THE INFLUENCE OF JOB DESIGN ON EMPLOYEE PERCEPTION ON JOB SATISFACTION IN KENYA AIRWAYS: A COMPARISON BETWEEN PRE AND POST PRIVATIZATION PERIODS

BY

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE (MBA)

FACULTY OF COMMERCE

UNIVERSITY OF NAIROBI

SEPTEMBER 2002

DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

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This project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this project to all upcoming scholars in the field of Human Resource Management

ACKNOWLEDGEMENT

Compilation of the text of a research project of this nature which covers various aspects for instance job design, privatization and job satisfaction can at times leave one in considerable difficulties which can only be solved by consulting those who are well informed on the appropriate subject matter. In this connection, I am very grateful to Mr. Duncan Ochoro, my supervisor, for his intellectually stimulating comments, guidance and corrections.

Secondly, I would like to register my heartfelt and sincere gratitude to my parents for financing my postgraduate studies at the University of Nairobi. Without their financial and moral support this research project would not have been successfully completed.

My thanks also go to my classmates and friends especially Maucha, Mudembei, Ebatala Rodgers and Stacey for their academic support. Finally, I wish to thank the employees of Kenya Airways for their cooperation in filling the questionnaires.

ABSTRACT

This research is titled: The influence if job design on employee perception on job satisfaction in Kenya Airways. The study aimed to compare job satisfaction before and after privatization of Kenya Airways.

The research was undertaken with the objective of finding out the influence of job design on employees' perception to job satisfaction in pre and post privatization periods in Kenya Airways.

The study, utilized data collected using a questionnaire from 70 respondents randomly selected mainly using the stratified sampling method from the employees of the airline company. The data was analyzed using frequency distribution tables, percentages, graphs and cross tabulations.

The research findings revealed that job satisfaction levels were low before privatization. Consequently, with privatization, there was an increase in job satisfaction levels. It was therefore recommended that Kenya Airways should redesign jobs in all departments, for higher job to be obtained among the employees. In addition, further studies were suggested on finding out reasons why job rotation did not lead to an increase in job satisfaction, and also research on job satisfaction in companies that are not privatized.

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CHAPTER ONE INTRODUCTION

1.1 BACKGROUND

1.1.1 General Overview of Kenya Airways (KQ)

The airline industry throughout the world has undergone fundamental changes in the past decade. It has been transformed from being one of the most rigidly regulated and state controlled businesses into one that is highly competitive and increasingly free from Government ownership constraints. Almost all airlines in North America, Europe and Latin America are now privately owned. Moreover, the grouping of major airlines from different countries into five global alliances points the way to the future international structure for the industry. These developments have been slower in Africa than in most other parts of the world.

For this reason the privatization of Kenya Airways in 1996 was a historically important event not just for the company, but also for the whole airline industry in Africa. Kenya Airways was the first and, so far, the only African airline to move from Government to private ownership. The successes of this transformation provide a model and an inspiration for the many other African countries, which are contemplating and studying this radical step in aviation policy.

1.1.2 The major Strategic Airline Alliances

Deregulation has spawned many innovations in the airline industry, including hub-andspoke networks and frequent flier programs. The latest innovation sweeping the industry is international airline alliances, which link the route networks of two or more airlines through a cooperative arrangement. In effect, an alliance allows an airline to expand its network overseas without adding new service. This is done through a code sharing agreement with the alliance partner, which allows the airline to sell tickets under its own name for travel that occurs within both partners' networks. The five major airline alliances are:

1

One World.	American Airlines, British Airways, Canadian Airlines, Cathy
	Pacific, Finnair, Iberia, LanChile, and Qantas.
Qauliflyer.	Air Europe, Air Littoral, Austrian Airlines, Crossair, Launda Air,
	Sabena, Swissair, Turkish Airlines, and Tyrolean Airways.
Star Alliance	Air Canada, Air New Zealand, Ansett Australia, Lufthansa, Thai
	Airways, United Airlines, and Varig Air.
Wings	Continental Airlines, KLM (ROYAL DUTCH AIRLINE),
	Northwest Airlines, Kenya Airways, Access Colombia, Alaska
	Airlines, America West, Japan Air System, and Malaysian Airways.
Sky Team	Air France, Delta Airlines, Aero Mexico, Korean Airways
	(Source: Speed wing report 1002)

(Source: Speed wing report, 1992)

A commercialization programme implementing the recommendations of a report by Speed wing, the consultancy subsidiary of British Airways, produced rapid improvements in operations, financial controls and, to its great credit, Kenya Airways was able to report profitable results for the financial year 1993/94 making it ready for privatization.

Following a recommendation of the International Finance Corporation, the airline embarked on a partnership with KLM, which was a pioneer in the development of airline alliances and the creator of a global network of co-operative services. The partnership with KLM was cemented by two interlocking agreements. The first was a 'Shareholders Agreement between the government of Kenya and KLM by which KLM bought 25 percent of the share capital of KQ for US dollars 26 million. The second was a 'Co-operation Agreement between the two airlines which set out the plans by which they would work together to establish a world -wide network of joint services.

The Government retained 23% of the Kenya Airways shares and these, with 26% owned by KLM left a balance of 51 for a public issue. Of these, 3% were for employees. Through the co-operation with KLM, KQ became a partner in one of the five global airline alliances,

which now dominate international air services. The long-term objective of this agreement with KLM is to move towards full integration of routes, operations and systems.

The immediate results have been, on one hand, the establishment of the alliance as the market leader for traffic between Kenya, Europe and the United States, and on the other hand, the expansions of regional services within Eastern, Western, Central and Southern Africa from the Jomo Kenyatta International Airport (JKIA) in Nairobi which is now a key aviation hub for Africa. As a result, passenger traffic increased by 30% from 1998 to 1999. This trend continued in 1999/2000 financial year with 26% growth in passenger traffic and 22% in cargo.

In parallel with the re-planning of international operations, Kenya Airways also upgraded its domestic operations. The trunk route between Nairobi and Mombasa were rebranded as 'Jetlink' and a franchise agreement with a domestic airline, Aircraft Leasing Services, created a network of new services called 'Interlink'. Domestic city -pair connections have been substantially increased. Kenya Airways has recently refocused its domestic strategy by launching separate but wholly owned 'no frills' airline, Flamingo Airlines Limited thus consolidating further its position in the domestic market.

The alliance with KLM has also assisted Kenya Airways with the upgrading of its product and service standards. A new Premier Class has been introduced and service standards on the ground have been improved, particularly by opening of a new passenger lounge at Nairobi. Sales and reservations services have been overhauled and the two airlines now have a single reservations system for their integrated network services. Participation in a common reservation system with KLM has enables Kenya Airways to expand its market share and establish its market presence in ways it could not have done on its own.

Kenya Airways traffic has grown strongly since privatization. Passenger traffic grew by 78% and cargo traffic by 44% from 1996 to 1999/2000. This strong growth continued with the financial year 1999/2000 with a 26% increase in passenger traffic and 22% for cargo traffic. This growth was achieved in a period in which the number of tourist visitors to

Kenya suffered a decline. The alliance with KLM and the creation of JKIA in Nairobi as major African hub were significant factors in this success.

Other contributions to the national economy come from foreign exchange earnings, support for tourism and other industries, employment, skill transfers and from the development of the Kenyan capital market. Moreover, Kenya Airways has a long and proud tradition of community service. There is a long and proud tradition.

1.1.3 CHRONOLOGY OF PRIVATIZATION

- 1977 (Feb) Kenya Airways is established following break-up of East African Community and subsequent disbanding of the jointly owned East African Airways.
- 1986 The Government makes the first move towards privatization by publishing the 'Sessional paper No: 1 of 1986 on Economic Management for Renewed Growth. The document for the first time spelt out the Government's intentions to divest from corporations, which could be run well by the private sector.
- 1991 (April) A new board is appointed at Kenya Airways under chairmanship of Mr. Philip Ndegwa with mandate to commercialize and prepare the Airline for privatization.
- 1992 (April) Speedwing Consulting recommends an overhaul of management and operations.
- 1992 (July) Policy paper on 'Public Enterprise Reform and Privatization' set out policy objectives and gives high priority to Kenya Airways privatization.

1993/94 Commercialization produces the first profits.

1994(April) Appointment IFC and establishment of 'Privatization Committee'

1995 (May). An IFC information memorandum is sent to 154 airlines in search of

a 'strategic partner' culminating in eventual selection of KLM.

1995(July) Kenya Airways Restructures its debts.

1995 (Dec)	Shareholders Agreement and 'Master Co-operation
	Agreements with KLM are concluded.
1996 (March)	A prospectus is issued and shares floated to the public.
1996 (June).	Trading of shares on Nairobi Stock Exchange.
1999	Kenya Airways is voted ' The African Airline of the Year' by UK-
	based African Aviation program.
2000	Kenya Airways is voted 'The African Airline of the Year' for the
	second year running and named second most Respected Company'
	in East Africa by Pricewaterhousecoopers in conjunction with the
	Nation Media Group.
2001(May, June, J	uly) Kenya Airways takes delivery of three of-the art Boeing 767-
	300ER's as part of the first phase of the airline's 10- year US\$ 700
	million fleet renewal programme.
2001 (September)	Kenya Airways completes the first phase of fleet renewal programme
	by taking delivery of a long range Boeing 737-700.
2001	Kenya Airways is voted 'The African Airline of the Year' for the

third year running and also named the promising African airline' by the Aviation and Allied Business Update, the premier aviation industry journal in Nigeria. It was once again voted the 'Second most respected Company' in East Africa by a survey carried out by Pricewaterhousecoopers and the Nation Newspapers for the second year running.

(Source: The New Kenya Airways, 2002)

Competitors of the airline consist of other Kenya airlines including; East African Safari which operate scheduled flights to Rome, Paris, Frankfurt and Zurich; Regional Air (Air Kenya) operate to Harare, Lusaka, Lilongwe, Johannesburg, Asmara, Djibouti and Dubai; African Express on several domestic routes and to Muscat, Kigali, Bujumbura and Dubai. On the international level there are many competitors including British Airways, Sabena, Emirates and South African Airways.

The speedwing report of 1992 recommended radical changes in management personnel and structure, an overhaul of information technology, a new approach to market and a comprehensive program to improve service quality. The report put particular emphasis on **the need for extensive staff training to change the culture of the airline.** This had a direct implication on Human Resource Management of the Company.

Aseto (1997) notes that government institutions usually have bureaucratic structures. With privatization, Kenya Airways tried to discard the rigid bureaucratic structure and its attributes. The main characteristics of organizations that possess bureaucratic structures are: high centralization, tall structures, and traditional departmentation. Other attributes are: high formal interrelationships, division of labor and existence of rigid rules.

Kenya Airways possessed most of these bureaucratic characteristics before privatization. After restructuring, there has been a shift from tall to flat structure, high centralization to decentralization, and from traditional departmentation to modern departmentation. The flat structure has large or wide spans of control, meaning that a superior can manage more employees. In Kenya Airways, the span of control was widened and this created room for job rotation especially among the managers.

In terms of decentralization, which is the delegation of decision-making prerogatives, the departments, which underwent restructuring, were those that do not have highly technical jobs. Decentralization enriched most of the jobs. Departmentation is concerned with horizontal organization of any one level of the hierarchy. Before privatization of Kenya Airways, there were no clear-cut purposeful departments. After restructuring, product departmentation was adopted whereby, although there exist eight distinct departments, their work is directed towards providing quality customer service, as was recommended by the Speed wing report in 1992.

As a result of the whole restructuring, the main jobs that were mostly affected were the nontechnical ones. The percentage to which the jobs were redesigned as a result of restructuring can be presented per departments as follows:

DEPARTMENT

PERCENTAGE OF REDESIGN

50
50
90
50
30
70
70
40

(Source: Msafiri Magazine 2000)

The reason for a high percentage of job redesign in Finance and IT, Human Resource and Administration, and Industry affairs departments is because the jobs therein are not highly technical therefore, aspects of job rotation, enrichment and enlargement were implemented appropriately.

1.1.4 Human Resource Management at Kenya Airways

Traditional personnel management was mainly concerned with the management of people to work. The main occurrences associated with this era were: routine jobs, close supervision of employee, a focus on the individual and performance of activities in functional lines. Due to the competitive business environment, organizations have adopted human resource management practices. The emergence of human resource management is as a result of the paradigm shift away from personnel management. The main aspects of human resource management include: focus on teams rather than individuals, adoption of a holistic perspective rather than a functional one, and more discretion in the work place rather than close supervision. This practice is what Kenya Airways has tried to adopt after the Company was privatized.

The Kenya Airways Annual Report 2000/2001 presents the manner in which human resources are managed in Kenya Airways in four facets: Headcount, Industrial relations, Human Resource Development and Training, and Welfare.

Headcount

Due to the establishment of the Flamingo Airlines and Kencargo as the new Kenya Airways subsidiaries, management embarked on recruiting additional staff in both frontline and operational areas. By March 2001, the company had 3098 employees compared to 2749 the previous year.

Employee Relations

In Kenya Airways, the employees are said to demonstrate a clear commitment to improving and maintaining customer services to the highest standards in line with the airline's vision, which is to " be a world class airline by the year 2005."

The company also perceives employees as having placed high priority on the interest of the company.

Human Resource Development and Training

The Company's training and development program is business driven. The 2000/2001 Annual Report notes that "during that year, 10 training programs were implemented reaching 1500 staff company wide." Management training programs also focus on customer care, productivity and quality improvements, leadership skills, effective communication and team building. Training in Information Technology is also a high priority for the Company. All staff are required to become computer literate if they are to retain their jobs in the Company.

Training is also an on going activity in Kenya Airways to address identified performance gaps. Training programs focusing in the improvement of core competences to sustain and develop customer service standards also exist in the Company.

Welfare

Kenya Airways has a good staff welfare system. Its fund schemes are registered with the Retirement Benefits Authority. The medical scheme has also undergone major changes with a major trend towards more involvement of staff with the aim of making the scheme more cost effective.

After examining the human resource management system in Kenya Airways in the postprivatization period, it is worth making a deduction of the situation in the preprivatization period. The existing information about the pre-privatization period (before 1996) shows that there was no clear focus on the human resource management aspect. Emphasis was only laid on personnel management. This did not show any dedication to the use of Human Resources to achieve the company's vision. This then gives a justification of why privatization would be considered to create efficiency even with respect to Human Resource utilization.

In terms of future outlook, the company posits that "Our people are our greatest asset and focus on their development and the way they are both managed and organized will be carried out to ensure that we attract and retain the best, and that they are equipped to serve our customers." (The New Kenya Airways, 2002)

1.1.5 Prior studies

A cursory glance on the previous studies on job satisfaction boils down to Herzberg's study on job satisfaction and job dissatisfaction. According to Herzberg, (1959), job satisfaction and job dissatisfaction are caused by quite different factors. Nzuve S (1987) also notes "that a happy workforce is normally more productive, and has fewer incidents of absenteeism, turnover and tardiness than a dissatisfied workforce."

Satisfaction creation among employees is a complex phenomenon as it involves many factors. It is therefore still difficult for organizations to design programs that will bring satisfaction. Some researchers complicate the matter further by asserting that implementing other motivation programs such as job enrichment, team building and management training will end up in failure unless they are concomitant with revised pay programs (Lawler et al 1983).

Job satisfaction could be examined from various perspectives. One of the main concepts used to describe job satisfaction in this study is the 'work itself,' which is viewed in terms of the meaningfulness of work, whether it is interesting and also whether it is challenging. Another concept is promotion opportunities, which refers to the ability of an individual to advance in the organizational hierarchy. This brings a sense of achievement, which is an important element of job satisfaction as propounded by Herzberg. Coworkers also have a major influence in the employees' job satisfaction levels. Supervisors are also important determinants in the attainment of job satisfaction.

There are also various influences on job satisfaction. Job satisfaction is that which employees derive from the work they do. The aspect of job design has therefore been seen as a major influence. Job design could also be viewed in terms of job enrichment, which is aimed at providing meaningful, challenging and interesting jobs. Job rotation and job enlargement also influence an employees' job satisfaction level. The manner in which these concepts of job design influence job satisfaction therefore constitutes the conceptual framework of this study. With this background in mind it is noteworthy that further investigation needs to be done on employee job satisfaction. More so Kenya Airways has undergone dramatic changes and it would therefore rightly act as the company to be used as a case study.

1.2 PROBLEM STATEMENT

Studies show that organizations in developing countries share common structural and managerial attributes. These attributes differ from those typically found in North America, Europe and Japan. Kiggundu M (1985) acknowledges that, local firms from Asia, Latin America, Asia and Africa share common structural configurations different from those found in organizations in United States and Europe. Local firms in developing countries are said to be characterized by among other aspects: many hierarchical levels, high levels of centralization, rigid stratification and low morale and little cooperation among employees.

In Kenya, lack of middle management skills and talents, too much paperwork and red tape, lack of practical business and industry knowledge, and lack of delegation from the top characterized organizations. Kenya Airways was one of such organizations. It is within this unique situation in Kenya that Kenya Airways, the only airline in Kenya existed.

The level of employee job satisfaction in an organization is influenced by a number of factors. The manner in which jobs are designed happens to be one of these factors. Generally therefore, "a relationship exists between job design and employee job satisfaction" (Bottomley M, 1983).

When organizations undergo some changes such as privatization, there is usually an overhaul of the firm's operations. Jobs are usually redesigned and this redesigning may lead to a change in employee behavior.

Prior researches in Kenya have broadly dealt with the whole aspect of restructuring. What has not been focused on is the interplay between job design, privatization and employee job satisfaction. This study therefore seeks to fill this research gap.

In order to achieve this, this comparative study has come up with variables to investigate the impact of job design on employee job satisfaction in Kenya Airways. The study intends to compare the impact that job design had on employee job satisfaction before and after the Airline Company was privatized. The choice of Kenya Airways as the case study is justified in that the Company has undergone dramatic changes since its inception. Privatization happens to be one of the major changes.

More specifically, the variables chosen to measure job design are:

Job enrichment, job enlargement and job rotation. The study examines how these variables impact on the level of employee job satisfaction before privatization and after privatization of the Company in 1996. Employee job satisfaction is examined in terms of attitudes towards: the work itself, co-workers, promotion opportunities, control of work, and supervision style.

1.3 OBJECTIVE OF THE STUDY.

The objective of the study is to find out the influence of job design on employees' perception to job satisfaction in pre and post privatization periods in Kenya Airways.

1.4 IMPORTANCE OF THE STUDY

Information on the influence of job design on employee job satisfaction vis-à-vis privatization is scarce in Kenya. Therefore, being a case study, this study aims at providing information otherwise not existing. Therefore, this study fills this gap in knowledge by providing this information.

This study is also useful to Kenya Airways in that it enables the Airline Company to identify the aspects of job design that impact on employee job satisfaction. Tracking down these aspects will enable the Company build up on these issues in the post privatization period and also in future.

Other researchers having interest in understanding the interplay between job design, privatization and employee job satisfaction will find this explanatory study useful.

The government of Kenya would also find this information useful so as to know the extent to which it could influence control in terms of ownership and also to what extent it could offer a supportive role, not only in Kenya Airways but also in other formerly public enterprises.

<u>CHAPTER TWO</u> <u>LITERATURE REVIEW</u>

INTRODUCTION

In this chapter, the relevant literature is reviewed. The main aspects covered are: privatization and its benefits in Kenya Airways, job satisfaction, and job design. The chapter examines these aspects in detail as they form the core variables in this research.

2.1.1 Over view of privatization

Privatization is the transfer of assets or service delivery from the government to the private sector. Privatization runs a very broad range, sometimes leaving very little government involvement, and other times creating partnerships between government and private service providers where government is still the dominant player.

Gibbon H (2000) gives two definitions:

- In its purest form, the term refers to the shifting of the production of a good or the provision of a service from the government to the private sector, often by selling government-owned assets.
- Most definitions of privatization, though, are more expansive, covering virtually any action that involves exposing the operations of government to the pressures of the commercial marketplace

The term 'privatization' has also been used to refer to a variety of economic reforms ranging from deregulation and market liberalization at the macro level to internal enterprise level changes in organizational structure. However, the most widely used definition is that of privatization being the transfer from public to the private sector of ownership or management of public sector enterprise. Complete transfer of ownership or control has not always occurred; however, and in some instances the state has retained a decree of ownership or control over the privatized enterprise. Further, the state often continues to influence the operations of the privatized enterprise through regulatory and other policies.

All these definitions encompass three basic aspects. Firstly, it is evident that merely defining privatization is difficult. However, in the purest form, it encompasses shifting of the provision of goods or services from the government to the private sector, often by selling government owned assets. Secondly, the definitions imply exposing the operations of government to the pressures of the commercial market place. Thirdly, privatization would also mean creation of public-private partnerships such as creation of quasi government organizations, and government sponsored enterprises. In such organizations, it would be difficult to determine where government ends and the private sector begins.

In the case of Kenya Airways, there was a shift of provision of the service from government to the private sector by selling assets. The operations of the airline were also exposed to pressures of the commercial market place. However, there is still some element of government control and this brings about the difficulty of establishing where the government control ends and where the private sector begins.

The term 'privatization' is therefore used in this study to refer to the transfer from government to the private sector and how this may have led to the internal enterprise level changes, which in turn affect employees.

The origins of privatization are identified with the economic policies of the United Kingdom government of the late 1970s. Thereafter, the process of privatization spread rapidly to other industrial countries. Privatization began more slowly in the developing countries like Kenya and Nigeria among others, but the pace accelerated in the later half of the 1980s and was at its peak in the 1990s. Todaro M (2000) notes " the most extensive programs have taken place in the former communist economies where privatization has been the means of building a capitalistic economic system based on private ownership of productive assets."

To summarize this, World Bank (1999) notes, " almost every country in the world is now following the British lead in privatizing its state-owned industries. Hence, this guide understandably relies heavily on the case histories from Britain to illustrate some of its points. Investors and consumers have rarely done as well with offerings in other countries as they have

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done on U.K. issues. In France, the share price of every company privatized since 1993 but two is trading below its issue price. Italy has an even worse record. Only a handful of other western European countries besides Britain have actually begun to privatize utilities. Nor has privatization in emerging markets been clear sailing. The crucial distinction lies in the fact that in Britain—as in many former Communist countries in Eastern Europe eager to build a solid foundation for newly regained freedoms—privatization has been pursued as a matter of conviction by governments committed to the program. Among other western industrialized countries only Canada has set precedents for public offerings, by recently privatizing its air traffic control system and rail services, and in these cases has closely followed the precedents for privatizations set in the United Kingdom."

In their privatization programs, governments around the world commonly share three objectives:

- To promote efficiency by exposing businesses and services to the greatest possible competition, to the benefit of the customer.
- To spread share ownership as widely as possible among the population.
- To obtain the best value for each industry or service the government sells.

The foregoing are the broad objectives of privatization. However, within developing countries like Kenya, the main objective is to raise government revenue and reduce its expenditure on public enterprises that lead to budget deficits. In the developing countries, public enterprise deficits were identified as a contributory factor to mounting fiscal imbalances and more instability, and the World Bank and other international financial institutions increasingly incorporated privatization in the conditionalities attached to their lending programmes.

 Privatization is intended to benefit customers, employees and the economy as a whole. Customers benefit when the greater efficiency that can be achieved through privatization is passed on to them, for example, in the form of prices, which are lower than they would otherwise have been, wider choice and better service. Privatized businesses are likely to be more responsive to changing customer demands, and more innovative in introducing new products to the market.

For employees, privatization means working in a company with clear objectives, the means to achieve them, and rewards for success. This reinforces the concern for the customer that is at the heart of any successful business. The economy benefits through higher returns on capital in the privatized industries, which can no longer pre-empt resources from elsewhere in the economy (via taxation), but must compete for funds in the open capital markets. Moreover, as the products and services of privatized industries underpin much activity elsewhere in the economy, there are substantial benefits for other businesses.

Concern for the impact of privatization on the welfare of labor is important for reasons of economic efficiency and equity, and generally, for the sustainability of the adjustments process. In terms of efficiency, lowering the costs of adjustment by adopting policies that permit labor to respond to shifting market conditions will result in a more productive use of labor and a reduction of foregone output. The social costs of privatization may fall disproportionately on labor, and policies which reduce or instigate this uneven distribution in relation to the broader economic benefits that may fall from privatization is also important to the political sustainability of the reform programme and the process of public-private sector realignment.

Privatization is one element in the broader process of market-oriented reforms, which have been adopted by countries across the globe in the past decade. Each of the various components of the adjustment process gives rise to structural change and resource allocation.

Governments around the world are pursuing privatization programmes, and since the early 1980s, close to 7,000 public enterprises have been transferred to private ownership (World Bank, 1992). The pace of privatization activity has increased dramatically over the past five years (Cook P, 1998).

	1988	1989	1990	1991	1992	Total
Industrialized countries	36,868	20,162	19,176	32,304	26,605	135,115
Europe	10,656	19,251	18,186	29,971	24,091	102,115
Asia/Pacific	24,250	87	0	1,620	1,297	27,254
North America	1,962	824	990	713	1,217	5,706
Developing countries	2,362	4,470	6,094	15,648	19,485	48,059
Africa Including (South Africa)	8	1,435	25	0	0	1,468
Asia/Pacific	0	2,550	1,430	865	4,476	9,321
South America & Caribbean	2,354	485	4,639	14,783	15,009	37,270
Worldwide	39,230	24,632	25,270	47,952	46,090	183,174
Eastern Europe	0	130	64	530	1,565	2,289

TABLE 1: Value Of Privatization Transactions (Million US\$)

Source: Privatization International (2000).

TABLE 2: Percentage Of Privatization By Value

	1988	1989	1990	1991	1992	Total
Worldwide (Excluding Eastern Europe)	100	100	100	100	100	100
Industrialized countries	94	82	76	67	58	74
Europe	27	78	72	63	52	56
Asia/Pacific	62	1	0	3	3	15
North America	5	3	4	1	3	3
	malante	and Link	_			
Developing countries of which	6	18	24	33	42	26
Africa	0	6	0	0	0	1
Asia/Pacific	0	10	6	2	9	5
South America & Caribbean	6	2	18	31	33	20

Source: Privatization International (2000).

Tables 1 and 2 show the level of privatization transactions in recent years. Industrialized country sales amounted to \$36.8 billion in 1988, which represented 94 per cent of worldwide transactions. Privatization transactions in Japan accounted for over two-thirds of their industrial country sales in that year. The share of industrialized countries in worldwide privatization fell to 58 per cent in 1992, although the worldwide figures excluded over \$11,000 privatization transactions, which occurred in the former East Germany between 1990, and the end of 1992.

The proceeds from major sales of public enterprises in developing countries rose from just over \$2 billion in 1988 to almost \$20 billion in 1992. The developing countries' share of world privatization sales rose steadily each year from 6 per cent in 1988 to 42 per cent in 1992, and average 26 per cent over 1988 - 1992. The sharpest increase occurred in South

American economies, whose share rose from 6 per cent in 1988 to 33 per cent in 1992. In contrast, privatization in Sub-Saharan Africa has been relatively small as compared to South America and Asia, and in largely accounted for by transactions in South Africa in the final years of 1980s.

Within each region, privatization has continued to be concentrated among a few countries. Within the Western European economies, privatization of public enterprises in the United Kingdom accounted for three-quarters of the value of transactions. Similarly, within a given year, individual country sales has often dominated the regional picture as for example, with Japan's single transaction of public assets which accounted for a major share of industrialized countries' privatization in 1988.

The concentration of privatization activity is particularly pronounced within the developing countries regions. In Latin America, Chile, Mexico, Argentina and Brazil make all the bulk of activity. In Sub-Saharan Africa, six countries - Ghana, Guinea, Mozambique, Nigeria and Senegal account for two thirds of the divestitures.

The developing countries of Asia accounted for 5 per cent of worldwide privatization sales during the late 1980s. In East Asia, major privatization was completed in Malaysia, Singapore, and South Korea. In South Asia, the number of transactions has been higher but most of the privatized companies have been small scale.

2.1.2 Privatization and efficiency

Todaro (2000) is of the opinion that privatization of state owned enterprises in the production and financial sectors hinges on the neo-classical hypothesis that private ownership brings greater efficiency and more rapid growth. During the 1980s major international bilateral (USAID) and multilateral agencies (World Bank and IMF) actively promoted privatization. Many developing countries followed this advice, although the extent of philosophical agreement, as opposed to financial pressures exerted by these funding agencies remains unclear. The belief is that privatization improves efficiency, increases

output and lowers costs among other benefits. In addition, proponents argue that it curbs the growth of government expenditure, raises cash to reduce public internal and external debt, and promotes individual initiative while rewarding entrepreneurship.

Other proponents of privatization see it as a way to broaden the base of ownership and participation in the economy; thereby encouraging individuals to that they have a direct stake in the system. Between 1980 and 1992 more than 15000 enterprises were privatized throughout the world with more than 11000 in former East Germany. In the developing nations, the number of privatized companies amounted to 450 in Africa, 900 in Latin America and approximately 180 in Asia. Mexico Chile and Argentina have led the movement in Latin America. Among low-income countries, the speed of privatization has been more cautious, with the majority of transfers in small low value firms. Most of the studies to date indicate that privatization appears to be successful in promoting high and middle-income countries. In poorer countries, the results are less clear-cut, though some positive results have been obtained (Todaro 2000).

The efficiency argument for privatization claims that private management is inherently superior to public management. There are assumed to be theoretical or practical influences on public enterprise management that lead to inferior performance. The private sector is assumed to have a time tested set of incentives and accountabilities in place, which help promote efficiency, thereby enhancing performance, and as these are not present in public sector, there are therefore bound to be inefficiencies in that sector. In line with this therefore, Companies, at a micro level are trying to redefine their Human Resource Management objectives to encompass issues such as " using human resources to gain competitive advantage."

In addition, discussions on the privatization policy have always been controversial with regards to the arguments between 'ownership' and 'efficiency'. It has been analyzed that the object of privatization is to see that 'good things happen' and that privatization is the catalyst that can help bring about policy returns. Elicker and Johnson (1990) share the view that contracting out certain activities or arranging for a management contract in some cases, may be preferable to cherishing state owned enterprises into private hands and this approach

may still lead to the expected efficiency. However privatization they said is introduced not as an end in itself but as a means to economic betterment for a country.

In their work "*Privatization: Not the only answer*," Vernon (1989) highlighted that state ownership is no guarantee of good performance. Their work commented on the fact that the determinants of an enterprise's success or failures are not who owns it, rather a firms success or failure is a function of to what extent and in what direction, its owners exercise authority that comes with the ownership and its managers carry out their jobs. In Kenya Airways, the management shows dedication to use human resources as their reliable asset of making the Company competitive.

Simply, enterprise success, regardless of ownership is a matter of developing a strong appropriate culture within the firms, of hiring the right managers and seeing that there is an appropriate control and motivation mechanisms in the place to properly guide their behavior. Unfortunately, much state owned enterprises have not fostered the right culture or hired the right managers etc. Another permissive argument is that the poor performance of state owned enterprises is due to their control system, which are excessive in quality but deficient in quantity. They tend to over monitor day to day activities while providing too little strategic direction.

Various scholars also posit that privatization is difficult to achieve and its potential benefits are uncertain. What is perceived here is that the opening up of the public enterprise sector to domestic or international competition is often difficult, and in some cases, inappropriate. In these circumstances, they believe that improving economic efficiency and performance will mainly result from improvements in the internal management of the public enterprise sector.

It is therefore evident from these observations that with privatization, there is a possibility of some efficiency and consequently, betterment of the economy. It is noteworthy that for efficiency to accrue, the public enterprise has to be reorganized to create a viable unit or to raise performance standards. The concern in this study is therefore the reorganization that takes place within the domain of employees.

"The privatization exercise demands the coordinated application of a wide range of skills and expertise from broad conceptual sweep to logistical minutiae" (Gibbon 2000). With regard to maximizing participation and improving satisfaction levels of employees, when the firm is privatized, the employees are offered a direct stake in their future, new career opportunities and freedom to manage their commercial affairs without interference from the government. "The success of restructuring from for privatization depends on labor relations and the cooperation of workers both of which benefit from offering shares to employees" (ILO, 1989). A way in which this restructuring process was implemented within Kenya Airways is by issuing of 3% of the public shares to employees.

Gibbon (2000) also notes that an employee adjustment strategy needs to be designed as part of the organizational strategies necessary to prepare the organization for privatization. He posits that public officials often face strong opposition to privatization. This is strongly felt from the public employees and their unions. However, experience has shown that making privatization attractive for impacted workers is vital to achieve support to implement privatization strategies. Gibbon suggests, "A way to reduce opposition is to communicate to workers a commitment to fair treatment. Keeping employees informed could reduce antagonism and avoid morale problems often associated with organizational change."

One of the principal reasons public employees are hostile to privatization is the perception that they will lose their jobs. However, this may happen in the short run. The experience in Kenya Airways is such that a number of employees lost their jobs when the airline company was privatized. With this reduction of the labor force, the jobs had to be redesigned. This redesigning of the jobs and its impact is the concern of this study.

There is evidence that privatization of Kenya airways led to improved performance. The main aspects of improved performance are: financial performance, profitability, passenger growth, route network expansion, fleet modernization, in flight service and overall customer care. Another indicator of improved performance is reflected in the "Kenya Airways dashboard." The "dashboard" measures performance in terms of punctuality, customer complaints, baggage delivery, seat utilization, and schedule disruption. Currently, these aspects stand at the following percentages:

Punctuality	84%
Customer complaints	Fallen from 2500 to 2 complaints
Baggage delivery	79% delivered on time
Damaged bags	14%
Seat utilization	72%
Schedule disruption	8%

(Sokoni Magazine July 2002)

The most comprehensive evaluation of the effect of privatization on government workers was conducted in 1989 by the National Commission on Employment Policy (NCEP), a research arm of the U.S. Labor Department. The study, titled "The Long-Term Employment Implications of Privatization," examined 34 privatized city and county services in a variety of jurisdictions around the country. The report found that of the 2,213 government workers affected over a five-year period by the privatizations, only 7 percent were laid off. More than half the workers (58 percent) went to work for the private contractor; 24 percent of the workers were transferred to other government jobs, and 7 percent of workers retired. The study concluded that "in the majority of cases, cities and counties have done a commendable job of protecting the jobs of public employees."

These findings are similar to those of other studies examining job displacement from privatization. A 1985 General Accounting Office (GAO) study found that of the 9,650 defense employees affected by contracting out, 94 percent were placed in other government jobs or retired voluntarily from their positions. Of the 6 percent of displaced employees, half obtained jobs with the private contractor. In the Kenyan case however, the employment market is different therefore studies of that nature would most likely give different results.

Other human resource management practices that take place may be in the form of training assistance and human resource strategies. The training of managers and workers in productivity, cost-saving strategies and customer service is important for the Company to excel in a competitive environment. Due to the new tasks that are introduced in the job redesigning process, workers and managers require new skills. Training will therefore

provide employees and managers with the tools needed to make the transition painless and increase awareness of the need for continuous improvement and productive efficiency.

It is due to this that in Kenya Airways, training in Information Technology has been given high priority. Management training programs also concentrate on "customer care, productivity and quality improvements, leadership skills, effective communication and team building" (Kenya Airways Annual Report & Accounts, 2000/2001).

In terms of human resource strategies, as an enterprise is privatized, there is need to develop workforce flexibility, and human resource departments need to evolve. Rather than simply reacting to changes in government and processing paperwork, human resource departments need to become employee advocates. To summarize this section, it is noteworthy that privatization forces a firm to restructure its internal operations for it to be efficient. Human resource practices happen to be part of these operations and they are not left out in the restructuring process. More specifically, aspects such as job design have to change when the workforce is reduced. Issues such as technology also impact on job design. Nevertheless, within Kenya Airways, privatization can be viewed as the overriding factor that brought about major changes.

2.2 JOB SATISFACTION

2.2.1 General Overview of job attitudes

A cursory glance into the literature on attitudes in organizational behavior reveals that attitudes are important elements for the attainment of successful organizational human resource management. Since management is defined by Fayol in terms of planning, organizing, commanding, co-ordination, and controlling, the bearing that employees' attitudes have on this process cannot be left out.

In order to show the importance of attitudes in human resource management; it is worth giving definitions of attitudes as given by various scholars, their basic components, and

how they can be changed. The foregoing constitutes part of the task of this section. The other part constitutes a specific focus on job satisfaction.

However, it is generally agreed that attitudes are mental and neural predispositions to respond or behave towards a certain object. Attitudes may either be negative or positive. If an employee for instance has a negative attitude towards an organization, he or she is likely to develop job dissatisfaction. Luthans (1992) defines an attitude as " a persistent tendency to feel and behave in a particular way towards some object." Baron (1981) also defined attitudes as "relatively lasting organizations of feelings, beliefs, and behavior tendencies directed towards specific persons, groups, ideas or objects." McCormick (1989) simply defines an attitude as the affective orientation towards a particular attitude object.

Although these definitions portray attitudes as simple processes, it is noteworthy that they are actually complex cognitive processes. However all the definitions cover all the components of attitudes, that is, the cognitive, affective and behavioral components. The behavioral component is what is basically relevant to organizational behavior since it is the part of the attitude that is observable. This component may thus be executed in the form of - buying a particular product, avoidance of certain people, among others. The concept of attitude is thus used in this context with a focus on the behavioral component, which is also predetermined by the affective and cognitive components.

With this general overview of attitudes it is noteworthy that an individual in an organization has attitudes, which influence his or her behavior. Job satisfaction happens to be an attitude, which can influence behavior. Therefore, it is worth laying focus on attitude of job satisfaction, which is a major variable in this study.

2.2.2 Job satisfaction

Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience." Vecchio R (1988) asserts that "job satisfaction is one's feeling, and action tendencies towards work." It is thus deducible that the first definition dwells on the positive side of the concept while the latter highlights the consequent actions towards the work. McCormick (1989) further asserts that job satisfaction is a specific subset of attitudes held by organization members. It is the attitude they have towards their job.

Vecchio and McCormick's definitions are adopted in this study since the concern is the positive feeling towards the work done by the individual in the organization. Job satisfaction has three dimensions. Firstly, it is an emotional response to a job situation. This can only be inferred. Secondly, it is determined by how well outcomes meet expectations. For instance, if the salary is commensurate to work done and is also equitable, the organizational participants are likely to develop job satisfaction. Finally, job satisfaction should be viewed as representing a combination of related attitudes.

As human beings, members of work-oriented organizations have thoughts and feelings that strongly influence their behavior on the job. These feelings are part of their conscious states and provide the inputs used by them to make decisions about their actions and reactions to their jobs. These conscious states of interest are attitudes and beliefs. Job satisfaction happens to be one of these attitudes.

According to Bottomley (1983) " for many people, work is the least rewarding aspect of life and more so, when the jobs do not provide them with opportunities to use their skills and abilities. A sense of satisfaction and achievement is more likely to be associated with life outside work than within it." From this observation, it is deducible that many employees do not find their job satisfying, therefore, this kind of satisfaction needs to be created.

The concept of job satisfaction may seem simple but it is actually complex. The complexity of the concept is evident in the numerous researches that have been done. McCormick (1989) acknowledges this aspect by noting that "job satisfaction has been the primary attitude of interest to both practitioners and researchers over the years. In 1976, Locke reported that there had been well over 3000 published studies of job satisfaction between the early work of Hoppock in 1935 and Locke's critique in 1976."

Apart from these researches, there has been continued research on this area and this study is a continuation of those researches in an attempt to simplify this concept. Researches on job satisfaction can be divided into a number of different schools of thought. These are:

Psychological needs school of thought

Psychologists such as Maslow, Herzberg and Likert who see development of motivation as the central factor in job satisfaction exemplify this. They concentrate their attention on stimuli, which are believed to lead to motivation, these being the needs of individuals for achievement, recognition, responsibility and status (Mumford 1972).

ii) Leadership school of thought

This was propounded by psychologists such as Blake, Mouton and Fiedler. They posited that behavior of supervisors was an important influence on employee attitudes. They then directed their observations on leadership style and the response of subordinates.

iii) Manchester Business school of thought

- This school of thought was constituted by personalities such as Lupton, Gowler and Legge. They approached job satisfaction from the effort reward bargain perspective. This led to a consideration of how wages and salaries of particular groups are constructed and the influence of factors such as over time and state of the labor market on earnings and employees attitudes to them.
- iv) The management ideology and values perspective sees the management ideology and values as an important influence. Crozier and Gouldner (1964) distinguish different value systems in organizations. They distinguished these systems into 3: punishment centered- bureaucracy where management behavior responds to deviations from rules and procedures with punishments; respective bureaucracy- where procedures are jointly developed by management and workers; and mock bureaucracy- the organization has rules

and procedures but neither management nor workers identify them as legitimate.

With these assertions, it is noteworthy that legislation formulated by management, and employees' perceptions of legitimacy of this, must have an influence on job satisfaction. Behavioral scientists further assert that " the factors described above are extrinsic to the tasks an employee is required to carry out and therefore, a less important factor in job satisfaction than the work itself and the way it is structured." (Cooper and Thorsrud, 1972). These behavioral scientists concentrate on the content of work and on job design.

All the foregoing viewpoints have important contributions to the theory of job satisfaction. Lupton, Gowler and Legge regard work as a contribution to control theory where earnings are the key factors. Crozier and Gouldner examined different manifestations of bureaucracy and indirectly related those concepts to job satisfaction. Nevertheless, a coherent theory of job satisfaction should embrace all these ideas.

Herzberg's viewpoint focuses on the need to identify the employees' needs. The organization should then ensure that those needs are met. This approach seems to ignore the real constraints under which most firms operate especially in the current competitive environment. These constraints may limit the satisfactions provided by the Company. Such constraints may arise from the firm's culture, technology and administrative structures (Mumford 1972).

In the light of this therefore, "a realistic approach to job satisfaction may look at the individual's needs in work and also the needs of the firm and the demands which it has to make of its employees because of the pressure exerted by the environment in which it operates" (French et al, 1971).

This then leads to a consideration of job satisfaction in terms of degree of fit between what an organization requires of its employees and what the employees are seeking of the firm, for instance: good salary, promotion, challenging jobs, among others. A more comprehensive approach to job satisfaction is proposed by Talcott Parsons. Parsons sees individual behavior as influenced by a number of personal conceptions. One of this is what the individual wants from a particular situation in which he or she finds himself or herself. Secondly is how the person sees the situation. Thirdly is how the person intends to use the situation in order to get what he or she wants from it. These three aspects lead to a model that explains job satisfaction.

CONTRACT

The Knowledge contract

THE FIRM

Needs a certain level of Needs skill and knowledge in its knowledge to be developed employees if it is to function effectively

Needs motivated employees

The psychological contract

The efficiency contract

The ethical contract

The task structure contract

Needs to achieve the output and quality standards

Needs employees who will accept firm's values

Needs employees who accept technical constraints associated with their jobs

THE EMPLOYEE

the skills and

Needs factors which will motivate him/ her e.g. achievement, recognition, responsibility, and status Needs an equitable reward supervisory bargain and controls

Needs to work for an employer whose values do not contravene his/ her own Needs a set of tasks which meet requirements for variety. interest, targets, feedback and autonomy

Source: Mumford (1972)

Mumford (1972) notes further that if an employee's needs in these five areas are met then we can hypothesize that he or she has high job satisfaction. Similarly, if an organization's needs are met on the five areas then the firm should be satisfied with the performance and attitudes its employees. The variables may all be met but sometimes, they may not. Why this is the case should therefore be investigated. One of the reasons for this is that an employee may be having unrealistic expectations. From the organization's perspective, the environment in which the firm is operating may prevent it from meeting some employees' needs.

2.2.3 Importance of job satisfaction

Job satisfaction is not only important to the organization but also to the individual. On the importance of job satisfaction to an individual, (Winter, 1969) carried out a research on the relation between job satisfaction and physical and mental well being. He concluded that " workers' physical and mental well being appeared to be highly correlated to job satisfaction. Highly satisfied workers tended to have better physical and mental records."

On the part of the importance of job satisfaction to the organizations, the attitude is important for the company's ability to attract and retain qualified workers. An organization's survival depends on this ability; for example, if an organization is known to mistreat workers it will find it difficult to recruit other qualified personnel into the organization. More importantly, low levels of job satisfaction have led to such problems as absenteeism, turnover, union organization and filing of grievances.

Therefore, organizations should be cognizant of the importance of job satisfaction among employees. The organization should work towards development of the attitude among its employees so as to avoid cases of turnover, absenteeism, and other problems associated with low job satisfaction levels.

2.2.4 Causes of job satisfaction.

There are certain aspects within an organization that cause job satisfaction. These are: supervision, job challenge, job clarity, and job content. In terms of supervision, changes in supervision leads to changes in job satisfaction levels. An important aspect of this is the degree to which sub-ordinates participate in decision-making that affects their work. High participation "nurtures positive feelings about the job." However the limiting condition is that the decisions should be "about topics with which employees are familiar and have expertise" (Mitchell 1978).

Job challenge basically involves the variety on the job creativity, difficulty of goals and use of ones skills. People tend to be more satisfied with their job when the work is clear and when the work environment is unambiguous. Therefore, managers should ensure that the jobs are clear and the work environment be unambiguous.

The job content incorporates issues such as job specialization. When the job is neither specialized nor standardized, an employee would have difficulty knowing what or how to do the job. On the contrary, the job may also be highly repetitive and boring. The job should therefore not be too specialized. It should rather create opportunities for interlinkage with other areas of specialization. This will then create job satisfaction because of the curiosity of an employee develops in trying to do some tasks that transcend his or her specialization.

The foregoing aspects focus on the job itself but in addition, there are others such as job level, length of service and organizational size, which influence job satisfaction. In terms of job level, researchers concur that satisfaction is higher among workers in high level positions as opposed to those in lower levels such as manual workers. Length of service is also an important aspect, in that, individuals with less time in jobs are said to be more dissatisfied than long - term workers. Coincidentally, long - term workers also tend to be in high-level positions. In terms of organizational size, employees in smaller

organizations tend to be more satisfied than employees in larger ones. This is basically because in smaller organizations, interpersonal interactions are more intense.

These causes of job satisfaction are important for the understanding of the attitude. Human resource managers of organizations can therefore take these elements into consideration when they are trying to establish their employees' job satisfaction levels.

2.2.5 Job satisfaction dimensions

As earlier mentioned, the concept of a job is very complex. It has many facets such as nature of the work, the supervisor, the company, pay or promotional opportunities. McCormick (1989) acknowledges that " the job itself serves as a unitary attitude object. The attitude or satisfaction that the individual associates with his or her job is the degree of satisfaction." However, an area of disagreement is whether job satisfaction has multiple dimensions or not. Researchers like Porter and Lawler define job satisfaction as a unidimensional construct; that is you are generally satisfied or dissatisfied with your job, in contrast, Smith, Kendall and Hulin argue that job satisfaction is multidimensional; that is you may be more or less satisfied with your job, your supervisor, your pay, your work place, etc" (Bavendam 2000).

In an attempt to discover the dimensions of job satisfaction over the years, the conclusion that has been drawn is that- although there are many specific and diverse job dimensions, which are related to job satisfaction, there is a set of dimensions common to most jobs that is sufficient to describe most of the practicable variance in job satisfaction. The model in *figure 1* summarizes the common dimensions. This study adopts this model as a guide to the dimension used to study job satisfaction in Kenya Airways.

Figure 1: Job satisfaction dimensions

General Categories	Specific dime	nsions Dimension description
1. Work	Work itself	Includes intrinsic interests, variety, opportunity for learning, chances for success, and control over work flow.
2. Rewards	Pay Promotions Recognition	Amount, equity, basis for payment Opportunities, basis fairness Praise, criticism credit for work done
3. Context of work	Working conditions	Hours, rest, pauses, equipment, quality of workspace location, temperature, etc.
4. Self	Self	Values, skills and abilities
5. Others	Supervision	Supervisory style and influence, technical adequacy, administration skills.

This model presents some of the variables that measure job satisfaction. These are defined in the conceptual framework later in this chapter.

2.3 JOB DESIGN

2.3.1 Overview of job design

Beardwell (1997) notes " the enthusiasm which HRM has been embraced by many working within the theory of job (re)design is founded on its prediction and promise that individuals need to be provided with stimulating and enriched jobs which tap those intellectual and cognitive domains left dormant by the traditions of organization and management." Due to this therefore, it is deducible that employees will perform far more varied and skilled jobs. As a result of the performance improvements, organizations then become competitive. Hence, one of the most important components of organizational effectiveness and prosperity is the attention and detail paid to the design of the work tasks.

Hackman and Oldham (1976) posit that "multi-skilled highly discretionary jobs influence the critical psychological state of an employee, promoting a sense of meaningfulness, responsibility and value. Once the employee begins to experience a more positive psychological relationship, with their job, manager, employer and organization, it is expected that improved performance will follow." Within Kenya Airways, this statement is valid in that the improved performance of the Company can be attributed to the meaningfulness, responsibility and value developed among the employees. Moreover, it is important to acknowledge the existence of other factors that lead to the improved performance, but this aspect of the jobs employees perform being meaningful is still important.

Job design is basically concerned with the characteristics of jobs and how these affect people's behavior. Many managers consider that job or work design has little to do with them. However, it has been proven that in a rapidly changing work place, job design has a big impact. This is why " in contrast to the discredited quality of work life movement in the 1960s and 70s, job design is back on the agenda as a critical component of job satisfaction and organizational performance" (Holden 1997).

The historical development of the concept of job design is well spelt out by Luthans (1992). He posits that " in recent years, relatively more research has been generated in job design and goal setting. Relatively more research has been developed in these two areas than elsewhere in the field of organizational behavior. It is becoming clear that appropriately designing jobs can have a positive impact on both employee satisfaction and quality of performance."

Existing literature reveals that job design is based on an extensive and growing theoretical base and that this area has had considerable research attention and is being widely applied to the practice of management. It is also noted that job enrichment still dominates job design literature, more so from the perspective of Herzberg's motivators. Job engineering, job enlargement and job rotation are also considered to have historical significance for job design.

Apparently, these are the variables chosen for this study and further information on each of these variables is presented later in the chapter. Job design concerns are considered to have begun with the scientific management movement. Pioneering scientific managers such as such as Frederick Taylor and Frank Gilbreth examined jobs using techniques such as time and motion analysis. Their goal was to maximize human efficiency in jobs. Jarvis (1998) acknowledges Taylor's argument that "management specialists should control work processes by designing tasks, measuring work, use of target setting selecting and training staff systematically and designing payment systems." scientific management eventually evolved into job engineering.

Before jobs were reengineered, it was found that at first, blue-collar production jobs were highly specialized and the employees did one or a few tasks. The employees also did the tasks the same way every time. The engineering approach to job design led to cost savings from the engineered jobs. The effect on this on issues such as absenteeism, quality and turnover were generally ignored. In the context of Kenya Airways also, job design has been viewed from the perspective of the benefits it has in terms of cost savings. What has not been explored is its influence on job satisfaction, which this study wishes to examine.

In the 1950s, some practicing managers such as Thomas Watson of IBM became concerned with job engineering approaches to work and consequently started implementing job enlargement and rotation programs. Job enlargement programs horizontally load the job- expanding the number of operations performed by the worker (making the job less specialized). Job rotation programs reduce boredom by switching people around the various jobs.

The 1960s was faced by increasing concern with employee dissatisfaction and declining productivity. Starting in the 1990s, there have been dramatic changes. "Because of the downsizing of organizations and the increase of advanced technology, jobs have become demanding and employees must think in different ways" (Luthans 1992). Job design therefore takes on special importance in today's human resource management. It therefore becomes essential to design jobs so that stress can be reduced, motivation enhanced and satisfaction of employees and their performance can be improved.

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In the context of this historical development of the concept of job design, it is noteworthy that this study seeks to make an additional contribution to this stream of researches in this new millennium by studying the influence of job design on employee job satisfaction within Kenya Airways.

2.3.2 JOB ENRICHMENT

Job enrichment refers to the vertical expansion of the workers' job, in that tasks carried out by his or her superior are assigned to the employee. Dessler (1991) posits that " it involves redesigning jobs for instance by letting the person to schedule his or her own work and check his or her own results. The purpose is to increase the opportunities for responsibility, achievement, growth and a recognition for doing the job well."

Job enrichment is a direct outgrowth of Herzberg's two-factor theory of motivation. The suggestion of the theory is that work be enriched to bring about effective utilization of personnel. Jobs should therefore be enriched to allow employees more self-direction and the opportunity to perform interesting, challenging and meaningful work. Furthermore, job enrichment is concerned with "designing jobs that include a greater variety of job content, a higher variety of skill and knowledge, more autonomy and responsibility in terms of planning, directing and controlling their performance" (Luthans 1992).

In spite of this positive portrayal of the concept of job enrichment, it is also noted that it is not a panacea for all job design problems facing modern management. For it to be effective, it must take into account the complex human and situational variables. This then raises he need to consider the concept of job enrichment with the other job design variables.

Advantage of job enrichment

Job enrichment can improve employee performance and attendance. Few rewards are as powerful as the sense of accomplishment and achievement that result from doing a job that you genuinely want to do. An enriched job carries with it intrinsic rewards- in terms of challenge, achievement, and recognition. The job's content, functions and specific duties should therefore be designed in a way that performing it makes the person feel good. " The intrinsic rewards can substantially increase employee morale and performance."

Steps in job enrichment

- a) Combining several jobs into a larger job involving a wider variety of skills.
- Giving each employee a natural unit of work so that he or she can complete a meaningful task.
- c) Allowing employees more responsibility for quality control and self determination of work procedures.
- Allowing employees to deal directly with clients, support personnel and persons performing related jobs.
- Providing channels of performance feedback so that an employee can monitor and self correct work behavior.

(Bottomley 1983)

Implementation concepts

a) Forming natural work units.

The overriding principle here is that of ownership, an employee's sense of continuing responsibility for an identifiable body of work. This ownership can make the difference between a feeling that the work is meaningful and rewarding and the feeling that it is irrelevant and boring. A way in which Kenya Airways did this indirectly is by issuing a percentage of shares to the employees. This made the employees develop some sense of ownership.

b) Combining tasks.

Existing and fractionalized tasks should be put together to form new and larger modules of work. If the module is too large, it could be assigned to a small team of workers who are given autonomy for its completion.

c) Establishing client relationships

Employees should be encouraged o establish direct relationships with their clients. With these, feedback increases, skill variety increases and also autonomy. This is because the individual is given personal responsibility for deciding how to manage his or her relationships.

d) Vertical loading

In this, responsibilities and controls formerly reserve for higher levels of management are added to the job. These include:

- Greater discretion in setting schedules
- Deciding on work methods
- Additional authority
- Freedom to manage own time
- Problem solving
- · Financial control over budget

2.3.3 JOB ENLARGEMENT AND JOB ROTATION

Job enlargement is the horizontal expansion of the employees' job by increasing the number of similar tasks he or she is assigned. As early as 1950 in the USA, job enlargement and job rotation were being both advocated and tested as being means for overcoming boredom at work. Despite this, it is still not clear how successful changes of this type have been in practice. However, some companies benefit from such increased flexibility of labor. This study seeks to establish the situation within Kenya Airways.

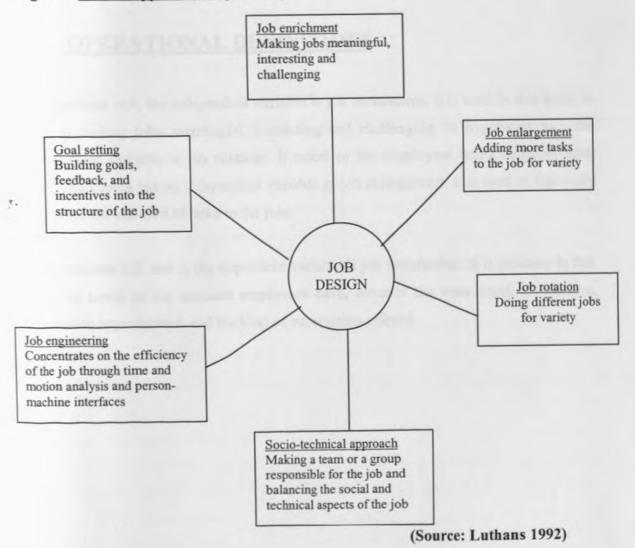
It has been observed that employees usually expect higher payments to compensate for learning these other jobs and for agreeing to changes in working practices. As a result, employees do not usually perceive the new jobs as marginal improvements in terms of the degree of repetition, the skill demands and the level of responsibility.

Job rotation involves systematically moving workers from one job to another. Job rotation is believed to boost innovation by enabling workers to apply knowledge of one

task to others. Also, exposing employees to others types of jobs within the firm promote a better understanding of what others do in the firm. Moreover, a multi-skilled workforce can more readily adapt to changing markets. It is therefore noteworthy that job rotation augurs well with the human resource management approach. However, when jobs are highly specialized, job rotation tends to be difficult.

It is therefore deducible that, some jobs in Kenya Airways are highly technical and specialized. Therefore, job rotation may not be visible. However, focus will be laid on the flexible jobs. After examining these variables that constitute job design, a worthy summary would be made by the *figure 2*.

Figure 2. Various approaches to job design



2.4 CONCEPTUAL HYPOTHESIS

It is hypothesized that job design influences employee job satisfaction

2.5 OPERATIONAL HYPOTHESIS

H1: Post privatization job enrichment increases job satisfaction.

H_{2:} Job rotation increases job satisfaction.

H_{3:} Job enlargement changes influence job satisfaction levels.

2.6 OPERATIONAL DEFINITIONS

In hypothesis one, the independent variable is job enrichment. It is used in this study to refer to making jobs meaningful, interesting and challenging. In hypothesis two, the independent variable is job rotation. It refers to the employees doing different jobs. Hypothesis three has its independent variable as job enlargement. It is used in this study to refer to the addition of tasks to the jobs.

In hypotheses 1,2, and 3, the dependent variable is job satisfaction. It is measure in this study in terms of the attitudes employees have, towards the work itself, co-workers, promotion opportunities, and the kind of supervision offered.

CHAPTER THREE METHODOLOGY

3.1. SITE DESCRIPTION AND RELEVANCE

The site where the data was collected is the Kenya Airways Headquarters located in Jomo Kenyatta International Airport (JKIA) in the outskirts of Nairobi city.

The Company has eight (8) departments that manage the airline company having the following number of employees:

DEPARTMENT

NUMBER OF EMPLOYEES

General counsel and Company secretariat	80
Corporate communications	106
Finance and IT	170
Commercial	350
Technical	467
Human Resources and Administration	160
Corporate strategy and industry affairs	200
Flight operations	677
Total	2210

An Executive Director who reports to the Group-Managing Director heads each of these departments. However there are other levels of personnel in each department, which include the middle level managers-including supervisors, and general workers (operatives).

Kenya Airways was considered relevant in carrying out the study because it is a firm that has undergone privatization and it also has employees who have worked in the company before and after privatization in 1996. Privatization brought about major changes, which also impacted on human resource management practices.

3.2 METHOD OF DATA COLLECTION

The method of data collection used was the survey technique of the questionnaire. The questionnaires were administered using the drop and pick method. They were administered to the operational level, middle level and senior management employees. The choice of this method is justified in that the time for interviewing the managers may not be available. Therefore the questionnaire is appropriate because they were filled at the managers' own time. The questionnaire administered constitutes appendix 1 of this study.

The researcher also utilized data from key informants who had details of the privatization process at Kenya Airways.

3.3 SAMPLING DESIGN

The population from which the data was collected is approximately 2763 employees who work specifically in Jomo Kenyatta International Airport. The main sampling method used was the stratified sampling method. The Company was divided into 8 strata, using the departments as the criteria. A sampling frame containing the number of employees per department was obtained. The sampling frame also indicated the employees who were employed in the Company before 1996, that is, before privatization. In order to select the respondents from each department, the employees were divided into three categories:

- Senior managers
- Middle managers
- General workers

Due to the difference in the number of employees in each department, a ratio was calculated to determine the number of employees from which data was collected. The distribution is as follows: DEPARTMENT

NUMBER OF EMPLOYEES SAMPLED

General counsel and Company secretariat	3
Corporate communications	4
Finance and IT	6
Commercial	13
Technical	16
Human Resources and Administration	6
Corporate strategy and industry affairs	8
Flight operations	24
Total	80

The research targeted at least one employee from each occupational level i.e. senior management, middle level management, and operational level. Data from lower level employees was considered important because they are the ones whose jobs are mostly affected by changes in the organization. Therefore knowing their perceptions was important.

3.4 METHODS OF DATA PRESENTATION AND ANALYSIS

Once the raw data was collected, the questionnaires were checked for proper recording of the responses and completeness. The data was then coded and checked for coding errors and omissions. It was then run through the Statistical Package for Social Sciences (SPSS). The output from the computer was presented in frequency distribution tables with percentages. Cross tabulations and graphs were also made.

CHAPTER FOUR DATA PRESENTATION AND ANALYSIS

INTRODUCTION

This chapter deals with the presentation of the research findings of the responses from the completed questionnaires obtained from the employees of Kenya Airways. The findings are presented mainly in frequency distribution tables, cross tabulations and graphs.

4.1 PROFILE OF THE STUDY POPULATION

4.1.1 Demographic characteristics of the respondents

The study obtained seventy- (70) completed questionnaires out of the targeted eighty-(80) respondents. Out of the total number of respondents, 60% were males, while 40% were females. In terms of education level, most respondents had university education. This constituted 48%, while 31% had professional qualifications. 20% of the respondents had secondary education and most of these belonged to the operational level in the organizational hierarchy. However, no respondents indicated that they had any other lower educational level.

With regard to the number of respondents from each department, the initial ratio was used and the largest proportion of respondents was from the flight operations department. They constituted 30% of followed by the technical department (30%) and commercial department (16.3%). The Corporate strategy, Finance and Information Technology, Human Resource and Administration and General Counsel and Secretariat departments had 10, 7.5, 7.5, 5 and 4 percentages of respondents, respectively. These varying proportions mainly depended on the varying number of employees in each department. A summary of the demographic characteristics of the respondents is summarized in table 3.

Table 3. Percentage representation of the respondents' demographic characteristics

		-	
	Male	42	60%
Gender	Female	28	40%
	Secondary	14	20%
Education level	University	34	48.8%
	Professional	22	31.3%
	General counsel	3	3.8%
	Corporate communications	4	5%
Respondents per	Finance an IT	5	7.5%
department	Commercial	12	16.3%
	Technical	14	20%
	HR and Administration	5	7.5%
	Corporate Strategy	7	10%
	Flight operations	20	30%

FREQUENCIES PERCENTAGE

4.1.2 Pre and post privatization levels of satisfaction

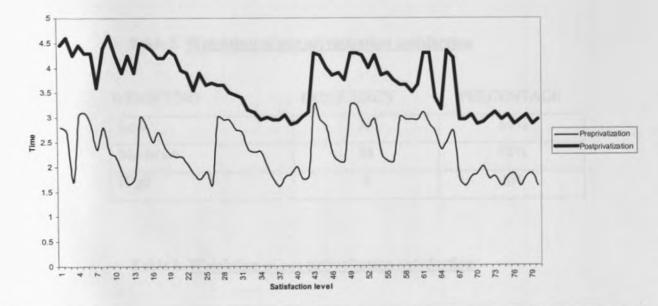
Table 4 shows the levels of satisfaction of Kenya Airways' employees before and after privatization, with respect to the various aspects of job design. In the table, the abbreviations VS, S, N, D and VD stand for: VS- Very Satisfied, S- Satisfied, N-Neutral, D- Dissatisfied, and VD- Very dissatisfied.

JOB	PRE-PRIVATIZATION					POST-PRIVATIZATION				
SATISFACTION FACTOR (VARIABLE)	VS	s	N	D	VD	vs	s	N	D	VD
Being busy all										
time	0	7.5	36.3	53.8	2.5	7.5	50	42.5	0	0
Working alone	0	0	37.5	42.5	20	5	38.8	35	21.3	0
Doing different things	0	5	16.3	33.8	45	13.8	33.8	22.5	30	0
Being someone in community	0	0	42.5	53.8	3.8	13.8	43.8	21.3	21.3	0
Handling by boss	0	3.8	31.3	40	25	11.3	57.5	31.3	0	0
Supervisor competence	0	2.5	35	35	27.5	22.5	53.8	23.8	0	0
Work against conscience	0	2.5	6.3	52.5	38.8	38.8	51.3	10	0	0
Steady employment	0	3.8	37.5	50	8.8	5	36.3	36.3	22.5	0
Doing things for others	0	8.8	46.3	37.5	7.5	21.3	31.3	47.5	0	0
Telling people what to do	0	26.3	40	31.3	2.5	25	32.5	42.5	0	0
Work that makes use of abilities	0	7.5	48.8	36.3	7.5	45	33.8	21.3	0	0
Company policies	0	0	18.8	43.8	37.5	7.5	26.3	66.3	0	0
Pay	0	2.5	37.5	32.5	27.5	5	48.8	43.8	2.5	0
Chance to advance	0	23.8	66.3	6.3	3.8	23.8	30	35	11.3	0
Using own judgment	0	17.5	31.3	42.5	8.8	10	40	50	0	0
Own working methods	0	10	36.3	36.3	17.5	6.3	42.5	51.3	0	0
Working conditions	0	7.5	32.5	37.5	22.5	13.8	57.5	28.8	0	0
Getting along with co-workers		0	38.8	57.5	3.8	23.8	22.5	53.8	0	0
Praise for work done	0	5	41.3	38.8	15	21.3	27.5	51.3	0	0
Feeling of accomplishment	0	5	38.8	37.5	18.8	20	51.3	27.5	1.3	0

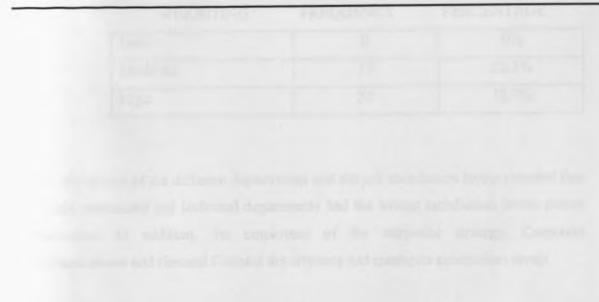
Table 4. Percentages of the pre and post privatization job satisfaction levels

From the table, it is evident that satisfaction levels were low in the pre-privatization period. This is seen in that majority of the respondents fall under the "Dissatisfied" and "Very dissatisfied" categories. In comparison to the post privatization period, employees were more satisfied and this is clearly shown in the table whereby most respondents were in the "Satisfied" category.

In order to show the shift from low to high levels of satisfaction graph 1 below is used.



Comparison of satisfaction in pre and post privatization periods



4.1.3 Weighting of job satisfaction levels

A variable as created to give a weighting to the various responses with respect to the various job factors. The variable ranked job satisfaction into three categories. The variable had three dimensions. These dimensions are: 1-2, meaning low satisfaction, 2.1-3, meaning moderate satisfaction and 3.1 and above meaning high satisfaction.

An average computed score of pre-privatization job satisfaction stood at 2.32. This meant moderate job satisfaction. The weighting for post-privatization job satisfaction was 3.68. This meant higher job satisfaction after Kenya Airways was privatized.

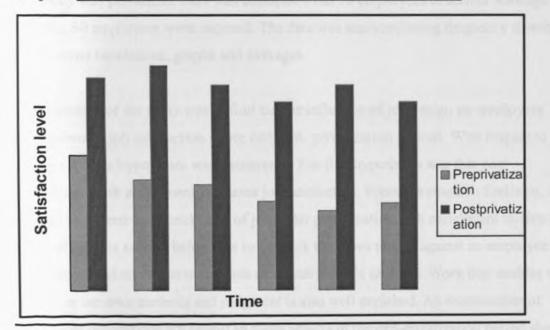
WEIGHTING	FREQUENCY	PERCENTAGE		
Low	23	34%		
Moderate	38	55%		
High	9	8%		

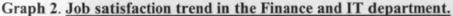
Table 5. Weighting of pre privatization satisfaction

Table 6. Weighting of pre privatization satisfaction

WEIGHTING	FREQUENCY	PERCENTAGE		
Low	0	0%		
Moderate	15	22.3%		
High	55	78.7%		

Cross tabulations of the different departments and the job satisfaction levels revealed that the flight operations and technical departments had the lowest satisfaction levels before privatization. In addition, the employees of the corporate strategy, Corporate Communications and General Counsel departments had moderate satisfaction levels. After privatization, there were increases in the satisfaction levels of the employees of the flight operations and technical departments, to moderate levels. The employees in the other departments also showed increases in job satisfaction levels from moderate to higher levels. The finance and information technology department realized the sharpest increase in satisfaction levels from very low to high. This trend in this department can partly be attributed to the increased usage of information technology. Graph 2 below shows this trend.





From these research findings, it is evident that there was a general increase in job satisfaction among employees of Kenya Airways after the company was privatized. Although these increases vary per department, it is also noteworthy that those departments whose jobs were redesigned encountered increases in job satisfaction levels. In addition, departments with highly technical jobs had the least increase in job satisfaction levels.

<u>CHAPTER FIVE</u> 5.0 <u>SUMMARY OF FINDINGS, CONCLUSIONS, AND POLICY</u> <u>AND RESEARCH RECOMMENDATIONS</u>

5.1 SUMMARY OF FINDINGS AND CONCLUSIONS

This study is on the influence of design on employee perceptions to job satisfaction in Kenya Airways. The study compared employee perceptions before and after the Company was privatized. Data was collected from 70 employees of Kenya Airways. Initially, 80 employees were targeted. The data was analyzed using frequency distribution tables, cross tabulations, graphs and averages.

The objective of the study was to find out the influence of job design on employees' perceptions to job satisfaction in pre and post- privatization periods. With respect to this objective, three hypotheses were generated. The first hypothesis was that post – privatization job enrichment increases job satisfaction. From the research finding's, it is evident that there was enrichment of jobs after privatization. Job enrichment is viewed in terms of aspects such as being able to do work that does not go against an employee's conscience, and work that makes use of an individual's abilities. Work that enables one to use his or her own methods and judgment is also well enriched. An examination of employees perceptions wit regard to these aspects in the ore-privatization period shows that job satisfaction levels were lower. Therefore the conclusion with regard to this is that post privatization job enrichment led to an increase in job satisfaction levels.

The second objective of the study was that job rotation leads to an increase in job satisfaction. Job rotation is viewed in terms of doing different job for variety. The research findings only showed that, of those departments doing jobs rotation, an increase in job satisfaction was realized. However, it is erroneous to generalize this to the whole company. Therefore, it is worth concluding that job rotation led to an increase in job satisfaction in some departments in Kenya Airways.

Job enlargement changes, influencing job satisfaction levels were the third hypothesis of the study. Job enlargement was examined from the viewpoint of it being the addition tasks to the jobs. The research findings revealed that the departments with less technical jobs had enlarged some jobs. Employees whose departments enlarged their jobs after privatization also exhibited higher job satisfaction levels. It is therefore concluded that job enlargement changes influence job satisfaction levels. The manner in which job enlargement influenced job satisfaction levels is by leading to an increase in the satisfaction levels.

5.2 POLICY AND RESEARCH RECOMMENDATIONS Policy recommendations

- This research reveals that privatization of Kenya Airways generally led to an increase in job satisfaction among the employees. More specifically, the job redesign that came with privatization had a great influence on job satisfaction. Kenya Airways and other former public enterprises should therefore be cognizant of these aspects and harness them in order to maintain a satisfied work force.
- Departments with low satisfaction levels should try to redesign their jobs in order to increase job satisfaction of employees.
- Job enrichment is an important aspect of job design and it directly relates to the work itself. It is also closely linked to job satisfaction. Therefore, firms should try to enrich their jobs in order to increase job satisfaction.
- 4. A recommendation to the government is that, if it is to continue owning some public enterprises, it should adopt some job design aspects from private companies to enable the enterprises to increased job satisfaction levels among their employees.

REFERONCES.

Research recommendations

- Future research could be done in Kenya Airways to establish in detail why job
 rotation did not lead to an increase in job satisfaction among employees in some
 departments.
- Further research could also be done about job design and job satisfaction in companies that have been privatized and those that have not.

Research in these areas could have relevance to Kenya Airways, the government and other stakeholders.

5.3 LIMITATIONS OF THE STUDY

This study is limited to Kenya Airways only. The experiences of other former stateowned enterprises and current government-owned parastatals, which would have otherwise been important, were excluded.

Other limitations of the study were: time and resources. The time and resources available for carrying out the study only enable the use of Kenya Airways as a case study.

Nevertheless, the study's research design was formulated in a manner that the foregoing constraints did not pose significant threats to the validity of the study.

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APPENDIX 1:

QUESTIONNAIRE

I am a postgraduate student at the University of Nairobi. I am conducting a research on **the influence of job design on the perception of employees to job satisfaction in Kenya Airways**. The study aims to compare your job satisfaction before and after the Company was privatized. This questionnaire is designed to ask you a few questions, which require your response. Your answers will be treated confidentially and only for purposes of the study.

PART I

2.	Gender	□ Male □ Female
3.	What is your e (A) Primary (B) Secondary (C) University (D) Other, spe	/
4.	Department:	 (A). General Counsel (B). Corporate communications (C). Finance and IT (D). Commercial (E). Technical (F). HR and Administration (G). Corporate strategy and Industry affairs (H). Flight operations
5.	(A) Senior M	evel management

PART II

KEY: VS-Very satisfied, S-Satisfied, N-Neutral, D-Dissatisfied, VD-Very dissatisfied

Be	fore privatization, this is how I felt about my job					
		VD	D	N	S	VS
1.	Being able to keep busy all the time					
2.	The chance to work alone on the job					
3.	The chance to do different things from time to time					
4.	The chance to be somebody in the community					
5.	The way my boss handled the staff					
6.	The competence of my supervisor in making decisions					
7.	Being able to do things that did not go against my conscience					
8.	The way my job provided for steady employment					
9.	The chance to do things for other people					
10	The chance to tell people what to do					
11	The chance to do something that made use of my abilities					
	. The way company policies were put into practice					
	. My pay and the amount of work I did					
	. The chances for advancement on this job					
15	. The freedom to use my own judgment					
	. The chance to try my own methods of doing the job					
	. The working conditions					
	3. The way my co-workers got along with each other					
). The praise I got for doing a good job					
). The feeling of accomplishment I got from the job					

On my present job after privatization, this is how I feel about

		VD	D	N	s	vs
1.	Being able to keep busy all the time					
2.	The chance to work alone on the job					
	The chance to do different things from time to time					
	The chance to be somebody in the community					
	The way my boss handles the staff					

		VD	D	N	S	VS
6.	The competence of my supervisor in making decisions					
7.	Being able to do things that do not go against my conscience					
8.	The way my job provide for steady employment					
9.	The chance to do things for other people					
10.	The chance to tell people what to do					
11.	The chance to do something that makes use of my abilities					
12.	The way company policies are put into practice					
13.	My pay and the amount of work I do					
14.	The chances for advancement on this job					
15.	The freedom to use my own judgment					
16.	The chance to try my own methods of doing the job					
17.	The working conditions					
18.	The way my co-workers get along with each other					
19	The praise I get for doing a good job					
20	The feeling of accomplishment I get from the job					

PART III

1. What influences have the additional tasks you perform have on the following aspects: (Tick as appropriate)

	Satisfactory	No effect	Unsatisfactory
Your relationships with co-workers			
Your perception of promotion opportunities.			
Supervision from superiors			
Your perception of work			

2. Does the department you work in engage in job rotation?

A) Yes (If yes, answer Q3 below) B) No

3. How do you relate with your co-workers as you perform the different jobs?

A) Favorably B) Smoothly C) Roughly D) Unfavorably

Is the supervision accorded to you in the various jobs satisfactory?

A) Yes B) No

Give reasons for your answer

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5. This scale measures your attitude in four areas: work, supervision, promotion, and co-workers before and after privatization. INSTRUCTION: Please indicate Y (Yes) or N (No) where appropriate.

		Pre- privatization	Post- privatization		Pre	Post		Pre	Post
Work	Fascinating			Routine			Frustrating		
Supervision	Hard to please			Praises good work			Stubborn		
Promotions	Based on ability			Dead end job			No effect		
Co-workers	Stimulating			Talk too much			No effect		