COLLABORATION AND FIRM COMPETITIVENESS AMONG AIRLINES IN KENYA

BY

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DECLARATION

This research project is my original work and has not been submitted for the award of a degree or any other qualification in any other university.

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

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I also appreciate the contributions of all the respondents towards the success of this project.

God bless you all.

DEDICATION

To Alan, Alex and Marion

ABSTRACT

Collaborations enhance competitiveness, which is derived through deploying internal capabilities and resources that allow the company to accomplish activities better than their competitors in terms of low cost and/or differentiated strategies. The study wanted to investigate the relationship between collaboration and firm competitiveness among airlines in Kenya. The study design that was adopted was that of descriptive survey research and was guided by the following objectives: to establish the various collaborative practices implemented by airlines in Kenya; and to determine the relationship between collaboration and firm competitiveness among airlines in Kenya. Both secondary and primary data were utilized in the study. The collection of primary data was done using a semi-structured questionnaire. Secondary data on the other hand was obtained from annual financial and corporate reports of the airlines. The respondents in the study were the strategic and operations managers of the airlines. The study population was the airline companies in Kenya, currently 66 in number. A census approach was applied in the study in which case the sampling frame consisted of all the 66 airlines operating in Kenya. A 5-point Likert scale was used in measuring the output of each of the items the participants answered. The variables numerical were described and analyzed using descriptive statistics. Using SPSS version 21 package, a Multivariate regression model was used to analyze the relationship between collaboration and firm competitiveness. The outcome of the study establishes a near perfect positive relationship between collaboration selection and firm competitiveness among airlines in Kenya with the regression analysis indicating that up to 87.2% of the firm performance among airlines in Kenya can be attributed to the collaboration practices they have adopted in over time. The study recommends that firms not only in the aviation sector to engage in inter-firm collaborations in a bid to enhance their core competencies. The study further recommends that firms in Kenya foster collaborative Private and public in designing the scope and functionality of a performance framework specifically tailored to the Kenyan macro-environment to enhance firm competitiveness. The study was limited to the extent that, a study of this magnitude needs to include the survey of many firms. This was however not possible due to the constraints of material and time resources, which did not make this possible. On the other hand, some of the respondents were non-committal due to the sensitivity of the subject matter. The study recommends further research to focus on the critical success factors in the adoption of best practices collaborative practices. Studies involving confirmatory factor analysis will need to be carried out to further test the model so established and to confirm the findings of the study.

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ABBREVIATIONS AND ACRONYMS

CPFR: Collaborative Planning for Forecasting and Replenishment

CSFs: Critical Success Factors (CSFs)

NSE: Nairobi Stocks Exchange

RBV: Resource-Based View

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

A firm's ability to use the knowledge obtained from its external environment is important when it to its competitiveness besides the creation of the firm's knowledge proprietary and innovation (Matusik, 2010). Therefore, for the purpose of competitive success, a number of scholars have recognized the importance of inter-organizational collaboration. They note that through collaboration, the organizations learn from each other. They can also earn from the other organizations through the observation and importation of the practices of the firm (Inkpen, 1998; Florin, & Lane, 2011; March & Simon, 1958; Veugelers, 1997). The cooperation between firms is now something new. The only new thing here is its significance as an organizational form. The judgment of the success of the firms that are involved in the collaborative processes is done by looking at the ability of each partner to ensure the generation of innovation-led growth. This is done by looking at the range, closeness, and depth, of the interaction that exists between themselves as well as their cooperation partners. It is also judged by the impact such collaborations have on the general performance of the industry (Ingram, 2013).

Collaboration is diversified in its scope, structure, form, and targets to be pursued. In each case, it is different; it proceeds distinctly and specifically for each situation depending on current internal and external determinants. Moreover, the understanding and the practical application of principles guiding collaboration hinge on their interpretation, and thus they may considerably differ among organizations. Basically, it may be illustrated by the differences in the use of collaboration principles by local government units and military, where distinctions may arise from diverse responsibilities, legacy, authority structure, organizational frameworks and autonomy among the components (Kaiser, 2011).

In addition, the identification of conditions for collaboration poses a challenge because in each case unique considerations and elements are required (Perrault, 2011). Even well-formulated collaboration principles may not bring anticipated outcomes (Sienkiewicz, 2014). Possibilities and effects of collaboration may be constrained by, for instance, opportunism resulting from the asymmetrical structure of dependencies among organizations, supervision systems diminishing capabilities for effective management of interpersonal relationships or by increased centralized coordination shrinking flexibility of relationships and their innovativeness (Young and Denize, 2008). Therefore, collaboration can be less than advantageous (McGuire, 2006).

1.1.1 Collaboration

Bardach and Vij (2012) define collaboration as a joint activity involving two agencies or more that work together with the intention of increasing public value together instead of separately. Collaboration constitutes benefits for all parties and well-defined relationships between two or more organizations aiming to attain common goals by these organizations (Mattessich 2001; Payan, 2007). In essence, collaboration is characterized with open-endedness resulting from the evolution of inter-organizational relations and becoming applicable widely in the private, public, as well as non-governmental sectors. The continuous popularity of collaboration in the operations of many institutions and enterprises has been caused by the environmental uncertainty, the quest for gaining a competitive advantage, and because in the world of business today, it is impossible to act on your own as a firm (Kożuch & Przygodzka, 2012).

Many people view collaboration as a positive form of cooperation that covers well-structured and lasting relationships, the flow of resources, among other interactions that specific organizations engage in with each other to be in a better position of attaining their collective or individuals targets (Kożuch, 2011; Damanpour & Schneider, 2006). Inter-organizational collaborations, when viewed from the point of strengthening the relationship, it proves to be more productive as compared coordination and cooperation, and network relationships, which may and may come before a full organizational integration (Axelsson & Bihari, 2006). The nature of partnership collaboration is its open-endedness, which is the main principle that guides collaboration that includes trust, honesty, and mutual respect. Following all that, collaboration is an impact of the evolution seen in mutual connections (Camarinha & Afsarmanesh, 2012).

1.1.2 Firm Competitiveness

Firm competitiveness is defined a firm's ability in designing, producing and or marketing products that are superior to their competitors' products in terms of the non-price and price qualities (D'Cruz, 1992). Therefore, as described by Florin and Lane (2011), the competitiveness of a firm is related to the industries or firms' ability to stay competitive. In turn, this is used as a reflection of their capacity of improving or protecting their position relative to their competitors that are also actively involved in the same market as they are. As such, a firm's competitiveness is the ability of that firm to perform better than the other comparable firms in terms of sales, profitability, market shares (Lall, 2001). Additionally, Cook and Bredahl (1991) make an argument that we can also view competitiveness in terms of the choice of a geographic area, time, or product. Still, Beck (1990), says that the interpretation of competitiveness can be in terms of the firm's ability to handle structural change.

Those processes that aid in the identification of the importance as well as the current performance of a firm's core processes like those of operations management, strategic management, human resources, and technology management processes are what we refer to as competitiveness processes (Damanpour & Schneider, 2006). This competitiveness process is, therefore, looked at as process meant to achieve balance and complement the traditional functional processes including human resources management and operations management. Depending on the perspective from where the issue is approached, one can treat competitiveness as an independent or a dependent variable according to Matusik (2010).

1.1.3 Airlines in Kenya

Cherian & Flores (2015) give the definition of an airline as a company owning and operating many planes that carry goods and passengers to and from different places. In Kenya today, more and more airline companies are launching their operations in the country, thus, leading to increased competition in the aviation industry. Within Africa, Kenya Airways is the most significant airline, even amidst competition and the price pressures that are lately being experienced. Some of the competitors that have launched their flights on major routes include Qatar Airways, Emirates Airlines, among others. For instance, the Qatar Airways has effectively involved itself in several destinations in the Middle East and Europe. The Emirates Airlines, on the other hand, has been competitive in many parts of the world as well as Africa. In terms of the pricing Front, the airline that raised the competition bar is Air Arabia. At the same time, when it comes to pricing, KQ has been facing competition from the Middle. The other airlines that have tried to enhance their presence in the African region by expanding into new routes as well as increasing their presence in the already existing destinations include Rwanda Air, Air Uganda, Fly540, Precision Air, and Jet Link (Makoha, 2015).

One of the industries of great significance is the airline industry. It is vital because it helps in the facilitation of world trade, economic growth, tourism, and international investment. Therefore, it is central in the globalization that is being experienced in many industries today (http://adg.stanford, 2016). Just within the past decade, there has been a growth in air travel by 7% annually. Throughout the world both leisure and business travel has grown immensely. Just last year, 1.5 billion passengers were carried in scheduled airlines. The leisure market is the other area that has seen tremendous growth. For example, traveling was more affordable and convenient because of the large aircraft like the Boeing 747, which allowed people to travel to many novel and exotic destinations. In the developing countries, the governments discovered the benefits that tourism brought to their economies. As such, they indulged into the development of infrastructure and resorts as a way of attracting tourists to their countries (Makoha, 2015). This way, the airline industry has continued to grow.

1.2 Research Problem

Collaborations enhance firm competitiveness by creating inter-organizational and organizational structures that allow for the sharing of power, resources, and authority. This works by bringing people together for the achievement of common goals that would have been difficult to accomplish independently as an individual person or an individual organization (Bruner, 2014). For instance, inter-organizational collaboration can bring about the transformation of adversarial interaction into joint efforts to enhance problem-solving (Ray & Winner, 2009).

The airline industry has found itself in a very competitive market characterized by globalization and increased consumer demand for quality services and increased value for their money. A case at hand is the poor performance of Kenya airways which posted a 26 billion loss in the fiscal year 2015/2016 (NSE, 2016). Ethiopian airline seems to have gone through the same financial crisis before going into receivership in January 2016. Various strategies have been pursued to gain competitive advantage. Airlines in Kenya have embraced formation of strategic alliances with other organizations to be able to compete effectively in the global arena (Kahavya, 2015). This study seeks to look at some significant fundamentals in the processes of collaboration, the factors that drive inter-organizational collaboration, as well as the logic behind the importance of these processes to enhance competitive development in the airline industry in Kenya.

Many studies have been conducted on the issue of collaborations. Eisenhardt and Schoonhoven (2015) did a multiple case study on inter-firm collaborations among SMEs in Malaysia and found that forming inter-firm collaborations would most likely take place when the two firms are both vulnerable in terms of their strategic position. That is, both of the firms require resources. It can also occur when the social positions of the two firms are strong. That is, both of them have enough resources that they can share. Paananen (2015) carried out a descriptive survey on the management of collaboration for innovation among American manufacturing companies and found that the successfully manage the inter-organizational collaboration geared towards innovation, the practices of boundary spanning need to be balanced. Cherian and Flores (2015) conducted an exploratory study on the critical success factors to collaboration in cross-border alliances. Based on the experiences of the manufacturing industries in India, some revelations were made. They found out that for inter-organizational collaborations to be successful, some critical success factors (CSFs) need to be in place and they include environmental, strategic, temporal, and structural oriented elements.

Locally, Kinyua (2010) conducted a multiple case study on strategic alliances between public universities and middle-level colleges in Kenya and found that; the collaborations help to tap the resources from vocational economies of scale and enjoy faster payback on investment. Onyango (2014) undertook a descriptive survey on Strategic collaboration among the retail Supermarkets in Nairobi Kenya and found that strategic collaboration with the small and medium supermarkets was only practiced to a very small extent, almost nil. Kabuiya (2015) carried out a case study on the Inter-organizational collaboration between the co-operative bank of Kenya limited, and Safaricom limited and found that; mobile telephone firms receive cost and product related benefits more than other benefits while banks got market-related benefits more than other benefits.

While literature acknowledging the role of strategic alliance in enhancing firm competitiveness in the global market abound, literature on how collaborations impact on firm competitiveness in the airline industry in Kenya remains scanty. In addition, most past studies have failed to address the approaches to coping with project dynamics and change management challenges in collaborations. Towards this end this study wanted to address the following research questions; what are the collaborative practices implemented by airline firms in Kenya? What is the relationship between collaboration and firm competitiveness among airlines in Kenya?

1.3 Research Objectives

The study was guided by the following research objectives:

i. To establish the various collaborative practices implemented by airlines in Kenya; and

ii. To determine the relationship between collaboration and firm competitiveness among airlines in Kenya

1.4 Value of the Study

The findings of the study will have policy implications at the firm, industry, and macro levels. At the micro- level, the findings of the study will provide vital, timely information to the management of airline companies in Kenya on optimizing the existing inter-organizational collaborations. Towards this end, the study will provide insights on how companies in Kenya's airline industry can enhance their core competencies and dynamic capability in the local and international market.

At the policy level, the study will be instrumental to Government and Regulators by providing insight knowledge on how to mitigate the immense challenges that are facing the airline sector in the country particularly now that Kenya Airways is engulfed in a huge financial and management crisis. The study will thus provide backstopping to policy makers in the line ministries as they formulate strategies to help airline firms in Kenya regain its full potential.

In terms of the theory, some of the results in this thesis may be similar to the existing literature concerning inter-organizational collaborations. Similarly, some of the assumptions made in the literature may be challenged. When it comes to the new knowledge, the outcomes of the analysis and the investigation may be looked at as a combination of applied and basic research that will be used in the generation of new insights that may help in advancing the concept of strategic alliance practically and theoretically.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the empirical and theoretical literature from past studies on inter-organizational collaboration and firm competitiveness. The chapter focuses on; the theoretical framework, the empirical literature and the conceptual framework of the study.

2.2 Theoretical Framework

This section builds a theoretical model by drawing on the business network theory, the resource-based view, and institutional theory.

2.2.1 Business Network Theory

Advanced by Axelsson (2010), the industrial/business network approach, popularly known as the Uppsala School is a school of thought that helps one to understand the manner in which the world interacts. According to the business network theory, the interaction characterized with interplay or reciprocal action or interplay. It is not just a matter of action by one organization and reaction by another. Thus, interaction is a process that happens over time between actors. The contents of the process of interaction are obtained from the involved in a way that none of the actors fully controls the whole process. Therefore, there is a change in these interactions over time because of the change the actors themselves experience that contribute to change and allows them to receive the change from the other organizations.

The relevance of the business network theory to the current study is based on the fact that in the network approach important standpoints are pinpointed by the theory pinpoints. As such, in the concept of interaction between organizations, there can be the identification of various characteristics of relationships including complexity, continuity, informality, and symmetry (Axelsson, 2010). Continuity can be described as the relative stability that characterizes the relationship between the customer and the supplier. Complexity in these relationships comprises issues like the type, number, and contact channels for the members in each of the organizations that are involved in the supplier and customer relations.

2.2.2 Resource-Based View

In 1991, Barney proposed the Resource-Based View (RBV).Based on the RBV, the resource a firm possesses determines the firm's performance, which may enable them to achieve a sustainable competitive advantage according to Hoffer & Schendel (1978); Wenerfelt (1984). As Barney (1991) says, the resources concept include all the organizational assets, capabilities, firm attributes, knowledge, information, knowledge, among others that a firm controls, enabling the firm's conception of and implementation of the strategies that help in improving the firm's effectiveness and efficiency (Barney, 1991; Daft, 1983).

The resource-based view of strategy inspires this study's point of departure. Here, the resources possessed by the actors give them the ability to achieve a competitive advantage because these resources are either rare or valuable. Following the transformation of the rare and valuable resources, this can create a competitive advantage. Actors can sustain such advantage for a longer time so that the actors are able to protect itself against resource substitution and imitation. From this point, inter-organizational collaboration is seen as a route used in accessing or acquiring the resources they can transform into capabilities (Ingram, 2013).

2.2.3 Institutional Theory

King and Jepperson (1991) advanced the institutional theory. The institutional theory believes that through collaboration, new institutions can be produced through the facilitation of their creation as well as availing them inter-organizationally. This is due to the social nature of institutions that makes it easy for them to regulate themselves. Consequently, institutions are the social patterns that with chronical reproduction, survive because their processes are self-activating.

The institutional theory is thus relevant to the current study since it provides a basis for the examination of the ways that collaboration may be applicable in developing new institutions. This involves following the descriptions of institutional processes that could give a suggestion of a stage model or process that can be used for institutional diffusion and innovation (Strang & Meyer, 1993). In the institutional theory, collaboration is predisposed as an interaction that occurs between informal structures and formal organizations. In the formal organizations, there is the sharing of the power of decision-making and authority. In each society, there are several horizontal or hierarchical organizations that either belongs in the non-governmental, public, or private sector (King & Jepperson, 1991).

2.3 Collaboration Practices

According to Panayides and Lun (2014), the main inter-organizational collaboration involves Investing in relation-specific assets, engaging in the substantial exchange of knowledge, which includes exchanging the results in joint learning. It also includes the combination of the capabilities or resources that are either complementary or scarce. This process leads to jointly creating unique services, products, or technologies, together with mechanisms of effective governance that result in lower costs of the transaction.

The main feature that distinguishes relationship-specific assets is the fact that within a relationship, they tend to have a greater value than when they are outside one. An example is an upstream supplier investing in the customization of his product in the way of meeting his downstream purchaser’s needs. However, even after the investment, the buyer may decline meeting her commitment, which triggers exposit renegotiation. This makes the seller at a weaker position because of the adjustments he had made to the product to meet the specific needs of the purchaser, which makes it almost impossible to get the original price on a different purchaser. For effective collaboration to take place, the members need to have high levels of trust and commitment (Doucette, 2010; Schotanus, 2010). As such, the construct proves to be more important in comparison to the other forms of trust like interpersonal trust, when looking at the success of the relationships in the supply chain. When it comes to the exchanges between firms, there is the creation of an environment where the firms are working towards exceeding the relationship’s minimum requirements as a way of increasing the possibility of getting mutual benefits (Panayides & Lun, 2014).

Knowledge-sharing routines ensure cooperation and communication as a critical pillar in the inter-organizational collaborative arrangement. This approach leads to better understanding through collective learning (Tella &Virolainen, 2009; Schotanus & Boer, 2010). Being Communicative is the level the organizations are expecting and engaging in the sharing of information. Effective communication nurtures information flow between the channel partners as well as lessens the possible negative impacts of safeguarding information. The process of effective communication of across the business partners requires that the firms recognize formally the significance of sharing the technical expertise with their suppliers and customers. The expertise is a representation of the capability that can be transmitted across firms, which forms a transaction-specific resource investment responsible for fostering a relational governance bond (Barney, 1991; Olavarrieta & Ellinger, 2011).

Sharing complementary resources and capabilities enables collaborating partners acquire and maintain appropriate resources like; training, IT, etc. (Erridge & Greer, 2010). Another key undertaking is the sharing of complementary expertise, skills, and resources. In addition, the members should establish standardized procedures and processes while encouraging the joint selection of goods and services (Erridge & Greer, 2011). Structures are examined in Transaction Cost Economics as a way of creating a firm-specific linkage hoping to buy market-based capabilities (Essig, 2006). Through collaboration, firms need to find ways of sharing rewards and risks, developing strategies for the reduction of the interactivity costs, and the development of normative guidelines to manage and select their partners (Sha & Che, 2010).

Effective governance has to do with how a firm constructs collaborative governance during the design phase of the inter-organizational life cycle, which is vital to its success. Three primary mechanisms have been highlighted by literature for addressing the issues of governance in inter-organizational collaboration. First, it has been proposed by the transaction costs theory that the ownership of equity is a mechanism that is effective in governing alliances (Williamson, 2013). During an alliance, a firm may expose itself to behavior that is opportunistic as a way of deriving the intended benefits, or in cases where uncertainty exists in the market conditions that face the relationship (Holmstrom, 2009).

2.4 Firm Competitiveness

For the firm, competitiveness is productivity that reflects in either differentiated products or low costs that realize premium prices (Chikan, 2008). However, from the point of view of the customer, competitive advantage is the value a customer derives out of purchasing and using a product or service in excess of its cost. They also define firm-level competitiveness as the ability of a firm to do the designing, production, and/or marketing products that are superior to those produced by their competitors, while looking at non-price and price qualities (Ambastha & Momaya, 2004). Here, non- price advantages may include quality, differentiation and brand image (Depperu & Cerrato, 2005; Ambastha and Momaya, 2004; Skarmeas, & Katsikeas, 2011); innovation, technology and internet connectivity; productivity (Bbaale, 2011; Porter, 1985); agility; flexibility, adaptability and heritage (Jin & Moon, 2006; Momaya, 1998). Hence, competitive advantage is a superiority or differential of a firm within the industry relative to its competitors (Cerrato & Depperu, 2011). In other words, firm-level competitiveness is associated with the competitive advantage concept, which is the core of strategic management (Cerrato & Depperu, 2011; Ogrean & Herciu, 2009).

Secondly, competitiveness is a term often representing business rivalry and comparison among firms for the economic strength and/or market share of a business entity in relation to its competitors in the industry or market (Ambastha and Momaya, 2004). With this view, the meaning of competitiveness seems to be synonymous with competition. According to Garelli, (2004), competition is an external environmental factor over which the firm may not have control whereas competitiveness is an internal capability or characteristic of the firm that can be developed, maintained, and improved. Thus, competitiveness is an ability that enables a firm to meet the customer requirement sustainably at a profit (Chikan, 2008). It is further stated that the achievement of this capability is done through giving goods and services with high customer value compared to competing ones (Chikan, 2008). Firm competitiveness focuses on comparing the performance of the firm to other competing firms in the same industry. An industry's competitiveness is analyzed by comparing it with a similar industry in other regions or countries, and finally country, regional or trading block performance comparisons are relevant, especially due to globalization (Balkyte &Tvaroviciene, 2010; Ogrean & Herciu, 2009).

2.5 Collaboration and Firm Competitiveness

The impact of collaboration on firm competitiveness in the course of accelerating market dynamics is based on the dynamic capabilities theory advanced by Teece, Pisano, and Shuen (1997). The theory stresses on learning and accumulating new knowledge assets, which flow into new solutions as well as securing a sustainable competitive advantage.

The dynamic capability theory, just like the SWOT analysis functions by synthesizing the external market opportunities and the internal resource advantages according to Blomqvist and Levy (2011). Particularly, the relational view by Dyer and Singh relational view stress the potential competitive advantage that firms can gain from the inter-organizational collaboration (Dyer and Singh, 1998).

According to traditional literature, close collaborations or companies are capable of offering a greater cost saving of transactional cost as compared to the market solutions (Coase, 2004). Still, literature that is more recent has made the identification of better transfer and sharing of knowledge, specifically, tacit knowledge as the key advantage of such organizations or groups (Kogut &Zander, 2010). Grant (2009) considers a learning routine as a regular interaction pattern among individuals that allows the process of transferring, recombining, or creating specialized knowledge. As emphasized by the dynamic capability theory, inter-organizational and organizational learning are crucial factors in the achievement of sustainable competitive advantage.

Collaborations enhance competitiveness, which is derived through the deployment of internal resources and capabilities that permit the company to execute activities better than competitors. This is in terms of low cost and/or differentiated strategies that enable firms to competently and differently respond and adapt to the external environmental forces and changes (Barney, 1991). In particular, the resource-based view promotes the significance of resources and capabilities the firm has control over and/or can access as a source of sustainable competitiveness (Cerrato & Depperu, 2011; Ogrean & Herciu, 2009). Although resources have been named differently to include competencies (core or distinctive) and capabilities which are sometimes interchanged with skills, literature consistently classifies the firm's internal resources to include both tangible and intangible resources and capabilities (Ogrean & Herciu, 2009). Towards this end, collaborations align Resources and capabilities to generate competitive advantage when they are distributed heterogeneously across firms and the differences are constant over time (Balkyte & Tvaroviciene, 2010). Most important is that these resources and capabilities should be rare, highly valuable, non-substitutable, and difficult to reproduce by other competing firms (Barney, 1991).

2.6 Empirical Literature and Knowledge Gaps

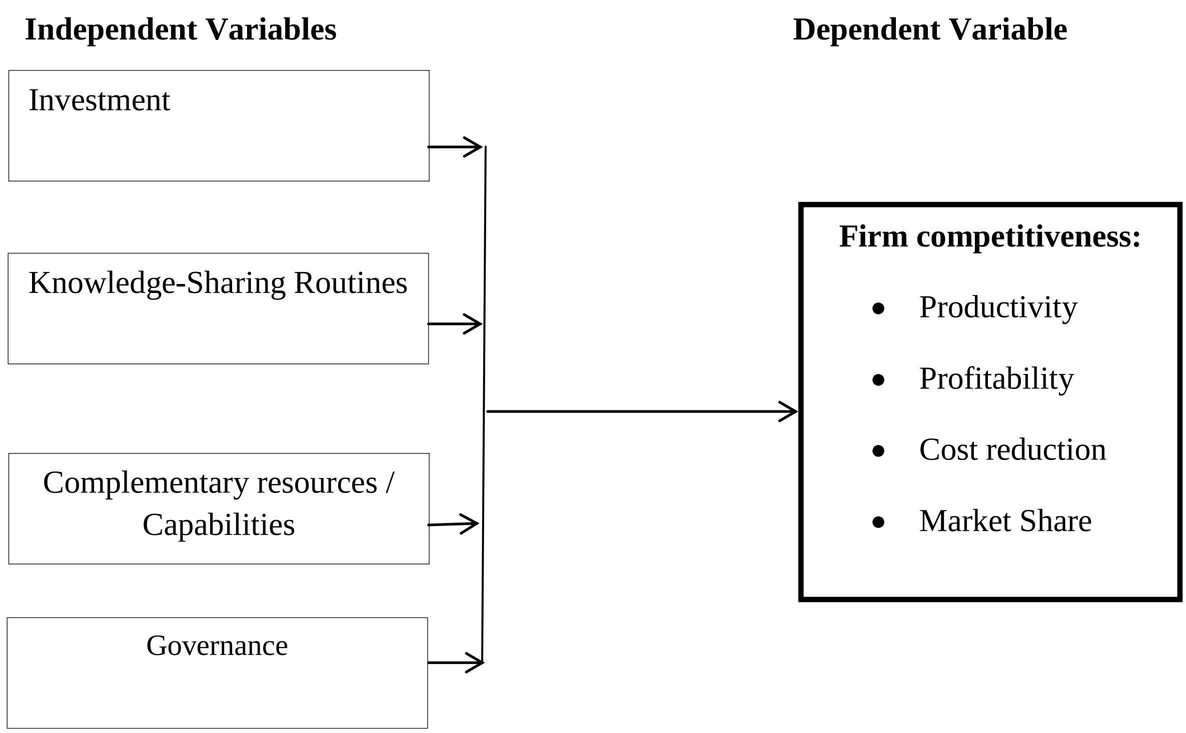
In sum, the literature review above on collaboration practice and research reveal that collaborations are probably the best vehicle to use to internalize the competencies of a firm. Inter-organizational collaborations, through bringing different firms together that have unique capabilities and skills can lead to the creation of powerful opportunities for learning (Inkpen, 2010). Without adequately understanding the inter-organizational collaboration processes in Sub-Saharan Africa and Kenya in particular, however, many of these opportunities remain unexplored. Table 2.1 presents a summary of the literature review and research gaps.

Table 2.1: Summary of Literature review and Research gaps

Scholars	Study	Major findings	Knowledge Gaps
Eisenhardt and Schoonhoven (2015)	Inter-firm collaborations among SMEs in Malaysia	Inter-firm collaborations are more likely to be formed when both firms are invulnerable strategic positions or when they are in strong social positions	Their study is however limited to the extent that they fail to unravel the direct linkage between inter-firm collaboration and firm competitiveness which the domain of the current study is.
Paananen (2015)	Managing inter- organizational collaboration for innovation among American Manufacturing companies	Balancing boundary-spanning practices can significantly contribute to the successful management of inter-organizational collaboration for innovation	The study is however limited to the extent that it fails to unravel how to implement the enabling conditions in practice.
Cherian and Flores (2015)	Critical Success Factors to Collaborate in Cross-Border Alliances: Experiences of Indian Manufacturing Enterprises	Critical success factors (CSFs) for successful inter-organizational collaborations include strategical, environmental, structural and temporal oriented elements.	However, the study falls short of outlining the two basic factors persuading efficacy of inter-organizational hence the current study.
Kabuiya (2015)	Inter-organizational collaboration between co-operative bank of Kenya limited and Safaricom limited	Mobile telephone firms receive cost and product related benefits more than other benefits while banks got market-related benefits more than other benefits.	Her study is however limited to the extent that she focuses on single influences and rarely take the context of the airline companies.

Scholars	**Study**	**Major findings**	**Knowledge Gaps**
Onyango (2014)	Strategic collaboration among the retail Supermarkets in Nairobi Kenya	Strategic collaboration with the small and medium supermarkets was only practiced to a very small	Her study, however, fails to unravel the relationship between inter-firm collaborations and performance.
Hagedoorn and Duysters (2013)	Foreign market entry among technology firms in Pakistan	In high-tech sectors, companies prefer inter-firm collaborations to mergers and acquisitions.	The study, however, fails to explain how by developing strategic alliances, firms contribute to their excess capabilities and resources with others and create a new entity to attain competitive advantages.
Shifrin (2011)	Inter-firm collaboration in China	80 percent of the top-level executives surveyed in China consider inter-firm collaboration to be primary	His study is however limited to the extent that he ignores non-financial performance measurement of firm competitiveness and only focuses on financial performance measures
Kinyua (2010)	Strategic alliances between public universities and middle-level colleges in Kenya	The collaborations help to tap the resources from vocational economies of scale and enjoy faster	His study falls short of establishing the direct linkages between various inter-firm collaborative practices and competitive advantage

2.7 Conceptual Model



Source: Researcher (2016).

To achieve the stated specific objectives and maintain consistency with the conceptual model for this study, non-directional alternative hypotheses are tested (Cooper & Schindler, 2001). The study seeks to address the research problem by testing the following hypothesis;

H_O: There exists no relationship between collaboration and firm competitiveness among airline firms in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on; the research design, population, sampling frame and sample size, data collection methods, and data analysis methods that were used in the study.

3.2 Research Design

A descriptive survey design was used in the study. According to Kerlinger & Lee (2000), a descriptive research design is appropriate if it is able to provide a lot of information useful to variables and hypothesis, which can be further investigated through other means. This is especially common where the researcher attempts to give an explanation on the operation of the phenomenon through the identification of the underlying factors that lead to the production of change. In this case, there is no need of manipulating the independent variable.

In addition to the above advantage, a descriptive survey design enables a researcher obtains large amounts of data from a large population in a highly effective, easy and in an economical way using questionnaires. In addition, through a descriptive survey the researcher is in a better position of obtaining quantitative data that is useful in the analysis of the suing descriptive and inferential statistics (Robson, 2009).

3.3 Population of the Study

The population of interest in this study was the airline companies in Kenya, currently 66 in number (Appendix II).A census approach was applied in the study in which case the sampling frame consisted of all the 66 airlines operating in Kenya.

3.4 Data Collection

Both secondary and primary data were utilized in the study. The collection of primary data was using a semi-structured questionnaire subdivided into three parts. Part I was meant for obtaining the demographic data, while the questions in Part II intended to obtain data on the various collaboration practices implemented by airline firms in Kenya. Part III, on the other hand, consisted of questions whose aim was to obtain data on the relationship between collaboration and firm competitiveness among the airline firms. The respondents in the study were the strategic and operations managers of the airline firms. A 5-point Likert scale was used. Abdullahi (2000) and Chepkwony (2000) have successively used this approach.

Secondary data on the firm competitiveness of the respective airline companies was obtained from the annual financial reports reference the period. The data to be extracted included the statement of financial position, the income statement, and notes to the accounts.

3.5 Data Analysis

Descriptive statistics were used to analyze the various collaborative practices implemented by airline companies in Kenya in line with the first objective. Regression and correlation analysis, on the other hand, was applied to address the second objective on establishing the relationship between collaboration and firm competitiveness. The multiple regression models was computed as follows;

$$\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4}$$

Where;

Y = Firm Competitiveness

β_0= Constant

β_1, β_2, β_3, β_4, = Coefficients of the independent variables

X_1 = Investment in Relation-Specific Assets

X_2 = Knowledge-Sharing Routines

X_3 = Complementary resources / Capabilities

X_4 = Governance

Table 3.1: Summary of Data collection and Data Analysis

Objectives	**Data Collection**	**Data Analysis method**
To determine the various collaborative practices implemented by airline firms in Kenya	Part I and part II of the Questionnaire	Descriptive statistics:
To establish the relationship between collaboration and firm competitiveness among airline firms in Kenya	Part III of the Questionnaire	Correlation and Regression Analysis

Source: Researcher (2016)

CHAPTER FOUR

DATA ANALYSIS, FINDINGS, AND DISCUSSION

4.1 Introduction

The study sought to investigate the impact of Collaboration and firm competitiveness among airlines in Kenya. This chapter presents the findings of the research by focusing on the demographic characteristics of the respondents, data analysis, and suggestions by the respondents based on the specific study objectives. Data on collaborative practices and firm competitiveness was analyzed using descriptive and inferential statistics.

4.2 Response Rate

Sixty-six (66) questionnaires were administered to the respondents. Fifty-three (53) of these questionnaires were returned representing an 80.3% response rate. This response rate was representative and sufficient just as Mugenda and Mugenda (2003) stipulate. They say that reporting and analysis were possible with a response rate of 50%. They also add that a 60% response rate is good, while that of 70% and above is excellent.

4.3 Demographic Information

The demographic characteristics of the respondents that were tested were; Job position and working experience.

4.3.1 Position of Respondents

Operations decisions involve managers spanning all the functional areas of an organization. Cognizant of the above, an inquiry was made into the job positions of the respondents. The results are presented in table 4.1.

Table 4.1 Position of Respondents

	Frequency	Percent
Operations manager	16	30.2
Strategic Marketing Manager	6	11.3
Head of corporate strategy	21	39.6
Business Development Manager	10	18.9
Total	**53**	**100.0**

Source: Researcher (2016).

From Table 4.1 it is evident that most of the respondents of the study (39.6%) were heads of the corporate strategy followed by operations managers at 30.2%. Business Development Manager and Strategic Marketing Manager follow at 18.9% and 11.3% respectively. This implies a fair spread respondents who are directly involved in making key operations decisions thus were better placed and aware of the collaborative practices adopted by the airlines.

4.3.2 Working Experience of Respondents

The working experience of the workforce positively correlates with their involvement in operations planning and management. In this context, the study wanted to determine the number of years the various respondents had worked in their current positions among the airlines. The results are in Table 4.2.

Table 4.2 Working experience

	Frequency	**Percent**
0 - 5 yrs	3	5.7
11-15 yrs	14	26.4
Over 15 yrs	36	67.9
Total	**53**	**100.0**

Source: Researcher (2016).

As per the findings in table 4.2, most of the respondents (67.9%) have over 15 years of working experience. According to the same findings, 26.4% of the respondents have 11-15 years of working experience. Only 5.7% have less than five years of working experience. This clearly implies information collected was from employees who have massive experience and familiarity with collaborative practices adopted by the respective airlines.

4.4 Collaborative Practices Implemented by Airlines in Kenya

Collaborations enhance competitiveness, which is derived through the deployment of internal resources, and capabilities that permit the company to execute activities better than their competitors. Cognizant of the above, the study wanted to investigate the influence of collaboration on firm competitiveness among airlines in Kenya. The respondents were asked questions on the level to which their companies have adopted various collaborative practices on a Likert scale of 1-5 with 1 being a Very small extent; 2 being a Small extent; 3 representing a Moderate extent; 4 being a Large extent; and 5 being a Very Large extent**.**

In the initial step, a correlation matrix was generated to identify any significant relation between the items then the determination of the variance of the collaborative practices was done using descriptive statistics as shown in Appendix IV.

According to the findings in Appendix IV, the most influential collaborative practice is the airlines' undertaking in process improvement and incentive sharing with collaborating partners with the highest mean at 4.6415. It was followed by the airline's application of Standard procedures geared towards process integration among the collaborating airlines at 4.6226 implying that the two practices have been implemented to a very large extent among the airlines in Kenya. On the other hand, the airline's establishment of inter-organizational relationship and interdependency among key partners in the airline industry in Kenya; The airline undertakes Information sharing among the collaborating airline firms; and The airline fosters Flexibility & innovative capability to accommodate collaborating partners have been adopted to a large extent with a mean of ; 4.2830, 4.2075, and 4.1509 respectively. As per the findings, the airline's establishment mechanisms for Collaborative Planning for Forecasting and Replenishment (CPFR) has been adopted to a small extent with a mean of 1.9623 while the least adopted collaborative practice is The airline has established software to enhance inter-dependency among its partner airlines with the lowest mean at 1.4906.

4.5 Relationship between Collaboration and Firm Competitiveness

The study's main objective was determining the relationship between collaboration and firm competitiveness among airlines in Kenya. A multiple regression models was applied in establishing the relationship between collaboration (predictor variables) and Firm competitiveness (dependent variable). Using SPSS version 21 package, the resulting regression coefficients have been applied to the interpretation of the magnitude and direction of the relationship. The βeta coefficients show the manner in which the dependent variable responded because of a unit change in every independent variable (Internationalization strategies). The error term ε captures the variations that cannot be explained by the model. Firm competitiveness (dependent variable) was measured by the annual percentage change in profitability. The Regression Model coefficients are is presented in Table 4.3.

Table 4.3 Model Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.490	7.880		.570	.001	-11.354	20.333
	Investment in Relation-Specific Assets	.866	1.167	.109	.742	.001	1.482	3.213
	Knowledge Sharing Routines	.541	.772	.103	.701	.003	2.092	1.011
	Complimentary Resources	1.747	1.278	.218	1.367	.001	.823	4.317
	Governance	.658	1.320	.079	.498	.002	3.311	1.996

Source: Researcher (2016).

As per the SPSS generated model coefficients in Table 4.3, the Equation $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$ becomes;

$$\mathbf{Y = 4.490 + 0.866X_1 + 0.541X_2 + 1.747X_3 + 0.658X_4}$$

Where;

Y = Firm Competiveness (Profitability)

β_0= Constant

β_1, β_2, β_3, β_4, β_5, = Coefficients of the independent variables

X_1 = Investment in Relation-Specific Assets

X_2 = Knowledge Sharing Routines

X_3 = Complimentary Resources

X_4 = Governance

According to the above-established regression equation, assuming the independent variables are at zero, the level of Firm competitiveness of the airlines in Kenya will be will be 4.490. The analysis of the data findings also demonstrates that when all the other variables are held constant, an increase of one unit in Investment in Relation-Specific Assets will lead to a 0.866 increase in the Firm competitiveness of the airlines in Kenya. The regression line also indicates that a unit rise in Knowledge Sharing Routines will lead to a 0.541 increase in the Firm competitiveness of the airlines in Kenya. When all the other variables are constant, when there is an increase in a unit Complimentary Resources will lead to an increase of 1.747 in the Firm competitiveness of the airlines in Kenya. Finally, a unit increase in Governance will lead to a 0.658 increase in the Firm competitiveness of the airlines in Kenya.

The results in Table 4.5 show that all the four collaboration practices had a positive effect on the Firm competitiveness of the airlines in Kenya. The most influential collaborative practice is Complimentary Resources with a regression coefficient of 1.747 and a p- the value of 0.001 followed by Investment in Relation-Specific Assets at 0.866 and p-value of 0.001. The third most significant collaborative practice is Governance with a regression coefficient of 0.658 and p-value of 0.002. The least influential collaborative practice is Knowledge Sharing Routines with the lowest regression coefficient at 0.541 and p-value of 0.003.

In conclusion, all the coefficients have p-values less than the critical value of $\alpha = 5\%$, hence all are statistically significant predictors. The relatively small t-values could be due to multicollinearity.

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.936[a]	.876	.055	6.29985	.876	1.758	4	48	.001	.980

a. Predictors: (Constant), Governance, Investment in Relation-Specific Assets , Knowledge Sharing Routines, Complimentary Resources

b. Dependent Variable: Firm Competitiveness (Profitability)

Source: Researcher (2016).

From Table 4.4 the Coefficient of Multiple Determination (R^2 Square) is 0.876 implying that the regression line is "*High goodness of fit"* explaining up to 87.6% of the variation in firm competitiveness. 12.4% of the variation could be due to other predictors not in the model.

To determine the combined effects of the predictor factors on the dependent measure, the Analysis of Variance (ANOVA) was applied to estimate and test interaction effects. The results are presented in table 4.5.

Table 4.5 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	279.013	4	69.753	1.758	.001[a]
	Residual	1905.028	48	39.688		
	Total	2184.041	52			

a. Predictors: (Constant), Governance, Investment in Relation-Specific Assets , Knowledge Sharing Routines, Complimentary Resources

b. Dependent Variable: Firm Competitiveness (Profitability)

Source: The Researcher (2016).

Table 4.5 indicates that the F static is 1.758 with a p-value of 0.001. This denotes that the impact of collaboration practices on Firm competitiveness is significant since the p-value is less than 5%.

The findings corroborate Cerrato and Depperu (2011) who argues that; collaborations enhances competitiveness which is derived through deployment of internal resources and capabilities that allow the company to perform activities better than competitors in terms of low cost and/or differentiated strategies that enable firms to competently and differently respond and adapt to the external environmental forces and changes. The findings equally concur with Balkyte and Tvaroviciene (2010) who postulate that; collaborations align Resources and capabilities to generate competitive advantage when they are distributed across the firms heterogeneously, and the differences are sustained over time. They further contend that these resources and capabilities should be valued highly, rare, non-substitutable, and hard to imitate by other competing firms.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The study sought to investigate the influence of Collaboration on firm competitiveness among airlines in Kenya. In this chapter, there will be a presentation of the summary of the findings, conclusions, and recommendations of the study.

5.2 Summary of the Findings

The first objective of the study was establishing the various collaborative practices implemented by airlines in Kenya. The study revealed that the most influential collaborative practice is the airline's undertaking in process improvement and incentive sharing with collaborating partners with the highest mean at 4.6415. This was followed by the airline's application of Standard procedures geared towards process integration among the collaborating airlines at 4.6226 implying that there has been the adoption of the two practices to a very large extent among the airlines in Kenya. The study further revealed that the airline's establishment mechanisms for Collaborative Planning for Forecasting and Replenishment (CPFR) have been adopted to a small extent with a mean of 1.9623 while the least adopted collaborative practice is The airline has established software to enhance inter-dependency among its partner airlines with the lowest mean at 1.4906.

According to the outcome of the Principal Component Analysis, five principal components were extracted for collaborative practices. Observation indicated that the five Collaborative practices account for up to 69.645% of the total standard variances implying that indicate the five collaborative practices that have the greatest impact on firm competitiveness among airlines in Kenya. These collaborative practices include: The airline has established mechanisms to share risks and rewards with key allies; the airline is engaged sharing of technical expertise; the airline maintains Cooperation and effective communication mechanisms; the airline fosters Flexibility & innovative capability to accommodate collaborating partners, and the airline partakes in Resource and process complementarity among the collaborating members.

According to the study findings, the establishment of mechanisms to share risks and rewards with key allies is having the greatest influence on the firm competitiveness among airlines in Kenya since it accounts for up to 26.474% of the variation in firm competitiveness followed by The airline's engagement in Sharing of technical expertise (at 16.311%). The fact that the airline partakes in Resource and process complementarity among the collaborating member is the least influential of the five major corroborative practices accounting for 6.094% of the variation in firm competitiveness among airlines in Kenya.

The second objective of the study was determining the relationship between collaboration and firm competitiveness among airlines in Kenya. The findings of the regression analysis indicate that collaborative practices have had a statistically significant influence on the firm competitiveness among the airlines in Kenya during the period under study as supported by the high Coefficient of Multiple Determination (R^2) of 0.872 and p-value of 0.001.

5.3 Conclusion

The study's outcome establishes a near perfect positive relationship between collaboration selection and firm competitiveness among airlines in Kenya with the regression analysis indicating that up to 87.2% of the firm performance among airlines in Kenya can be attributed to the collaboration practices they have adopted in over time. Towards this end, the airline has established mechanisms to share risks and rewards with key allies. It has also engaged the sharing of technical expertise; the airline maintains Cooperation and effective communication mechanisms. Similarly, the airline fosters flexibility & innovative capability to accommodate collaborating partners and it partakes in resource and process complementarity among the collaborating members constitute the main collaborative practices that have had a significant impact on firm competitiveness among airlines in Kenya.

5.4 Recommendations from the Study

The study establishes a near perfect positive relationship between collaboration and firm performance underscoring the need for firms not only in the aviation sector to engage in inter-firm collaborations in a bid to enhance their core competencies. Given the fact that a number of collaborative practices have been adopted to a moderate extent calls for managers at the firm level to put in place critical success factors for successful implementation of collaboration with other players in their respective markets.

At the macro level, the study recommends that public policy on enhancing firm and national competitiveness should lay more emphasis on inter-firm collaborations to foster firm and national competitiveness. The findings of this study further underpin the need for firms in Kenya to foster collaborative Private and public in designing the scope and functionality of a performance framework specifically tailored to the Kenyan macro-environment to enhance firm competitiveness.

5.5 Limitations of the Study

The study sought to establish the relationship that exists between collaboration and firm competitiveness. It is clear that in a study of this magnitude, there should be an inclusion of a good number of companies in the survey. However, there was a limitation of material as well as time resources, which did not allow the researcher to include many firms in the study. The study therefore only focused on the 66 airlines in Kenya.

Due to the sensitivity of the object of study, some of the respondents were non-committal posing a major challenge in the field during the data collection costing the researcher since he had to do many data editing after field work. Despite these challenges, the validity of the findings emanating from this study cannot be compromised.

5.6 Suggestions for Further Research

There is a need for further research to focus on the critical success factors in the adoption of best collaboration practices. The need for further research into this aspect of collaboration is further compounded by the facts that collaborative practices among airline firms are a relatively new phenomenon in Kenya. Studies involving confirmatory factor analysis will need to be carried out to further test the model so established and to confirm the findings of the study.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 22·08·2016

TO WHOM IT MAY CONCERN

The bearer of this letter Rosemary Kamene Kyalo

Registration No. D61/71165/2014

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
22 AUG 2016
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX II: THE QUESTIONNAIRE

PART 1: GENERAL INFORMATION

1) What is the name of your Airline?

   …………..………………………………….……….……….

2) What is your position in the Airline?

   ………………………………………………………..

3) For how long have you been working with this Airline?

   ………..…………...

PART 2: COLLABORATION PRACTICES

I. Has your Airline engaged in any form of inter-organizational collaboration with other firms?

Yes ☐ No ☐

Please tick where appropriate

II. To what extent has your Airline implemented the following Collaboration practices?

Please indicate on a Scale of 1 – 5 where: 1 = No Extent; 2 = Small extent; 3 = Some Extent; 4 = Large Extent; 5 = Very Large Extent

No	COLLABORATION PRACTICES	(1)	(2)	(3)	(4)	(5)
	A. Investment in Relation – Specific Assets					
i.	The airline has cultivated Commitment and trust between itself and the other airlines					
ii.	The airline has established inter-organizational relationship and interdependency among key partners					

	in the airline industry in Kenya					
iii.	The airline has implemented cross- functional processes among key partners in the airline industry					
iv.	The airline has developed cross – functional teams among partners in the airline industry					
v.	The airline has established software to enhance inter-dependency among its partner airlines					
vi.	The airline fosters Flexibility & innovative capability to accommodate collaborating partners					
vii.	The airline undertakes Information sharing and collaboration duration would facilitate communication and, thus, transactions between collaborating airlines					
	B. Knowledge-Sharing Routines					
viii.	The airline maintains Cooperation and effective communication mechanisms					
ix.	The airline undertakes Information sharing among the collaborating airline firms					
x.	The airline is engaged Sharing of technical expertise.					
xi.	The airline has formed transaction - specific resources investment to foster relational governance bond					
xii.	The airline applies Standard procedures geared towards process integration among the collaborating airlines					
	C. Complementary Resources/ Capabilities					
xiii.	The airline acquires and maintains appropriate resources like; IT, training etc					
xiv.	The airline undertakes Joint selection of goods and services					

xv.	The airline partakes in Resource and process complementarity among the collaborating members					
xvi.	The airline Shares Risks and Rewards with the key collaborating partners					
xvii.	The airline follows Normative guidelines in managing and selecting partners in the process on integrating its operations					
xviii.	The airline has established mechanisms to share risks and rewards with key allies					
xix.	The airline has developed strategies to reduce the costs of interactivity					
xx.	The airline has established alignment procedures leading to the development of goals directing co-performance evaluation					
xxi.	The airline partakes in process improvement and incentive sharing with collaborating partners					
	D. Effective Governance					
xxii.	The airline has Effective governance through top management support					
xxiii.	The airline has adapted consistent performance measures with the rest of the partners					
xxiv.	The airline fulfills the roles and responsibilities set out among the collaborating members					
xxv.	The airline submits to Clear mission statements and common goals among the partners.					
xxvi.	The airline operates on agreed goals and performance measures while implementing appropriate structures to foster collaboration					
xxvii.	The airline has established mechanisms for Collaborative Planning for Forecasting and					

	Replenishment (CPFR)					

PART 3: COLLABORATION AND FIRM COMPETIVENESS

III. To what extent have the following collaborationpractices increased the Return on Assets (ROA) in your airline?

Please indicate on a Scale of 1 – 5 where: 1 = No Extent; 2 = Small extent; 3 = Some Extent; 4 = Large Extent; 5 = Very Large Extent

No	INTER-ORGANIZATIONAL COLLABORATION PRACTICES	(1)	(2)	(3)	(4)	(5)
i.	Investment in Relation-Specific Assets					
ii.	Knowledge-Sharing Routines					
iii.	Complementary resources / Capabilities					
iv.	Effective Governance					

IV. Please provide us with the following information regarding your Airline's Competitiveness in the last five years

	A. Measures of Firm Performance	2015
i.	Transaction Cost reduction%	
ii.	Profitability%	
iii.	Reduction in cycle Time%	
iv.	Average cycle time to targeted average cycle time%	
v.	Rejects , early or late delivery to total number of items delivered%	

vi.	Total expenditure of the department to total budget of the budget%	
vii.	Customer satisfaction	

THANK YOU VERY MUCH FOR YOUR VALUABLE TIME!!!!

APPENDIX III: LIST OF AIRLINES OPERATING IN KENYA

1. 748 AIR SERVICES
2. SAUDI ARABIAN AIRLINE
3. ROYAL MANC
4. AIR UGANDA
5. AIR FRANCE
6. AIR MOZAMBIQUE
7. GRAY BIRD
8. SMALL PLANET
9. AIR KENYA EXPRESS
10. AIR MOROCCO
11. BRITISH AIRWAYS
12. CHINA SOUTHERN AIRLINES
13. EGYPT AIR
14. EMIRATES AIRLINE
15. ETIHAD AIRWAYS
16. ETHIOPIAN AIRWAYS
17. FASTJET
18. FLY 540
19. JAMBOJET
20. KENYA AIRWAYS LTD
21. KLM ROYAL DUTCH AIRLINE
22. PRECISION AIR
23. RWANDA AIR
24. SOUTH AFRICAN AIRWAYS
25. SAUDI AIRLINES
26. QATAR AIRWAYS

27. AFRICAN SAFARI AIRWAYS LTD
28. AIRVAN KENYA LIMITED
29. WESTERN AIRWAYS LTD
30. EUROCYPRIA AIRLINES LTD
31. SALAAM AVIATION LIMITED
32. PAN AFRICAN AIRWAYS LTD
33. RAM AIR SERVICES LLC
34. PREMIAIR LIMITED
35. GLOBAL AIR CHARTERS
36. CMC AVIATION LTD
37. AIRSTREAM KENYA LIMITED
38. SAFARILINK AVIATION LIMITED
39. FAI-RENT A-JET AG
40. AIR MEDITERRANEE 25 RUE
41. SUPERIOR AVIATION SERVICES
42. MISSION AVIATION FELLOWSHIPP
43. MONARCH AIRLINES LIMITED
44. PHOENIX AVIATION LIMITED
45. ASTRAL AVIATION LTD
46. AYAAN AIR LIMITED
47. AIRKENYA EXPRESS LIMITED
48. KILI AIR CHARTER COMPANY
49. BALLOON SAFARIS LTD
50. ALLIED AIR LIMITED
51. AIRWORKS (K) LTD
52. NEXUS AIR LIMITED
53. CAPITAL AIRLINES LTD

54. NORTHWOOD AGENCIES LIMITED

55. NOTHERN AIR LTD

56. TRANSLIZ AVIATION (K) LIMITED

57. SKYSHIP COMPANY LIMITED

58. KENYA SAFARI WINGS LIMITED

59. EVERETT AVIATION CHARTER

60. AIRBORNE AFRICAN ANTICS LTD

61. Z.BOSKOVIC AIR CHARTERS LTD

62. AIR LAMU LIMITED

63. MUSIARA LIMITED

64. WESTWIND SAFARIS LIMITED

65. AFRICA ECO-ADVENTURES LIMITED

66. AFRICAN HORIZONS AIR SAFARIS LIMITED

Source: Kenya Civil Aviation Authority (2016)

APPENDIX IV: COLLABORATIVE PRACTICES

	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
The airline partakes in process improvement and incentive sharing with collaborating partners	53	4.6415	0.81085
The airline applies Standard procedures geared towards process integration among the collaborating airlines	53	4.6226	0.71324
The airline submits to Clear mission statements and common goals among the partners.	53	4.6226	0.68575
The airline has established inter-organizational relationship and interdependency among key partners in the airline industry in Kenya	53	4.283	1.13302
The airline undertakes Information sharing and collaboration duration would facilitate communication and, thus, transactions between collaborating airlines	53	4.2075	1.23036
The airline fosters Flexibility & innovative capability to accommodate collaborating partners	53	4.1509	0.79412
The airline fulfills the roles and responsibilities set out among the collaborating members	53	4.1509	0.81798
The airline maintains Cooperation and effective communication mechanisms	53	4.0377	0.80771
The airline has implemented cross- functional processes among key partners in the airline industry	53	3.9434	1.1996
The airline has Effective governance through top management support	53	3.5849	1.1169
The airline is engaged Sharing of technical expertise	53	3.5472	1.2336
The airline has cultivated Commitment and trust between itself and the other airlines	53	3.4717	0.8902
The airline has adapted consistent performance measures with the rest of the partners	53	3.4151	1.1169
The airline partakes in Resource and process complementarity among the collaborating members	53	3.3396	0.78308
The airline acquires and maintains appropriate resources like; IT, training etc	53	3.1509	1.30673
The airline operates on agreed goals and performance measures while implementing appropriate structures to foster collaboration	53	3.1321	1.54469
The airline has developed strategies to reduce the costs of interactivity	53	2.9434	1.21553
The airline undertakes Joint selection of goods and services	53	2.8302	1.15585
The airline has established alignment procedures leading to the development of goals directing co-performance evaluation	53	2.7358	1.27326
The airline has formed transaction - specific resources investment to foster relational governance bond	53	2.6226	1.11332
The airline follows Normative guidelines in managing and selecting partners in the process on integrating its operations	53	2.4906	1.0119
The airline has developed cross – functional teams among partners in the airline industry	53	2.4528	0.86749
The airline has adapted consistent performance measures with the rest of the partners	53	2.283	0.81753
The airline has established mechanisms for Collaborative Planning for Forecasting and Replenishment (CPFR)	53	1.9623	0.854

The airline has established mechanisms to share risks and rewards	53	1.9434	0.81842
The airline Shares Risks and Rewards with the key collaborating partners	53	1.5849	1.49915
The airline has established software to enhance inter-dependency among its partner airlines)	53	1.4906	0.79958