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INFLUENCE OF STRATEGY CONTROL ON THE PERFORMANCE OF AIRLINES IN KENYA

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ABSTRACT

Strategic control focuses on achievement of future goals rather than the evaluation of past performance. The point for strategic control is not to bring to light past errors but to identify needed corrections so as to steer the firm in the desired direction. The general objective of the study was to determine the influence of strategy control on performance of Airlines in Kenya. The specific objectives were to examine influence of; premise control and special alert control on firm performance. The study was guided by two theories; dynamic capability theory and enterprise risk management theory. The study employed a descriptive research design. The target was 12 airlines in Kenya which formed the study's unity of analysis. The unit of observation was hence 24 in operations , 24 finance, 24 marketing, 24 customer service, and 24 safety management staff. The study used census hence 120 strategic management staff were sampled. The study used primary data which was collected using questionnaires that consisted of structured closed-ended questions in which a Likert Scale was used. The close ended questions provide more structured responses while the open-ended questions provided additional information that may not have been captured in the close-ended questions.. A pilot study was collected with 10% hence 12 heads of strategy who were not included in the actual data collection. The study used content and construct validity. To test the questionnaire reliability, Cronbach's alpha was used. Data was analyzed using descriptive statistics such as frequency, percentage, and mean. Correlation and regression was used to establish the relationship between the study variables. Findings were tabulated. Findings show that the Pearson correlation coefficient for premise control, and firm performance was ($r = 0.390$, p-value=0.000), correlation between special alert control and firm performance was ($r = 0.619$, p-value=0.000). This shows that the correlation between premise control, and firm performance was moderate and significant. Premise control involves checking out the environment in which a firm operates in. The companies conducts assessment of the routes they operate in to forecast the demand as well as competition in the industry. Special alert control influence firm performance. Special control involves implementing safety issues, preparing for risky events such as pandemics, natural disasters, and break downs. The study recommends that there should be proper assessment of economic and environment factors that affect firm's performance. Proper assessment of these factors would help to determine the effects of these factors on performance. Managers need to be proactive in dealing with the pace and trend of invention to easily adopt to new route of operations.

Key Words: Strategy Control, Premise Control, Special Alert Control And Performance Of Airlines In Kenya

Background of the Study

Strategic control is a term used to describe the process used by firms to control the formation and execution of strategic plans and it is a specialized form of management control which differs from other forms of management control in respect of its need to handle uncertainty and ambiguity at various points in the control process. It focuses on achievement of future goals rather than the evaluation of past performance. Strategic control allows you to step back and look at the big picture and make sure all the pieces are correctly aligned (Chineye, 2020).

According to Pearce and Robinson (2009), strategic control focuses on achievement of future goals rather than the evaluation of past performance. The point for strategic control is not to bring to light past errors but to identify needed corrections so as to steer the firm in the desired direction. A good strategic control can ensure a top most position for the weakest firm among other superior competitors. A related concern for strategic control processes is the amount of time and effort required for the process to work: if either is too great the process will either be in influence or be ignored by the organization. Strategic control practices are concerned with shaping the organizational behavior of its business units and the context within which managers operate (Johnson & Scholes, 2008). It creates synergy for organizations and adds value in defining and shaping the overall strategy; defining the rules of engagement between different units; setting standards and assessing performance of these units.

Strategic control guides action during strategy implementation in organizations when the results are still several years away. While employees need to be creative and innovative; strategic control practices help managers to ensure that this creativity ultimately benefits the organization. It is indeed strategic control practices that ensure that strategic plans in organizations become a reality; and it is therefore important that Boards of directors and top level managers understand the planned reality. In the past, strategic management emphasized strategic planning practices as a determinant of superior organizational performance. However, it is strategic control practices that determines and communicates what organizational outcomes are to be achieved (Wheelan, & Hunger, 2006). Ketchen and Short (2016) explain that strategic control necessarily comprise a small set of standard elements, the absence of any one of which makes strategic control impossible to achieve.
Airlines in the world continue to make strategic choices in order to improve on their product offer, enhance better service delivery, reduce on overall costs and cope with industry competition and challenges. According to Fiegner, (2021), strategic control occurs in three ways. First, strategic planning is itself a form of control. Second, strategic plans are converted into reality not only by their influence on the management control activity but also by the key decisions regarding allocation of resources. Third, while capital budgeting systems can respond to requests for resources that are consistent with the accepted strategic plan, the period between formal, comprehensive strategic planning exercises can give rise to unanticipated changes in the environment or unexpected internal crises. Strategic control processes ensure that the actions required to achieve strategic goals are carried out, and checks to ensure that these actions are having the required impact on the organization. An effective strategic control process help an organisation ensure that is setting out to achieve the right things, and that the methods being used to achieve these things are working (Maletič et al., 2018).

Ali (2019) noted that strategy control is indeed a strategic function in the sense that the adoption of strategic control techniques has led to improvement in financial and non-financial performance of African region organizations that are with different socio-economic issues. Chirima (2018) found that strategic controls have led to increased customer retention which has affected the Zimbabwean organizations positively to a very great extent. Consequently, the growing competitive environment leads to price wars which affect organizational outcomes of many firms in Africa. Emeka, Ejim and Amaka (2015) indicated that; competitive forces shape the strategy adopted by the organizations, companies that operate in more competitive environments choose a strategy of cost leadership instead of differentiation, the use of contemporary management practices is associated with a differentiation strategy, strategic choices have a positive impact on organizational performance, and those companies that combine differentiation strategy with contemporary management practices perform better than the other companies analyze.

According to Diar, Senaji, and Mwambia (2017), strategic controls are some of the instruments firms use to maintain and sustain their strategic advantage over time. Strategic controls allow corporate-level managers to evaluate business-level performance on objective criteria, deliberate on day-to-day corporate operations, assess performance of employees and managers in each business unit, and examine the fit between what the firm might do and what it can do. Strategic controls are objective criteria that allow corporate managers to evaluate the returns earned by individual business units. Strategic controls have been put in place to ensure safe custody of all bank assets; to avoid misuse or misappropriation of commercial Banks assets and to detect and safeguard against probable frauds.

In East Africa, Kenya airways dominate the air transport market. Due to stiff competition, it is only Kenya airways, Precision Air and Rwanda Air Express that have managed to remain operational by adopting collaborative strategies and alliances (Ouma, 2018). However, Kenya airways is the dominant airline and Nairobi has been considered as a gateway of Eastern and Southern Africa for air travel. Kenya airways has adopted a series of operations strategies to enable it to survive in the increasingly difficult business environment. These includes building alliances including joint ventures, expanding route networks and securing direct access to new markets (Wandiga & Kilika, 2017). Nevertheless, the airline has regrettably been unable to harness the advantage presented by these operations strategies to scoop the extraordinary competitive advantage particularly with regard to the present safety measures and health protocols brought by covid 19 pandemic (Mokamba, Gakure & Keraro, 2018). According to Mutema (2016), the airline is challenged by high fuel prices, safety records, need for skilled human resources, internal liberalization, high taxes and the environment. Njeru (2018) indicated that safety policy, safety risk management, safety promotion and safety policy have a consequential effect on the organisational performance of airline. He further concluded that the effective employment of safety policies improves an organisation’s performance since employees’ awareness will be increased resulting in employee confidence and productivity.

Statement of the Problem

Kenya aviation industry accounts for 4.6 per cent of Kenya’s GDP (IATA, 2019) with 12 airlines operating in the Kenyan Market currently. The list of airlines that have gone out of business in Kenya include Flamingo Airlines, fly 540,Jetlink Silverstone Air among others. Kenya Airways (KQ) being one of the airlines operating in this market and the national carrier has been operating in the red with losses amounting to millions part. The airline being an example of airlines struggling in this market last made a profit in 2012 when it closed with net earnings of Sh1. 66 billion. KQ's revenues in the review period grew 76 percent to Sh48.2.It’s net loss has narrowed to Ksh 9.8 billion in the first half of 2022 compared to a net loss of Ksh 11.5 billion in 2021 (Bula, 2021). KQ was also faced with high financial costs and loan re-evaluation losses. Kenyan Aviation has lost its market share. The losses are associated with the political instability across the globe that negatively impacted on the tourism market. Further losses were attributed to volatility of exchange rates especially the weakening of Kenya shilling against the US dollar leading to foreign exchange losses, threat of terrorism and epidemic which adversely impacted global travel, as well as stringent international regulatory environment where travel advisories were issued by various countries like Britain and the US who contribute a lot to the revenue of the Company (KAA, 2020).

According to the senate committee report on what ails Kenya Airways, the primafacie evidence showed that the airline faces major problems which over the last couple of years to its competitors especially the Ethiopian Airlines which has grown and had 153 destinations and fleet of 100 aircrafts and 59 on order compared to Kenya airways which has 53 routes and a fleet of 40 aircrafts with none on order. The report also showed that the poor performance is due to poor investment decisions by management of buying and leasing aircrafts, fuel hedging, under arrangements which are not profitable to the company, thereby leading to sky rocketing indebtedness. The tickets are also higher than other airlines hence losing competitiveness. There is also frequent cancellation of flights causing inconveniences and poor relationship with passengers, who consequently abandon using the airline (Onjoro,2021).

There are several studies on strategy control in various organizations in Kenya; Gaturu, Waiganjo, Bichang'a and Oigo (2017) examined the influence of strategic control on performance of mission hospitals in Kenya and found that strategic control is a very important and necessary tool to increase organizational performance and effectiveness. The researchers also found a positive significant influence of strategic control on organizational performance of mission hospitals. Diar, Senaji, and Mwambia (2017) examined the influence of strategic control on performance of commercial banks in Kenya and found a negative correlation between premise control and organization performance. However, there was significant positive relationship between implementation control, special alert control and organization performance. Odhiambo (2017) examined influence of strategy control on performance of hotels in Kisumu County and found that strategy control have significant positive influence on performance. Rabera and Oloko (2017) studied influence of strategic control techniques on organizational performance of Savings and Credit Cooperatives in Kisii County. Findings showed that premise and implementation control has a significant effect on organizational performance of Savings and Credit Cooperatives in Kisii County. This shows that there is study limitation on strategy control and performance of airlines in Kenya. The study hence seeks to the fill the research gap.

General Objective of the Study

To determine the influence of strategy control on performance of airlines in Kenya.

Specific Objectives of the Study

i. To determine the influence of premise control on performance of airlines in Kenya.
ii. To assess the influence of special alert control on airlines in Kenya.

Theoretical Literature Review

Dynamic Capability Theory

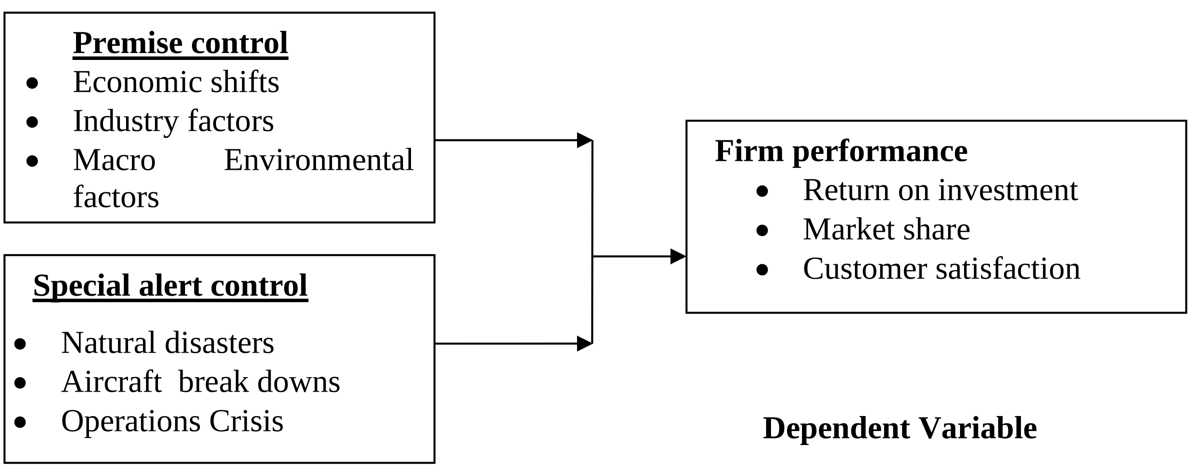
Dynamic capability theory was developed by Teece, Pisano and Shuen (1997). The theorists argue that firms with more dynamic capacity will outperform firms with fewer dynamic capacity. The theory aims at understanding how organizations use dynamic abilities to create and maintain performance in reaction to changing environmental factors (Wright, 2013). Dynamic skills assist the company to feel its prospects and then successfully allocate resources, frequently by adapting existing skills or establishing new ones. As the market and technology changes, the firm need to change the assets and develop new skills (Dangelico, Pujari & Pontrandolfo, 2017). The dynamic capability enables the organization to achieve agility because it provides a framework that the managers should follow in pursuit of agility. Economic and political environment change often depending on country' inflation and global business environment. Therefore a company's ability to adopt to the changes will greatly determine its performance.

Enterprise Risk Management Theory

The Enterprise risk management theory was propounded by Nocco and Stulz (2006). The theory focuses on adopting a systematic and consistent approach to managing all risks confronting business performance. Risk management refers to the culture process and structures that are directed towards the effective management of potential opportunities and adverse effects (Verschuren et al., 2010). Tabish and Jha (2012) defines ERM as a strategic business discipline that supports the achievement of an organization's objectives by addressing the full spectrum of its risks and managing the combined impact of those risks as an interrelated portfolio. Effective risk management helps to improve the performance of an organization by creating value to the firm through better service delivery, effective management of change, efficient use of resources, better business management, minimizing wastage, minimizing fraud and supporting innovation. The major task of enterprise risk management is therefore to ensure that the organization can keep on creating value under any uncertain environment. Managers can save a lot of money if they deal with uncertain events in a proactive manner that will minimize the impact of threats and seize the opportunities that occur (Shahu *et al.*, 2012). This theory supports the objective on special alert control.

Conceptual Framework

Conceptual framework is a network of inter related concepts, principles and ideas that creates awareness among different concepts (Cao, Thompson & Triche, 2018). The study is based on the different variables used in the study and are presented by use of a diagram which basically shows the inter-relationship that exists between the dependent variables and the independent variables. The conceptual framework is presented in Figure 2.1



Independent Variables

Figure 1: Conceptual Framework

Premise Control

Planning premises/assumptions are established early on in the strategic planning process and act as a basis for formulating strategies. Premise control has been designed to check systematically and continuously whether or not the premises set during the planning and implementation processes are still valid (Jofre, 2021). Premises are primarily concerned with two types of factors; environmental factors (inflation, technology, interest rates, regulation, and demographic/social changes), and industry factors (competitors, suppliers, substitutes, and barriers to entry). All premises may not require the same amount of control, therefore, managers must select those premises and variables that are likely to change and would have a major impact on the company and its strategy if they did occur (Karkowska, 2019).

Premise control helps to check if the premises set are still valid by checking of environmental conditions in industry factors which are likely to change or bring major impact on the company and its strategy thus affect performance (Barkauskas, 2015). Premise control is necessary to identify the key assumptions, and keep track of any change in them so as to assess their impact on strategy and its implementation. Premise control enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions. The responsibility for premise control can be assigned to the corporate planning staff who can identify key assumptions and keep a regular check on their validity (Govindarajan & Fisher, 2018).

Every organization creates a strategy based on certain assumptions, or premises. As such, premise control is designed to continually and systematically verify whether those assumptions, which are foundational to your strategy, are still true. The sooner a manager discover a false premise, the sooner they can adjust the aspects of a strategy that it affects (Meresa, M. (2019). In some cases, organizations can change the environment under which they operate due to the objectives, goals, vision and mission of the organization. Exchange rates are also known to determine how cheap or how expensive expenses are, they determine the price at which services offered by the organization will be sold at. Inflation rates have a great influence on a company’s progress because with a continued increase in good’s prices over time, demand decreases and this affects sales in a company leading to its collapse. For an organization to perform best, it must have competitive advantage in that, it must be in a position to offer different goods and services in a different manner with the immediate organizations or of the same goods and services but in a different way that is most likely to satisfy the customer. Other factors in the environment that are likely to have an impact on an organization include; the market in which it operates, availability of skilled labor, availability of required resources and raw materials, accessibility, availability of potential customers and their level of demand for the products (Panda, 2022).

Special Alert Control

A special alert control is the process by which organization need to thoroughly, and often rapidly, reconsider the firm's basis strategy based on a sudden, unexpected event such as natural disasters, chemical spills, plane crashes, product defects, or hostile takeovers. Special alert controls should be conducted throughout the entire strategic management process (Band & Scanlan, 2019). Special alert control is based on trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events called crises. Special alert controls should be conducted throughout the entire strategic management process. When something unexpected happens, a special alert control is mobilized. This is a reactive process, designed to execute a fast and thorough strategy assessment in the wake of an extreme event that impacts an organization. The event could be anything from a natural disaster or product recall to a competitor acquisition. In some cases, a special alert control calls for the formation of a crisis team—usually comprising members of the strategic planning and leadership teams—and in others, it merely means activating a predetermined contingency plan (Mark, 2017).

Crises are critical situations that occur unexpectedly and threaten the course of a strategy. Organizations that hope for the best and prepare for the worst are in a better position to handle any crisis. Crisis management is aimed at creating conducive atmosphere where business can thrive and be profitable. However, the inability of managers and other policy makers to successfully resolve crisis that may emanate from both within an outside the organization may have negative effect on productivity level of such organization, stagnation in operational activities, reduced proficiency, inability to meet stated targets, decrease in sales level among others. For example, after the September 11, 2001, terrorist attacks in the U.S., many commercial airlines were forced to adopt stricter safety protocols to account for the intense fears that passengers had about flying on a plane.

Empirical Literature Review

Premise Control

Vo-Van (2015) studied the effects of local business environments on performance of SMEs. Data was collected from 63 manufacturing and service SMEs. This study use secondary data collected over a period of one year. Results showed that local government's favour policies for private firms and labour force have positive effects on SMEs' performance. Nkemchor and Ezeanolue (2021) invested effect of strategic management on performance of tertiary institutions in delta state, Nigeria. Findings showed that that environmental scanning, strategy formulation, strategy implementations and strategic evaluation has significant positive effect on organizational performance of tertiary institutions in Delta state, Nigeria. The study concludes strategic management has significant positive effect on organizational performance

Ezenekwe (2020) examined the effect of environmental factor on firm's productivity in manufacturing firms in Anambra State, Nigeria. The study target was 1929 staff of the firms. Data was collected using questionnaires. The study concluded that environmental factors had a significant positive effect on firm's productivity. The firms conducted proper assessment of economic factors which helped to determine the effects of the environmental factors on firm's productivity. Banda (2020) investigated effects of environmental factors on firm performance. The study employed a qualitative design and used a sample size of 40 firms. Secondary data was used in the study. Findings revealed that the staff trust environmental scanning which help them in monitoring of the organization's internal and external environments for early signs that a change may be needed, to accommodate potential opportunities or threats, and to make adjustments to allow the company's strengths to combat its weaknesses.

Wekesa (2016) sought to establish the influence of competitive strategies on performance of Sugar companies in Kenya. The study adopted a descriptive survey research design. The target population for the study comprised of 108 respondents from 9 sugar companies in Kenya. Census sampling was used to select respondents. Questionnaires were used to collect data. Findings indicated that the organization uses company branding as the major way of differentiating the organization and the product from their competitors for the sake of improving firm's performance. The study concluded that organizations monitor cost leadership and apply it to the advantage of their organization. Organizations that apply differentiation strategy are able to create a niche for themselves in the market and even create customer loyalty. Kariuki and Nguyo (2020) sought to determine the role of industry environment on performance of large manufacturing firms in Kenya. The study target was 102 executive officers of the companies. Questionnaires were used to collect data. The results show that industry environment has statistically significant effect on organization structure, culture, resources and performance. The performance was measured based on return of assets, internal processes and customer perspective.

Special Alert Control

Olawale (2016) examined effect of crisis management strategy on performance of multinational corporations in Nigeria. The study population was 700 staff and the sample size was 321 staff. Data was collected using questionnaires. Findings revealed that management challenges to crisis management strategy is attributed to poor organizational performance and that crisis management strategy does not have any effect on organizational performance. Woldmeskel (2020) assessed strategy evaluation and control methods in the education sector in Addis Ababa. Findings showed that adoption of strategic control techniques has led to improvement in financial and non-financial performance of institutions that are with different socio-economic issues. Strategic leadership of top managers and their skills through their functional track have helped them to cope with a changing environment in the universities.

Mugo (2018) investigated the relationship between internal control systems and financial performance in Technical Training Institutions in Kenya. The study found that management of the institutions was committed to the control systems, and actively participated in monitoring and supervision of the activities at the Institutions. All the activities of the institution were initiated by the top level management, the internal audit department was not efficient, the institutions do not conduct regular audit activities, and doesn't produce regular audit reports although the few reports produced by the internal audit department address weaknesses in the system.

Maina (2017) sought to determine effect of safety management systems on performance of the aviation firms in Kenya. The study adopted explanatory research design. Questionnaires were used to collect data from 50 employees drawn form security departments in aviation firms in Nairobi Kenya. Findings showed that safety policy, safety risk management and safety promotion have a significant effect on firms' performance. The study concluded that the existence as well as the implementation of an effective safety policy improves performance of the firm especially in terms of increased employees' awareness which results in employees' confidence and productivity.

Mwikya and Mulwa (2018) sought to examine the relationship between monitoring of the implementation of aviation standards and performance of Air Transport in Kenya. The adopted a desk research design and data was gathered through systematic literature review. Both internal and external desk research was employed to gather information. Findings showed that operational performance of the air transport industry in Kenya is closely dependent on monitoring of implementation of aviation safety standards which include continuous aviation training programs, proper and quality aviation personnel certification procedures, aviation infrastructure and proper data management on aviation safety procedures and concerns.

RESEARCH METHODOLOGY

The study employed a descriptive research design. Descriptive research makes use of six Ws; who, what, when, where, why, way of research (Gupta & Rangi, 2014). This helps a researcher to achieve study objectives and answer research questions. The study targeted 12 Airlines in Kenya as the unit of analysis. The unit of observation was the managers and their assistants in five departments hence 24 in operations , 24 finance, 24 marketing, 24 customer service, and 24 safety. The study population was 120 management staff. The sampling frame is a set of elements from which a researcher can select a sample of the target population (Tarherdoost, 2016). The sampling frame for the study was 12 Airlines in Kenya (KAA, 2023).
Sample size is the number of observations used for calculating estimates of a given population. The sample should neither be too big nor too small. Yin (2013) suggests that census is most appropriate for a target that is less than 200. The sample was 120 management staff. The study used primary and secondary data. Primary data was collected using questionnaires. The questionnaire consisted of structured closed-ended questions in which a Likert Scale was used.

A pilot is a prior test conducted to assess if the research instrument is valid and reliable. The pilot is conducted with 10% of the sample size (Wright, 2018). Therefore, a pilot study was collected with 10% hence 6 head of strategy. Data collected during pilot was used to measure questionnaire's reliability and reliability. The study applied for a research authorization letter from the university and also visited the company to inform the management of the data collection process. A letter was sought from the department to the human resources of various airlines. The respondents were provided with a letter seeking voluntary participation. The questionnaires were administered to the respondents in person. This was through dropping off questionnaires and picking them later. As opposed to mailed questionnaires, self-administered questionnaires have a higher response rate which makes them the ideal choice for use in this study (Prakash, 2014).

Questionnaires were coded and keyed into Statistical Package for Social Sciences (SPSS) Version 28. Data was also cleaned to eliminate any typing errors that could be made while entering data. Data was analyzed using both descriptive (frequency, percentage, and mean) and inferentially (Correlation and Regression). Correlation and regression was used to establish the relationship between the study variables. A correlation value of ± 0.5 shows a strong correlation, ± 0.30 to ± 0.49 medium correlation while ± 0.29 is a small correlation. Significance is at less than 0.05. All the tests significance level was at 95% confidence level. The regression equation was used.

RESEARCH FINDINGS AND DISCUSSIONS

Premise Control

The first objective aimed at determining the influence of premise control on performance of airlines in Kenya. Respondents were asked to tick on degree to which they agree/disagree with listed statements on premise control Findings are presented in Table 1.

Table 1: Premise Control

Key: Strongly disagree (SD), Disagree (D), Not Sure (NS), Agree (A), Strongly agree (SA

Statements	**SD**		**D**		**N**		**A**		**SA**		**M**
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	
The company conducts assessment on the routes it plans to operate in	0	0	20	22.2	5	5.6	8	8.9	57	63.3	4.13
Economic factors (interest rate, inflation, exchange rate) have a great influence on a company's progress	8	8.9	6	6.7	5	5.6	10	11.1	61	67.8	3.78
The company easily adopts to new route of operations	44	48.9	24	26.7	6	6.7	2	2.2	14	15.6	1.91
The airline operations is affected by the rate of its service's demand	0	0	10	11.1	7	7.8	23	25.6	50	55.6	3.86
The company closely monitor the activities of its competitors	7	7.8	4	4.4	3	3.3	32	35.6	44	48.9	4.15
Government's policies affect performance of the Airline	0	0	0	0	6	6.7	26	28.9	58	64.4	3.42
The company apply competitive strategy to create a niche for themselves in the market	4	4.4	4	4.4	5	5.6	8	8.9	69	76.7	3.89
Average											**3.59**

N=90

The average mean of 3.59 is an indication that majority of the respondents agreed with statements on premise control. The respondents agreed that; the company closely monitor the activities of its competitors (m=4.15), the company conducts assessment on the routes it plans to operate in (m=4.13), the airline operations is affected by the rate of its service's demand (m=3.86), economic factors have a great influence on a company's progress (m=3.78), the company apply competitive strategy to create a niche for themselves in the market (m=3.89), and government's policies affect performance of the Airline (m=3.42). Respondents disagreed that the company easily adopts to new route of operations (m=1.91).

Findings imply that the companies evaluate the environment that they operate. This is through closely monitoring the activities of its competitors. The companies also conducts thorough assessment of the routes of it operates it to measure its viability to avoid operating in low capacity market in terms of passengers flow. However, adopting to new route of operation is not always easy and it could take time to adopt to new areas of operations. Service demand affects operations of the airlines whereby low demand means slow operations and high demand means speedy operations. The companies also apply competitive strategy to attract more customers and earn a higher market share. Findings are in agreement with Ezenekwe (2020) that firms conduct assess economic factors which help to determine the effects of the environmental factors on firm's productivity. Wekesa (2016) found that branding is used as a major way of differentiating the organization and the product from their competitors for the sake of improving firm's performance.

Special Alert Control

The second objective aimed to assess the influence of special alert control on airlines in Kenya. Respondents were asked to tick on degree to which they agree/disagree with listed statements on special alert control. Findings are presented in Table 2

Table 2: Special Alert Control

Key: Strongly disagree (SD), Disagree (D), Not Sure (NS), Agree (A), Strongly agree (SA

Statements	SD		D		N		A		SA		M
	F	%	F	%	F	%	F	%	F	%	
The company monitors its critical events	4	4.4	12	13.3	2	2.2	9	10.0	63	70.0	4.28
The Airline has a risk monitoring systems	11	12.2	55	61.1	4	4.4	6	6.7	14	15.6	1.97
The Airline has a strategy to manage natural Disasters	17	18.9	6	6.7	2	2.2	11	12.2	54	60.0	3.88
The Airline seeks feedbacks on its services	15	16.7	4	4.4	2	2.2	26	28.9	43	47.8	3.87
The Airline has a crisis management team	5	5.6	10	11.1	2	2.2	11	12.2	62	68.9	4.28
Employees are orientated on security management after recruitment	3	3.3	4	4.4	2	2.2	9	10.0	72	80.0	4.59
Security strategy and policies are well communicated to staff and the staff understood them	14	15.6	2	2.2	4	4.4	13	14.4	57	63.6	4.08
The Airline has technicians on site to attend to any mechanical or technology hiccups	5	5.6	9	10.0	2	2.2	8	8.9	66	73.3	3.66
Average											**3.83**

N=90

The average mean of 3.83 imply that majority of the management staf agreed with statements on special alert control. The management staff strongly agreed that; employees are orientated on security management after recruitment (m=4.59), the company monitors its critical events (m=4.28), and the Airline has a crisis management team(m=4.28). Respondents also agreed that; security strategy and policies are well communicated to staff and the staff understood them(m=4.08), the Airline has a strategy to manage natural disasters(m=3.88), the Airline seeks feedbacks on its services(m=3.87), and the Airline has technicians on site to attend to any mechanical or technology hiccups(m=3.66). Respondents disagreed that the Airline has a risk monitoring systems(m=1.97).

Findings indicate that the firm leaders have taken up measures to improve security o the airlines. The staff are trained on security management after recruitment which equips them with skills on how to handle security issues and how to ensure safety of the passengers. The companies also monitors events that may negatively affect its operations. There is a crisis management team to handle crisis as and when they happen. Strategies on security are communicated to staff effectively and management ensures that the staff understand the security strategies. The company also conducts surveys to get feedback from the customers to assess its performance. The companies have technicians that handle any technical issues that may arise. Majority of the companies however lack an effective risk monitoring system. Findings are in support of Mwikya and Mulwa (2018) that operational performance of the air transport industry in Kenya is closely dependent on monitoring of implementation of aviation safety standards which include continuous aviation training programs, proper and quality aviation personnel certification procedures, aviation infrastructure and proper data management on aviation safety procedures and concerns.

Airline Performance

Various measures were used to determine firm performance. Respondents were asked to tick on degree to which they agree/disagree with listed statements on firm performance. Findings are presented in Table 3

Table 3: Firm Performance

Key: Strongly disagree (SD), Disagree (D), Not Sure (NS), Agree (A), Strongly agree (SA

Statements	SD		D		N		A		SA		M
	F	%	F	%	F	%	F	%	F	%	
The company makes sufficient profit to remain in business	62	68.9	7	7.8	4	4.4	2	2.2	15	16.7	2.10
The cashflow of the organization is sufficient for ensuring uninterrupted business	63	70.0	2	2.2	6	6.7	9	10.0	10	11.1	1.90
Over the past three months, we have experienced significant reductions in our customer base	14	15.6	8	8.9	15	16.7	15	16.7	38	42.2	3.49
The profit from each customer is sufficient to meeting company financial targets	38	42.2	15	16.7	15	16.7	8	8.9	14	15.6	1.92
We have significant share of the market	10	11.1	51	56.7	9	10.0	16	17.8	4	4.4	1.84
Average											2.25

N=90

The average mean of 2.25 indicates that majority of the management staff disagreed with statements on irm performance. The management staff agreed that over the past three months, they have experienced significant reductions in customer base (m=3.49). Respondents further disagreed that; company makes sufficient profit to remain in business (m=2.10), the profit from each customer is sufficient to meeting company financial targets (m=1.92), the cashflow of the organization is sufficient for ensuring uninterrupted business (m=1.90), and they have significant share of the market (m=1.84). Findings imply that only a few firms feel that they have significant share of the market which implies that the market is dominated by a few airlines. The cash flow in majority of the airlines is not sufficient which results to companies making losses, there has been reduction in customer base in majority of the airlines and the profits are also not enough to too meet the companies' financial obligations.

Correlation

The study employed Pearson correlation to assess the strength of the relationship between the independent and dependent variables. The relationship was considered significant at a p value of <0.05. A Pearson correlation (r) value of ± 0.5 shows a strong correlation, ± 0.30 to ± 0.49 moderate correlation while ± 0.29 is a small correlation. Significance is at less than 0.05 (Wong & Hiew, 2005). Pearson correlation results are presented in Table 4

Table 4: Correlation Coefficient

Variables		Firm performance	Premise control	Special alert control
Firm performance	Pearson Correlation	1		
	Sig. (2-tailed)			
Premise control	Pearson Correlation	.390**	1	
	Sig. (2-tailed)	.000		
		90		
Special alert control	Pearson Correlation	. 619**	.714	1
	Sig. (2-tailed)	.000	.000	
		90	90	

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Findings show that the Pearson correlation coefficient for premise control, and firm performance was (r= 0.390, p-value=0.000), correlation between special alert control and firm performance was (r = 0.619, p-value=0.000). This shows that the correlation between premise control, and firm performance was moderate and significant. Findings support Kariuki and Nguyo (2020) that industry environment has statistically significant effect on organization structure, culture, resources and performance. Ezenekwe (2020) concluded that environmental factors had a significant positive effect on firm's productivity.

The correlation between correlation between special alert control and firm performance was strong and significant. Findings are in line with Maina (2017) that safety policy, safety risk management and safety promotion have a significant effect on firms' performance. Mwikya and Mulwa (2018) also found that operational performance of the air transport industry in Kenya is closely dependent on monitoring of implementation of aviation safety standards

Regression

A linear regression analysis was conducted to further explain the relationship between the dependent variable (firm performance) and independent variable (premise control, special alert control). The coefficient of determination shows how a statistical model is expected to predict future results. Table 5 presents the Model Summary.

Table 5: Model Summary

Model	**R**	**r^2**	**Adjusted r^2**	**Std. Error of the Estimate**
1	0.883	0.779	0.760	.749

Predicators: (constant) premise control, special alert control

Findings in Table 5 show R value of 0.883. This value is closer to one meaning that more of the variation in the dependent variable is explained by the regression model. R-square value of 0.779. This shows that 77.9% of changes in airlines performance may be explained by premise control, special alert control. This means that other strategy controls practices that this study did not focus on contribute to 22.1% of firm performance.

An analysis of variance was performed on the relationship between independent variables and dependent variable. ANOVA results are presented in Table 6

Table 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	162.085	2	81.043	153.20	.000[b]
	Residual	46.015	87	.529		
	Total	208.100	89			

Predicators: (constant) premise control,and special alert control

Dependent variable: Firm Performance

The ANOVA shows that the F value of 41.263 is significant at the 0.05 significance level. In general, the regression model with the four independent variables of premise control and special alert control was fit in explaining the changes in firm performance.

Multiple regression shows how a change in the independent variable would predict a unit change in the dependent variable. Table 7 presents the regression coefficients.

Table 7: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant/Y Intercept	3.484	.906		3.846	.000
Premise control	.576	.236	.233	2.438	.017
Special alert control	.883	.116	.729	7.634	.000

As per the SPSS generated in Table 7,

The following regression equation was established from the regression analysis:

$$\text{Firm performance} = 3.484\,(Y) + 0.576X_1 + 0.883X_2$$

From the above regression model, holding premise control and special alert control at constant zero, performance of airlines in Kenya would be 3.484. It was established that a change in premise control may cause changes in firm performance by a factor of 0.576, and a change in special alert control may cause changes in firm performance by a factor of 0.883. The t statistics show that special alert control had the greatest effect on firm performance (0.883), and premise control had the least effect of firm performance (0.576). Findings are in agreement with Gaturu, Waiganjo, Bichang'a and Oigo (2017 that there is a positive significant influence of strategic control on organizational performance of mission hospitals and Odhiambo (2017) that strategy control have significant positive influence on performance.

Conclusion

Premise control involves checking out the environment in which a firm operates in. The companies conducts assessment of the routes they operate in to forecast the demand as well as competition in the industry. Economic factors such as inflation, foreign exchange rates, and interest rates affect the company's growth since the cost of freights and cargo depends on the macro economic factors. Premise control enables management of the organization to evaluate whether the presumptions established are still true after their ideas have been implemented. Both industry-specific as well as environmental issues have an impact on premises.

Special alert control influence firm performance. Special control involves implementing safety issues, preparing for risky events such as pandemics, natural disasters, and break downs. Monitoring critical and risky events enables the firms to prepare in advance for such events and lay out measures to deal with such issues if they were to happen. Site technicians ensure that hitches are handled on time to avoid flight delays and spoiling of delicate cargo.

Recommendations

There should be proper assessment of economic and environment factors that affect firm's performance. Proper assessment of these factors would help to determine the effects of these factors on performance. Managers need to be proactive in dealing with the pace and trend of invention to easily adopt to new route of operations.

The firms should utilize special alert control as a trigger mechanism for quick action and swift strategy change in the event of a sudden and unexpected incident. This is because crises are serious problems that develop suddenly and endanger the path of a plan. As a result, businesses that prepare for the worst-case scenario while hoping for the best should be better equipped to handle any crisis.

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