

Effect of Operational Capability on Performance of Airkenya Express Limited in Nairobi City County, Kenya

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Abstract: In the recent years, performance of the airline industry globally, regionally and locally has been unstable as a result of the dynamism of the environmental parameter that characterises this industry. Organizations in this industry therefore ought to withstand the market and industry dynamics, if at all they have to attain remarkable success in performance. This research investigates the effect of operational capability on the performance of AirKenya Express Limited, Nairobi City County, Kenya. The three main theories on which this report was established on were, resource-based view theory, organization learning theory and dynamic capabilities theory. Two research designs that were employed were cross sectional research and explanatory designs. The target population was valid employees of AirKenya Express Limited, and in particular those based at its headquarters at Wilson Airport Nairobi and those in other outstations that are based in Kenya. The selection of the respondents of this study utilized stratified proportionate sampling. This was on the basis of departments including administration, inflight crew, customer service, finance, marketing, reservation, operations and engineering. The pilot study preceded actual data collection and the participants were excluded from the research. In data collection, the primary data collection was done using semi-structured questionnaires issued using drop and pick method while secondary data collection was by reviewing relevant reference materials. Secondary data was purposed to endorse the collected primary data. The descriptive statistics were presented in the form of mean, standard deviation, co-efficient variations, frequencies and percentages. Conclusions and generalizations were made based on the inferential statistics done through multiple regression analysis. The study found that operational capability has a positive effect performance. The operations, reservations and customer care managers and their respective staff should offer and embrace effective customer service, update customers on new routes, products and services regularly. This will collectively improve AirKenya Express Limited's performance.

Keywords: Operational Capability, Dynamism and Organization Performance

1. INTRODUCTION

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

Operational capability relates to the ability to align firm resources and technologies with the organization's vision and customer focus, and the ability to execute these processes in an effective and efficient manner. They commission an organization to execute its processes and operations on a continuous basis with the same technique and scale in support of domineering products and services for target consumer market (Helfat & Winter, 2007). According to Takahashi, Bulgacov and Giacomini (2017) operational capabilities consists of the skills and information that are necessary to operationalize, maintain and repair technology and business processes for efficient and effective running of the firm's activities. In addition, operational capability has been incorporated into conceptual models of research on organizational capabilities and performance by studies carried out by Protogerou (2011) and Giacomini (2013) hence forming a basis for its adoption on this study.

The operational wastefulness and inefficient utilization of resources characteristic has been associated with poor performance of a number of airlines which has been advanced by competition by the key

players, and the deregulation policy by policy makers and stakeholders (Gowrisankaran, 2002). This will help them secure a fair share in the air travel markets and stand to be successful (Stanford University, 2000). In order for AirKenya Express Limited to increase its performance and enhance its competitiveness, there is a need to for structural change in its policy framework and assessment of the organizational capability (Vogel & Graham, 2019). Some of these capabilities include, enough modern and economical aircrafts, advancing with technological trends both in ICT and marketing, keeping employees trained, motivated and satisfied, advancing and expanding its operations.

Local airlines, and in particular AirKenya Express Limited, faces challenges associated with optimal asset use, and utilization of their capabilities for competitive positioning in the industry and ensuring that the airline posts great performance. This study intended to determine the relationship between operational capability of AirKenya Express Limited and its performance to enable it realize maximum efficiency in its operations.

2. LITERATURE REVIEW

2.1. Resource-Based View Theory

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

Under the RBV, capability is referred to as a package of complex obtained skills, knowledge, ability and experience by which a firm manages its activities by utilizing its resources to achieve its vision (Mckelvie & Davidson, 2009). Most firms possess diverse resources that are either tangible or intangible (Barney, Wright, & Ketchen, 2001). Barney studied and established an existence of a correspondence linking vital resources and superior performance. Firms are inclined towards making optimum usage of economic resources at disposal to make informed decisions guided by an economic framework (Barney & Clark, 2007).

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

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

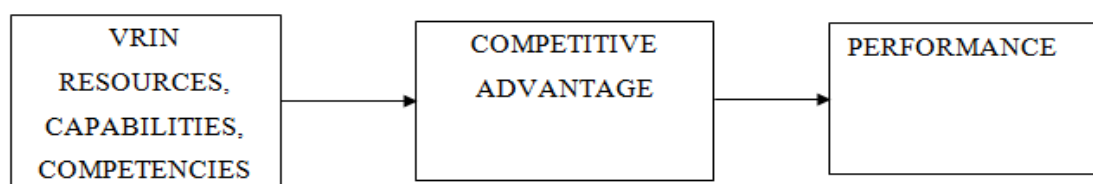


Figure1. Relationship of VRIN Resources, Competitive advantage and Performance

Source: (Rouse, Lockett, 2009, & Barney, 2011)

RBV has been adopted in this study to explain the context of the airlines that demands for effective organizational capabilities that enable the organization maximize its performance. This study has been

anchored on this theory to aid it in understanding how and why organizations like airlines should mobilize their resources for the enhancement of their capabilities so as to ensure their operations achieve advanced performance.

2.1.1. Organization Learning Theory

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

An airline can achieve an above average profit over time only through effective organizational learning (Garvin, 1993). Airlines that value continuous organizational learning through training and development are more likely to achieve superior performance. Stewart (1996), states that one of the functions of organizational learning in an organization is to realize competitive advantage and superior performance. It ensures that employees within an organization are well informed with up to date information (Armstrong, 2001), which strengthens a firm's human capital with latest, relevant and important industry related information (Spender & Grant, 1996).

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

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

2.1.2. Dynamic Capabilities Theory

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

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

implement organizational objectives. However, Roper (1997), recommended that the presence of organizational capabilities in a firm is not enough and for an organization to attain the desired performance levels since they must positively interact with and meet the prerequisite of the organization's industry market. The relevance of this theory is in the determination of the critical resources that propel the local airline industry in Kenya. AirKenya Express Limited was evaluated based on the operational capabilities that unsure it performs. They are critical processes, resources and technologies and how they aid in the understanding of the actual and source of operational capabilities.

2.2. Empirical Literature Review

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

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

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

An investigation carried out by Kyengo, Muathe and Kinyua (2019) showed that operational capability has a positive effect on performance of Food Processing Firms in Nairobi City County. This study involved 102 registered Food Processing Firms and measured operational capability was measured using improved cost of production and new processes as the operational indicators. Primary data was collected through closed-ended questions constructed on a 5-point Likert. Statistical analysis was primarily based on simple linear regression model.

The relationship between operational capability and performance of AirKenya Express Limited is presented in Figure 2. This was as result of extensive and critique of relevant body of existing theoretical and empirical literature.

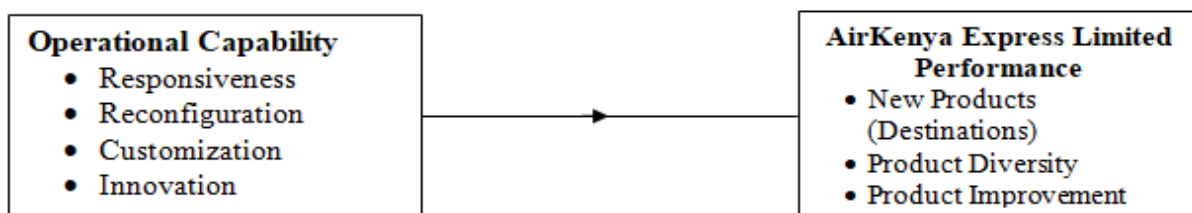


Figure1. Conceptual Framework

Source: Literature Review (2019)

The research hypotheses for this study were as follows;

H₀: Operational capability has no statistically significant effect on performance of the AirKenya Express Limited in Nairobi City County, Kenya

H_a: Operational capability has statistically significant effect on performance of the AirKenya Express Limited in Nairobi City County, Kenya

3. RESEARCH METHODOLOGY

This study utilized explanatory and cross sectional research designs. Explanatory design connects ideas with the aim of showing the effects and their cause in the linkage among the variables (Orodho, 2015). The extent of interrelation between certain variables and at a specified time is measured by cross sectional design. This helps in processing of information pertaining the relationship of variables (Kothari, 2007). This study was investigating the relationship linking operational capabilities and performance of AirKenya Express Limited, Nairobi, Kenya. These research designs were suitable in reference to the one point in time collection of data so as to augment consistency of the environment context. This research design has been successfully used in past similar studies (Kimaru & Kinyua, 2018; Kobia, & Kinyua, 2018; Kiprotich, Kahuthia & Kinyua, 2019; Gatuyu & Kinyua, 2020; Ontita & Kinyua, 2020; Muthoni & Kinyua, 2020; Mbugua & Kinyua, 2020).

A target population is a depiction of the elements that possess the relevant and desired characteristics for the research from whom a sample is picked for the sole objective of data collection (Mugenda & Mugenda, 2003). The target population was made up of the eight departments' employees of AirKenya Express Limited. This were represented by 150 employees who are unevenly distributed in different departments and expected to be present.

A population sample was derived through stratified sampling design. This was done by dividing the target population into strata before selecting samples randomly from each of the strata. Mugenda and Mugenda (2003) established that for a sample size to meet adequacy for observation and in making references, it must comprise a percentage of more than 10% of the target population. Kothari (2007) also established that a sample should comprise at least 30 elements. Based on these two arguments a sampling factor of 0.5 was used.

Table3.2. *Distribution of Sample Size*

Strata	Total Population	Sampling factor	Sample size
Management	13	0.5	7
Line Personnel	26	0.5	13
Operations	12	0.5	6
Maintenance	24	0.5	12
Sales &Marketing	20	0.5	10
Reservations& ticketing	12	0.5	6
ADM & Finance	14	0.5	7
Inflight Crew	20	0.5	10
Customer Service	8	0.5	4
Total	150		75

Source: *Researcher (2019)*

The questionnaires were used for data collection. Questionnaires were preferred since respondents who are not in the country to respond, and could also be furnished with questionnaires electronically. From these questionnaires, it was possible for responses that can be transformed into quantitative to be collected. In addition to this, responses from questionnaires were compared to eliminate biasness. Secondary data information was derived from documentations about AirKenya Express Limited in its central library, previous researches, official websites and the relevant authority which is the Kenya Civil Aviation Authority (KCAA).

A pilot study was conducted in advance before the study is done (Mugenda & Mugenda, 2003). A preliminary study is carried out to evaluate various aspects of the actual study which include time and the cost (Bernard, 2017). The findings of this preliminary activity was then used to made changes to improve the actual research, for example through question restructuring and improvement. A sample of five AirKenya Express Limited employees were selected randomly to undertake the pilot study. However, they did not take part of the actual survey of the study. This activity essentially facilitates the testing of the questionnaires' reliability and validity. The formulation of questions of the semi structured questionnaire was aimed covering the entire information about organizational capabilities.

Opinions from various experts like the supervisor in setting up questions with a logical link with the objective of the research to ensure face validity were considered. Predictive validity of the questionnaires was ensured by formulating questions that trigger provision of information that can be used to predict the future of the company by from the respondent.

The test-retest technique was applied to ensure research instrument reliability whereby a similar questionnaire was given to a respondent twice and the results of the two questionnaires compared. It was expected that the two questionnaires to be always similar. To ensure internal consistency, the split half method was used whereby the responses were split into two equal halves and then compare the two. Internal consistency was measured by Cronbach’s alpha index that established the items were within a scale measure and research construct. A coefficient extending above 0.7 is suggested and demonstrates that the exploration instrument is acceptable and reliable (Bonnet & Wright, 2015). By applying SPSS the Cronbach’s alpha index was determined. This deduced standard quantifiable items and the correlation.

Table2. Reliability Test

Study Variable	Cronbach’s Alpha	Decision
Operational Capability	0.716	Reliable
Performance	0.713	Reliable

Source: Field Data (2020)

The researcher used the internal consistency measure known as Cronbach’s alpha (α) to examine how well the test items measured particular characteristics or variables in the model. An internal consistency test is considered appropriate for evaluating the degree to which different test items in a group produce same results after repeated trials was done (Sekaran & Bougie, 2011). The Cronbach’s alpha of 0.7 ($\alpha > 0.7$) was used as the cut off for reliability as recommended by Jankowicz, (2005).

Table2. Reliability Test

Study Variable	Cronbach’s Alpha	Decision
Operational Capability	0.726	Reliable
Performance	0.824	Reliable

Source: Field Data (2018)

The index values were in excess of 0.7 and affirmed the reliability of the two variables in reference to Cronbach’s alpha values as proposed by (Bannet & Wright, 2015) hence reliable.

The study questionnaires were issued physically, while those who were unavailable were issued electronically via email. Respondents who were not able to provide their responses on time, were given four extra days, after which all responses were compiled using a register that helped in keeping track of the questionnaires that had been issued. This involved the editing, analysing and working on collected data with the aim of ensuring they are error and problem free. The sorted data was typed into SPSS. Descriptive statistics in form of percentages, standard deviation, average and median were computed to develop a summary of observed sample. Questionnaire responses were given a score of between 1 and 5 to enable transform descriptive data into quantitative form. SPSS was used for multiple regression with results presented in table forms.

This research made use of content analysis to analyse the qualitative data whose results were presented in prose form. Themes ingrained from the collected data formed the basis of the presentation. The analysis of the inferential statistics was by multiple regression as there were four explanatory variables in this study. Below is the regression model that was used.

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

- Where:
- Y** =Performance
 - X₁**= Operation Capability
 - β_0, β_1** = Beta coefficients
 - ϵ** = error term

SPSS was used for multiple regression. The statistical significance of the model was evaluated by applying ANOVA output which indicates whether or not R2 might have taken place in a random way

or not. Estimated regression model utilized the f-statistic for the ANOVA table at 95% confidence level. A threshold of at most 0.05% P-value was a reference for making decisions and conclusions. T-statistic of solitary variables in conjunction p-values were utilized to determine the beta co-efficient statistical significance that the regression analysis generated. P-value with a maximum threshold of 0.5% was used for confirming that a statistically significance of 95% level of confidence of the corresponding beta coefficient was met. Tables were used for presenting the Statistical analysis results. Content analysis was used to analyze qualitative data that have been collected from the questionnaire's open ended questions.

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

4. RESEARCH FINDINGS AND DISCUSSION

A total of 69 questionnaires were filled and returned out of the possible total of 75 distributed. This constituted 92% of the response rate which was sufficient for the research. It was in correspondent with Mugenda and Mugenda (2003) recommendation of a response rate of 50% as being satisfactory to analysis and reporting; a rate of 60% is good and while 70% and above rate of response is very good. The high response rate increased demographic representation and also the accuracy of the results of this study.

4.1. Descriptive Statistics

The objective of the study was to establish the effect of operational capability on the performance of AirKenya Express Limited in Nairobi City County, Kenya. The measures used included operations are very responsive, company configuration of its operations, operations customized and tailored and operations innovation as results shown in Table 3.

Table 3. Descriptive Statistics for Operation Capability

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

Source: Field Data (2020)

Descriptive analysis on operation capability computed 4.16 as an aggregate mean score which agrees with the Likert scale. Standard deviation and coefficient variation was computed to be 0.60 and 0.15 respectively. The diverse employee responses were close to the mean response as per a computation of a 15% level of variability. In addition, a range between 3.91 and 4.34 was computed as the mean values of the individual items. Likewise, a range between 12% and 17 % was computed as a consistent representation of the coefficient for individual indicators responses. A sample mean with a narrow variability proved that it had stable and reliable characteristics as a population mean estimator and capable of being utilised in making conclusions. Computed low response variability depicted that the airline incorporated the operation capability activities in their operations and as thus contemplated as key to firm performance.

The researcher also conducted analysis of sample measures using the data on responses to the statement relating to firm performance. In this case, AirKenya Express Limited performance was examined using five metrics that included attracting new clients, improving services, diverse range of services, distinct service delivery and airline service and product. The results were shown in Table 4.

Table4. Descriptive Statistics for Performance of AirKenya Express Limited

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

Source: Field Data (2020)

Table 4 depicts a mean score of 3.97 as an aggregate of five measures of performance of Air Kenya Express Limited which confirmed the five point Likert scale that the study adopted. Principally a coefficient of variation of 14% clearly indicated an aggregate response mean score of low variability. Based on the indicated aggregate mean response the study affirmed that activities that improve operational performance were practiced in Air Express Kenya Limited. A concentration of employees’ responses around the aggregate mean score was showed by a narrow variability which confirmed that the sample mean was a stable estimator of the true mean in this study.

4.2. Test of Hypotheses

The study used a simple linear regression to establish the effect of operational capability on the performance of AirKenya Express Limited in Nairobi City County, Kenya. Table 5 shows the summary of the regression equation.

Table5. Model Summary

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

a. Predictors: (Constant), Operation Capability

b. Dependent Variable: Performance

Table 5 shows that coefficient of correlation was 0.762, an indication that the study variables significantly influenced performance of AirKenya Express Limited. Coefficient of adjusted determination was 0.721 which translates to 72.1%. This indicates that variations in dependents variable was explained by the independent variables (operation capability). The residual of 27.9% could be explained by other factors beyond the scope of the current study.

Table6. ANOVA

Model	SS	df	MS	F	Significance
Regression	1.24	4	.474	4.46	0.001 ^b
Residual	75.65	56	1.952		
Total	76.89	60			
a. Predictors: (Constant), Operation Capability,					
b. Dependent Variable: Performance					

Source: Field Data (2020)

From Table 46, calculated F was 4.46 while the critical F was 2.14. Since 4.46>2.14 it’s an indication that the study was greatly influenced by the overall regression model. The P-value was 0.001<0.05 indicating that the performance Air Kenya Express Limited was significantly influence by the study variables. The study conducted a regression coefficient analysis of the predictor variable and result shown in Table 7.

Table 7. *Regression Coefficients*

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.511	0.214		4.923	.003
Operation Capability	0.656	0.0171	1.158	2.856	.002

Source: Field Data (2020)

From the SPSS generated table, the estimated equation is:

$$Y = 0.511 + 0.656X_1$$

Where Y = Performance of Air Kenya Express Limited

X₁ = Operation Capability

Table 7 show a regression analysis illustration that significance for operational capability was at $\beta=0.656$; $t = 2.856$; $p = .002$. It insinuated a 95% confidence level of operational capability effected performance of AirKenya Express Limited positively. This meant that increasing a single unit of operational capabilities results in a 0.656 rise in performance. In conclusion, the study determined operational capability as having progressive effects on the performance of AirKenya Express Limited in Nairobi City County, Kenya. These affirmed conclusions from previous studies that operational capability influence SMEs financial performance (Zamani & Kheradyar, 2017). These findings were in agreement with Ramanathan (2016) study conclusion on the significant relationship established between operations capability, marketing capability and service diversification with performance of hotels.

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

5. CONCLUSION AND POLICY IMPLICATION

Organization performance is the principal topic of empirical studies and an elemental aspect for managers in modern organizations. Investigating the effect of operational capabilities on the performance of AirKenya Express Limited in Nairobi City County, Kenya was the aim of the study. The derived findings from both quantitative and qualitative data analyses made it practicable for the study to make prime determinations. Statistical analysis results manifested how operational capability affects performance. Based on this, the study concluded that operational capability affects performance of AirKenya Express Limited in Nairobi City County, Kenya. The study recommends that operations, reservations and customer care managers and their respective staff should offer and embrace effective customer service, update customers on new routes, products and services regularly. AirKenya Express Limited ought to have automated customer services from ticket booking to online checking in.

6. SUGGESTIONS FOR FURTHER RESEARCH

The findings and conclusions made based on the study's findings were limited to operational capability and performance of AirKenya Express Limited. Scholars ought to conduct related studies in diverse organizations not limited to airlines but also in other economic sectors to credence to findings that this study has based on its conclusions. In addition, extended studies ought to be done to explore on how other factors that are conceptualized in this study, especially in view of the empirical connotation of the coefficient of discernment described in the result of model summary.

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