

**EXTENT TO WHICH KENYA AIRWAYS LTD HAS ADOPTED THE
CONCEPT OF A LEARNING ORGANIZATION**

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DECLARATION

This project is my original work and has not been presented for the award of a degree at any other university.

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DEDICATION

This project is dedicated to my father, the late Mr. Samson Okome Onyango, whose love and commitment to my education has seen me this far.

LIST OF TABLES

Table 1 – Mean Score for Dimensions of Learning Organization.....	39
Table 2 – Composite Mean Scores for Dimensions of Learning Organization.....	40

LIST OF ABBREVIATIONS AND ACRONYMS

AED	-	Arab Emirates Dirham
CEO	-	Chief Executive Officer
EU	-	European Union
FY	-	Financial Year
IATA	-	International Air Transport Association
KES	-	Kenya Shillings
LO	-	Learning Organization
MD	-	Managing Director
SAA	-	South African Airways
SAR	-	South Africa Rand
USA	-	United States of America

ABSTRACT

This study investigated the extent to which Kenya Airways has adopted the concept of the learning organization as a strategy of dealing with rapid changes in the business environment. During the study, primary qualitative data was collected from six respondents at Kenya Airways through interviews. Secondary data was also collected. Content analysis was used to analyze the data. The study found that to a moderate extent Kenya Airways has implemented the concepts of a learning organization. The study also found that of the three dimensions of a learning organization, the third dimension (leadership that reinforces learning) had the highest mean while the second dimension (concrete learning processes and practices) had the lowest mean. The study concluded that to a moderate extent, Kenya Airways had adopted the concept of a learning organization. The study makes two recommendations. First, researchers and academicians should emphasize the link between becoming a learning organization and strategically managing change. Secondly, becoming a learning organization requires the involvement of all members of an organization. This study recommends establishment of a division that is answerable to the Chief Executive Officer to coordinate the learning organization initiatives.

TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
LIST OF TABLES	v
LIST OF ABBREVIATIONS AND ACRONYMS.....	vi
ABSTRACT.....	vii
CHAPTER ONE : INTRODUCTION.....	3
1.1 Background of the Study.....	3
1.2 Research Problem.....	11
1.3 Research Objective.....	15
1.4 Value of the Study.....	15
CHAPTER TWO : LITERATURE REVIEW	18
2.1 Introduction.....	18
2.2 Theoretical Foundation of the Study	18
2.3 The Learning Organization	20
2.4 The Building Blocks of a Learning Organization	21
CHAPTER THREE : RESEARCH METHODOLOGY	31
3.1 Introduction.....	31
3.2 Research Design.....	31
3.3 Data Collection.....	31
3.4 Data Analysis.....	32
CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION.....	33
4.1 Introduction.....	33
4.2 Learning Organization Concept at Kenya Airways.....	33
4.4 Discussion of the Findings.....	40
CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATIONS ..	42
5.1 Summary.....	42
5.2 Conclusion.....	43
5.3 Recommendations of the Study.....	44
5.4 Limitations of the Study.....	44

5.5	Suggestions for Further Research	45
	REFERENCES	46
	Appendix 1: Interview Guide	i

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the twenty-first-century landscape, firms compete in a complex and challenging context that is being transformed by many factors, from globalization, technological development and increasingly rapid diffusion of new technology, to the development and use of knowledge. This new landscape requires firms to do things differently in order to survive and prosper. Specifically, they must look for new sources of competitive advantage and engage in new forms of competition.

Marquardt (1996) (as cited in Zink, 2007) highlighted the major challenges that all organizations must not only be aware of, but also must manage effectively. These are reorganization, restructuring and reengineering; increased skills shortages, with schools unable to adequately prepare for work in the twenty-first century; doubling of knowledge every two to three years; global competition from the world's most powerful companies; overwhelming breakthroughs of new and advanced technologies and spiraling need for organizations to adapt to change. If these issues are not addressed adequately, the resulting impacts are potentially perilous.

The background for the crucial importance of learning is that the combination of globalization, information technology and deregulation of formerly protected markets leads to more intense competition and to more rapid transformation and change. Both

individuals and companies are increasingly confronted with problems that can be solved only through forgetting old and obtaining new competencies. The rapid rate of change is reinforced by the fact that intensified competition leads to a selection of organizations and individuals that are capable of rapid learning, thus further accelerating the rate of change. The increased rate of change can be illustrated by the fact that it is claimed that half of the skills that a computer engineer has obtained during his education will have become obsolete one year after the exam has been passed, while the 'half-life' of skills for all educated wage earners is estimated to be eight years, Danish Ministry of Education, 1997) (as cited in Lundvall, 2006).

Different organizations respond differently to the changing environments. These changes generally require organizations to improve the way they have been doing things. But, how, can an organization improve without first learning something new? Solving a problem, introducing a product and reengineering a process all require seeing the world in a new light and acting accordingly. In the absence of learning, companies – and individuals – simply repeat old practices. Change remains cosmetic and improvements are either fortuitous or short-lived.

Senge (1990) argued that in situations of rapid change only organizations that are flexible, adaptive and productive will excel. He coined the term learning organizations to refer to organizations that value and derive competitive advantage from, continuing learning, both individual and collective. Buckler (1998) argued that by understanding and optimizing learning processes, managers in organizations will be able to achieve

behavioural change leading to performance improvement. Patterson (1999) discussed the idea of learning organizations and applied this to universities. He suggested that as universities adapt to the changing environment they are becoming learning universities. He concluded that the emerging comprehensive universities developed from strategic alliances are organizations that both learn and foster learning.

James (2003) distinguishes between two organizations – the command and control type or M-Form and the Learning Organizations or L-Form. She argued that in industries where efficiency is required such as steel and airlines, learning organizations are often the most profitable or the only profitable firms during economic downturns. She gives examples of Nucor Steel and Southwest Airlines as organizations that continue to be profitable while companies in their industries teeter on the edge of bankruptcy. Buhler (2002) argued that building a learning organization will assist companies in more effectively meeting the challenge of dealing with a rapidly changing environment. By seeking to be learning organizations, organizations are able change, adapt and learn.

Giesecke and McNeil (2004) concluded that adopting the learning organization model is one way that libraries can design organizations that are successful in rapidly changing environments. Tuan (2013) argues that it is knowledge and capacity to absorb knowledge that can help an organization to diagnose the early phase of a crisis for sustainable evolution. According to Tuan, when new knowledge cannot cascade through the organization, even though it exists in some corners, organizational health declines, let alone its intelligence to microscope latent market opportunities.

1.1.1 The Concept of a Learning Organization

The concept of learning organizations was popularized by Peter Senge after the publication of his book, *The Fifth Discipline*. Since then, the concept of a learning organization has received a lot of contribution from various scholars. Senge (1990) defined a learning organization as an organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.

Garvin (1993) defines a learning organization as an organization skilled at creating, acquiring and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights. He noted that learning organizations are skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from their own experience and past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization. King (2001), in discussions with executives and practitioners in the field of knowledge management and the learning organization, found that Garvin's view is insufficient because it does not encompass the notion of organizational results. He argued that few firms would be willing to invest in the pursuit of a learning organization if the results were to be solely expanding its capacity (Senge, 1990a) or even modifying its behavior (Garvin, 1993).

Drew and Smith (1995) defined a learning organization as a social system whose members have learned conscious, communal processes for continually generating, retaining and leveraging individual and collective learning to improve the performance of the organizational system in ways important to all stakeholders; and monitoring and improving performance. Huysman (1999) (as cited in Armstrong & Foley, 2003) defines a learning organization as a form of organization that enables the learning of its members in such a way that it creates positively valued outcomes, such as innovation, efficiency, better alignment with the environment and competitive advantage. Finger and Brand (1999) (as cited in Armstrong & Foley, 2003) conceptualise the learning organization as a strategic objective just like increased productivity or customer satisfaction.

The researcher agrees with King and adapts the definition of the term learning organization from Garvin (1993) and Drew and Smith (1995). In this study, a learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights and produces improved organizational results.

1.1.2 The Aviation Industry

In her 2012 annual review report, IATA reported that airline profits fell by 50% for the year 2011 despite air transport passenger traffic having grown by 5.9% with African Airlines experiencing the weakest performance due to the Arab Spring in the north of the continent. In 2013, IATA reported that airlines globally realized a 1.2% net profit margin in the preceding year despite an average GDP growth of 2.1%. IATA attributed the

profitability of airlines to efficiency gains and improvements in the industry but noted that a profit margin of 1.2% does not generate sufficient level of return to the investors (www.iata.org).

In 2010-11 financial year (FY), The Emirates Group made a profit of AED 5.38B. In the succeeding year, the company realized a 72.1% reduction in the profit. Profits for the FY 2011-12 dropped to AED 1.5B. The chairman of the group in his report acknowledged one fact – that there will always be challenges to face in the industry (www.emirates.com). Southwest Airlines, one of the best performing airlines in the USA, described the industry as one that is extremely volatile and subject to various challenges such as acts of terrorism, poor weather and natural disasters in her 2012 financial report. The airline noted that the industry continued to be negatively affected by uncertain economy, high and volatile fuel prices and government sequestration and shutdown. Collectively these factors contribute to volatile and unpredictable demand for air travel and related cost and pricing challenges (www.southwest.com).

In her 2012 annual report, the chairperson of SAA Group noted that unlike most of South Africa's state-owned companies, SAA operates in a highly competitive global market which continues to undergo unprecedented challenges and change. Factors such as market liberalization and consolidation, the shifting of global air traffic to mid-hemisphere hubs, and commoditization of the short-haul travel are serving to intensify the competitive nature of the industry. She further noted that keeping revenues ahead of costs is a never-ending challenge to airlines and that globally, the industry was in a

fragile state. The airline made a loss of SAR 1.07B during the period in review having made a profit of SAR 671M in the preceding year (www.flysaa.com).

In a report issued on October 01, 2014, DaMina Advisors – a frontier market risk research firm – predicts the death of African airlines due to the Ebola epidemic should the US and EU impose strict travel restrictions to West Africa. The research firm noted that the financial viability of several domestic African airlines such as Asky Airlines (Togo), Senegal Airlines (Senegal), CAA (DR Congo), Camair-co (Cameroon), Afric Aviation, Rwandair (Rwanda), Starbow (Ghana), Equajet (Congo, Brazzaville), Air Cote d’Ivoire (Cote d’Ivoire), Mauritanie Airlines (Mauritanie), DanaAir (Nigeria), Medview Air (Nigeria), First Nation Air (Nigeria), SN2AG (Gabon), Africa World Air (Ghana), CEIBA Intercontinental (Equatorial Guinea), Discovery Air (Nigeria), and Overland (Nigeria) among others could be imperiled if air transportation services within West Africa becomes severely restricted due to the EBOLA pandemic.

Foreign airlines such as KLM-Air France, Lufthansa, British Airways, Turkish Airlines, Emirates, Royal Air Maroc, TAP, South African Airways, Kenya Airways, Ethiopian Airlines who operate dozens of lucrative daily flights to key West African hubs of Lagos, Abidjan, Accra and Dakar will also see a sharp fall in patronage as business passengers postpone trips, tourists look elsewhere for pleasure and diaspora returnees stay home until the pandemic has subsided (www.daminaadvisors.com).

The above clearly demonstrates that Kenya Airways does operate in a very challenging environment. Managing change by correctly anticipating and responding appropriately remains at the very heart of survival and profitability of Kenya Airways.

1.1.3 Kenya Airways Limited

Kenya Airways Ltd. is the national carrier in Kenya. Kenya Airways Ltd was established in 1977 after the breakup of the East Africa Community and subsequent disbanding of the jointly-owned East Africa Airways. The organization was privatized in 1996. Kenya Airways Ltd is headed by the Managing Director (MD) and Chief Executive Officer (CEO) who reports to the Board of Directors. Kenya Airways Ltd. has weathered storms to remain one of the five biggest airlines in Africa. In the Financial Year (FY) ending 2011, Kenya Airways made a net profit of KES 3.54 Billion. In the accompanying report, the Board Chairman alluded to the challenging economic and geopolitical environment that the airline experienced during the fourth quarter of the financial year 2010-11.

In the FY ending March 2012, the airline realized a net profit of KES 1.67 Billion representing 52.8% reduction. In the accompanying report, the Board Chairman optimistically described the performance as sustained profitability. He described the operating environment as having experienced economic and geopolitical challenges throughout the trading period. In FY ending March 2013, the airline made a loss of KES 7.86 Billion. The Board Chairman described the operating environment as extremely difficult. He noted that air transport continues to face strong headwinds from continued global economic weakness and high fuel prices, which is likely to moderate any expected

improvement (<http://www.kenya-airways.com/>). The dynamic changes in the operating environment demand that Kenya Airways develop ability to learn fast. This is necessary for quick adaptation and response.

1.2 Research Problem

One thing that organization theorists and practitioners agree upon is that in the current business environment, change is more frequent, of greater magnitude and much less predictable than ever before. Garvin, Edmondson and Gino (2008) argued that for organizations to confront the mounting forces, they need to learn more than ever before. Huber (2002) discussed the concept of learning organization and noted that some companies such as Analog Devices, Chaparral Steel and Xerox had discovered the relationship between learning and continuous improvement and had begun to focus their companies around the idea. Giesecke and McNeil (2004) argued that for libraries to survive in the continuously changing information environment, they must find ways of becoming agile, flexible organizations. Such libraries will need employees who appreciate change, accept challenges, can develop new skills, and are committed to the organization's mission, goals, and objectives.

The concepts of the learning organization can provide leaders, managers, and staff with the tools they need to develop organizations that can succeed in turbulent times. Learning organizations encourage their members to improve their skills so they can learn and develop. The staff become more flexible as they acquire knowledge and are more able to move around the organization. Teare and Dealtry (1998) outlined the six benefits of

creating a learning organization. First, becoming a learning organization ensures the long-term success of the organization. It makes incremental improvements a reality, ensures that successes and best practices are transferred and emulated, increases creativity, innovation and adaptability, attracting people who want to succeed and learn and retaining them. Finally, it ensures that people are equipped to meet the current and future needs of the organization.

Kleiner (1996) as (cited in Zink, 2007) provides eleven critical reasons why organizations must relentlessly adapt and learn. These are to realize superior performance and competitive advantage, for customer relations, to avoid decline, to improve quality, to understand risks and diversity more deeply, for innovation, for the personal and spiritual well being of the employees, to increase the ability to manage change, for understanding, for energized committed work force and to expand boundaries.

Kenya Airways operates in a very dynamic environment that is constantly changing. To remain competitive, Kenya Airways requires the competence to detect the changing forces in the market. Such competence will ensure that the strategic response(s) taken will be of benefit to the organization. One way in Kenya Airways can maintain such competitiveness is by becoming a learning organization. Learning organizations are quicker in discerning the changes in the environment thereby adjusting appropriately.

Quinn, Anderson and Finkelstein (1996) argue that properly stimulated knowledge and intellect grow exponentially. As knowledge is captured or internalized, the available base

itself becomes higher hence a constant percentage accretion to the base becomes exponential total growth. They argued that this has profound consequence on strategies of the organization. Once a firm obtains a knowledge-based competitive edge, it becomes ever harder for competitors to catch up. Because the firm is a leader, it can attract better talent than competitors since the best want to work with the best. These people can perceive and solve more complex problems, make more profits as a result and attract even more talented people to work on the next round of complexity.

Driving and capturing individual's exponential learning has been the key strategic success for most intellectual enterprises such as Bell Labs, Intel, Microsoft, McKinsey and May Clinic, Nonaka (1991). Nonaka argued that in an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughout the organization, and quickly embody it in new technologies and products. These activities define the "knowledge-creating" company, whose sole business is continuous innovation.

In her investigation of the Learning Organization Concept, Weru (2005) sought to identify non-governmental organizations appreciation of the learning organization concept. She concluded that NGOs based in Nairobi, Kenya, had not taken conscious steps towards becoming learning organizations and recommended that similar studies be carried out in other institutions. She also recommended that studies be done to determine

factors that hinder learning in organizations in Kenya and the effects of employees learning on performance of the NGOs in Kenya.

Omolo (2009) studied the practice of the learning organizations and its relationship to performance among Kenyan commercial banks. Omolo sought to establish the extent of the practice of the learning organizations within Kenyan commercial banking sector and the relationship between the practice of the learning organization and performance. Her finding indicated that to a large extent Kenyan commercial banks had adopted the practices of the learning organization. She also determined that there was a positive relationship between the practice of the learning organization and organizational performance. Omolo recommended that further studies be done to determine whether this was part of a systematic strategy that the banks had adopted or an ad hoc occurrence for expediency and survival.

Kibet (2010) studied the application of learning organization at NSSF and concluded that NSSF was not a learning organization. Kibet recommended that similar studies be done in other organizations to determine whether the finding was unique to NSSF or a trend in other organizations. Omadede (2012) studied learning organization practices at Kenya Shell and concluded that to a large extent Kenya Shell was practicing the learning organization disciplines. He noted that such disciplines had provided a conducive environment for anticipating, embracing and creating change. To the best of the researcher's knowledge, the researcher is not aware of any study that has been carried out

to determine the extent to which Kenya Airways or an airline in Kenya has adopted the concept of the learning organization.

This study addressed the question To what extent has Kenya Airways adopted the concept of a learning organization?

1.3 Research Objective

The objective of the study was to determine the extent to which Kenya Airways Ltd. has adopted the concept of a Learning Organization.

1.4 Value of the Study

The interest in learning organizations is basically the search for the ideal organizational dynamics for growth, as it attempts to deal with the never-ending quest by organizations seeking to improve themselves while maintaining a position of competitive advantage. The underlying cause for recent emphasis on organizational learning, is the increased pace of change in the evolving business environment. For many years, working conditions and structures have been thought of as being conservative and difficult to change and learning has been something divorced from work so that innovation has been seen as the necessary but disruptive way of change. This is however, no longer true as change and the need for it is now measured in terms of months and not years as in the past. There is therefore the urgent need to keep abreast with the changing business environment and organizations must learn to work smarter to survive.

The study identified the current practices that support establishment of a learning organization at Kenya Airways. As a case study of Kenya Airways, this study can be used as a basis for a gap analysis by the Kenya Airways management should they seek to become a learning organization in the future.

Smith, Barnes and Harris (2014) compared learning organizations and ethical organizations. They concluded that models of learning organizations provide managers with excellent guides for building and developing ethical organizations as many of the tools shown to encourage organizational learning also encourage ethical behavior. An organization's leadership, its culture, its communication processes, a systems perspective, and a problem-solving orientation all contribute to the type of cohesive, sharing organization where ethical problems can be discussed and in which unethical behavior is less likely to occur or to be ignored. The characteristics of a learning organization described in this study can be incorporated with codes of conduct and ethics training that increase commitment to ethical practice.

The study should also influence the practice of management of other airlines and organizations that would want to become learning organizations. This study added to the study done by James (2003) who noted that during periods of economic downturns, it is only learning organizations that remain profitable.

Academicians and researchers of the learning organization concept may also find this study useful as it adds to increasing number of studies being done in this area. As earlier stated, this is the first study being done in Kenya based on the 3-point framework.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher will review literature related to the concept of a learning organization. The chapter covers the theoretical foundation of the study, the learning organization and the building blocks of a learning organization.

2.2 Theoretical Foundation of the Study

This study is based on the theory of competitive advantage. Strategic management research attempts to explain the sustained superior performance of firms. The leading theory is that sustained superior performance of an organization arises from sustainable competitive advantage. Although Porter (1985) discussed the concept of competitive advantage with reference to nations, he noted that it also applies to firms as nations do not compete. He considered the competitiveness of a country as a function of four major determinants – factor conditions, demand conditions, related and supporting industries and firm strategy, structure and rivalry.

Factor conditions comprised of human resources: the quantity, skills, and cost of personnel (including management); physical resources: the abundance, quality, accessibility, and cost of the nation's land, water, mineral, or timber deposits, hydroelectric power sources, fishing grounds, and other physical traits; knowledge resources: the accumulated scientific, technical, and market knowledge in a nation in the

sphere of goods and services; capital resources: the stock of capital available in a country and the cost of its deployment; and infrastructure resources: the characteristics (including type, quality) and the cost of using the infrastructure available.

Amit and Schoemaker (1993) discussed the relationship between a firm's resources and the organizational rent that a firm can earn. They defined resources as stocks of available factors that are owned or controlled by a firm. They argued that a necessary ingredient is the capabilities of a firm which they defined as a firm's capacity to deploy the resources to achieve a desired end. Capabilities are based on developing, carrying, and exchanging information through the firm's human capital. Hoffman (2000) extends the concept of competitive advantage and introduces the term sustainable competitive advantage. Hoffman defines sustainable competitive advantage as the prolonged benefit of implementing some unique value-creating strategy not simultaneously being implemented by any current or potential competitors along with the inability to duplicate the benefits of this strategy.

Day and Wensley (1988) in Hoffman (2000) focused on the elements involved in competitive advantage. Specifically, they identified two categorical sources of competitive advantage: superior skills, which are the distinctive capabilities of personnel that set them apart from the personnel of competing firms and superior resources, which are the more tangible requirements for advantage that enable a firm to exercise its capabilities. By leveraging their human capital resources through learning organization practices, organizations can create sustainable competitive advantage – a key ingredient in today's business environment.

2.3 The Learning Organization

Following the popularization of the concept of learning organization by Senge in 1990, a number of scholarly articles have been written on the subject and researches done. The amount of interest in the subject can be discerned from the number of publications and definitions that the term has generated. While most authors have supported the idea despite their varying definitions and models, few have come up to oppose the idea.

Grievés (2008) proposes that the idea of a learning organization should be abandoned. He cites three reasons. First, that there is no practical underpinning framework for a learning organization that all can agree on. Secondly, that the presence of such a framework would constitute a contradiction to continuous innovation and the very principle of the learning organization. Thirdly, the conservative bias underlying the concept. Grievés argues whether or not they see themselves or not, organizations will continue making money, learning in organizations will not stop and neither will organizations go out of business. Critically, Grievés disagrees with the concept as it is idealistic.

Some evidence show that organizations that apply the learning organization concept such as Corning, General Electric, Honda, British Petroleum, and Xerox, can keep moving ahead of change (Nonaka 1991; Garvin 1993; Prokesch, 1997) (as cited in Sudharatna & Li, 2004). In 1996, British Airports Authority (BAA), reviewed and endorsed a strategy for training and development which would help the company address its key challenges. The strategy was a continuous assessment process to focus on efficiency and effectiveness in learning which was borne from the realization that all their business strategies will require continuous upgrading (Teare & Dealtry, 1998). When British Petroleum (BP) did a survey of its staff performance, it did not like the results. Turnover

was close to a 100 per cent and the morale was low. The survey revealed that 60 per cent were discontent because of lack of training. Following this finding, the management at BP initiated a course “Developing People” and ensured overall alignment with the business requirements and this resulted in improved performance (Donegan, 1990).

The foregoing illustrates that becoming a learning organization is an opportunity for organizations not only to gain competitive advantage in an unstable business environment, but also to keep ahead of the dramatic rapidity of change. Mumford (1996) (as cited in Teare & Dealtry, 1998) suggests that one way of becoming a learning organization is by creating a learning environment. Mumford outlines the main benefits of creating a learning environment as: ensuring the long-term success of the organization; making incremental improvements a reality; ensuring that successes and best practices are transferred and emulated; increasing creativity, innovation and adaptability; attracting people who want to succeed and learn and retaining them; and ensuring that people are equipped to meet the current and future needs of the organization.

2.4 The Building Blocks of a Learning Organization

From the various discussions, a number of authors have proposed various models that could be implemented to realize the idea of learning organization. Senge (1990a) discussed the five disciplines or principles which must interact together to form a learning organization. The disciplines are: Systems thinking – which calls for contemplating the whole and seeing the patterns; Personal mastery – continually clarifying and deepening our vision, focusing energy while developing patience and

seeing reality objectively; Mental models - explicitly subjecting to reflection and rigorous scrutiny of one's deeply ingrained assumptions, generalisations, pictures and images that influence how one sees the world and takes action; Building shared vision - common identity and sense of destiny; Team learning - where the whole is greater than the sum of its parts; beginning with dialogue, suspending assumptions, overcoming defensiveness and freely thinking together. He considered systems thinking as the fifth discipline as it integrates all the others thereby forming a body of theory and practice. These disciplines emphasize individual and collective learning as the main drivers for organizational success and introduced to many, the concept of learning organization.

Teary and Dealtry (1998) identified four themes which organizations can look at when developing learning organizations. They identified the four themes as modeling the learning process in organizations, organizational readiness, teamwork and learning and networked learning. Armstrong and Foley (2003) identified four organizational structures called Organizational Learning Mechanisms (OLMs). They defined OLMs as the cultural and structural facets of an organization that facilitate the development of, improvement to and renewal of a learning organization. They noted that without these mechanisms, a learning organization was unlikely to emerge. They identified the four OLMs as: the learning environment, identifying the learning and development needs, meeting learning and development needs and applying learning in the workplace.

Sudharatna and Li (2004) identified six characteristics of a learning organization. These are cultural values, leadership commitment and empowerment, communication, knowledge transfer, employee characteristics and performance upgrading. It is these

many models that perhaps made Grieves (2008) conclude that given that there is no consensus on a single framework for implementation of a learning organization, it is better to abandon the idea of a learning organization.

Garvin (1993) also noted that without proper framework to organizations, efforts towards creating a learning organization may come to naught. He identified a three M framework – Meaning, Management and Measurement. First is the question of meaning. Organizations need a plausible, well-grounded definition of learning organizations; it must be actionable and easy to apply. Second is the question of management. There is need for clearer guidelines for practice, filled with operational advice rather than high aspirations. And third is the question of measurement. There is need for better tools for assessing an organization's rate and level of learning to ensure that gains have in fact been made.

Senge, Kleine, Roberts, Ross and Smith (1994) noted that, in their conversations with people who had committed themselves to the idea of learning organizations, many were still not certain on how to put the learning organization concepts into practice. They recognize that lack of definite tools and techniques could be a probable cause. They attribute the lack of tools to the fact that the field of learning organization was still and will still take several years to develop. Garvin, Edmondson and Gino (2008) also noted that with the various efforts that organizations had employed, very few had achieved becoming learning organizations. These lend credence to Grieves' argument that we should abandon the concept of a learning organization (Grieves, 2008). They attributed

this to lack of tools that could assist managers assess the progress. They developed a tool (The Learning Organization Survey) which the researcher adopts in this study for assessing areas where companies need to foster knowledge sharing, idea development, learning from mistakes and holistic thinking. This tool collapses the various ingredients of building a learning organization into three building blocks – a supportive learning environment, concrete learning processes and practices and leadership that reinforces learning.

According to Garvin, Edmondson and Gino (2008), an environment that supports learning has four distinguishing characteristics. In this first building block, employees need psychological safety. To learn, employees cannot fear being belittled or marginalized when they disagree with peers or authority figures, ask naive questions, own up to mistakes, or present a minority viewpoint. Instead, they must be comfortable expressing their thoughts about the work at hand. Secondly, appreciation of differences is required in an organization. Learning occurs when people become aware of opposing ideas. Recognizing the value of competing functional outlooks and alternative worldviews increases energy and motivation, sparks fresh thinking, and prevents lethargy and drift.

Thirdly, openness to new ideas. Learning is not simply about correcting mistakes and solving problems. It is also about crafting novel approaches. Employees should be encouraged to take risks and explore the untested and unknown. Finally, a learning organization creates time for reflection. When people are too busy or overstressed by

deadlines and scheduling pressures, however, their ability to think analytically and creatively is compromised. They become less able to diagnose problems and learn from their experiences. Supportive learning environments allow time for a pause in the action and encourage thoughtful review of the organization's processes.

Mathews (1999) argues that for workplace learning to achieve its stated objectives, certain learning opportunities, conditions and features need to be evident within the workplace. She asserts that a successful workplace learning environment should also have an internal organizational climate which supports the philosophy of learning advocated by the organization.

In building block two, it is recognized that a learning organization is not cultivated effortlessly. It arises from a series of concrete steps and widely distributed activities. Learning processes involve the generation, collection, interpretation, and dissemination of information. They include experimentation to develop and test new products and services; intelligence gathering to keep track of competitive, customer, and technological trends; disciplined analysis and interpretation to identify and solve problems; and education and training to develop both new and established employees. For maximum impact, knowledge must be shared in systematic and clearly defined ways. Sharing can take place among individuals, groups, or whole organizations.

Knowledge can move laterally or vertically within a firm. The knowledge-sharing process can, for instance, be internally focused, with an eye toward taking corrective

action. Right after a project is completed, the process might call for post-audits or reviews that are then shared with others engaged in similar tasks. Alternatively, knowledge sharing can be externally oriented – for instance, it might include regularly scheduled forums with customers or subject-matter experts to gain their perspectives on the company’s activities or challenges. Together, these concrete processes ensure that essential information moves quickly and efficiently into the hands and heads of those who need it.

According to Sudharatna & Li (2004), knowledge transfer arises when knowledge is circulated from one individual to others. The more interactions between individual employees are encouraged, the higher is the level of knowledge transfer. The transfer of knowledge provides opportunities and is an information base for members, groups or teams in organizations who are learning so that they can continually innovate products or services and processes.

The ability to gain understanding from experience requires the willingness to examine both successes and, particularly, failures. Many organizational systems conceal mistakes and thereby reduce, if not preclude, experiential learning (Pourdehnad and Smith, 2012). Unable to learn from their mistakes, they may fail to adapt to customer needs and to improve their processes to meet increasing competition. This defensive behavior is not new, but is pervasive and largely undiscussable.

Following the difficulties Boeing experienced after the introduction of 737 and 747 airplanes, Boeing commissioned a high-level employee group, called Project Homework, to compare the development processes of the 737 and 747 with those of the 707 and 727, two of the company's most profitable planes (Garvin, 1993). The group was tasked to develop a set of "lessons learned" that could be used on future projects. After working for three years, they produced hundreds of recommendations. Several members of the team were then transferred to the 757 and 767 start-ups, and guided by experience, they produced the most successful, error-free launches in Boeing's history.

One of the industries that has been good at learning from the past is aviation. The aviation industry has been successful in improving safety. By investigating accidents and major incidents and sharing lessons learnt, the commercial aviation has grown to become one of the safest industries. Mumford (1994) refers to this as the retrospective approach to learning. Burgoyne (1995) (as cited in Garavan, 1997), talks about an appropriate learning culture as an attribute of a learning organization. He defines it as a culture which supports shared learning from experience.

Building block three is concerned with the leadership that reinforces learning. Garvin, Edmondson and Gino (2008) argued that organizational learning is strongly influenced by the behavior of leaders. When leaders actively question and listen to employees—and thereby prompt dialogue and debate – people in the institution feel encouraged to learn. If leaders signal the importance of spending time on problem identification, knowledge transfer, and reflective post-audits, these activities are likely to flourish. When people in

power demonstrate through their own behavior a willingness to entertain alternative points of view, employees feel emboldened to offer new ideas and options.

Giesecke & Mcneil (2004) emphasizes the roles of leaders in modeling a learning organization. They argue that the organization's leaders must be committed to the concepts of a learning organization, be willing to share power with employees, and be committed to promoting learning. Buckler (1996) believes that success in achieving the learning company vision depends greatly on the effectiveness of managers and team leaders in creating an environment where individual, team, and thereby, organizational learning is facilitated. In order to do this they will need a deep understanding of the learning process, to be able to identify an individual's position on the stages of learning model, to understand the driving and restraining forces applicable to the individual at that time, and have intervention strategies to facilitate movement through the stages.

Bucker (1998) posits that leadership is required at all stages of the learning process. Batool and Riaz (2011) observed that leadership styles contribute positively in making an organization a Learning organization. Sudharatna and Li (2004) argue that leaders have important roles in an LO since they not only originate commitment to change (Senge, 1996) but also enhance the employees' ability to learn. Leaders' actions will shape organizational structure, decision-making processes and teamwork. Therefore, leadership commitment and empowerment is suggested as one of the LO characteristics.

Leaders in an LO instill a clear, shared sense of purpose to encourage teamwork, empowerment, investigation and risk-taking. They provide role models for employees' learning and continuous improvement as well as encouraging an experimental culture. They create vision and an atmosphere of trust, scan the environment for opportunities and threats, and develop employees. Moreover, leaders in LOs should pursue the aim of empowering all members to take part in the organization's goal, give power to affiliates so that they understand their roles within the organization. Therefore, leadership commitment and empowerment is a key to developing LOs.

Senge (1990b) argued that for the learning organization to be realized, the traditional model where the top thinks and the local acts must give way to the new model where thinking and acting is integrated at all levels of an organization. In learning organizations, leader's role differ dramatically from that of a charismatic decision maker. Leaders are designers, teachers and stewards. Learning organizations represent a potentially significant evolution of organization culture. Senge argues that unless the leadership capabilities they demand are developed, the organizations they lead will remain a distant vision. Senge et al (1994) noted that senior managers have a particular responsibility in a LO. They argue that senior managers are so influential that whatever they do has a substantial impact on the organization's field. Every aspect of their performance, every conversation they hold and every action they take demonstrates what values they believe are important to the organization. Consequently, a LO cannot exist without its senior managers commitment and leadership.

According to Ireland and Hitt (2005), strategic leaders required in the 21st century are those who will no longer view their positions in terms of rank and title but as rather of significant responsibility to a range of stakeholders. Instead of seeking to provide all the right answers, they will strive to ask the right questions of community of citizens they have empowered to work as partners with them. The most effective strategic leadership practices in the 21st century will be ones through which strategic leaders find ways for knowledge to breed still more knowledge.

The three building blocks of organizational learning reinforce one another and, to some degree, overlap. Just as leadership behaviors help create and sustain supportive learning environments, such environments make it easier for managers and employees to execute concrete learning processes and practices smoothly and efficiently. Continuing the virtuous circle, concrete processes provide opportunities for leaders to behave in ways that foster learning and to cultivate that behavior in others.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology that was adopted during the study. It describes the research design, data collection and analysis, the research instrument and the research procedure followed.

3.2 Research Design

The study employed a case study design as only one organization was studied. A case study allows an in-depth exploration of a concept and facilitates rich understanding of the organization that is being studied. Case study research excels at bringing us to an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships.

3.3 Data Collection

Primary qualitative data was collected during the study through personal interview of one top manager in each of the six departments – Flight Operations, Human Resources, Finance, Ground Services, Technical and Commercial & Marketing. From the interviews, some respondents offered secondary data. The interview guide was adopted from LO Survey Tool by Garvin, Edmondson and Gino (2003). The tool assesses the depth of

learning in an organization. It breaks down learning into three dimensions or building blocks – supportive learning environment, concrete learning processes and practices and leadership that reinforces learning.

Completed interviews were subjected to both field and office editing for completeness, consistency, uniformity and comprehensibility. Responses were further coded by assigning numerals to the various responses for ease of categorization.

3.4 Data Analysis

Responses were analyzed using content analysis technique and categorized into the various building blocks of a learning organization. The results were then compared against the benchmark scores established by the Learning Organization Survey Tool as developed by Garvin, Edmondson and Gino (2003) and conclusions made.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the data analysis process and results for each of the building blocks of the learning organization.

4.2 Learning Organization Concept at Kenya Airways

4.2.1 A Supportive Learning Environment

The first four questions of the interview focused on establishing the extent to which Kenya Airways provides a supportive learning environment. The study found that over the past two years, the company had instituted regular meetings commonly called Townhalls. Initially, this started at the highest office – the CEO. The CEO’s monthly townhalls still run to date. Due to the number of questions that are asked during the townhall and time limitation and to cater for those for one reason or the other cannot make it for the townhall, the CEO introduced a segment called “Ask Titus”. This was a secure channel for employees to direct their questions directly to the MD. The MD’s office samples some questions to respond to and this is communicated to all employees through the organization’s internal website.

The townhalls were later cascaded to the departmental levels where each departmental director is required to have monthly townhall with staff in his department. Down the

lower hierarchies, managers and supervisors are required to have meetings with their direct reports as and when necessary and these also provide opportunities for staff to air their views. The study also found that the Flight Operations Department has been having regular forums with the staff for many years. During these meetings, employees are free to ask questions about past decisions, the direction the company was taking and why the company hadn't take some decisions among others.

The Managing Director's office, being the office that oversees safety, has instituted confidential and non-punitive reporting systems. While this is expressly required by regulations, it is an indication of the lack of psychological safety that is required in a supportive learning environment. It was noted that the reporting of safety incidents through Air Safety Reports, Cabin Safety Reports or Industrial Safety Reports had significantly led to proactive identification of safety hazards.

While some of respondents agreed that opportunities for dialogue and inquiry had been provided, the slow or lack of implementation of some if not most of the suggestions dampens the spirit of employees. This perhaps explains the low turnout that characterizes such meeting months after the launch. The study found that there exists a supportive learning environment.

4.2.2 Concrete Learning Process and Practices

According to Garvin, Edmondson and Gino (2003), a learning organization has concrete learning processes and practices if the company has formal processes for generating,

collecting, interpreting, and disseminating information; experimenting with new offerings; gathering intelligence on competitors, customers, and technological trends; identifying and solving problems and developing employees' skills. Marsik and Watkins (2003) (as cited in Jamali, Sidani and Zouein, 2009) looks at this as an organization that creates continuous learning opportunities, encourages collaboration and team learning and establishes systems to capture and share learning.

From the Human Resources (HR) department, it was noted that they had instituted a clear succession planning programmes for critical roles in all departments. In this programme, holders of critical roles are required to identify their possible replacements. The holders of those positions are free to identify potential staff without being limited to the their current deputies or direct report. Once identified, these employees would be given opportunities for training and development to prepare them in readiness for such higher position. The department is currently conducting coaching and mentoring training for its heads of sections. Lo and Ramayah (2011) found that there is a positive relationship between career mentoring and all dimensions in job satisfaction such as co-workers, job itself, promotion and supervisors. They further noted that this corroborate previous studies that indicate that employees with mentors report higher levels of learning on the job than those without mentors and hence mentoring results in direct positive employee outcomes.

When properly implemented, a mentoring strategy can contribute immensely to the communication within organizations. It is provides a channel through which information

regarding values and culture are conveyed to the mentees who develop increased understanding of and the commitment to the field and their colleagues. This promotes continuity within the field and helps with strategic and succession planning and cooperation among coworkers. The satisfaction generated by the mentoring can subsequently renew commitment and enthusiasm in employees' work, lifting employees' spirits and revitalizing employees' interest, (Murray, 1991 (as cited in Lo & Ramayah, 2011)).

The HR department has an established Learning and Development Division. This division is charged with the responsibility of developing, monitoring and reviewing the training and development strategies to ensure that the skills, knowledge, abilities and performance of the workforce meet the current and future organizational and individual needs. Zink (2007) supports the idea and argues that introduction of a Chief Learning Officer, in this case Head of Learning and Development, role within an organization is a significant move in recognizing and rewarding learning initiatives. This champion oversees all learning within the structure.

The Marketing division collects information on the customers, competitors and technological trends. The division is currently at advanced stages of implementing Customer Relationship Management System – a system that will be a repository of customer information. It was also noted that the Commercial department is another department that is keen on competitor information. The HR department in its goal of ensuring the reward structure at Kenya Airways is externally competitive, does regularly

run employee opinion surveys. It also tries to benchmark its reward system with comparable organizations when reviewing its compensation structure.

The MD's, Flight Operations, Ground Services and Technical departments being sections that serve in the generally regulated sections of the organizations, were more keen on collaboration with equivalent departments in peer organizations. The World Class Operations within the MD's office has been keenly challenging departments to codify their procedures as reference documents and to continuously review them for superior performance.

4.2.3 Leadership and Learning Organization

The study found out that in the last two financial years, Kenya Airways had adopted an integrated annual objective setting. Before concluding the annual objectives, the CEO briefs the directors on the key deliverables of the year. The departmental directors in turn brief their divisional heads. The briefs are limited to the high-level objectives. The heads and the managers in consultation with their teams then develop objectives to support the overall vision of the organization. Thus the organization has realized involving employees in developing their objectives is a way of improving accountability.

The study also found out that the operational departments and divisions (Flight Operations, Ground Operations and Operations Control Centre) have an unstructured "Wear my Shoe" Program. In this program, staff from other departments are given

opportunities to work in other sections under the guidance of senior staff. This gives the staff the opportunity to experience the working environment of his or her colleagues and why they make some of the decisions they make. This had improved relationships within the departments.

When an organization's leaders demonstrate willingness to entertain alternative viewpoints, signal the importance of spending time on problem identification, knowledge transfer, and reflection and engage in active questioning and listening, they create the kind of leadership that supports learning, Garvin, Edmondson and Gino (2003). According to Marsik and Watkins (2003) (as cited in Jamali, Sidani and Zouein, 2009) leaders model and support learning by championing and supporting learning and use learning strategically for business results when they empower employees towards a collective vision by ensuring employees are involved in setting, owning and implementing a joint vision and that responsibility is distributed close to the decision making to motivate people to learn that for which they are accountable, they practice the leadership needed to foster a learning organization.

4.2.4 Dimensions of Learning Organization

The tables below show the results from six respondents on the various aspects.

Table 1: Mean Score for Dimensions of Learning Organization

Supportive Learning Environment							Mean (%)
Psycho-social Safety	94.3	65.7	45.7	71.4	68.6	65.7	68.6
Appreciation of Differences	71.4	53.6	35.7	64.3	67.9	64.3	59.5
Openness to new ideas	92.9	50	64.3	40.0	92.9	85.7	71.0
Time for Reflection	94.3	31.4	48.6	61.8	57.1	68.6	60.3
	88.2	50.2	48.6	59.4	71.6	71.1	63.6
Concrete Learning Processes and Practices							
Experimentation	78.6	42.9	57.1	75	64.3	60.7	63.1
Information Collection	100	21.4	28.6	59.5	61.9	52.4	54.0
Analysis	85.7	54.3	40.0	77.1	88.6	80.0	71.0
Education and Training	97.6	69	54.8	90.5	85.7	61.9	76.6
Information Transfer	91.1	21.4	33.9	75	92.9	60.7	62.5
	70.6	40.1	38.9	49.4	57.3	56.9	52.2
Leadership that reinforces learning							
Leadership	87.5	67.5	47.5	82.5	87.5	50	70.4

On average, Kenya Airways scored higher than the median in Appreciation of Differences, Analysis, Education and Training and time for reflection. The lowest score recorded in the aspect of Information Collection. Being a global company, Kenya Airways employs staff from all over world. Operating in such a multicultural context could explain the high score in the appreciation of differences aspect of the supportive learning environment. Also, the structure of the HR department, creation of a learning division, the delegated responsibility on training to managers and regulatory requirements in some departments such as Flight Operations, Technical, Ground services could be a contributor to the high scores in the aspect of training and education.

The mean scores of the six departments sampled were as follows:

Table 2: Composite Mean Scores for Dimensions of Learning Organization

Dimension of Learning Organization	Score (%)
Supportive Learning Environment	63.6
Concrete Learning Processes and Practices	52.2
Leadership that reinforces learning	70.4

4.4 Discussion of the Findings

In all the three dimensions, Kenya Airways scored below the benchmark scores of 71%, 74% and 76% respectively but all were above the 50% mark. Supportive learning environment, concrete learning processes and practices and leadership that reinforces learning was 7.4%, 21.8% and 5.6% lower than the benchmark score. Openness to new ideas and information collection had the lowest scores at 71% against a benchmark of 90% and 54% against a benchmark of 80% respectively.

Looking at the various components shows that there are variations as one moves from department to department. Openness to new ideas had a score of 92.9% in one department and 40% in another department. Information transfer is scored 91.1% in one department and 21.4% in another. This variation also reflects on leadership dimension although it is the best scored dimension. The highest and lowest score were 87.5% and 47.5% respectively. This wide variation is reflected in all the components with appreciation of differences having the lowest range of 35.7%. Due to the nature of the business, Kenya Airways employees all over world. This could explain why this aspect has the lowest variation. The variation among departments could be an indication of the

independence the different heads of department in running their departments, there is need to reduce the variations for a unified corporate image.

The findings from this study follow the same pattern that Garvin, Edmondson and Gino (2008) found when they did the survey at a public utility firm in the United States of America. The firm had 62% on supportive learning environment, 58% on concrete learning processes and practices and 68% on leadership. They argued that such results are expected in organizations that have long enjoyed monopolies. Although the aviation industry is being liberalized, this has been slow in Africa. With the collapse of major regional national carriers such as Uganda Airlines, Cameroon Airways and Zambian Airways due to political instabilities, Kenya Airways has enjoyed monopolistic advantages in the African market.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The objective of the study was to determine the extent to which Kenya Airways had adopted the concept of the learning organization. The study established that to a moderate extent Kenya Airways has adopted the concepts of a learning organization. Below were the specific findings for each of the building blocks of a learning organization.

The first building block that was assessed was a supportive learning environment. While most respondents agreed that there exists a supportive learning environment, some felt that there are occasions when mistakes are held against those who commit them particularly when such mistakes lead to huge financial losses. Most respondents agreed that there is openness to new ideas. However, the support of new ideas is at times very low as people adopt a wait and see attitude. When people are not sure about the success of a new idea, the support during implementation of such ideas is low.

The second building block assessed during the study was concrete learning processes. The study found that most of the respondents were of the opinion that Kenya Airways invests in training. New employees are trained in the specific areas of deployment. Experienced employees do also receive training particularly when new initiatives are being launched. However, this training is only limited to one's area of specialization. The respondents also felt the organization does not support further training in areas of

employee's interest. As a policy, the company does not have education allowance and does not reward educational achievements of staff such as acquiring a degree or diploma. Only Commercial department seems keen on collecting information about competitors. Flight Operations, Managing Director's Office and Technical are more aggressive collecting data from other peers for benchmarking purposes. It is notable these are departments that heavily regulated and since most regulations are fairly uniform across the industry, they do not necessarily compete but are keen to learn from others.

The third building block is leadership that reinforces learning. The study found that managers have direct responsibility of facilitating learning and growth for the employees who report to them through periodic reviews of their performance and recommending learning opportunities. However, the study noted that the current reward system does not encourage learning. According to Giescke and McNeil (2004) in addition to promoting and supporting learning, an organization must reward learning in order to succeed. Performance appraisals should include rewards for developing new skills, for teamwork, and for continuous personal development that supports organizational goals. When learning is rewarded people are more likely to adopt behaviors that support and promote learning activities.

5.2 Conclusion

This was an exploratory study and investigated the extent to which Kenya Airways has adopted the concepts of a learning organization. The study concluded that to a moderate extent, Kenya Airways had adopted the concept of a learning organization. This study

concludes that adopting the concept of a learning organization can enhance the organization's competitive advantage in a rapidly changing business environment.

5.3 Recommendations

The study makes two recommendations. First, researchers and academicians should emphasize the link between becoming a learning organization and strategically managing change. Most respondents had a perception that a learning organization is a state whose benefits can only be realized once that state is achieved. Secondly, becoming a learning organization requires the involvement of all members of an organization. Implementing some of the components of the learning organization involves initiating change programmes which require top management commitment. The researcher recommends establishment of a division that is answerable to the Chief Executive Officer. This will ensure that required changes are uniformly implemented in the entire organization. This would help reduce the variations noted among departments during the study.

5.4 Limitations of the Study

This study was not commissioned by Kenya Airways. It was purely an academic study. Therefore, the results of this should not be construed to be the position of Kenya Airways as an institution. Secondly, being an academic project that had to be completed within some specific timelines which could not tie with the busy schedules of the target respondents, in some cases, direct reports of the initially sought respondent was resorted.

Finally, being a case study, the results of this study do not represent the situations in other airlines in Kenya or beyond.

5.5 Suggestions for Further Research

The researcher makes two recommendations for further research. First, recommends that further studies be done at Kenya Airways to determine why there were wide departmental variations on the individual dimensions of learning and the components that make each of the dimensions. Secondly, further research should be done to determine whether the current situation is deliberate or sheer good luck.

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Appendix 1: Interview Guide

This interview has been designed to collect information for academic purposes only. The information provided shall be treated with the highest level of confidentiality and shall not be used for any other purpose other than stated.

PART A – RESPONDENT’S BACKGROUND INFORMATION

- a) What is your department?
 - a. Flight Operations
 - b. Ground Operations
 - c. Commercial
 - d. Finance
 - e. COO
 - f. MDs
 - g. Human Resources
 - h. Information Systems
 - i. Technical

- b) How many years have you been employed by Kenya Airways?
 - a. 0-5 years
 - b. 5-10 years
 - c. 10-15 years
 - d. Over 15 years

PART B – LEARNING ORGANIZATION QUESTIONS

- a) In your department, is it easy to speak up your mind?
- b) In this department, are different opinions valued?
- c) Are the people in this department open to new ideas?
- d) Does your department take some time to reflect on the past?
- e) How often does your department try out new ways of working?

- f) Does your department systematically collect information on competitors, customers or new trends?
- g) Does your department frequently discuss underlying assumptions that may affect key decisions?
- h) Do newly hired employees receive adequate training?
- i) Does your department have forums for meeting with and learning from experts from other departments, customers or suppliers?
- j) Does your manager invite input from others in discussions?
- k) Does your manager provide time, resources and venues for identifying organizational challenges and problems?