Table 4.14 ANOVA Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1994.673	4	498.668	63.753	.000 ^b
	Residual	641.396	82	7.822		
	Total	2636.069	86			

a. Dependent Variable: Performance

b. Predictors: (Constant), Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, Leadership

The ANOVA analysis yielded an F-calculated value of 63.753 and Sig-value of .000 which was less than .05. This confirmed that the above research model was statistically significant thus we can affirm that Covid-19 pandemic, Competitive Strategies, Strategic Alliances, and Leadership jointly had a significant positive relationship on the achievement of turnaround strategies at Kenya Airways.

Table 4.15 Regression Coefficient Summary

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.006	1.570		3.826	.000
	Strategic Alliances	.560	.129	.296	4.350	.000
	Competitive Strategies	.613	.133	.394	4.627	.000
	Leadership	.480	.126	.332	3.799	.000
	Covid-19 Pandemic	-.144	.094	-.089	-1.536	.128

a. Dependent Variable: Performance

Overall Turnaround Strategy: $Y_{ij} = 6.006 + .560SA + .613CS + .480LS + -.144CP + 1.570$

4.6.3.1 Strategic Alliances and Achievement of Turnaround Strategies

To examine the effect of strategic alliances on achievement of turnaround strategies at Kenya Airways. The analysis showed that strategic alliances had a significant positive effect on the achievement of turnaround strategies of Kenya Airways ($\beta_1 = .560$, $t = 4.350$, $sig = .000 < .05$). A change in strategic alliances will lead to .560 positive change in achievement of turnaround strategies at the airways.

4.6.3.2 Competitive Strategies and Achievement of Turnaround Strategies

To establish the effect of competitive strategies on achievement of turnaround strategies at Kenya Airways. The findings revealed that competitive strategies had a significant positive effect on the achievement of turnaround strategies of Kenya Airways ($\beta_2 = .613$, $t = 4.627$, $sig = .000 < .05$). A change in competitive strategies will lead to .613 positive change in achievement of turnaround strategies at the airways.

4.6.3.3 Leadership and Achievement of Turnaround Strategies

To determine the effect of leadership on achievement of turnaround strategies at Kenya Airways. The regression tests revealed that leadership had a significant positive effect on the achievement of turnaround strategies of Kenya Airways ($\beta_3 = .480$, $t = 3.799$, $sig = .000 < .05$). A change in leadership will lead to .480 positive change in achievement of turnaround strategies at the airways.

4.6.3.4 Covid-19 Pandemic and Achievement of Turnaround Strategies

To assess the effect of Covid-19 pandemic on achievement of turnaround strategies at Kenya Airways. The regression coefficient for Covid-19 pandemic showed it had an insignificant negative effect on the achievement of turnaround strategies of Kenya Airways ($\beta_4 = -.144$, $t = -1.536$, $sig = .128 > .05$).

4.7 Chapter Summary

The goal of this research study was to assess the factors affecting the achievement of turnaround strategies at Kenya Airways. The results established that 75.7% of the achievement of turnaround strategies at Kenya Airways was determined by the Covid-19

Pandemic, Competitive Strategies, Strategic Alliances, and Leadership within the organization. Individually, the results showed that 62.5% of the changes in the profitability of Kenya Airways was determined by the Covid-19 Pandemic, Competitive Strategies, Strategic Alliance, and Leadership within the organization. The findings also established that 72.2% of the changes in the competitiveness at Kenya Airways was determined by the Covid-19 Pandemic, Competitive Strategies, Strategic Alliances, and Leadership within the organization.



CHAPTER FIVE

SUMMARY, DISCUSSION AND CONCLUSIONS

5.1 Introduction

This chapter provides a summary of the study and a discussion of the results in relation to the empirical literature. The chapter also highlights the conclusions, recommendations and limitations faced while conducting the surveys. Lastly, this chapter presents areas for further research.

5.2 Discussion of Findings

The findings were presented in tandem with the objectives of the study. From the analysis, it was determined that the objectives under review had a significant effect on the profitability and competitiveness of Kenya Airways. These findings were similar to those reported in the study by Amankwah-Amoah, Ottosson and Sjogren (2017) which determined that strategic alliances, competitive strategies and leadership were the three key turnaround strategies that had a significant effect on the performance of airline firms.

5.2.1 Strategic Alliances, Profitability and Competitiveness of Kenya Airways

The study investigated the relationship between strategic alliances, profitability and competitiveness of Kenya Airways and concluded that established strategic alliance approaches had a moderate positive effect on the firm's profitability and competitiveness. The conclusion was that strategic alliances have a positive effect on Kenya Airways' turnaround ability. A change in strategic alliances will lead to .560 positive change in the achievement of turnaround strategies at the airline. According to the strategic turnaround theory, strategic alliances are a strategy that businesses should adopt when struggling to meet performance expectations or when in a hostile environment. The theory asserts that an alliance is a means for companies to reduce costs, meet expectations of a wide range of stakeholders and realize higher income.

These findings are shared by Jory, Benamraoui, Tunahan and Citci (2019) who determined that in developed, highly-regulated and competitive markets, strategic alliances have a positive effect on airline profitability. However, the study also revealed that the overconfidence and poor management capacity of Etihad Airways' leaders had reduced the firm's competitive position. Santana, Valle and Gonzalez (2019) made similar observations

when investigating co-evolution as a turnaround. The findings revealed that the type of partnership has a significant effect on an airline's recovery and competitive positioning. The study concluded that flexible-oriented partnerships and strategic negotiations enhanced recovery and performance.

In Kenya, Nyaga and Simiyu (2018) studied the influence of strategic alliances on performance of Kenya Airways and revealed that financial and marketing alliances adopted by Kenya Airways had improved customer acquisition and entry into new markets. However, these studies were not carried out over a long time period. Payan-Sanchez, Perez-Valls and Plaza-Ubeda (2019) studied the long-term relationship between strategic alliances and environmental performance and determined that the relationship was strong and inverse, meaning that the relationship is limited over a longer period of time.

5.2.2 Competitive Strategies, Profitability and Competitiveness of Kenya Airways

The study explored the effect of Competitive Strategies on the Profitability and Competitiveness of Kenya Airways and determined that competitive strategies have a strong positive effect on profitability and competitiveness of the airline. Therefore, competitive strategies improve the airline's ability to achieve turnaround strategies. A change in competitive strategies will lead to a .613 positive change in achievement of turnaround strategies at the airline. According to the strategic turnaround strategy, infusion of competitive strategies is a component of visionary leadership that firms should opt for when struggling to break even. According to the theory, competitive strategies are key to realizing a competitive edge and sustained income.

These findings were reported by Shahri and Sarvestani (2020) who investigated the effects of innovation as a turnaround competitive strategy against airline performance. The analysis determined that innovation as a competitive strategy improves an airline's profitability and turnaround. Lawton, Rajwani and O'Kane (2019) focused on strategic re-orientation as a turnaround strategy and determined that restructuring route networks and adopting cost reduction strategies improve organizational performance.

Amankwah-Amoah, Ottosson and Sjögren (2017) studied strategic renewal turnaround strategies and determined that deregulation and expanding destination networks were effective strategies to improve revenue generation among airline firms. Further, reduction

of cost-consumption practices and reducing marketing costs in productive destinations enhanced airlines' competitive advantage. In India, Saranga and Nagpal (2016) established that the use of selected structural and regulatory requirements had a negative impact on the performance of airlines. The analysis determined that adoption of low-cost carriers as a turnaround competitive strategy reduced airlines' operational efficiency which reduced profits and competitiveness.

In the study by Mungai and Bula (2018), adoption of revenue generating strategy, cost reduction strategy, asset reduction strategy and financial restructuring had a positive and significant effect on the profit generation of Kenya Airways. Chacha (2019) findings established that turnaround strategies, that reduced cost, increased business performance of Kenya Airways. The study determined that cost effective strategies were a means for the airline to attract more consumers and generate more income. These strategies were determined to be essential for the airline's survival.

In the study by Abdirahman (2017), reducing fleet size and unnecessary operating costs were the most significant cost management turnaround strategies. Airlines that effected changes in their operations were ascertained to be more competitive and in turn realize profits. In the study by Mungai and Bula (2018), adoption of a revenue generating strategy, cost reduction strategy, asset reduction strategy and financial restructuring had a positive and significant effect on the profit generation of Kenya Airways.

5.2.3 Leadership, Profitability and Competitiveness of Kenya Airways

The third objective was to assess the impact of leadership on the profitability and competitiveness of Kenya Airways and the study determined that leadership has a strong positive effect on the profitability of Kenya Airways. This means that leadership style has a positive relationship with the realization of turnaround strategies. These findings are shared in the reviewed studies. According to Hofer's (1980) strategic turnaround theory, leaders are the most essential determinants of success of strategic turnaround implementation. Hofer (1980) called for visionary and resolute leadership during turnaround periods to effectively manage the process. The theory also asserts that

innovative and creative leaders will be effective at managing turnaround events which require out of the box thinking.

Santana, Valle and Galan (2019) studied the effect of leadership on airline performance and reported that internal resistance contributed to poor firm performance. The analysis revealed that authoritative leadership is key to strategic goal realization in environments with higher degrees of internal resistance from employees. The study by Santana, Valle and Gonzalez (2019) found similar findings, arguing that leaders who are able to effectively implement employee downsizing and to employ flexibility-oriented practices are necessary in the global airline sector which is highly competitive.

In the study by Ghazzawi (2017), organization-centred turnaround strategies have a significant impact on the competitiveness of airline firms. The analysis showed that a leader's cognition, efficiency and experience are key qualities that determine the outcomes of turnaround strategies. The study also determined that innovative leadership is essential when managing turnaround strategies. In Malaysia, Pusiran and King (2015) findings revealed that a strong leadership style is associated with organizational competitiveness in terms of customer acquisition. The findings indicated that while entrepreneurial, ethical, creative and innovative approaches are emerging transformational leadership styles that are already having a significant positive impact on airline performance.

5.2.4 Covid-19 Pandemic Profitability and Competitiveness of Kenya Airways

The last objective was to examine the effect of the Covid-19 pandemic on the profitability and competitiveness of Kenya Airways and the study determined that while the pandemic had a significant negative effect on the profitability of Kenya Airways, it had an insignificant positive effect on the competitiveness of the airline. Regarding achievement of turnaround strategies, Covid-19 had an insignificant negative effect on the achievement of turnaround strategies. These findings are contrary to findings by Kiang, Chi, Huynh et al. (2021) which revealed that the pandemic had a significant effect on airline performance. The study revealed that all the firms adopted some form of strategic change to enhance performance during the Covid-19 pandemic.

Further, in the study by Arena and Aprea (2021), the Covid-19 pandemic had a significant impact on the global aviation industry. The study determined that aside from revenue and job losses, international aviation bodies developed new aviation guidelines to guide airlines towards recovery after the pandemic. Dube, Nhamo and Chikodzi (2021) study focused on Covid-19 pandemic and the prospects for recovery and determined that despite the implementation of turnaround strategies, the recovery was slow due to lower demand which impacts recovery efforts. The study determined that the pandemic bore a heavy toll on the aviation industry globally leading to downgrading of ratings, bankruptcy and liquidation of smaller airlines and airports due to reduced income and low demand for airline services. In Australia, Buhusayen, Seet and Coetzer (2020) determined that the pandemic, human resource inadequacy and poor leadership selection had a negative effect on airlines' recovery efforts. The study reported that airlines were reporting significant losses which threatened their survival.

In Nigeria, Enitan, Junaid, Avwioro et al. (2020) concluded that the Covid-19 pandemic had decimated profits in the aviation sector which had led to the closure of smaller airports. Further, the study determined that the debt profile of the industry had significantly increased due to high maintenance costs with no operational sources of income during the pandemic. This study determined that airlines struggled to remain operational during the pandemic.

5.3 Conclusions

This study's findings led to the conclusion that the achievement of turnaround strategies within Kenya Airways is positively related to the execution of strategic alliances, competitive strategies, leadership and Covid-19. Independently the research concluded that strategic alliances, competitive strategies and leadership have a significant positive effect on achievement of turnaround strategies. The research further concluded that Covid-19 had a negative and insignificant effect on the achievement of turnaround strategies at Kenya Airways.

Findings on the first objective formed the basis for the conclusion that strategic alliances have a significant and positive contribution to the competitiveness and profitability of Kenya airways. The research revealed through conducting joint ventures with other regional and international carriers, consolidating the organization market share, expansion

of routes through code-sharing agreements and expansion of the market are critical to improved profitability and competitiveness of the airline.

The study's results on the second objective informed the conclusion that competitive strategies significantly and positively lead to achievement of increased competitiveness and profitability at Kenya Airways. It was established that executing tactical plans by the airline, undertaking proactive controls and aligning the business plan to the operating environment are key to sustained competitiveness of the airline. The research concluded that adopting a proactive market approach and optimal pricing for the airline can positively lead to better profitability.

The research further concluded that through appropriate leadership/management, the airline will witness a significant and positive effect on the competitiveness and profitability at Kenya Airways. The study concludes that effective management can lead to adoption of proactive policies, better formulated business plans which can improve the achievement of the turnaround strategies (competitiveness and profitability). The research established that experienced leadership and competent skills are key to execution of the organization's policies and plans that can lead to improvement in the airlines competitiveness and profitability.

Lastly, the findings led to the conclusion that the Covid-19 pandemic has negatively contributed to both profitability and competitiveness of the airline. The research concluded that the pandemic has led to a reduction in routes being serviced by the airline, lower number of flights, cargo management and attainment of pre-pandemic passenger movement at Kenya Airways. This has seen the pandemic's contribution to a reduction in the competitiveness and profitability of the airline.

5.4 Recommendations

This study showed that strategic alliances are key to the improvement of the competitiveness and the profitability of Kenya Airways. To reinforce this positive achievement of the turnaround strategies, the study recommends that the airline should undertake more cooperation's with other major airlines globally that will help in enhancing the diversification of services offered. Through improved integration of services with other airlines, Kenya Airways could expand licensing for new routes, sharing of facilities and

complimentary resources that can significantly improve the competitiveness and bottom line of the organization. The airline should further review the various strategic alliances to ensure the firm is able to leverage on the improved cost advantages, by expansion into new geographical markets that have growth potential. Through such alliances the company can optimally engage in more cost-sustainable routes. The study recommends that through alliances, the airline should review their corporate activities to ensure that shared risks and resources offer a complementary advantage to the firm which can increase the probability for improved profitability and intensity of competition. Lastly, through alliances the airline can share human resources with other carriers which will improve knowledge and leverage skills that can offer synergistic benefits to Kenya Airways. Skills that will be vital to improving operational efficiencies and competitiveness.

The research indicated that competitive strategies have been vital to achievement of turnaround strategies within the airline. To expand on this, the study recommends that Kenya Airways should continuously leverage on modern technologies in service provision and product modification to ensure the firm can achieve a competitive edge over other regional carriers operating within the main hub. The study recommends that the carrier should conduct routine reviews of the market dynamics to have a better understanding of which development strategies to pursue as this will be key in optimizing the service provision and the identification of growth opportunities which can significantly contribute to profitability and competitiveness. The research recommends that the airline should routinely conduct an analysis of emerging environmental barriers such as regulatory changes and unforeseen changes in the operating environment which may hinder execution of the firm's operations. Management should consider more hybrid strategies that are more flexible when operating in a fluid environment. This will help in avoiding any detrimental effects to the profitability and competitiveness of the airline.

The results showed that leadership is a key factor in influencing the competitiveness and the profitability of Kenya airways. This study proposes a set of recommendations that the management can execute to maintain their achievement of their turnaround strategies. The study recommends that more delegation of duty and empowerment of employees should be prioritized as this will stimulate their productivity and resourcefulness which can support positive outcomes within the airline. Secondly, with the continuous change in the

business environment, management should routinely review its governance approaches to ensure they provide the best work environment, where the organization's mission is trusted and valued. This enhance the achievement of the airline's goals.

Further, through adopting a unique approach in management that is centered on the workforce, management will be able to reinforce team commitment and loyalty which can strengthen the competitiveness of the airline. The study recommends that management should implement better recruitment and retention of highly qualified, committed and diversified workforce which will enhance the effective execution of work duties which can lead to better performance. Lastly, through awareness that there is no ideal leadership style, the management team should consider a more contingent approach to leadership that will ensure the organization is up to speed with the contemporary environment so that remedy actions can be implemented quickly to ensuring success.

The Covid-19 pandemic disrupted almost all sectors of the global economy and that called for organizations to initiate new measures to cushion themselves from further detrimental effects. This study noted the negative effect of the pandemic both on the competitiveness and profitability of the airline. Consequently, the study recommends that the airline should collaborate more with government agencies to advocate for more incentives. This will enable the airline to undertake more low-cost strategies as well as to increase local and regional routes or frequencies that can help improve the competitiveness of the airline. Further, despite the impacts of Covid-19 morphing to the endemic stage, the airline should consider retaining their increased cargo operations and diversify their service offering as this will help in ensuring continuity and protection of the bottom-line.

5.5 Limitations of the Study

The research was significantly limited by a number of factors that were beyond the control of the researcher. Access to the Kenya Airways main hub and Airport facilities, the research assistants were required to obtain Good Conduct certificates from the national security agencies. However due to the pandemic and shortage of government staff, tasks like fingerprinting and approval of good conduct certificates set the research back by more than two months before accessing the organization's headquarters. Further permits and approvals were needed from the Managing Director and Departmental Heads within the airline which further prolonged the data collection process. The study was also limited by

unavailability of KQ staff members due to the introduction of work from home routines which affected accessibility to respondents. This was mitigated by including electronic data collection approaches during the research.

5.6 Area for Further Studies

The survey was only focused on turnaround strategies within Kenya Airways; however, owing to the negative effects of the pandemic on the aviation industry as a whole, further study should be considered in examining similar factors and how they influence achievement of turnaround strategies across the domestic aviation industry and a demonstration of the role that gender plays in collected data. The study only considered internal factors in the review hence more study work should be considered in evaluating how external environmental factors such as regulation, market competition affects the achievement of turnaround strategies at Kenya Airways. Lastly a more robust study should be conducted evaluating the effect of Covid-19 on the financial performance of the airline. This will provide more data that can be useful in future to help mitigate against the impact of other pandemics on the local aviation industry.



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Appendix I: Sample Consent Letter

CONSENT TO PARTICIPATE IN A STUDY ON FACTORS THAT AFFECTING KENYA TURNAROUND STRATEGY AT KENYA AIRWAYS

Thank you for agreeing to participate in this study.

I am a post graduate student at **Strathmore Business School** and I am conducting a survey for my research project.

The research comprises an assessment of factors that affect turnaround strategy at KQ. The questionnaire presented to you was beneficial in providing valuable information regarding this research and your response is very important to us. We assure you of full confidentiality on all information given and anonymity.

The Questionnaire should take no more than 15 minutes to complete. Your participation in this study is voluntary and you are free to withdraw from participating at any time.

If you have any queries or that you require any independent clarification about this study, please do not hesitate to contact the **Administrator at Strathmore Business School on +254 703 034 414**. You will receive a signed copy of this consent form for your records.

Should you wish to see the results of this study after its completion, please indicate on the page overleaf.

YOUR SIGNATURE ON THIS CONSENT FORM INDICATES THAT YOU HAVE DECIDED TO TAKE PART IN THIS RESEARCH STUDY AND THAT YOU HAVE READ AND UNDERSTAND THE INFORMATION GIVEN ABOVE AND HAD ISSUES RELATING TO THE STUDY EXPLAINED TO YOU.

I AGREE to have my completed questionnaire stored for future data analysis (Yes/No)

I would wish to receive the results of this study (Yes/No) _____

Name of Participant _____

Signature of Participant _____

Date _____



Appendix II: Ethical Review Committee Approval



11th April 2022

Mr Wanyama Edgar,
edgar.wanyama@strathmore.edu

Dear Mr Wanyama,

RE: Factors Affecting the Achievement of Turnaround Strategies at Kenya Airways

This is to inform you that SU-IERC has reviewed and **approved** your above **SU Maseters'** research proposal. Your application reference number is **SU-IERC1267/22**. The approval period is **11th April 2022 to 10th April 2023**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.


Yours sincerely,


for: **Dr Ben Ngoye,**
Secretary; SU-IERC

Cc: Prof Fred Were,
Chairperson; SU-IERC




Appendix III: NACOSTI Research License


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **435432** Date of Issue: **13/January/2022**


RESEARCH LICENSE




This is to Certify that Mr. Edgar Chilande Wanyama of Strathmore University, has been licensed to conduct research in Nairobi on the topic: FACTORS AFFECTING THE ACHIEVEMENT OF TURNAROUND STRATEGIES AT KENYA AIRWAYS for the period ending : 13/January/2023.

License No: **NACOSTI/P/22/15244**

435432
Applicant Identification Number


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code



**NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.**

Appendix IV: Kenya Airways Authorization



CONFIDENTIALITY & NON-DISCLOSURE UNDERTAKING

7 March 2022

Mr. Edgar Wanyama
119-49 Union Turnpike
Forest Hills, New York,
Zip Code 11375, USA.

Dear Edgar Wanyama,

Kenya Airways PLC ("Kenya Airways") has agreed to provide you certain information that you require to carry out your research for your master's program. Please note that all the information you will receive is confidential information of Kenya Airways with respect of which is of a proprietary and confidential nature, more fully described below (collectively the "Confidential Information").

You agree to keep strictly confidential and shall not at any time after the date of disclosure by Kenya Airways of the Confidential Information and the date of signature of this undertaking, whichever date is the earliest, directly or indirectly disclose, disseminate, divulge, copy and/or distribute to any party any aspect of the Confidential Information and any other information which Kenya Airways may designate as forming part of Confidential Information which is disclosed and/or provided by Kenya Airways to you.

If you are uncertain about whether any information is to be treated as confidential, you shall keep in the strictest confidence all the information which is furnished or made available to you relating to or in connection with Kenya Airways, but without being limited to, all communications (whether written, oral or in any other form), reports, statements, schedules and other data concerning any discussions, financial, technical, labour, marketing, administrative, accounting and other matters, and you shall not disclose any such information to any person and shall be obliged to treat it as such unless clearance is obtained from Kenya Airways.

Should you receive a request or be ordered to disclose all or any aspect of the Confidential Information under the terms of a valid and effective subpoena, order issued by a court of competent jurisdiction, a governmental body or any other legal process, or be legally obliged to so disclose such Confidential Information, you agree and undertake to:

1. notify the CEO of Kenya Airways of the existence, terms and circumstances surrounding such a request or order; and
2. consult with the CEO of Kenya Airways with the view of taking legally available steps to narrow (or where legally possible resist) such request or order.

If the disclosure of such Confidential Information is unavoidable due to any request or order described above, you undertake to use your best endeavors to obtain an undertaking or other reliable assurance from the party requesting the disclosure of any such Confidential Information that confidential treatment will be accorded to any and all aspects of the disclosed Confidential Information.



You acknowledge that the Confidential Information received from Kenya Airways is confidential and that disclosure to any third parties or unauthorized use thereof may cause damage on the part of Kenya Airways.

Should you commit a breach of any of your undertakings hereunder, Kenya Airways shall have the right to immediately institute legal proceedings against you and recover damages arising from such breach or obtain any other appropriate relief available in law.

This confidentiality and non-disclosure undertaking shall be governed by and interpreted in accordance with the laws of Kenya.

Please signify your acceptance of these obligations by signing and returning to me the duplicate copy of this letter.

Yours sincerely,

Allan Kilavuka
Group Managing Director and Chief Executive Officer

Agreed & Accepted

Signature

Name:

Edgar Wanyama

Date:

09/03/2022

Appendix V: Questionnaire

CONFIDENTIALITY CLAUSE:

This questionnaire is aimed at collecting data on *factors that affect achievement of turnaround strategy at Kenya Airways*. The responses you provide are confidential and will only be used for academic purposes only.

PART A: DEMOGRAPHIC INFORMATION

This section gathers information on the demographic information of the respondents' kindly tick as appropriate.

1. Indicate your department _____
2. Kindly indicate your job title _____
3. Kindly indicate your gender
 - a) Male
 - b) Female
4. Please indicate the highest level of education you have ever attained
 - a) KCSE and Below
 - b) Diploma/certificate
 - c) Undergraduate degree
 - d) Master Degrees
 - e) Doctorate Degree

PART B:

The following statements relate to; Strategic Alliances, Competitive Strategies, Leadership and the Covid-19 Pandemic. Kindly indicate how these statements represent your opinion by ticking in the appropriate box.

The labels numbers mean:

(0) = Not at all. (1) = Rarely. (2) = Sometimes. (3) = Often. (4) =Always.

Statement			Scale					
			0	1	2	3	4	
1	Strategic Alliances	a.	Our organization has joint ventures with strategic partners leading to opening of new routes					
		b.	Our organization joint ventures with domestic and international partners has led to consolidation of the market					

		c.	Our organization has code sharing arrangement with strategic partners leading to opening of new routes					
		d.	Our organization has code sharing with domestic and international partners resulting to consolidation of the markets					
2	Competitive Strategies	a.	Our organization has formulated sustainable business plans leading to competitiveness					
		b.	Our organization has competitive business plan tactics leading to calculated risks in pricing					
		c.	Our organization has put in place proactive controls to operate in strategic markets					
		d.	Our organization has a sustainable business plan leading to proactive marketing approach					
3	Leadership	a.	Our organization has leadership with competent business plan skills					
		b.	Our organization has leadership with proactive policies					
		c.	Our organization has leadership with experienced in implementation of business plans					
		d.	Our organization has leadership with skills in implementing policies					
4	Covid-19 Pandemic	a.	The airline has reduced number of flights due to Covid-19					
		b.	Both domestic and international airlines have reduced flights due to Covid-19					
		c.	The airline has reduced passengers due to Covid-19					
		d.	The airline has reduction in domestic and international passengers due to Covid-19					

PART C:

The following relate to effect of the statements in **PART B** on Turnaround Strategies at Kenya Airways. Kindly indicate how these statements represent your opinion by ticking in the appropriate box.

The labels numbers mean:

(0) = Not at all. (1) = Rarely. (2) = Sometimes. (3) = Often. (4) =Always.

Statement			Scale					
			0	1	2	3	4	
1	<u>Profitability</u>	a.	Due to joint ventures with strategic partners, our organization has opened new routes thus increasing profitability					
		b.	Code sharing has led to opening of new routes and increase in profit margins					
		c.	Presence of sustainable business plan has enhanced the prices leading to more profits					
		d.	Using controls for operating in strategic markets, our organization has increased its profit margins					
2	<u>Competitiveness</u>	a.	Through joint ventures with domestic and international partners, there is consolidation of the market leading to growth in customers					
		b.	Code sharing with domestic and international partners has led to consolidation of markets and increase in customer population					
		c.	Employment of competitive business plan calculated has increased the number of customers					
		d.	Proactive marketing approach has led to increase in customer population					

Thank you very much.