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# STRATEGIC APPROACHES AND ORGANIZATIONAL PERFORMANCE OF AIRLINES IN KENYA: A CASE OF KENYA AIRWAYS.

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## ABSTRACT

The study examines how strategies such as market expansion and resource utilization influence organizational performance of airlines in Kenya, a case of Kenya airways. Positivist approach was employed since the study aimed to generate knowledge through testing of hypothesis. A descriptive research design was adopted to describe the relationship among different strategic approaches and organizational performance. The target population included executives, management teams, and employees across various departments within Kenya Airways. A stratified random sampling technique was utilized to select a representative sample of 138 respondents. The descriptive statistics illustrate varying levels of engagement across different aspects of market expansion Strategies, ranging from proactive market expansion strategies to innovative marketing approaches. The regression analysis reinforces these findings, with market expansion strategies exhibiting a statistically significant positive coefficient, indicating its substantial impact on organizational performance. As for resource utilization, Kenya Airways demonstrates a strong dedication to efficient resource management through meticulous inventory control to monitor resource utilization. There is a strong positive relationship between resource utilization and organizational performance, emphasizing the importance of strategic resource allocation to improve operational results and competitive positioning in the Kenyan aviation industry.

**Keywords:** strategic approaches, organizational performance of airlines, resource utilization, market expansion, Kenya airways

## Background of the study

Strategies have a big role in improving organizational performance. Top managers are key for any organizational success as well as failure. They have the responsibility to have an understanding of their organization's operation. Tools such as a balanced scorecard and the triple bottom line provide dependable organizational performance outcomes to the leadership allowing them to focus and redesign their strategies (Hubbard, 2009). Strategic approaches promote effective feedback on organization performance by setting up workable systems in place (Randeree & Youha, 2009). Organizations pursue efficiency and effectiveness to overcome competition. Strategic approaches are employed by the leadership to uplift organizational performance. These strategic approaches developed are dependent on the culture of the organization, availability of resources, workforce capabilities, and forces from external entities. (Fakii, 2013). Shareholders' expectations of the achievement of their objectives are considered in developing strategies. Therefore, they have a role to ensure these strategic approaches have been developed and implemented by allocating enough resources to them (Plecki et al., 2006).

Kenya Airways is a member of the African Airlines Association since 1977. It also joined Sky Team in 2010. It has more than 45 destinations of operation ranging from Africa, Europe, the Middle East, and Asia. Its main hub is at Jomo Kenyatta International Airport, Nairobi. It trades on Nairobi Stock Exchange since 1996 and the Dar-es-salaam stock exchange since 2004. Kenya Airways won the 'African Airline of the Year' Award for 2005, for the fifth time in seven years. It also won the Company of the Year award for strategic planning and emergency preparedness in 2008. Kenya Airways achieved IOSA (IATA operational safety audit) in 2005. It has a fleet of 36 and 3652 employees. It provides domestic, regional, and international carriage of passengers and cargo by air. It also handles import and export cargo in addition to ground handling services to other airlines. Kenya Airways has been involved in only two deadly incidents that led to the loss of lives and its aircraft. It has also been faced with financial losses which are attributed to stiff competition from other airlines, the weakening of the Kenya shillings, and travel advisories issued by Britain and the United States of America.

## Statement of the Problem

Airlines in Kenya and more so Kenya Airways have the ability and responsibility to grow over the years because of the increased number of passengers and cargo (Somba & Bett, 2024). The continuous increase in new routes, strategic partnership and upgrade in technological advancement, Kenya Airways and airlines in Kenya should be able to compete with other international airlines (Chepkemboi & Paul, 2019). The organizational performance of Kenya Airways (KQ) has been on the decline over the years. It recorded losses of Ksh. 9 billion and Ksh. 2.7 billion in 2013 and 2014 respectively (Abdirahman, 2017). Ksh. 29.7 billion in losses in 2016 (Kenya Airways, 2016). Ksh. 15.88 billion in losses in 2021 (Kenya Airways, 2021). Ksh.38.2 in losses in 2022 recorded (Kenya Airways, 2022). These recurrent losses made by Kenya Airways has led to restructuring which resulted in retrenchment of its staff. It has also led to government bailouts a situation that diverts monies meant for other development in the country. Additionally, with continuing losses in its operations, Kenya Airways continues to suspend the trading of its shares at the Nairobi Securities Exchange. It also lacks capacity to increase the number of fleets it operates affecting certain routes and inability to upgrade on its technology (Korba et al., 2024).
The aviation industry, characterized by its dynamic and competitive nature, necessitates organizations to continually reassess and adapt their strategic approaches to ensure sustained performance and growth. Kenya Airways, as a key player in the sector, faces the challenge of optimizing its strategic initiatives to enhance organizational performance. Despite the recognized importance of strategic approaches, a gap in the understanding of how these approaches directly

influence the overall performance of Kenya Airways exists. The specific nature and effectiveness of market expansion strategies and resource utilization strategies within the airline remain unclear. Some studies have been done on Kenya Airways. Mungai & Bula (2018), studied the turnaround strategies and performance of Kenya Airways and found that strategies of revenue-generating, cost reduction, asset reduction, and financial restructuring all contributed positively to the performance of Kenya Airways. Abdirahman (2017) studied the effect of turnaround strategies on the performance of Kenya Airways and found out that cost management strategies and culture shifts were employed to bring the change. These studies are significant even though in the following years Kenya Airways still recorded losses in profits. Kenya Airways, as a key player in the sector, faces the challenge of optimizing its strategic initiatives to enhance organizational performance. Despite the recognized importance of strategic approaches, a gap in the understanding of how these approaches directly influence the overall performance of Kenya Airways exist.

## Research Objectives

i) To determine the effect of market expansion strategies on organizational performance of Airline companies in Kenya, a case of Kenya Airways.
ii) To Ascertain the influence of resource utilization strategies on organizational performance of Airline companies in Kenya, a case of Kenya Airways.

# LITERATURE REVIEW

## Theoretical Review

### *The Market Expansion Theory*

The Market Expansion Theory was formulated by Delgadillo Moreira in 2011. The theory emerged to explain how organizations and firms seek to expand their market share to increase profits. This is possible either by increasing the portion of the market already there or creating a new market entirely. According to Kim and Mauborgne (2005), market expansion can be a strategic imperative for companies seeking to create blue oceans of uncontested market space. Strategic partnerships are essential on promoting growth which in turn improve the market share ensures firms compete on a global scale (Mamedio et al., 2019). Thus, Market expansion theory emphasizes access to new customer segments, increase sales opportunities and reduction on single market dependency. In the context of the study on the strategic approaches and organizational performance of Kenya Airways, the market expansion theory can be applied to assess the airline’s existing markets, how it plans to expand them and what it’s doing to create more new markets for the sole purpose of increasing its competitive advantage within the Kenyan airline industry and globally.

### *Resource-Based view Theory*

This theory was initially proposed by Birger Wernerfelt in 1984. The theory relies upon organization’s superiority that is dependent on having attributes that are hard to be imitated by other organizations (Barney, 2001). The uniqueness of such attributes coupled with other factors makes an organization lead in performance by out doing competitors. Organizations that sustain competitiveness over a considerate long time usually have developed resources which are not easy to acquire by other firms (Pablos et al., 2007). Resource – Based View is pegged on value (Salazar, 2017). This value is created by an organization’s resources and its proven capabilities. Organizations therefore have valuable resources that are in addition rare, not easily imitated, and hard to replace (Salazar, 2017). In the context of the study on the strategic approaches and organizational performance of Kenya Airways, the RBV theory can be applied to assess the airline’s distinctive resources and capabilities that contribute to its competitive advantage within the Kenyan airline industry

**Conceptual Framework**

The conceptual framework shows the relationship between the variables in the study. The dependent variables are Market expansion strategies and resource utilization strategies. While the dependent variable is organizational performance.

**Independent Variables** **Dependent Variable**

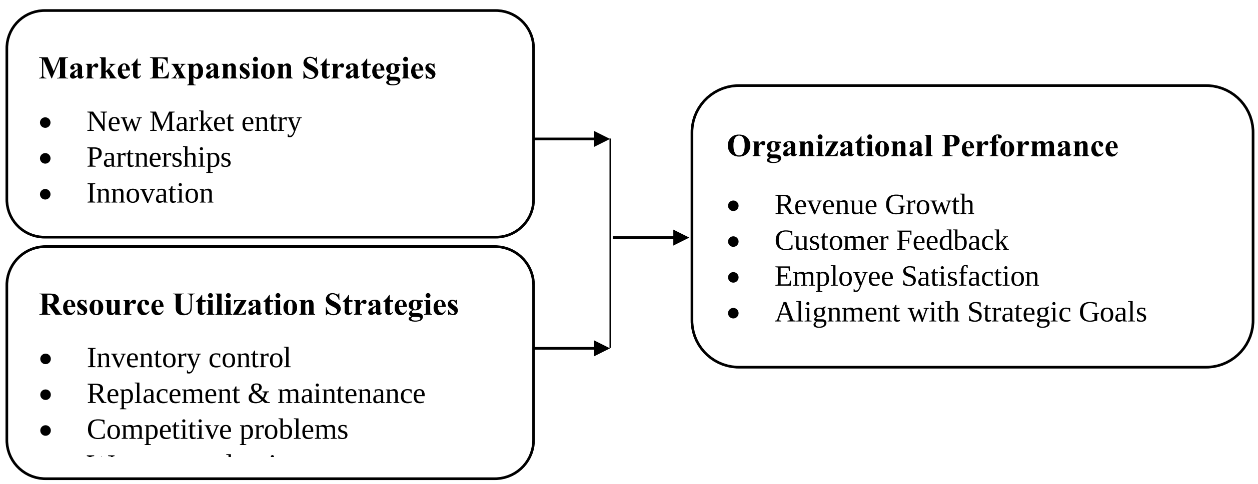


**Figure 1: Conceptual Framework**

***Market Expansion Strategies***

Organizations grow by having many customers who use their services and commodities they sell. To make this possible, these organization have a responsibility to expand their market base and boost the ones they are already present. Market expansion viability will always depend on good timing and proper implementation (Fiss & Zajac, 2006). Market expansion success is dependent on partnerships which enables sharing of both skill and resources to achieve set goals (Montgomery & Lages, 2001). According to Luo & Tung (2007), they stated the importance of understanding the culture of a particular place where an organization intends to expand in order to increase chances of succeeding. An organization can seek merging or fully acquiring another organization as a way of increasing its market expansion (Doh & Luthans, 2009). According to Lages et al (2013), Understanding customer behaviour and conducting effective research on the market to enter has also proven essential in market expansion strategies.

***Resource Utilization Strategy***

Resource utilization strategy can lead to increased productivity, growth and overall development. In the airline industry, it involves a comprehensive assessment of operational resilience, strategic branding, environmental performance, and customer loyalty. For instance, Queiroz et al. (2023) highlighted the significance of business continuity strategies in defining airport operations and flight management, emphasizing the critical role of operational resilience in resource utilization within the airline industry. Additionally, Raza et al (2023) emphasized the importance of a resiliency branding approach to transform the airline industry, underscoring the need for strategic branding initiatives to navigate through crises and enhance resource utilization strategies.

### *Organizational performance*

Organizational performance is improvement internally and externally over competitors by an organization in achieving its goals. One aspect that supports organizational performance is employees' satisfaction which must be continually as a result of changing environment and terms of operations and therefore it guarantees survival (Walters & Rodriguez, 2017). Customer satisfaction and feedback is another factor influencing the organizational performance of which Mncedisi, 2020 insisted that an organization must conduct campaigns targeting customers to keep understanding their needs. Revenue growth as a factor of organizational performance is relying on employees' development and training which creates value for the customers (Kenny & Nnamdi, 2019). The organizational performance will improve as long as they maintain unique forms of competitive advantage through alignment with the organization strategic goals (Lakhal, 2009).

## Empirical Review

### *Market expansion strategies and organizational performance*

Market expansion for an organization growth perspective is subject to effective penetration strategies employed (Bigley, 2018). Understanding the market dynamics is thus essential in choosing which strategy to use and how to ensure success. Market penetration on the cost leadership of an organization was significant and supported competitiveness (Alkasim et al., 2017). Market leadership is tailored on market penetration and is determined by organization's core competences (Meyer & Tran, 2006). These competencies must have capabilities that will ensure effective operations in line with the resources available. Strategic partnership is key in the expansion of markets for an organization. Partnerships can be locally or globally on different aspects for the sake of promoting development (McQuaid, 2000). Kiss (2020) observed how effective communication breeds success in partnerships. And pointed out how organizations in developed countries prefer partnerships on the basis of type. Nonprofit organization engage on partnerships that are backed by their leadership and are perceived to foster the achievement of their mission (Kapucu et al., 2016).

Market expansion strategies is usually supported by the organization's innovations. Lam (2004), argued that employees learning and growth, organization's culture and goals all contribute to the adaptation of technological change. During uncertainties, innovation has proven to ensure an organization survival is guaranteed and its performance improved (Alharbi et al., 2019). Innovation contributes to creation of new ideas in product differentiation surpassing competitors. It is therefore the role of the organization leadership to manage innovations for the sole aim of promoting growth (Mandal, 2022). Organization's market expansion is possible with regard to diversification as one of its strategic decisions (Le, 2019). These diversifications can only be implemented and made operational by an organization's core competencies. According to Paulraj & Rangaswamy (2012), diversification as a market expansion strategy becomes essential when seeking more options and opportunities to make an organization profitable. The uncertainties surrounding operations of organizations has made diversification a competitive factor that boosts continuity (Sanjo & Udosen, 2019). This has confirmed it as a tool for improving performances.

### *Resource utilization strategies and Organizational Performance*

Organizations have resources ranging from either financial, human or information technology. These resources must be utilized well in order to bring performance. Ensuring proper utilization of limited resources in organization is difficult (Lazarov, 2016). Organizations thus are facing problems of trying to cut on costs to maximize productivity. Resource utilization is affected by vices such as corruption, lack of accountability, lack of transparency and wastage (Ehiorobo, 2018). As long as these vices exist, the organization performance will decline and can even lead to complete failure. Resource utilization proceeds from resource allocation and affects attainment of organization objectives negatively especially as a result of mismanagement (Mohammed, 2013). Lack of accountability in resource utilization leads to misuse and relatively no gain in productivity (Salavu, 2007). Proper management of resources leads to efficiency and effectiveness in organization operations thus result in improved performance (Ehiorobo, 2018). Coming up with policies that guide resource utilization in an organization will save a lot in terms of preventing wastage. Therefore, with limited resources organizations are faced with, only proper utilization will lead to raised performance.

Resource utilization is considered important as it cuts on costs and leads to timely executions of projects. In the long run, it brings a balance to avoid both underutilization and over utilization of resources. When human resources are utilized poorly by either over staffing or much idling, the general organization performance is affected negatively by time wastage, low quality work and even high operational costs (Rosemann & Brocke, 2010). It's in these acts that calls for human resource managers to ensure proper utilization of resources to boost productivity. Resources in organizations are usually inadequate and that's why their prudent utilization is key. Resource utilization will depend on the organizations set objectives and the budget allocations.

## RESEARCH METHODOLOGY

The research employed positivism. In positivism, the research begins with an exploration of theory from existing literature that results in hypotheses that can be tested (Yoon et al., 2019). This research study used a descriptive design that described the relationship that existed among situations. The target population for the study comprises various stakeholders within Kenya Airways which included executives, management teams, and employees across different departments within the airline, about 1382 employees. This study adopted a stratified random sampling technique from the target population of 1382 employees who are involved in the strategic approaches in Kenya Airways. Mugenda & Mugenda (2013) suggested that 10% of the target population is convenient for the sample where the population is large. Thus, in this study 138 employees were randomly sampled. Questionnaire was the main tool for data collection. Both primary and secondary data were collected. Secondary data was collected form journals, public records, and websites. Data analysis was done using the statistical package for social scientists (SPSS V26) which involved both descriptive and inferential statistics.

## RESEARCH FINDINGS AND DISCUSSIONS

The target population for the study was 1382 various stakeholders within Kenya Airways. A total of 138 questionnaires were administered to stakeholders within Kenya Airways. The questionnaires that were dully filled and returned were 134 thus giving a response rate of 97%.

### Descriptives

Descriptive statistics were used to provide insights into the central tendencies, variability, and distribution of a dataset without making inferences or generalizations to a larger population. According to this study, the descriptive statistics were done variable-wise to explain the behaviour of data as follows.

### *Descriptive Statistics for Market Expansion Strategies*

In the pursuit of understanding the strategic approaches and organizational performance of airlines in Kenya, with Kenya Airways as a focal point, the process of Market Expansion Strategies served as the first objective. At its core, Market Expansion Strategies involve the meticulous delineation of clear and measurable goals that are in alignment with the overarching purpose of the research endeavour. This purpose was rooted in the study of how Kenya Airways' strategic manoeuvrers influence its operational performance and competitive standing within the dynamic Kenyan aviation landscape. The study began with illustrating the descriptive statistics for Market Expansion Strategies which included the mean, standard deviation, skewness and kurtosis and the findings were summarized in Table I

**Table I: Descriptive Statistics for Market Expansion Strategies**

| | N | Mean | Std. Dev | Skewness | Kurtosis |
|---|---|---|---|---|---|
| 1. The airline actively pursues new routes and destinations to broaden its market presence. | 134 | 1.53 | .501 | -.121 | -2.016 |
| 2. The airline consistently invests in market research to identify potential growth opportunities and target markets. | 134 | 1.16 | .372 | 1.834 | 1.383 |
| 3. The organization frequently engages in partnerships or alliances to facilitate market expansion efforts. | 134 | 2.04 | .586 | -.006 | -.043 |
| 4. The airline employs innovative marketing strategies to promote its services and capture new customer segments. | 134 | 1.57 | .740 | .871 | -.646 |
| 5. The organization considers diversification into related markets as part of its overall market expansion strategy. | 134 | 2.10 | .887 | 1.107 | .711 |

The first item in the descriptive statistics table pertains to the airline's proactive approach toward expanding its market presence through the pursuit of new routes and destinations. With a mean score of 1.53 and a standard deviation of 0.501, it indicates a relatively moderate level of activity in this aspect. The skewness value of -0.121 suggests a slight leftward skew, implying a slightly higher frequency of airlines with more active pursuit of new routes. The kurtosis value of -2.016 indicates a moderately platykurtic distribution, suggesting that the data is less peaked and has lighter tails than a normal distribution. Moving on, the second item highlights the airline's investment in market research to identify growth opportunities and target markets consistently. The mean score of 1.16, coupled with a standard deviation of 0.372, indicates a lower level of investment compared to other items. The positive skewness value of 1.834 suggests a rightward skew, indicating a relatively lower frequency of airlines investing significantly in market research. The kurtosis value of 1.383 indicates a moderately leptokurtic distribution, suggesting that the data is slightly more peaked and has heavier tails than a normal distribution.

The third item underscores the organization's frequent engagement in partnerships or alliances to facilitate market expansion efforts. With a mean score of 2.04 and a standard deviation of 0.586, it portrays a relatively higher level of involvement in such collaborative ventures. The skewness value of -0.006 suggests a near-normal distribution, indicating a balanced frequency distribution in this regard. The kurtosis value of -0.043 further supports this observation, indicating a mesokurtic distribution, closely resembling a normal distribution. Next, the fourth item highlights the airline's utilization of innovative marketing strategies to promote its services and capture new customer segments. The mean score of 1.57, accompanied by a standard deviation of 0.740, suggests a moderate level of innovation in marketing endeavours. The positive skewness value of 0.871 indicates a rightward skew, implying a slightly lower frequency of airlines with highly innovative marketing strategies. The negative kurtosis value of -0.646 suggests a platykurtic distribution, indicating lighter tails and a less peaked distribution compared to a normal distribution.

Lastly, the fifth item discusses the organization's consideration of diversification into related markets as part of its overall expansion strategy. With a mean score of 2.10 and a standard deviation of 0.887, it suggests a relatively higher propensity towards diversification among the surveyed airlines. The positive skewness value of 1.107 indicates a rightward skew, suggesting a lower frequency of airlines with a conservative approach to market diversification. The positive kurtosis value of 0.711 indicates a leptokurtic distribution, implying a more peaked distribution with heavier tails compared to a normal distribution.

### *Descriptive Statistics for Resource Utilization*

Resource utilization encompasses the efficient and effective allocation of various resources such as financial, human, and technological assets to support the airline's strategic activities. This entails assessing how Kenya Airways optimally utilizes its resources to drive operational excellence, enhance service delivery, expand market presence, and ultimately improve organizational performance within the competitive aviation industry landscape in Kenya. Through descriptive statistics and analysis, the study sought to evaluate the extent to which Kenya Airways maximizes its resources across different facets of its operations, shedding light on key areas of strength and potential areas for improvement in resource allocation strategies. The descriptive statistics finding were summarized in table II

**Table II: Descriptive Statistics for Resource Utilization**

| | N | Mean | Std. Dev | Skewness | Kurtosis |
|---|---|---|---|---|---|
| 1. KQ frequently takes inventory control to monitor its resource utilization. | 134 | 1.85 | .358 | -1.991 | 1.993 |
| 2. KQ replaces and does maintenance on time of its machinery and applications including staff recruitment. | 134 | 1.72 | .452 | -.971 | -1.073 |
| 3. KQ resource utilization is based/hinged on the competitive needs of the problems that the airline encounters. | 134 | 1.47 | .501 | .121 | -2.016 |
| 4. Resource utilization has a focus on reducing wastage and operating costs while maximizing output. | 134 | 2.19 | .397 | 1.565 | .456 |
| 5. KQ is investing on upgrading and modernizing its technological needs to expand and ease customer reach with the aim to improve efficiency. | 134 | 3.89 | 1.023 | -.883 | -.295 |

The findings from table II indicates that Kenya Airways (KQ) frequently engages in inventory control to monitor its resource utilization, with a mean score of 1.85. This suggests a strong consensus among respondents, indicating that the airline places significant importance on tracking and managing its resources efficiently. The relatively low standard deviation of 0.358 further reinforces the consistency of responses, implying a uniform perception regarding this aspect of resource utilization. However, the negative skewness value of -1.991 suggests a leftward skew, indicating that while the majority strongly agree with the statement, there may be a small subset of respondents who disagree or are neutral. The findings on the other hand reveal that Kenya Airways (KQ) is perceived to be diligent in replacing and maintaining its machinery and applications, including staff recruitment, with a mean score of 1.72. This suggests a generally positive perception among respondents regarding the airline's practices in this regard. The standard deviation of 0.452 indicates a moderate level of variability in responses, suggesting some diversity in opinions. However, the negative skewness value of -0.971 implies a slight leftward skew, indicating a higher frequency of respondents who strongly agree or agree with the statement.

According to the findings, resource utilization at Kenya Airways (KQ) is largely influenced by the competitive needs of the problems encountered, as indicated by a mean score of 1.47. This suggests a strong alignment between resource allocation practices and strategic challenges faced by the airline. The standard deviation of 0.501 indicates some variability in responses, with a notable spread of opinions among respondents. Interestingly, the positive skewness value of 0.121 suggests a rightward skew, indicating a higher frequency of respondents who strongly agree or agree with the statement compared to those who disagree. The analysis equally suggests that Kenya Airways (KQ) focuses on reducing wastage and operating costs while maximizing output, with a mean score of 2.19. This implies a moderate level of agreement among respondents regarding the airline's approach to resource utilization. The standard deviation of 0.397 indicates some variability in responses, suggesting a range of opinions among respondents. Moreover, the positive skewness value of 1.565 indicates a rightward skew, suggesting that a higher proportion of respondents tend to agree or strongly agree with the statement.

The findings subsequently indicate a substantial investment by Kenya Airways (KQ) in upgrading and modernizing its technological infrastructure to expand and streamline customer reach, with the aim of improving efficiency. This is reflected in the mean score of 3.89, suggesting a high level of agreement among respondents. The relatively high standard deviation of 1.023 implies a considerable spread of opinions, indicating some diversity in perceptions regarding this aspect of resource utilization. Furthermore, the negative skewness value of -0.883 suggests a leftward skew, indicating a higher frequency of respondents who strongly agree or agree with the statement.

***Descriptive Statistics of Organizational Performance***

Organizational performance, as the dependent variable on the study on the strategic approaches and organizational performance of airlines in Kenya, particularly focusing on Kenya Airways, summarizes the effectiveness and efficiency with which KQ achieves its goals and objectives. Organizational performance encompassed various dimensions, including financial metrics (such as revenue, profitability, and return on investment), operational efficiency (such as on-time performance, fleet utilization, and load factors), customer satisfaction, market share, and overall competitiveness within the aviation industry in Kenya. Describing organizational performance involved assessing how well Kenya Airways performs across these key dimensions and how its strategic approaches, leadership strategies, resource utilization, and other factors contribute to its overall success and sustainability in the marketplace. By examining descriptive statistics related to organizational performance, the study aimed to provide insights into the current state of Kenya Airways' performance and identify areas for potential improvement or further investigation. The findings were summarized in table II

**Table III: Descriptive Statistics for Organizational Performance**

| | N | Mean | Std. Dev | Skewness | Kurtosis |
|---|---|---|---|---|---|
| 1. KQ efficiency and productivity has improved to counter losses and manage performance. | 134 | 1.58 | 1.191 | 1.565 | .456 |
| 2. KQ customers who have queries have always had their concerns taken care of by relevant personnel and report positive feedback thereafter. | 134 | 1.19 | .397 | 1.565 | .456 |
| 3. KQ has a policy that encourages and supports further learning on job specification and allows growth (vertical mobility) that motivates its employees. | 134 | 1.81 | .391 | -1.627 | .658 |
| 4. KQ occasionally does employees performance appraisals, to help in adjusting its needs, quality and service delivery for improvement. | 134 | 3.13 | 1.351 | .453 | -1.674 |
| 5. KQ employees are motivated, empowered and involved on issues related to their welfare and general operation of the organization. | 134 | 2.66 | .477 | -.668 | -1.578 |

The descriptive findings on organizational performance within Kenya Airways (KQ) offer valuable insights into various aspects of the airline's effectiveness and efficiency. The data suggests that respondents generally agree that Kenya Airways' efficiency and productivity have improved to counter losses and manage performance, as indicated by a mean score of 1.58. The relatively high standard deviation of 1.191 suggests some variability in perceptions among respondents, indicating diverse views regarding the extent of improvement. The positive skewness value of 1.565 indicates a rightward skew, suggesting that while there is agreement, there may be some variability in the extent to which respondents strongly agree with the statement.

The findings also indicate that customers who have queries with Kenya Airways typically have their concerns addressed by relevant personnel, leading to positive feedback thereafter, as reflected by a mean score of 1.19. This implies a strong agreement among respondents regarding the effectiveness of the airline's customer service. The low standard deviation of 0.397 suggests less variability in responses, indicating a high level of consensus among respondents. The positive skewness value of 1.565 indicates a rightward skew, suggesting that while there is agreement, there may be some variability in the extent to which respondents strongly agree with the statement.

The data on the other hand suggests that Kenya Airways has a policy that encourages and supports further learning on job specification, allowing for growth (vertical mobility) among employees, as indicated by a mean score of 1.81. This implies a strong agreement among respondents regarding the effectiveness of the airline's employee development policies. The low standard deviation of 0.391 suggests less variability in responses, indicating a high level of consensus among respondents. The negative skewness value of -1.627 indicates a leftward skew, suggesting that while there is agreement, there may be some variability in the extent to which respondents strongly agree with the statement. Consequently, the findings reveal that Kenya Airways occasionally conducts employee performance appraisals to adjust its needs, quality, and service delivery for improvement, as indicated by a mean score of 3.13. This suggests a moderate level of agreement among respondents regarding the effectiveness of the airline's performance appraisal processes. The relatively high standard deviation of 1.351 suggests some variability in responses, indicating diverse views among respondents. The positive skewness value of 0.453 indicates a rightward skew, suggesting that while there is agreement, there may be some variability in the extent to which respondents strongly agree with the statement.

Lastly, the data suggests that Kenya Airways employees are perceived to be motivated, empowered, and involved in issues related to their welfare and the general operation of the organization, as reflected by a mean score of 2.66. This implies a moderate level of agreement among respondents regarding the effectiveness of the airline's employee engagement initiatives. The relatively low standard deviation of 0.477 suggests less variability in responses, indicating a high level of consensus among respondents. The negative skewness value of -0.668 indicates a leftward skew, suggesting that while there is agreement, there may be some variability in the extent to which respondents strongly agree with the statement.

## Correlation Statistics

The correlation analysis results from table IV offers critical information into the determinants of organizational performance within Kenya Airways. Notably, Organizational Performance demonstrates significant positive correlations with both market expansion strategies (r = 0.271**) and resource utilization (r = 0.532**). These findings imply that as Kenya Airways expands its market and utilizes its resources more effectively, its overall performance tends to improve. This underscores the crucial role of strategic planning and efficient resource management in driving the airline's success within the competitive aviation industry landscape of Kenya. The correlation analysis presented indicates that clear market expansion strategies and efficient resource utilization emerge as key drivers of performance, highlighting the importance of strategic planning and resource management practices.

**Table IV: Correlation**

| | | OP | Mkt Expansion | Resource utilization |
|---|---|---|---|---|
| Organizational Performance | Pearson Correlation | 1 | .271** | .532** |
| | Sig. (2-tailed) | | .002 | .000 |
| | N | 134 | 134 | 134 |

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

## Bivariate Analysis

The study conducted a bivariate analysis to explore the relationship between two variables., each independent variable against the dependent variable. It aimed to identify, measure, and understand the association and interaction between these variables.

### *Market Expansion Strategies and Organizational Performance*

Understanding the factors that drive organizational performance is pivotal for sustaining competitive advantage. This Section explores the bivariate relationship between market expansion strategies and organizational performance, aiming to elucidate how different approaches to expanding market presence influence key performance metrics. Market expansion strategies, which encompass activities such as entering new geographical markets, diversifying product lines, and targeting new customer segments, are crucial for business growth and scalability. By examining the relationship between these strategic initiatives and organizational performance such as revenue growth, customer feedback, and employee satisfaction, this study seeks to provide actionable insights for business leaders and policymakers striving to optimize performance through strategic market expansion. The findings were summarized in Table V

**Table V: Market Expansion Strategies and Organizational Performance**

| **Source** | **SS** | **df** | **MS** | Number of obs | = | 134 |
|---|---|---|---|---|---|---|
| Model | 31.3824985 | 1 | 31.3824985 | F(1, 132) | = | 204.34 |
| Residual | 20.2728724 | 132 | .153582367 | Prob > F | = | 0.0000 |
| Total | 51.6553709 | 133 | .388386248 | R-squared | = | 0.3075 |

| org_perfrom~e | **Coef.** | **SE** | **T** | **P>\|t\|** | **[95% Interval]** | **Conf.** |
|---|---|---|---|---|---|---|
| mkt_expansion | .6743181 | .0471728 | 14.29 | 0.000 | .5810056 | .7676306 |
| _cons | 1.852932 | .363841 | 5.09 | 0.000 | 1.133219 | 2.572646 |

The regression analysis presented in Table V examined the relationship between market expansion strategies and organizational performance using data from 134 observations. The output is divided into several sections, detailing the source of variation, the degrees of freedom (df), mean squares (MS), and the overall fit of the model. The F-statistic of 204.34 with a corresponding p-value of 0.0000 indicates that the model is statistically significant, suggesting that the market expansion strategy significantly predicts organizational performance. The R-squared value of 0.3075 indicates that approximately 30.75% of the variance in organizational performance can be explained by the market expansion strategies, demonstrating a substantial explanatory power of the model.

The coefficient table provides detailed information about the predictor variable (market expansion) and the constant term. The coefficient for market expansion is 0.6743181, which is statistically significant at the 0.000 level ($p < 0.05$). This coefficient indicates that for each unit increase in market expansion strategies, there is an expected increase of approximately 0.674 in the organizational performance score, holding other factors constant. The standard error (SE) of 0.0471728 for the market expansion coefficient is relatively small, suggesting precise estimation. The 95% confidence interval (CI) for this coefficient ranges from 0.5810056 to 0.7676306, reinforcing the reliability and significance of the predictor.

The constant term (_cons) in the regression output is 1.852932, which is also statistically significant with a p-value of 0.000. This constant represents the expected value of organizational performance when the market expansion strategy is zero. The standard error for the constant is 0.363841, and the 95% confidence interval ranges from 1.133219 to 2.572646. This implies that even without any market expansion strategies, the baseline level of organizational performance is significantly positive. Overall, the regression output indicates a strong positive relationship between market expansion strategies and organizational performance, with the model explaining a substantial portion of the variance in the dependent variable.

Based on the regression output indicating a strong positive relationship between market expansion strategies and organizational performance, several studies support this finding. For instance, Langerak et al. (2004) found that a market orientation positively relates to product advantage and proficiency in market testing, launch budgeting, strategy, and tactics, which in turn impacts organizational performance. Similarly, Green & Inman (2007) demonstrated that the implementation of a Just-in-Time (JIT) selling strategy strengthens the link between production and marketing functions, enhancing organizational performance through a market orientation. Furthermore, Finoti et al. (2017) highlighted that innovativeness positively influences organizational performance through the marketing strategy process. Moreover, the study by Mwilu & Njuguna (2020) concluded that organizations significantly improved their performance by employing market expansion strategies such as enhancing branch networks, customer bases, distribution channels, and technological innovation. Additionally, Najm & Alfaqih (2021) investigated the effect of organizational intelligence on market expansion in the pharmaceutical industry, emphasizing the role of transformational leadership as a mediator in enhancing market expansion. These studies collectively support the notion that market expansion strategies positively impact organizational performance by enhancing market orientation, product advantage, launch proficiency, innovativeness, and overall organizational growth.

### *Resource Utilization Strategies and Organizational Performance*

This study conducts a bivariate analysis to explore the relationship between resource utilization strategies and organizational performance. Resource utilization strategies, which involve optimizing the use of financial, human, and physical resources, are crucial for enhancing efficiency and productivity within organizations. By examining how these strategies relate to key performance indicators, this analysis aims to provide valuable insights into how effective resource management can drive organizational success. Understanding this relationship is essential for managers and policymakers aiming to improve performance through strategic resource allocation and utilization.

**Table VI: Resource Utilization Strategies and Organizational Performance**

| **Source** | **SS** | **df** | **MS** | Number of obs | = | 134 |
|---|---|---|---|---|---|---|
| Model | 45.7562208 | 1 | 45.7562208 | F(1, 132) | = | 1023.85 |
| Residual | 5.8991502 | 132 | .044690532 | Prob > F | = | 0.0000 |
| **Total** | **51.6553709** | **133** | **.388386248** | R-squared | = | 0.4858 |

| org_perfrom~e | Coef. | SE | t | P>\|t\| | [95% Conf. | Interval] |
|---|---|---|---|---|---|---|
| Res_Utilization | .983747 | .0307444 | 32.00 | 0.000 | .9229315 | .7676306 |
| _cons | -.2785575 | .2291804 | -1.22 | 0.226 | -.731898 | .1747839 |

The regression analysis in Table VI shows the relationship between resource utilization strategies and organizational performance using 134 observations. The table shows the decomposition of the variance with the source of variation, degrees of freedom (df), mean squares (MS), and the overall fit of the model. The model's F-statistic is exceptionally high at 1023.85 with a p-value of 0.0000, indicating a highly significant model. This suggests that resource utilization strategies significantly predict organizational performance. The R-squared value of 0.4858 implies that approximately 48.58% of the variability in organizational performance can be explained by resource utilization strategies, demonstrating a substantial but not exhaustive explanatory power.

The coefficient table provides detailed statistics on the predictor variable (resource utilization strategies) and the constant term. The coefficient for resource utilization strategies is 0.983747, which is statistically significant with a p-value of 0.000. This indicates that for every unit increase in resource utilization strategies, there is an expected increase of approximately 0.984 in organizational performance, assuming other factors remain constant. The standard error (SE) of 0.0307444 is relatively small, suggesting a precise estimate. The 95% confidence interval for this coefficient ranges from 0.9229315 to 1.0445625, indicating high reliability and statistical significance of the predictor.

The constant term (_cons) in the regression output is -0.2785575, which is not statistically significant ($p = 0.226$). This suggests that when resource utilization strategies are zero, the baseline level of organizational performance is not significantly different from zero. The standard error for the constant is 0.2291804, and the 95% confidence interval ranges from -0.731898 to 0.1747839, indicating a wide range of uncertainty around the estimate. Overall, the regression results highlight a strong positive relationship between resource utilization strategies and organizational performance, with nearly half of the variance in performance explained by how effectively resources are managed within the organization.

Several studies have highlighted a positive relationship between resource utilization strategies and organizational performance. Rehman et al. (2019) emphasized the importance of managing resources through structuring portfolios, building capabilities, and leveraging them in the marketplace to create value. Similarly, Karia (2023) found that effective implementation of human resource management practices positively impacts organizational performance. Additionally, Abid et al. (2023) demonstrated that resource bricolage enhances SMEs' financial performance and competitive advantage. Furthermore, Munodawafa & Johl (2019) highlighted that efficient utilization of organizational resources can optimize product-market activities and improve performance. Moreover, Kafadar (2022) revealed that strategic resource management, organizational innovation, core competence, and quality management practices have significant positive effects on organizational performance. These studies collectively suggest that the strategic utilization of resources, including human resources, capabilities, and innovative practices, plays a crucial role in enhancing organizational performance. By effectively managing and leveraging resources, therefore, Kenya Airways can improve its competitiveness, financial outcomes, and overall performance.

## CONCLUSION

The findings demonstrated a strong positive correlation between both resource utilization and market expansion strategies and organizational performance, highlighting the role that effective resource management and well-defined objectives play in promoting performance. The individual contributions of each strategic approach to organizational performance are clarified by the regression coefficients. A strong positive connection indicated that effective resource utilization emerged as a prominent driver and that it plays a pivotal role in improving performance results. Comparably, but to a lesser degree, market expansion strategies showed favourable connections with organizational performance, highlighting their significance in determining organizational performance within Kenya Airways. The study's conclusion emphasizes the role that resource utilization and market expansion strategies play a pivotal role in organizational performance at Kenya Airways. These findings have implications for strategic management and organizational decision-making methods at Kenya Airways and other organizations that operate in competitive and dynamic contexts to promote sustainable growth and competitiveness.

## RECOMMENDATION

The study recommends that Kenya Airways and other Kenyan airlines give priority to improving their market expansion based on its findings. This can be accomplished by promoting a strategic planning culture that prioritizes the establishment of measurable, precise, and congruent goals. Key elements of their strategic efforts should also include investing in market research, developing alliances and collaborations, putting creative marketing techniques into practice, and thinking about diversifying into related areas. Airlines can enhance their operational performance and competitive position in the ever-changing Kenyan aviation market by doing this. According to the study's findings on resource utilization, Kenya Airways (KQ) should keep improving inventory control systems and maintenance procedures in order to reduce waste and maximize operational effectiveness. In order to improve customer service and streamline operations, the airline should also think about making ongoing technology changes. In order to ensure responsiveness to market dynamics, it is also important to maintain strategic alignment between resource allocation strategies and competitive difficulties. To find areas for development and maintain organizational performance over time, it's also advisable to regularly evaluate and assess resource utilization strategies.

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