

Employee Relations and Organization Performance of Selected Kenyan Aviation Firms

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ABSTRACT

Organization performance is the comparison of organization goal and objectives with its actual performance pegged on three distinct areas, its financial, marketing and shareholder value. The three are measured how effective, efficient and relevant the organization will achieve. Employees as the most value assets are the only output resource organization can use. In regard the relationship between employees and the organization intervene how well it's reflected in the organization for it to perform and give out higher output on the three distinct areas. In view this study sought to investigate employee relations and organization performance of selected aviation firms in Kenya. To accomplish research objective, the study employed descriptive survey research design with a target population of 2512 with a sample size of 251 as 10% employees of the selected Kenyan aviation firms. Respondents were selected using stratified and simple random sampling techniques. The study used a structured self-completed research questionnaire as its primary data collection instrument in which independent variables were measured using a five-point Likert scale ranging from 1 as (strongly disagree) to 5 as (strongly agree). Validity of the research instrument was determined by getting views from professional in the field of study and the signed supervisor. Research instrument reliability was scanned by Cronbach Alpha coefficient. Descriptive and inferential statistics were applied in data analysis with support of Statistical Package for Social Sciences (SPSS, version 20). With the aim to find out the relationship between the variables regression analysis was in use. By use of the four research objectives on, how Leadership practices, Healthy and safe work environment, organization commitment and reward system affects organization performance presented using bar charts, graphs and tables revealed that all the four objectives had a major positive effect on the organizational performance of the selected Kenyan aviation firms. To enhance organization commitment, the study recommends that Kenyan aviation firms should adopt strategies aimed at encouraging the employees to be more committed to the organization such as effective communication, ensuring clarity of organization objectives, creating a positive work environment, paying attention to employees' development, giving regular feedback on employees' performance and involving employees in company-wide decisions. To consistently inspire employees, the research findings recommends that aviation firms in Kenya should use a competitive reward package embracing financial and non financial rewards and that mirrors staff's values and as well as more research to be done on employee relations and organization performance. Further, Kenyan aviation firms should adopt leadership styles that can positively influence employees' behavior for the realization of stated organizational goals.

Key Words: *Employee Relations, Organization Performance, Kenyan Aviation Firms*

1. INTRODUCTION

Organizations play valuable roles in development of its country and internationally as well. More to say organizations and its connected affiliates are concerned on how well they are

meeting the needs of the organization's internal and external customers, adjust to quick changes as per latest external and internal environment forces, discover organization's added-value in the globally competitive business environment, Spot and action proactively risks and challenges that distress the organization's future capability, relevance and success such as highly reliance on a financial support (Universalia, 2017). Successful organizations represent an important entry for any growing nation. Economists picture organizations as running engine in shaping the social, political and economic development of a country. Consistence performance improvement is the center gauge of organization success, given that it's only through performance organizations are able to cultivate and outshine. Organization performance is the common essential variable in business management research and argued as the main pointer of organizational achievement (Kirkbesoglu & Ozder, 2015). The concept of organizational performance is complex given of it numerous meanings. There is no commonly accepted description. In 1950's organizational performance was taken as extent to which organizations was seen as a shared system achieving its goals (Georgopoulos & Tannenbaum, 1957). Performance assessment was directed on people, organizational structure and work. In 1960's and 70's organizations was described as capability to make use of it surrounding environment by utilizing the less resources (Yuchtman & Seashore, 1967). In 1980's and 90's organization was noticeably by its awareness on recognition that its main objectives is more complex than in the beginning. On the other hand since 21st century unique variables linked with organization performance sprout such as customer service, innovation, adaptability, turnover, need to change, employee stewardship and social responsibility (Oduor, 2015).

Senior management started to appreciate that an organization is thriving if it achieve its target meaning effectiveness using less resources meaning efficiency. Organizational theories that came later supported above stated idea of senior management (Lusthaus & Adrien, 1998). In this perspective profit became an indicator of performance (Roxana, Liviu & Ilies, 2011). Lastly organization should be financially viable, relevant and changing needs to its customers (7th African Evaluation Association Conference held in Cameroon March 2014 by Kate Mckegg). Persistently organizations are trying to fit and outperform in a competitive business environment which always is a challenge. To understand change required for them to improve their performance, organizational evaluation is carried out. Amusingly need for organization evaluation is gaining interest, donors are demanding to know the performance of organizations which they sponsor and capacities they have to support results e.g., Research institutions, government ministries, International Financial Institutions and multilateral organizations and NGO's (Rogers, 2015).

In 2011 International Monetary Fund (IMF) did evaluation on its performance resulting to the worldwide economic and financial crisis. Spotted factors were occurrence of cognitive biases, operational structure of the organization and group thinking that held back IMF ability to mark risk and vulnerability. Many percept that financial crisis cannot occur in an advanced economy and silo approach barred information from being shared in all departments to support crisis prediction which entirely coil on employee relations. The evaluation findings are since then used by IMF executive management to correct its performance improvement (Laidlaw, 2015). Organizational evaluation results have several benefits; they can be used in building its capability, work certification, communication encouragement with affiliates and formulation of future strategies. Evaluation finding must be planned from the start, taken into consideration its implementation phase and reports shared to all. Business environment in 21st century is facing employee relations challenges that threaten the survival of every organization including aviation industry. Existing environment provides different situation

that influence organization performance on its production and operation process based that all organization operates in a highly competitive market and competes without good employee relations in mind (Andre' de Waal, Goedegebuure & Mulimbika, 2014). Trying to achieve the right balance between good employee relations and organization performance is the optimum goal of all organization (Lane, 2011).

Kenyan Aviation firms have undergone remarkable transformation in the past years with the expansion of JKIA to accommodate more than 7.5 million travelers. JKIA is a hub for all Kenyan airlines and a connector for other international airlines. This has necessitated rapid expansions and emergence of new airlines companies to accommodate increased demand of air travelers, cargo volume and growing need of air transportation (Wambui, 2015). This rapid expansion of airline companies has led to numerous challenges in aviation industry. More aviation firms means high competition with price drops in flying rates hence forcing firms to operate at low cost in terms of, recruitment and selection by employing low qualified staff to fit in new vacancies on very low salaries, Internal Leadership promotions without qualifications, extra resource acquiring without budgeted, bridge rules laws on employee health and safety (Mabel, 2016). Three Kenyan aviation firms will be considered in this research. Kenya Airways, Jambo jet Airline and Fly 540 Airline. The researcher put into consideration, the fact that employees from the three firms under study have limited chances of relating. Therefore the finding will be considered valid based on minimal interactions and uniqueness of the three companies.

Kenya Airways is a service industry with its main business to provide air transport to its customers from one region to another flagging its mission "To connect Africa to the world and the world to Africa". KQ has 3600 employees internationally but only 2100 based in Nairobi. Current Chief Executive Officer is Mbuvi Nguze. Kenya Airways was established in 1977 February and privatized in 1994. Its main hub is at JKIA and its headquarter located in Embakasi suburb 18 Kilometers Southeast of Nairobi. Fly 540 Aviation Limited is a low cost airline which commenced operations in 2006 flagging its mission as a "no frills budget airline" offering affordable city to city air travel and its headquarters is based in Embakasi suburb at JKIA Southeast of Nairobi. It operates domestic and international passenger and freight services. It has 200 employees headed with the current Chief Executive Officer is Don Smith. Jambo Jet Airline is a low cost carrier a subsidiary of Kenya Airways Airline. It operates only domestic routes Kenya. Its headquarters is based in Embakasi suburb Nairobi 17 Kilometers Southeast of Nairobi along eastern bypass highway just before Kenya Airways Headquarters. It has 212-employees headed by Chief Executive Officer Hondius Willem.

2. STATEMENT OF THE PROBLEM

Aviation firms in Kenya heavily depended on the level of business environment market on its performance. Mostly the aviation firms have been influenced by economic disasters necessitating into financial challenges and work disruptions. The management relationship with employees has been distorted on the fact that changes are made on staff contracts and frequent job redundancy with the aim to fit in the present global market challenges (Mugambi, 2017). Presently in Kenya Aviation firms employee relations is experienced with positive constant strike, staff turn over to join Asian firms and deep unhappiness among staff due to job cuts, reduce wages and short term employment contracts. This has led to disagreement between management and employees pushing the firms into difficult situation as for now (Ngungi, 2016).

Several studies have also been carried out on employee relations on organization performers supported by various authors. A study done by Brian (2010) on employee relations in an

airline industry at British Airways found there was major positive relationship between organization performance and employee relations variables. A case study done by Harvey (2009) on promoting positive employment relation in United Kingdom aviation industry revealed that employment relationship was a significant determinant of airline performance. Locally, Igella (2014) researched on factors influencing employee commitment using a case study of civil aviation authority and concluded that employee relations had a large impact on organizational performance.

Research also done locally by Mwangi and Ragui (2013) on work place conflicts and employee performance in the air transport industry in Kenya fulfilled that work place conflicts experience in the air transport industry affected employee performance in return affected organization performance. Several studies maintain that employee relations significantly influence organization performance. However they have been done at international level mostly on the airline industry. No single research had been done on employee relations and organization performance in any of the Kenyan aviation firms. To fill knowledge gap this research sought to study the effect of employee relations and organization performance of selected Kenyan aviation firms.

3. OBJECTIVES OF THE STUDY

Main objective of the study was to assess the effect of employee relations and organization performance of selected Kenyan aviation firms.

The specific objectives were:

- i. To evaluate how leadership practices affect organization performance of selected Kenyan aviation firms.
- ii. To determine the influence of healthy and safe work environment and organization performance of selected Kenyan aviation firms
- iii. To establish the effects of organization commitment and organization performance of selected Kenyan aviation firms.
- iv. To investigate the relationship between organization reward system and organization performance of the selected Kenyan aviation firms

4. THEORETICAL REVIEW

To support research problem studied resource based view, human capital, system and conflict theories were applied

4.1 Resource Based View Theory

Basics of resource-based view were endorsed by Penrose (Roos & Roos, 1997). An Organization is a gathering composed of physical capital, human capital and organizational resources explains Barney (1991). Concept of resource-based view is that organization ability and wealth differ in all organizations (Hijzen, Görg & Hine, 2005). The theory emphasize on the idea how expensive is to duplicate attribute of another organization as means to achieve high performance , competitive advantage and better returns (Conner, 1991). Organization capability originates lower, middle and higher management and noted to gain its competitive advantage when its ability and wealth truly maximized (Chandler, 1990). Chandler further explains that if organization wealth was well coordinated and taken on board it can achieve the economies of scale and can compete globally. Competitive advantage is achieved when resources are rare, valuable, poorly imitable and no substitutable (Barney, 1986) Organization traits connected from organization culture, past experiences and

competences are fundamental for its achievement this admitted by Resource view theory (Hamel & Prahalad, 1996).

4.2 Human Capital Theory

Human capital theory was invented in the sixties of 20th century. T. Schultze and G. Becker are said to be the authors (more about them e.g. in EDICE CIKS VŠE, 2010). They were later joined by more famous economists as M. Friedman and R. Sollow, being awarded the Nobel Prize for Economics. Human Capital Theory is taken as the combination of knowledge, competence, social and quality embodied to create economic and inherent value. It analyzes individuals as economic units for value. Human capital is pegged on productivity analysis, education, innovation, economic development and profit maximization. Its outcome is value added to individuals in form of higher grade jobs and to the company higher economic value based from higher productivity from demanding jobs (Kuchar, 2007). The thought behind Human Capital Theory is that investments used on people, who can be cultivated on financial value believed will support both the society and the organization. Human Capital can be categorized on social, economic, cultural and symbolic. Economic capital is the capability through talent and training with the aim to increase knowledge and skills to execute work in returns financial viable. Social and cultural capital is the power and association of people contributing in the organization and society. Symbolic capital is the tangible asset the organization own. Combination of all generates total human capital (Brozova, 2003). Human capital theory spins around the immeasurable characteristic of its various ways. Economic capital is measured on capability to pay wages, Social and cultural capital is measured on how team work is administered at work and tenure of stability.

4.3 System Theory

System Theory initially was launched by Van Bertalanffy (1950) and later administered into the organization setting by Kataz and Khan (1966). It's an approach that compares the organizations to creatures with inter-reliant sections, each with its own unique role and task which are interconnected. Its known to two system Open and closed. Open systems theory percept that organizations are highly influenced by surroundings environment which consist different consist different forces of social, political ,economic and key resources that sustain the organization on to survival. Open systems theory was emerged after World War II in response to previous theories such as the human relations viewpoint of Elton Mayo and management theories of Henri Fayol which place organization as an independent entity (Bastedo, 2004). Closed system theory is in the thought organizations is blocked from external surrounding environment where knowledge and communication is not allowed o be shared its system. Closed systems slug organization development growth since information flow has no chance to be challenged by outside environment knowledge. A good example of a closed system in the organization is research and development department with a controlled interaction with the aim to protect existing new inventions and trading secretes. As compared to public relations department within organization which can be seen as an open system that must share with outside environment frequently with the aim to gain emerging news and latest customer needs (Bastedo, 2004).

4.4 Conflict Theory

The theory officially first introduced by Alan Fox (1966). Conflict theory examines organization as a group of people who interest, values and objectives differ in many ways. Meaning employees differ with management in terms of values and aspiration hence creating conflict of interest. It bickers that conflict is the organization is normal, inevitable and are solved through collective bargaining agreement. Trade unions are documented as the

lawful challenger to managerial decree and influence management decision (Rose, 2008). Conflict theory can be mirrored in unionisable organizations like Teachers Service Commission in Kenya.

5. CONCEPTUAL FRAMEWORK

Conceptual framework is the approach in which ideas are structured to attain the purpose of the research project (Shield and Rangarajan, 2013).

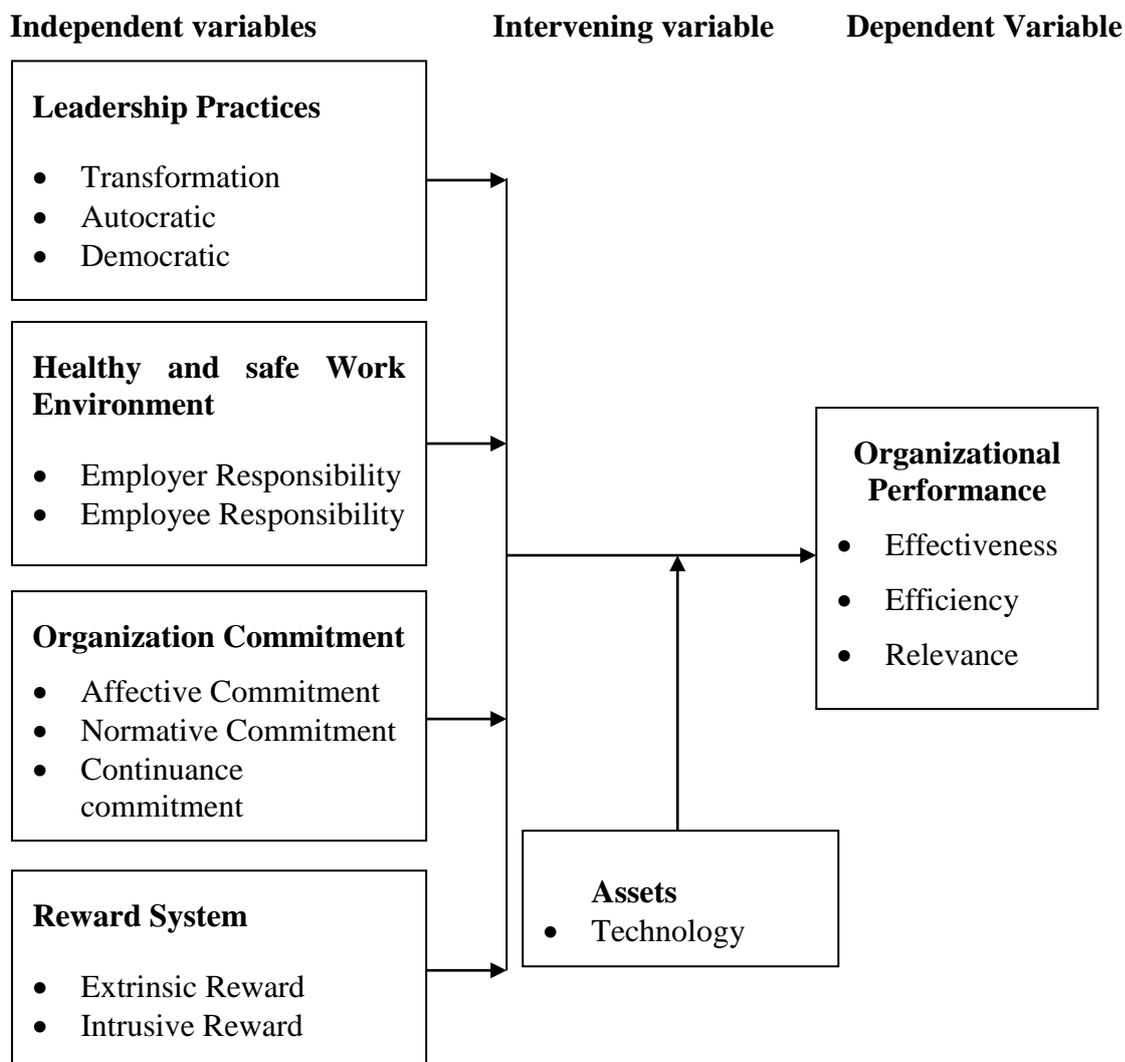


Figure 2.1 Conceptual framework

The overall conceptual framework for this study showed diagrammatically the link between employee relations and organizational performance. It visualizes organizational performance as the dependent variable in provision of effectiveness in achieving its objectives, efficiency in resource maximization, relevant to its customers preferences. On the other hand, the study visualizes employee relations as the independent variable in provision of leadership practices administered to manage employees, health and safety work environment practices and responsibilities, reward system adopted to lure employees and the organization commitment models. The intervening variable is Asset taken into account on technology which associates and meditates the relationship between employee relations and organization performance as the independent and dependent variables.

6. RESEARCH METHODOLOGY

The research employed use of descriptive survey research design. Justification for its use is that descriptive study describes the characteristics of certain groups, estimates people's proportions that have certain characteristics and predictions. Further it makes sure minimum bias exist in data collection and allows sizeable population data in an economical manner (Cooper and Schindler, 2008). The study was carried out in Nairobi County where all the selected aviations firms are situated in Embakasi Jomo Kenyatta International Airport. The research targeted 2512 employees and who included 333 middle level management, 531 team leaders and 1648 lower level employees. The sampling design used stand on Kothari's (2004) hypothesis which proposed that a sample between 10-30% of the target population is fully represented and adequate enough for statistical reporting. Therefore, the sample size for this study was 251, 10% of the target employees of the selected aviations firms in Kenya. Using stratified and simple random sampling the respondents were selected from middle management, team leaders and lower level employees. The goal of using simple random sampling is to focus subpopulations and improve the accuracy of estimation (Mugenda & Mugenda, 2012).

Three sampling methods were employed purposive, stratified and simple random sampling. Purposive sampling also known as judgmental and subjective sampling represents a group of different non-probability techniques since it depends on the researcher decision on selecting population to be studied. Both primary and secondary data sources were used. Primary data was administered by use of questionnaires as the main instrument with closed ended question. To be meaningful and interpreted by all data collected was analyzed by use of Statistical package for Social Sciences (SPSS version 20). Both quantitatively and qualitatively methods were used to analyze collected data. Descriptive statistics including central tendency, standard deviation and inferential statistics were used to summarize conclusion. Both qualitative and quantitative data complemented each other, qualitative data reinforced quantitative data and quantitative data reinforced qualitative data giving presentation in form of Bar chart, graph and tables. Multiple regressions was used to determine the studied variables relationship

7. RESEARCH FINDINGS

Regression analysis was used with the aim to confirm the objectives from both independent and depended variables on relationship between leadership style, healthy and safe work environment, organization commitment as well as reward system and the organizational performance of the selected aviation firms in Kenya.

Table 1: Model Summary

| Model | R | R square | Adjusted R square | Std. error of estimate |
|-------|-------------------|----------|-------------------|------------------------|
| 1 | .864 ^a | 0.746 | 0.717 | .561 |

Predictors:(constant), leadership style, healthy and safe work environment, organization commitment and reward system.

From Table 1 above R squared is the coefficient determinant which explains variation in the dependent variable when changes occurs in the independent variables. From Table 4.7 above the R squared value was 0.746 which implies that 74.6% variation in the selected aviation firms , organizational performance was due to changes in leadership practices, healthy and safe work environment, organization commitment and reward systems. Hence 25.4% of

variation in the selected aviation firms, organizational performance was explained by different factors not focused on in the current study.

Table 2: ANOVA (Analysis of Variance)

| model | | Sum of squares | df | Mean square | f | Sig. |
|-------|------------|----------------|-----|-------------|--------|--------------------|
| 1 | regression | 44.375 | 4 | 11.09375 | 62.681 | .0000 ^a |
| | residual | 24.369 | 172 | .141682 | | |
| | total | 68.744 | 176 | | | |

a. predictors: (constant), leadership style, healthy and safe work environment, organization commitment and reward system

b. Dependent Variable: organizational performance

Analysis of Variance (ANOVA) provides calculated information on variability levels within regression model and form a basis of significance test. The “f” column gives statistic for testing hypothesis that all $\beta \neq 0$ against null hypothesis that $\beta = 0$ (Weisberg, 2005). As per table 4.8 above calculations show that the significance value is .0000 which is less than 0.05 (5%) which shows statistically significant in predicting how leadership style, healthy and safe work environment, organization commitment and reward systems affect the organizational performance of the selected Kenyan aviation firms. “F” distribution table of ANOVA analysis list that F critical at 5% level of significance value was 6.26. Since table 4.8 calculation findings shows F calculated value is 62.681 which is greater than the F critical value of 6.26 concludes that overall model was significant.

Table 3: Regression analysis results

| | unstandardized coefficients | | standardized coefficients | t | sig. |
|---|-----------------------------|------------|---------------------------|-------|-------|
| | B | Std. error | Beta | | |
| (constant) | 4.288 | .603 | | 7.111 | .0000 |
| Leadership practice [X ₁] | 0.742 | .219 | .116 | 3.388 | .0000 |
| Healthy and safe work environment [X ₂] | 0.615 | .291 | .232 | 2.113 | .0143 |
| Organization commitment [X ₃] | 0.674 | .268 | .212 | 2.515 | .0082 |
| Reward system [X ₄] | 0.712 | .240 | .184 | 2.967 | .0011 |

Regression model becomes as per regression results in table 4.9 above:

$$Y = 4.288 + 0.742 X_1 + 0.615 X_2 + 0.674 X_3 + 0.712 X_4 + \varepsilon$$

As per equation above, taking all factors leadership style, healthy and safe work environment, organization commitment and reward system constant at zero, organizational performance would be 4.288. The results further indicate that one unit more in positive leadership practice would results to a 0.742 unit more in organizational performance, one more unit in healthy and safe work environment would cause to a 0.615 unit more in organizational performance, one unit more in organization commitment would results to a 0.674 unit more in organizational performance while one unit more in reward systems would results to a 0.712

unit more in organizational performance. At 5% significance level or 95% confidence level, leadership style showed 0.0000 significant level, healthy and safe work environment reflected 0.0143 significant level, organization commitment gave 0.0082 significant level, while reward system had a 0.0011 significant level. All variables reflected significant $p < 0.05$ with leadership practice as the most significant followed by reward system, organization commitment and healthy and safe work environment, respectively.

This agreed with Opatha (2013) who concluded that employee relations variables leadership practices, compensation and commitment had positive influence on organizational performance. Dessler (2015) also stated that as employee relation contributing factor, leadership practices, pay, commitment and a safe work place were positively related with organizational performance. Similarly, Payam and Akram (2013) also asserted that positive employee relations practices led to immense improvements in staff productivity in turn improved organizational performance. H₀: There is nil moderating effect of technology between employee relations and organization performance relationship of selected Kenyan aviation firms. Two regression models were used to test the moderating effect between employee relations and organization performance as recommended by Whisman and MacClelland (2005). First model shows employee relation regressed on organization performance. The second model employee relations and technology interaction was regressed on organization performance and results presented in table 4.

Table 4: Model Summary

| Model Summary | | | | |
|----------------------|-------------------|----------|-------------------|------------------------|
| model | R | R square | adjusted R square | Std. error of estimate |
| 1 | .864 ^a | .746 | .717 | .561 |
| 2 | .914 ^b | .819 | .756 | .730 |

a. predictors: (constant), leadership style, healthy and safe work environment, organization commitment and reward system

b. predictors: (constant), X₁-X₄ and technology

Table 4 above reveals adjusted $R^2 = 0.746$ which means technology clarify variation in employee relations as 74.6% and 25.4% by variables not fitted in the model.

Table 5: Analysis of variance statistics

| model | | sum of squares | df | mean square | F | sig. |
|-------|------------|----------------|-----|-------------|--------|--------------------|
| | Regression | 44.375 | 4 | 11.09375 | 62.681 | .0000 ^a |
| 1 | Residual | 24.369 | 172 | .141682 | | |
| | Total | 68.744 | 176 | | | |
| 2 | | 44.475 | 5 | 11.00375 | | |
| | Residual | 24.369 | 171 | .141682 | | |
| | Total | 68.844 | 176 | | | |

Predictors: (constant), leadership style, healthy and safe work environment, organization commitment and reward system

To add results in Table 5 above outlines that with interaction term, regression analysis is statistically significant given that significant value is equal to 0.0000 less than 0.05 that is 5%.

Table 6: Analysis of variance statistics

| model | | unstandardized | | standardized | t-value | sig. |
|-------|---------------------|----------------|-----------|--------------|---------|-----------|
| | | Coefficients | | Coefficients | | (p-value) |
| | | B | std error | Beta | | |
| 1 | (Constant) | 4.288 | 0.603 | | 7.111 | 0.000 |
| | Employee Relations | 0.250 | 0.010 | 0.426 | 2.520 | 0.012 |
| | Technology | 0.200 | 0.012 | 0.279 | 1.650 | 0.000 |
| 2 | (Constant) | 4.312 | 0.009 | | 7.972 | 0.000 |
| | ER | 0.210 | 0.010 | 0.368 | 2.108 | 0.000 |
| | Employee Relations | | | | | |
| | Product of Employee | .018 | .012 | 0.249 | 1.466 | 0.015 |
| | Relations and | | | | | |
| | technology | -0.009 | .007 | -0.187 | -1.221 | 0.003 |

Table 6 above results represents interaction between employee relations and technology. More to say change in coefficient of determination R change = 0.129, F change = 1.491 and p value = 0.001 shows that there moderate significant effect of technology on the relationship between employee relations and organizational performance.

$$OP = 4.312 + 0.426 ER + 0.249T + \epsilon \dots\dots\dots (3.5).$$

Where:

OP=Organizational Performance

ER= Employee Relations

T= Technology

ε = error term

In Model 3.5, Employee Relations is statistically significant at $\beta = 4.312$, $t=2.520$; $p = 0.001$, revealing that relationship between employee relations and organizational performance could be moderated.

$$OP = 4.312 + 0.368ER + 0.249 OP - 0.187ER * T + \epsilon \dots\dots\dots (3.6).$$

Where:

OP=Organizational Performance

ER= Employee Relations

T= Technology

ER*T= Interaction term

ε = error term.

the regression results in Table 4.12 above reveal that at 5% significant level, coefficients are statistically significant, with employee relations at $\beta = 0.368$; $t = 2.108$; $p=0.000$, technology at $\beta = 0.249$; $t = 1.466$; $p = 0.015$ and interaction term at $\beta = -0.187$; $t = 1.221$; $p = 0.003$.

8. CONCLUSIONS

The study concluded that leadership practices highly contributed in enhancing organizational performance of the selected Kenyan aviation firms especially given the crucial role of the management in guiding organizational employees to realize their full potential while achieving the set organizational goals. The study also revealed there is a positive relationship between leadership style and organizational performance of the selected aviation firms in

Kenya. The study concluded that issues of occupational health and safety at the work place played a crucial part in the selected Kenyan aviation firms' organizational performance. In addition found there is significant positive relationship between a healthy and safe work environment and the organizational performance of the selected aviation firms in Kenya.

The study also noted that organization commitment was critical to the performance of the selected Kenyan aviation firms as employees who felt valued and appreciated were more likely to positively contribute to the attainment of organizational goals. Further the study revealed there exist positive relationship on organization commitment and organizational performance of the selected aviation firms in Kenya. The study also concluded that reward systems were a critical element of the selected Kenyan aviation firms human resource policy as evidenced by the respondents' assertions that they understood and knew relationship between firm's goal, their efforts and rewarding system in the organization, different types of rewards used in the organization had lasting effect on their commitment, motivation and engagement and that it attracted and retained talented employees and encouraged good employee relations. The study revealed there exist positive relationship between reward system and the organizational performance of the selected Kenyan aviation firms.

9. RECOMMENDATIONS

Given that leadership practices highly contributed on the performance of the selected aviation firms in Kenya, the study recommends that Kenyan aviation firms should adopt leadership practices that can positively influence employee's behavior for the realization of stated organizational goals. Given that a healthy and safe work environment showed positive effect on the performance of the selected aviation firms in Kenya, the study recommends that Kenyan aviation firms should review their existing standard operating procedures on occupational health and safety to ensure they adequately address all the areas that may occasion health and safety hazards at workplace and should embrace healthy and safe at work place as an asset.

To enhance organization commitment, the study recommends that Kenyan aviation firms should adopt strategies aimed at encouraging the employees to be more committed to the organization such as effective communication, ensuring clarity of organization objectives, creating a positive work environment, paying attention to employees' development, giving regular feedback on employees' performance and involving employees in company-wide decisions. To continually motivate organizational employees suggested that aviation firms in Kenya should use a competitive compensation scheme, comprising of both financial and non financial rewards that reflects the value of workforce in the organization.

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