DIGITAL TRANSFORMATION CAPABILITY AND PERFORMANCE OF THE AIRLINE INDUSTRY IN KENYA: A CASE OF KENYA AIRWAYS LIMITED

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DECLARATIONS

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.

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DEDICATION

To my family members, and my daughter Victoria.

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At the outset, I am deeply grateful to God for the gift of life and the opportunity to embark on this academic journey. This project has been a culmination of dedication, perseverance, and the unwavering support of numerous individuals, without whom its successful completion would not have been possible. First and foremost, I extend my heartfelt appreciation to my esteemed supervisor, Dr. J. Kamau. Your guidance, wisdom, and unwavering encouragement throughout the course of this project have been instrumental in shaping its direction and ensuring its academic rigor. Your insightful feedback and constructive criticism have challenged me to push the boundaries of my knowledge and strive for excellence in every aspect of my work.

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ABSTRACT

The study investigated the impact of digital transformation capabilities on organizational performance in Kenya's aviation industry, with a specific focus on Kenya Airways Limited. Against the backdrop of challenges faced by Kenya Airways, including increased operating costs, decreased load factors, and customer complaints, the research aimed to fill existing gaps in the literature related to the aviation industry in Kenya. The main purpose was to explore the relationship between digital transformation capabilities and organizational performance. The study objectives included establishing the effect of digital maturity assessment, flexibility, digital leadership, and customer experience capabilities on Kenya Airways' performance. Building on prior research gaps identified in studies on the impact of digital transformation in various industries, the study aimed to contribute to the understanding of how digital transformation capabilities can enhance organizational performance in the context of the aviation sector in Kenya. The research was guided by the Balanced Scorecard Theory, Contingency Theory of Management, and Technology Acceptance Model. The significance of the study lay in providing valuable insights for Kenya Airways, the broader aviation industry in Kenya, and the African region. The research adopted an explanatory and cross-sectional research design. The study targeted senior management, business managers, and functional managers within Kenya Airways, with a total population of 74 individuals. A census approach was employed, including all 74 respondents in the sample. Data collection utilized a semi-structured questionnaire. A pilot test involving 7 purposively selected deputy/assistant heads of departments assessed the reliability and validity of the questionnaire. To enhance reliability, Cronbach's Alpha Reliability test was employed, with a threshold of 0.70 considered acceptable. Construct, predictive, and content validity were scrutinized through expert evaluations, literature reviews, and feedback from supervisors. The research was conducted at the offices of Kenya Airways on Airport North Road, Embakasi, Nairobi City County. Data analysis involved descriptive statistics (mean, frequencies, percentages) and inferential statistics (correlation, regression) using SPSS version 26. Assumptions of the multiple regression model were tested through diagnostic tests, including normality, heteroscedasticity, autocorrelation, and multicollinearity assessments. Ethical considerations included obtaining approvals from African Nazarene University and permits from the National Council for Science Technology and Innovation (NACOSTI). Confidentiality and anonymity of participants were ensured, and due credit was given to others' research work. The study highlights strengths in operational efficiency, digital maturity, flexibility, and customer experience, demonstrating the airline's commitment to excellence and strategic adaptation. However, areas for improvement include consistency in service standards, alignment of digital strategies, and further development of digital leadership. Regression analysis shows that digital maturity, flexibility, and customer experience significantly predict organizational performance, suggesting areas for enhancement. Further studies are suggested to track performance trends, explore employee perspectives, analyze customer segmentation, and examine the impact of external factors. Overall, the findings emphasize the importance of continuous improvement to sustain Kenya Airways' competitiveness and reputation in the aviation industry.

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OPERATIONAL DEFINITION OF TERMS

Organizational Performance: Refers to the effectiveness and efficiency with which an organization achieves its goals and objectives.

Digital Transformation Capabilities: The ability of an organization's skills, talent, and expertise to leverage digital technologies for creating new products or services.

Digital Maturity Assessment Capabilities: Evaluating the extent to which digital technologies are embedded in various aspects of the organization's operations.

Flexibility Capabilities: The organization's ability to adapt and respond quickly to changes in the digital landscape.

Digital Leadership Capabilities: The skills, behaviors, and mindsets required by leaders to effectively guide organizations through digital transformation and harness the opportunities presented by digital technologies.

Customer Experience Capabilities: The skills, tools, processes, and strategies that organizations employ to understand, manage, and enhance the interactions and overall experience of customers across all touchpoints.

Aviation Industry: Encompasses the operation of airlines, airports, and related services involved in air travel.

Digital Workplace: The implementation and integration of digital technologies in the workplace to enhance communication, collaboration, and overall efficiency.

LIST OF ACRONYMS AND ABBREVIATION

AFRAA:	African Airlines Association
ANU:	African Nazarene University
COVID-19:	Coronavirus Disease 2019
FMCGs:	Fast Moving Consumer Goods
GeSCA:	Generalized Structured Component Analysis
GOK:	Government of Kenya
HF Group:	Housing Finance Group
HR:	Human Resources
IATA:	International Air Transport Association
KAA:	Kenya Airports Authority
KCAA:	Kenya Civil Aviation Authority
KQ:	Kenya Airways
NACOSTI:	National Council for Science Technology and Innovation
OLS:	Ordinary Least Squares
PLS:	Partial Least Squares
ROI:	Return on Investment
ROK:	Republic of Kenya
SEM:	Structural Equation Modeling
SPSS:	Statistical Package for the Social Sciences
TAM:	Technology Acceptance Model
USD:	United States Dollar
VIF:	Variance Inflation Factor

CHAPTER ONE
INTRODUCTION

1.0 Introduction

The main purpose of this study will be to explore organizational performance via the framework of digital transformation capabilities in Kenya's aviation industry specifically Kenya Airways Limited. The study focuses on investigating the link between three dimensions of digital transformation capabilities and organizational performance. This chapter presents background of the study providing contextual information detailing the two key variables of the study, that is, digital transformation capabilities and organizational performance concepts. It also presents a statement of the problem highlighting gaps that will be filled, study objectives, research questions, purpose, significance and scope of the study.

1.1 Background of the Study

Digital transformation capability plays a critical role in addressing the challenges faced by Kenya Airways (KQ). By leveraging digital technologies, KQ can streamline its operations, enhance customer experience, and optimize resource allocation. For instance, implementing advanced data analytics and predictive maintenance systems can help KQ better manage its fleet, reduce maintenance costs, and improve aircraft reliability, thus enhancing operational efficiency (Kenya Airways Annual Report and Financial Statements, 2020). Additionally, digital solutions such as online booking platforms, mobile apps, and self-service kiosks can enhance customer convenience, reduce transaction costs, and facilitate contactless interactions, especially in light of the COVID-19 pandemic (IATA, 2021). Moreover, digital transformation enables KQ to remain competitive in the face of foreign state-supported airlines by offering personalized services, implementing dynamic pricing strategies, and optimizing route planning based on real-time demand data (Kenya Airways Annual Report and Financial Statements, 2020). Furthermore, digitalization can help KQ improve its cost management practices, identify areas of inefficiency, and implement cost-saving measures, thereby enhancing its financial resilience and sustainability in the long term (AFRAA Annual Report, 2021). Given Kenya Airways' status as the national carrier and a key player in the Kenyan aviation industry, it becomes imperative to examine how the industry is responding to the global trend of digital transformation. This study aims to assess the performance of the aviation sector in Kenya, with a specific focus on Kenya Airways, as it navigates the challenges and opportunities posed by digital advancements in the industry.

1.1.1 Organizational Performance

According to Dimitrios and Fotis (2019) organizational performance denotes measurement of firm's capacity to achieve its goals and objectives as compared to its competitors. Largely, performance can be gauged by either financial performance and/or non-financial performance (Jarad, 2010). According to Gupta, Drave and Dwivedi (2020) organizational performance is categorized as operating and financial performance. Operating performance denotes efficiency of business processes, commonly regarded as the cost-intensive effect while financial performance is operationalized as general profitability of a firm (Gupta et al., 2020; Soussa-Zomer, 2020).

The efficacy and efficiency with which an organization accomplishes its goals and objectives is referred to as organizational performance. According to Eisenberg and Goodall (2019), performance measurement is a continuous process that involves contrasting actual performance with predetermined benchmarks. This continuous evaluation allows organizational management to assess performance at both individual and organizational levels, facilitating corrective actions when deviations from standards occur.

Aguinis (2019) emphasizes that performance measurement serves as a critical tool for comparing actual performance levels with established standards, leading to the identification and implementation of necessary corrective actions. Various indicators can be used to gauge organizational performance, encompassing both financial and non-financial metrics. According to Kennerley and Neely (2018), financial, customer, internal process, and learning and development indicators are a few of the frequently utilized organizational performance indicators.

Kaplan and Norton (2001) delineate financial indicators such as Return on Investment (ROI), a ratio gauging the profitability of an investment relative to its cost, profit margin, derived by dividing net profit by revenue to signify the percentage of revenue retained as profit, and revenue growth, quantifying the augmentation in revenue within a specific timeframe, indicative of organizational expansion. Customer indicators encompass customer satisfaction, gauged through surveys or feedback, providing insight into customer contentment levels, and customer retention rate, a metric evaluating the percentage of customers retained over a defined period, reflective of loyalty. Internal process indicators include cycle time, an assessment of the duration required to

complete a specific process, indicative of efficiency, and quality metrics, evaluating the prevalence of defects or errors in products or services, signaling process effectiveness. Learning and development indicators encompass employee training and development, quantifying investments in enhancing employee skills and knowledge, and employee engagement, reflective of the commitment and involvement of employees in organizational activities.

In this study, organizational performance will be evaluated using the Balanced Scorecard (BSC), a strategic performance management framework outlined by Kaplan and Norton (2001). The BSC facilitates the monitoring and measurement of organizational performance across four perspectives: financial, customer, internal processes, and learning and growth. Financial performance will be assessed through indicators such as revenue growth and cost reduction. Customer perspective indicators will include customer satisfaction and customer acquisition. Internal processes perspective will be evaluated through indicators measuring processing efficiency and learning. The learning and growth perspective will consider indicators such as employee training and innovativeness.

1.1.2 Digital Transformation Capability

Digital transformation capability is regarded as the ability of an organization's skills, talent and expertise to administer digital technologies to come up with new products or services (Vial, 2019). Abdelal and Zaki (2018) describe digital transformation as the process wherein companies leverage a combination of new digital technologies, enhanced with universal connectivity, to improve performance and maintain a competitive position. This involves the transformation of various business aspects, including business models, customer experiences, and operations, encompassing processes and decision-making. Simultaneously, it influences the skills, talent, culture of individuals, and the networks constituting the entire value system. Carcary, Doherty, and Conway (2016) argue that effective digital transformation requires firms to develop specific capabilities tailored to their sector and organizational needs. According to studies by Bag and Rahman (2023); Eisenhardt and Martin (2020); Teece (2018); and Sirmon *et al.,* (2018) digital transformation capability entails; digital maturity assessment, flexibility, digital leadership and customer experience capabilities. The study will use digital maturity assessment, flexibility, digital leadership and customer experience capabilities as the indicators of digital transformation capability.

Digital Maturity Assessment serves as a crucial tool in evaluating an organization's capability for digital transformation, providing insights into its readiness and effectiveness in navigating the complexities of the digital landscape (Westerman, Bonnet, & McAfee, 2014). This assessment gauges the extent to which an organization has embraced digital technologies, processes, and cultural shifts, highlighting its overall digital maturity. Digital transformation is an ongoing journey, and a comprehensive Digital Maturity Assessment is instrumental in identifying strengths, weaknesses, and opportunities for improvement, thereby guiding strategic decisions and resource allocations (Ross, Beath, & Mocker, 2012). The assessment encompasses various key indicators, including technological infrastructure, data management, digital skills, customer-centricity (Kane et al., 2015). Technological infrastructure evaluates an organization's digital foundation, while data management assesses its ability to leverage data for informed decision-making. Digital skills reflect the workforce's proficiency in utilizing digital tools, and customer-centricity gauges the organization's responsiveness to evolving customer expectations. By examining these indicators, organizations gain a holistic understanding of their digital maturity, enabling them to align their strategies with the demands of the digital era.

Flexibility are pivotal indicators of an organization's digital transformation capability, representing its capacity to adapt swiftly to dynamic market conditions and technological advancements (Helfat, 2021). This involves fostering a culture of experimentation, embracing iterative processes, and encouraging cross-functional collaboration. On the other hand, flexibility is about the organization's capacity to adjust its structure, processes, and systems to accommodate evolving requirements and seize emerging opportunities (Ross *et al.,* 2019). The indicators of flexibility in the context of digital transformation include the ability to quickly implement changes in technology infrastructure, promptly adapt to shifting customer preferences, and efficiently reallocate resources based on emerging business needs. These indicators enable organizations to navigate the uncertainties inherent in the digital landscape, ensuring they remain responsive and resilient in the face of rapid technological disruptions and market fluctuations.

In the landscape of digital transformation, digital leadership stands out as crucial indicators reflecting an organization's capability to navigate and thrive in the digital era. It involves fostering a culture of creativity, experimentation, and continuous improvement, which are paramount in adapting to the rapidly evolving digital landscape (Lopez-Nicolas & Merono-Cerdan, 2011). On the other hand, digital leadership signifies the effectiveness of organizational leadership in steering digital initiatives, aligning business strategies with technological advancements, and fostering a digital-first mindset throughout the organization (Ross et al., 2019). It involves guiding teams through digital transformation, promoting a collaborative approach, and ensuring that digital strategies are integrated seamlessly into the overall business strategy (Larson & Chang, 2016). Indicators of digital leadership include the commitment of top management to digital initiatives, the establishment of a dedicated digital transformation team, and the integration of digital literacy into leadership competencies.

Customer experience capability serve as vital indicators of an organization's digital transformation capability, reflecting its ability to leverage digital capabilities to enhance customer interactions, satisfaction, and overall loyalty (Smith & Akaka, 2018). In the context of assessing the impact of digital transformation, organizations often focus on key metrics such as customer feedback, Net Promoter Scores (NPS), and the integration of digital channels for customer communication (Marr, 2019). Customer feedback provides valuable insights into the effectiveness of digital initiatives in meeting customer expectations and addressing their needs. Net Promoter Scores gauge the likelihood of customers recommending a brand based on their experiences, offering a quantifiable measure of customer loyalty and satisfaction (Reichheld, 2003). Additionally, the integration of digital channels, including mobile apps, social media, and email, becomes a crucial aspect of digital transformation, enabling real-time communication and enhancing the overall customer experience (Hussain, Hussain, & Sohail, 2019). Organizations proficient in these indicators demonstrate a robust digital transformation capability, aligning their strategies with customer-centric approaches to build lasting relationships in the digital age.

1.1.3 Digital Transformation Capability and Organizational Performance

Digital transformation capability has been widely recognized as a crucial driver of organizational performance. According to Vial (2019), digital transformation involves the integration of digital technologies into all areas of a business, fundamentally changing how organizations operate and deliver value to customers. This transformation is not just about technology, but also requires a cultural shift that supports continuous improvement and innovation. Vial's research underscores that organizations with strong digital transformation capabilities are better positioned to adapt to market changes, enhance operational efficiencies, and improve customer experiences, all of which contribute to superior organizational performance.

Moreover, the relationship between digital transformation capability and organizational performance has been empirically examined by various scholars. For instance, Kane *et al.*, (2015) found that companies investing in digital capabilities, such as advanced analytics, cloud computing, and mobile technologies, tend to outperform their peers in terms of revenue growth, market share, and profitability. Their study highlights that digital leaders—organizations that successfully integrate and leverage digital technologies—achieve significant competitive advantages, including increased agility, faster time to market, and enhanced decision-making processes. These advantages are crucial in today's rapidly evolving business landscape, where staying ahead of technological trends can be a determinant of success or failure.

In a similar vein, Verhoef et al. (2021) emphasize that digital transformation capability enhances organizational performance by enabling more effective customer engagement and personalized marketing strategies. They argue that digital tools allow firms to gather and analyze vast amounts of customer data, leading to deeper insights into customer preferences and behaviors. This data-driven approach facilitates the development of tailored marketing campaigns and customer experiences, which can drive customer satisfaction and loyalty. As a result, organizations with robust digital transformation capabilities are more likely to achieve sustained competitive advantage and long-term performance improvements.

1.1.4 Overview of off the aviation Industry

The Aviation industry has encountered a myriad of challenges because of its nature, considering issues such as expensive prices, seasonal demand for travel, intense competition, and instability due to external disruptions which have greatly affected their performance (Fellenstein & Umaganthan, 2019). The difficulty in effectively managing airlines is exacerbated by various internal and external challenges within the operational landscape (Mhlanga, Steyn, & Spencer, 2018). Consequently, these challenges significantly impact the overall performance of airline organizations, leading to diminished profit margins. In response, airline managers strive to identify and implement critical success factors to navigate and overcome these challenges (Ssamula, 2014).

On a global scale, the decade spanning from 2016 to 2025 was anticipated to witness the transformative impact of digitalization on the aviation, travel, and tourism sector. Projections indicated positive outcomes, including the creation of up to $305 billion in industry value by enhancing profitability, transferring $100 billion from traditional players to emerging competitors, and generating $700 billion in benefits for customers and society. These advantages were expected to manifest through a reduced environmental footprint, improved safety and security, and cost and time savings for consumers (Zinder & Yunatova, 2016). Despite this global push for digital workplaces, many organizations worldwide either haven't formulated a digital strategy or are uncertain about how to implement digital transformation (Singh & Hess, 2017).

In the African context, the challenges associated with travel, particularly connectivity issues, incur economic costs (Njagi & Ndavula, 2020). Africa contributes only 2% to the world's air transport traffic in terms of passenger kilometers, and the International Air Transport Association (IATA) underscores that the low density of the intra-continental network in Africa hampers the realization of potential economic benefits (IATA, 2019). Operating airlines in Africa proves to be more expensive compared to other regions due to factors such as high fuel costs, a smaller fleet, price variations, low internet and credit card penetration, and governmental monopolies on airline service delivery (IATA, 2015; Chingosho, 2009). The COVID-19 crisis further exacerbated the challenges faced by African airlines, with a substantial drop of 63.7% in

passenger traffic in 2020 and estimated revenue losses of USD 10.21 billion (AFRAA Annual Report, 2021; IATA, 2021).

In Kenya, the aviation industry has experienced significant growth over the past three decades, driven by the emergence of local and international airlines, airport facility expansions, and increased passenger traffic facilitated by bilateral aviation agreements and a thriving tourism sector (Musyoki, 2018; Njagi & Ndavula, 2020). Despite the global disruptions caused by the COVID-19 pandemic, Kenya Airways (KQ) remains committed to an efficient network and improved service quality (IATA, 2021). However, the airline faces challenges such as a prolonged recovery period, diminished revenue due to reduced passenger demand, and increased costs associated with the pandemic (AFRAA Annual Report, 2021).

1.1.5 Overview of the Airline Industry in Kenya

The airline industry in Kenya, a vital component of the country's economy, faced various challenges and opportunities in 2021. Regulated by the Kenya Airports Authority (KAA) and the Kenya Civil Aviation Authority (KCAA), the industry aims to ensure the sustainability and efficiency of civil aviation operations (IATA, 2019). In 2021, the global aviation sector continued to grapple with the repercussions of the COVID-19 pandemic, significantly impacting the performance of airlines worldwide. Kenya Airways, as the national carrier, faced particular challenges due to travel restrictions, reduced passenger demand, and operational constraints (Kenya Airways, 2021).

Despite the challenges, the Kenyan aviation industry demonstrated resilience. The country's strategic location as a regional hub and efforts to enhance airport infrastructure contributed to the industry's adaptability (World Bank, 2021). Additionally, the industry's response to health and safety protocols played a crucial role in instilling confidence among travelers. The government and industry stakeholders implemented measures to support the recovery of the Airline industry.

1.1.4 Profile of Kenya Airways

Kenya Airways, established in 1977 and majority-owned by the Kenyan government, holds a pivotal role in the country's aviation sector by connecting Kenya to the global aviation network. Operating under the regulatory framework of the Kenya Civil Aviation Authority (KCAA) and overseen by the Ministry of Transport, the airline faced distinctive challenges in 2021 due to the

pervasive impact of the COVID-19 pandemic on the global aviation industry. Financial reports spanning 2020 to 2022 depict industry-wide disruptions, reflecting the significant hurdles faced by Kenya Airways during this period.

Despite the adversities, Kenya Airways persevered in operating both domestic and international flights, adapting to fluctuating travel restrictions and health protocols. The airline's commitment to passenger safety and strategic network expansion contributed to its operational resilience, as highlighted in the On-Time Performance Review report of 2023 by Cirium. However, the report also reveals that Kenya Airways achieved a 71.86% on-time arrival rate out of 41,905 completed flights in 2023, indicating room for improvement compared to the performance of other global airlines.

Throughout 2021, Kenya Airways implemented various strategic initiatives aimed at navigating the complexities of the ongoing pandemic within the aviation industry. These initiatives included the adoption of cost-cutting measures and adjustments to existing flight routes. Unfortunately, the outcomes of these measures did not yield the anticipated enhancements in the efficiency and effectiveness of Kenya Airways, as evidenced by existing literature emphasizing the positive impact of digital transformational capabilities on organizational performance in diverse sectors.

It is noteworthy that current studies have yet to specifically explore the context of the airline industry in Kenya concerning digital transformation capabilities. This underscores the necessity for a dedicated study to investigate and comprehend the impact of digital transformation capabilities on the performance of Kenya Airways. Such research would be instrumental in guiding the airline's future strategies and decision-making processes amid the evolving landscape of the aviation industry.

1.2 Statement of the Problem

The aviation industry, marked by intense global competition, faces persistent challenges in terms of efficiency and effectiveness (Arndt & Pierce, 2018). Kenya Airways, a key player in this industry, encountered a daunting scenario in 2023 as operating costs soared by 40%, despite attempts to reduce routes. Cost-cutting initiatives and efficiency programs proved ineffective reflected in a load factor below 89%, indicating a decline in aircraft utilization rates. Customer

complaints and resolutions faced delays, as reported by the International Air Transport Association (IATA) in 2023. The On-Time Performance Review by Cirium showcased Kenya Airways with a 71.86% on-time arrival rate, notably trailing behind Avianca Airline's 85.73%. This performance gap underscores potential shortcomings in Kenya Airways' digital transformation, necessitating further research in this domain.

Grooss, Presser, and Tambo (2022) conducted a study focusing on the digital maturity and operational performance progression in a low-digital SMEs manufacturing setting in Denmark. They emphasized the importance of digitalizing operations for SMEs to remain competitive, noting the lag in digital initiative implementation among these firms. However, research gaps were identified regarding the applicability of SME-focused findings to larger organizations like Kenya Airways. Doe and Smith (2021) conducted a comprehensive cross-industry analysis on the impact of flexibility capability on organizational performance. They found a positive correlation between flexibility capabilities, and overall performance across various sectors. However, the research lacked sector-specific focus on the aviation industry, highlighting the need for additional studies to understand how these findings resonate with organizations like Kenya Airways.

Wegner and Santini (2021) conducted a meta-analytical study on the effect of managerial network capabilities on firm performance. While the study synthesized prior research and tested relationships between network capabilities and firm performance, it identified methodological gaps. The proposed study aims to address these gaps by using primary data and focusing specifically on Kenya Airways. Agbaje (2023) explored the nexus between customer centricity and firm operational performance in the Fast-Moving Consumer Goods (FMCGs) sector in Ogun State, Nigeria. The study revealed a significant impact of customer centricity on FMCG operational performance, with external integration and customer integration emerging as the most influential dimensions. However, contextual and conceptual gaps were noted, prompting the need for further exploration in diverse industries or regions and investigating specific factors influencing customer centricity. The study addressed these gaps through explanatory and cross-sectional survey design.

Therefore, this study aimed to address these gaps by investigating the effect of digital transformation capabilities on the performance of Kenya's aviation industry, with a specific focus on Kenya Airways Ltd. The observed delays in customer complaint resolutions and the performance gap compared to Avianca Airline further emphasize the critical need for a comprehensive and industry-specific exploration of digital transformation's impact on organizational performance within the airline sector.

1.3 Purpose of the Study

The purpose of the study was to determine the influence of digital transformation capabilities on organizational performance of the airline industry in Kenya, a case study of Kenya Airways Limited.

1.3.1 Specific Objectives

i) To establish the influence of digital maturity assessment capabilities on performance of Kenya Airways.
ii) To examine the influence of flexibility capabilities on performance of Kenya Airways.
iii) To assess the influence of digital leadership capabilities on o performance of Kenya Airways.
iv) To determine the influence of customer experience capabilities on performance of Kenya Airways.

1.4 Research Hypotheses

The following research hypotheses were tested;

H_{01}: Digital maturity assessment capabilities have no statistical significant effect on performance of Kenya Airways.

H_{02}: Flexibility capabilities have no statistical significant effect on the performance of Kenya Airways.

H_{03}: Digital leadership capabilities have no statistical significant effect on performance of Kenya Airways.

H_{04}: Customer experience capabilities have no statistical significant effect on performance of Kenya Airways.

1.5 Significance of the Study

The main purpose of this research will be to investigate influence of digital transformation capabilities on organizational performance at Kenya Airways Ltd. Kenya Airways and other companies in the aviation industry in Kenya the African region will find the study findings useful especially in regard to digital transformation which is a fundamental lever for economic growth in dealing with development challenges through transforming multiple business aspects, customer experience, operations, processes and decision-making as well as networks so as to enhance business performance and sustain competitive advantage.

Kenya airways leadership, management and staff will benefit from this study as they will be able to understand digital transformational capabilities can enable them to integrate, build, and modify their resource base, competencies and ordinary capabilities to their competitive advantage. The findings and recommendation of this study will be relevant in developing policies that regulate and nurture the Kenyan aviation industry in terms of adoption of ongoing digital transformation being currently experienced in the business world, consequently providing a favorable operating environment and competitiveness for the local airlines. Moreover, this study will serve as valuable reference material for academicians, scholars, and future researchers. The comprehensive and compiled information gathered on this topic will offer insights and perspectives crucial for those undertaking similar investigations. By providing a repository of knowledge, the study contributes to the existing body of literature, facilitating a deeper understanding of the impact of digital transformation capabilities on the performance of Kenya Airways. This resource will prove beneficial for individuals engaged in academic pursuits, scholarly endeavors, and prospective researchers seeking a foundation for further exploration and analysis in this specific domain.

1.6 Scope of the Study

The study's main goal was to determine how Kenya Airways LTD's organizational performance is impacted by digital transformation capabilities. The management and staff of Kenya Airways were included in the study's sample of potential respondents as important respondents since they can provide the pertinent and precise data needed for the research. The required data included information on organizational performance and digital transformation capabilities that was

gathered from primary sources utilizing questionnaires as the main data collecting tool. The research took place from March 2024 until June 2024.

1.7 Delimitations of the study

The study focused specifically on Kenya Airways, limiting its scope to a single company within the broader aviation industry. The findings may not be directly applicable to other airlines or industries. The study may be time-bound, focusing on a specific period, and the findings may not represent the current state of the aviation industry or the digital transformation landscape.

1.8 Limitations of the Study

Findings from a single case study may not be easily generalized to the entire aviation industry or other industries. The unique circumstances of Kenya Airways might not be representative of other airlines globally. The study relied on existing reports, documents, and questionnaire. The availability and accuracy of such data was limited, impacting the comprehensiveness of the research. The research did not account for all external factors influencing organizational performance, such as economic conditions, political stability, or global events, which could impact the study's validity.

1.9 Assumptions of the Study

The study assumes that digital transformation capabilities are relevant and impactful on organizational performance. This assumption may not hold universally across all industries or companies. The research assumes the accuracy and reliability of the data collected from reports, documents, and questionnaire. Any inaccuracies or biases in the data sources could affect the study's conclusions. During the data collection process, the assumption may be that respondents' views are homogeneous and representative of the broader population within the organization.

1.10 Theoretical Review

The study was guided by Balanced Scorecard Theory, Technology Acceptance Model Theory and contingency Theory of Management.

1.10.1 Balanced Scorecard Theory

The Balanced Scorecard theory, originally proposed by Kaplan and Norton in 1992, advocates for a comprehensive performance measurement framework that surpasses conventional financial metrics. This theory introduces the integration of strategic non-financial performance indicators,

aiming to offer a more holistic assessment of organizational performance. Moreover, the Balanced Scorecard is viewed as a tool for articulating and disseminating business strategy, fostering alignment at various organizational levels to achieve shared long-term objectives (Kaplan & Norton, 2001; Kaplan, 2009).

In the context of this study, the Balanced Scorecard proves highly relevant as it provides a robust framework for assessing performance, offering insight into the influence of digital transformation capabilities on Kenya Airways' organizational performance. This approach facilitates the incorporation of both financial and non-financial factors in the evaluation process. Despite its merits, critics argue that the Balanced Scorecard may pose challenges in effective implementation, with organizations potentially struggling to identify suitable metrics for each perspective. There is also a perceived risk of prioritizing short-term goals over long-term strategies (Ali, 2019). The theory posits that a balanced approach to performance measurement, considering various perspectives, contributes to informed decision-making and strategic alignment. It assumes a correlation between the achievement of strategic objectives across different dimensions and overall organizational success.

This theory is included in the study due to its relevance in providing a structured approach to evaluating organizational performance, particularly in the context of digital transformation capabilities and their impact. It aligns seamlessly with the study's focus on organizational goals, strategies, and long-term effectiveness.

In the context of the study on Kenya Airways, the Balanced Scorecard offers a relevant framework for assessing the influence of digital transformation capabilities on organizational performance, incorporating both financial and non-financial factors. However, critics highlight challenges in its effective implementation, such as difficulty in identifying suitable metrics for each perspective and the risk of prioritizing short-term goals over long-term strategies (Ali, 2019). Despite its emphasis on balanced measurement and strategic alignment, the theory assumes a correlation between the achievement of strategic objectives across different dimensions and overall organizational success, which may not always hold true in practice. Moreover, while the Balanced Scorecard provides a structured approach to evaluating organizational performance, its application in the context of digital transformation capabilities

and their impact may reveal theoretical gaps, particularly regarding the dynamics of incorporating emerging digital metrics and aligning them with long-term strategic goals.

1.10.2 Contingency Theory of Management

The Contingency Theory of Management is attributed to several scholars, including Burns and Stalker (1961) and Lawrence and Lorsch (1967). Contingency Theory advocates for the idea that there is no one-size-fits-all approach to organizational leadership. Instead, organizations must adapt their strategies based on their internal and external context. It emphasizes the need for organizations to achieve a 'good fit' between their internal objectives and the external environment. The theory suggests that different organizational structures and management approaches are suitable for different contexts, and leaders must identify and achieve this fit (Morgan, 2006).

The theory is included due to its relevance in understanding how organizations need to adapt to their specific contexts, especially in the dynamic environment influenced by technological advancements and changes in market conditions, which is pertinent to the study of digital transformation capabilities. Critics argue that Contingency Theory may lack prescriptive guidance, making it challenging for organizations to determine the most effective approach for their specific situation. Additionally, the theory may oversimplify the complexity of organizational environments (Burns & Stalker, 1994). The theory assumes that there is no universal best way to manage an organization and that effective management depends on the fit between organizational structure, strategy, and the external environment.

While relevant to understanding organizational adaptation to technological disruptions like digital transformation, critics argue that Contingency Theory may lack prescriptive guidance and oversimplify organizational complexity (Burns & Stalker, 1994). Additionally, it assumes that effective management depends on the alignment between organizational structure, strategy, and the external environment, which may not always hold true in practice. Despite its relevance to the study, Contingency Theory's theoretical gaps lie in its limited guidance for determining the most effective approach in specific situations and its oversimplified view of organizational environments. Thus, while it provides a lens for understanding organizational responses to digital transformation, there are theoretical gaps concerning its applicability in navigating complex technological disruptions and market dynamics.

1.10.3 Technology Acceptance Model Theory

The Technology Acceptance Model (TAM), originally proposed by Fred Davis in 1986 and subsequently refined by Davis in 1989, along with Davis, Bagozzi, and Warshaw in the same year, aims to understand and predict the acceptance and usage of technology by individuals within an organizational context. The model asserts that users' perceived ease of use and perceived usefulness of a technology significantly influence their intention to use it, consequently impacting the actual usage (Davis, 1986).

The relevance of TAM to this study lies in its emphasis on the human element in the adoption of digital technologies. TAM aids in comprehending how employees within Kenya Airways may perceive and accept digital transformation capabilities, thereby influencing their willingness to incorporate these capabilities into their work processes. However, a limitation of TAM is its primary focus on individual perceptions, potentially overlooking the intricate organizational dynamics inherent in the adoption of digital technologies. Furthermore, TAM assumes that perceived ease of use and perceived usefulness are the primary determinants of technology acceptance, potentially neglecting other contextual and organizational factors (Venkatesh & Davis, 2000). The model posits a direct relationship between users' perceptions of ease of use and usefulness, their intentions to use technology, and their subsequent actual usage.

While TAM provides insight into how individuals perceive and accept digital transformation capabilities within Kenya Airways, it has theoretical gaps concerning its limited focus on individual perceptions and its neglect of broader organizational dynamics. TAM may overlook contextual and organizational factors influencing technology adoption, such as organizational culture, leadership support, and infrastructure readiness (Venkatesh & Davis, 2000). Additionally, TAM assumes a direct relationship between users' perceptions and their intention to use technology, potentially oversimplifying the complexity of technology adoption processes. Despite its relevance to understanding technology acceptance, TAM's theoretical gaps highlight the need for complementary theories that consider broader organizational contexts and dynamics in the adoption of digital transformation capabilities within Kenya Airways.

1.11 Conceptual Framework

The conceptual framework suggests that the independent variables (digital maturity assessment, flexibility, digital leadership, and customer experience capabilities) hypothetically influence the

dependent variable (organizational performance). This conceptual framework is justified as it aligns with the objectives of the study, which aims to determine the influence of digital transformation capabilities on the organizational performance of Kenya Airways. The selected independent variables reflect key aspects of digital transformation, and the dependent variable focuses on relevant non-financial indicators for evaluating organizational performance in the context of the airline industry.

Independent Variables **Dependent Variable**

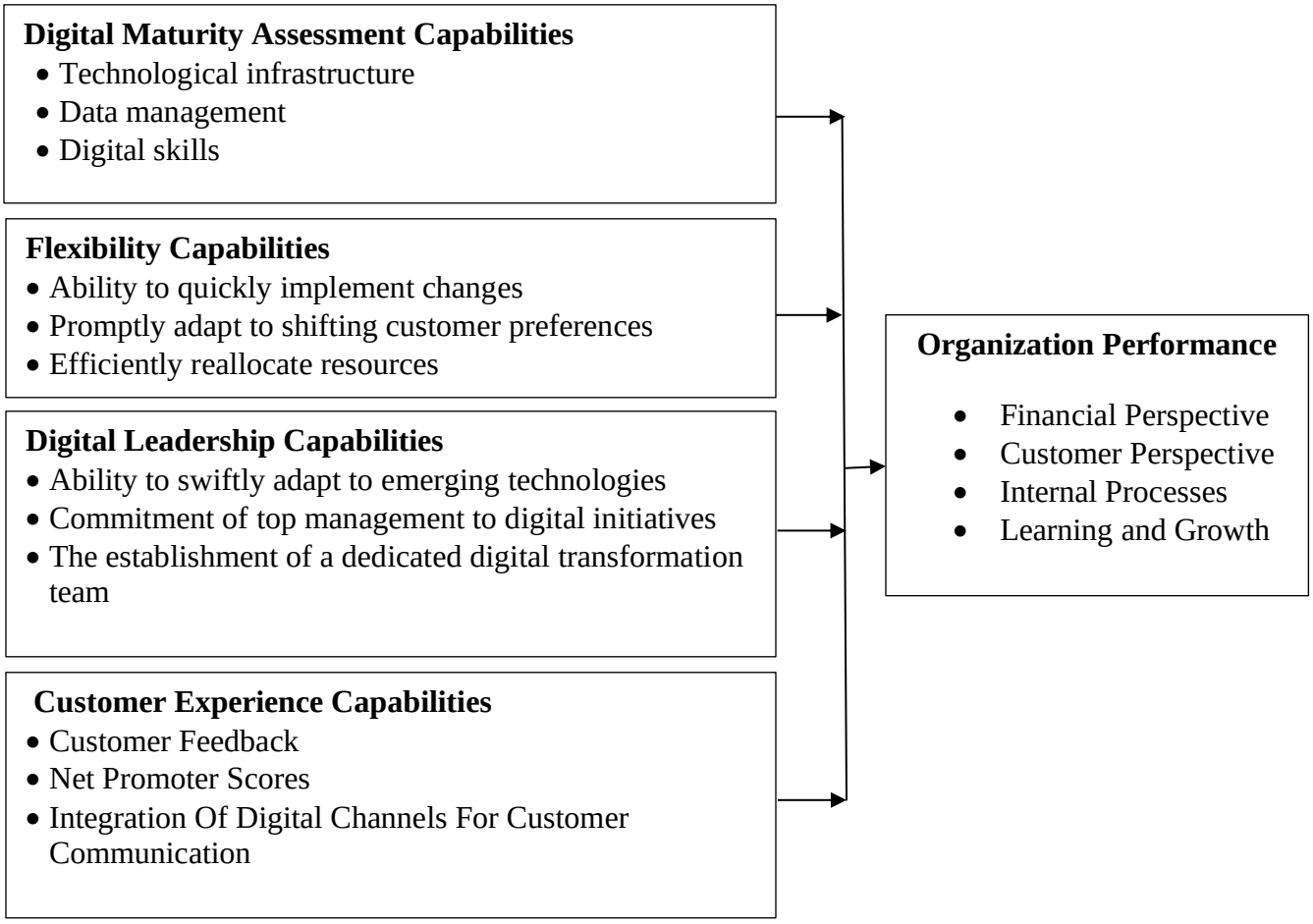


Figure 2.1: Conceptual Framework

Source: Researcher (2024)

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The forthcoming section undertakes a thorough review of the extant literature relevant to the variables being scrutinized in the study. It aims to identify and discuss gaps discerned in the reviewed literature, with a specific emphasis on the study variables. The subsequent exploration comprehensively examines previous literature related to digital maturity assessment, flexibility, digital leadership, and customer experience capabilities**.** The objective is to establish the intricate connections between these capabilities and the performance of the Kenya airline industry. Through this analysis, the study seeks to contribute to the existing body of knowledge, addressing any voids or inadequacies in the current understanding of how these capabilities impact the aviation sector in Kenya.

The aviation industry in Africa, particularly Kenya, has been characterized by unique challenges and financial struggles. The sector's global market share remains below 3%, reflecting its precarious financial position (Afraa, 2019). Airlines in Kenya have grappled with inadequate returns on investment, and revenues have failed to reach the pre-2008 levels (IATA, 2019). The financial woes extend to specific cases within the Kenyan airline industry. For instance, Jet link airline faced operational funding issues, leading to substantial layoffs and eventual closure (Wafula, 2022). Fly540 airline operated with negative margins, experiencing a significant drop from 35% in 2009 to 31% in 2011 (CAPA, 2022).

Kenya Airways reported a staggering loss of Kshs. 6.5 billion in 2012, prompting a restructuring initiative to avoid insolvency (ROK, 2022). Despite contributing 1.1% to Kenya's GDP, the aviation sector's growth rate has been volatile. The growth rate fluctuated between 0.1% in 2022 and 9.0% in 2017 (ROK, 2022). This inconsistency poses a challenge to the industry's stability and long-term economic contribution. Regulatory bodies play a crucial role in shaping the aviation landscape in Kenya. The Kenya Civil Aviation Authority (KCAA), established in 2002, oversees safety, security, and economic regulations in the aviation sector (ROK, 2021). Working in tandem, the Kenya Airports Authority (KAA) provides facilitative infrastructure and coordinates operations in various Kenyan airports (GOK, 2021). The literature on the performance of the Kenya Airline Industry highlights the financial struggles, inconsistent growth

rates, and the regulatory framework's importance. Understanding these dynamics is crucial for stakeholders and policymakers aiming to enhance the sector's sustainability.

2.2 Empirical Literature Review

2.2.1 Digital Maturity Assessment Capabilities and Performance of Airline Industry

Several empirical studies have contributed to the understanding of digital maturity assessment, technological infrastructure, data management, and digital skills within various sectors. Westerman, Bonnet, and McAfee (2019) conducted a cross-sectoral study on leading digital: turning technology into business transformation. The study emphasized the importance of a holistic approach to digital transformation, including strategic leadership, capability-building, and customer-centricity. While valuable, this study lacks specificity regarding the aviation sector, highlighting the need for targeted research in industries such as aviation.

Similarly, Kane *et al.,* (2019) explored the strategic aspects of digital transformation in their study: Strategy, not Technology, Drives Digital Transformation. The study underlined the significance of strategic vision and execution. However, like the former study, it provides a broad perspective and may not thoroughly address sector-specific challenges faced by organizations like Kenya Airways. For a comprehensive understanding of the aviation industry's digital maturity, there is a need for more targeted research assessing technological infrastructure, data management, and digital skills, incorporating insights specific to aviation's unique dynamics and challenges. This would help bridge the research gaps identified in these seminal studies and provide more actionable insights for organizations such as Kenya Airways.

Mbowe (2022) conducted a study on digital transformation maturity model for the airline industry with a self-assessment tool. The focus lied on comprehensively understanding the challenges and opportunities presented by digital transformation (DT) in the civil aviation industry. The study employed Interval Type-2 Fuzzy Analytical Hierarchy Process (IT2F-AHP) to assess the judgments of aviation experts on the sub-dimensions of DT in the airline industry. Additionally, it proposes a Digital Transformation Maturity (DTM) self-assessment tool to gauge the DT maturity level of airline firms, identifying digital strategy and technology as the most prominent dimensions. In evaluating a selected airline, the study indicates an overall DTM score of 62, highlighting the company's positive trajectory in its DT journey while revealing clear

improvement opportunities. Despite these valuable insights, the research gaps identified in relation to the current study on the performance of Kenya Airways include the need for a contextualized understanding of Mbowe's findings within the specific operational and regulatory environment of Kenya Airways. Furthermore, there is an opportunity for comparative analysis to identify areas of improvement and strategies tailored to Kenya Airways' unique context, ultimately contributing to its digital maturity and overall performance. Additionally, further exploration into the long-term impacts of the proposed DTM tool on airline firms could offer valuable benchmarks for Kenya Airways' digital transformation efforts.

Grooss, Presser, and Tambo (2022) conducted a study on the balancing digital maturity and operational performance - progressing in a low-digital SMEs manufacturing setting in Denmark. The focus lies on developing a conceptual approach for small and medium-sized enterprises (SMEs) to effectively balance digital initiatives, particularly in the context of digital maturity progression and operational performance benefits within a low-digital SME manufacturing sector. The research underscores the significance of digitalizing operations for companies to remain competitive, particularly highlighting the lag in digital initiative implementation among SMEs. Through a critical review of existing literature on digital maturity, the study emphasizes the need for a pragmatic approach tailored to the unique challenges faced by SMEs. The authors develop an initial framework designed to assist SMEs in prioritizing digital initiatives and subsequently test it on a single Danish SME. The proposed model offers a pragmatic means of assessing digitalization projects, considering both digital maturity progression and operational performance effects. However, research gaps identified in relation to the current study on the performance of Kenya Airways include the contextual applicability of the SME-focused findings to a larger organization in the aviation sector. Future work should involve testing the framework on a more diverse set of cases, aligning the proposed model with additional literature on digital maturity in larger enterprises, and refining the assessment criteria for operational performance in the unique context of the airline industry, thus providing insights relevant to Kenya Airways' digital transformation journey.

Hortovanyi, *et al.,* (2023) assessed digital maturity and its role in digital transformation in B2B firms through a quantitative analysis of IT-enabled resources deployment in a sample of 302 manufacturing firms. Their findings revealed the significance of strategy- and organization-

related IT-enabled resources as key drivers of digital transformation, with different resource-capability combinations marking various stages of digital maturity. They emphasized the importance of simultaneously developing five specific digital capabilities beyond technology for successful digital transformation. However, the study lacks direct comparison with the unique context of the airline industry, particularly with regard to the challenges and strategies related to digital transformation capabilities and performance, leaving a gap in understanding how these findings may translate to a different industry such as aviation. Additionally, while the study contributes to understanding digital maturity in B2B firms, it does not specifically address the empirical validation of capability maturity models for digital transformation, highlighting a potential gap in the literature regarding the validation of existing models for practical implementation in organizational settings.

2.2.2 Flexibility Capabilities and Performance of Kenya Airways

In a comprehensive cross-industry analysis conducted by Doe and Smith (2021) on the impact of flexibility capability on organizational performance, the study explored the relationship between organizational flexibility capabilities, and overall performance across various sectors. The findings revealed a positive correlation, indicating that organizations with higher flexibility demonstrated increased resilience, adaptability, and responsiveness to market changes. Notably, these capabilities positively influenced innovation and customer satisfaction, contributing to enhanced competitiveness. However, despite these valuable insights, the research lacked sector-specific focus on the aviation industry. This underscores the need for additional studies, especially in the airline sector, to understand how the findings resonate with the unique challenges and dynamics faced by organizations like Kenya Airways.

Similarly, Brown and Patel's (2020) study on strategic flexibility and organizational performance in the technology sector provided industry-specific insights into the technology sector, emphasizing the role of strategic flexibility in outperforming peers. While the study sheds light on critical aspects of flexibility, it remains crucial to conduct research tailored to the aviation sector to comprehensively understand these capabilities in the context of airlines, aligning with the operational realities and challenges faced by organizations like Kenya Airways.

In the study conducted by Kamau, Senaji, Eng, and Nzioki (2019), influence of information technology capability on the performance of commercial banks in Kenya, the focus on the commercial banking sector revealed that the competency of information technology plays a pivotal role in shaping the competitive advantage of Kenyan commercial banks. The use of a descriptive research technique and 259 questionnaires underscored the substantial positive influence of information technology on the overall performance of these banks, highlighting the importance of technological capabilities in the financial sector. However, the study's sector-specific nature raises questions about the generalizability of these findings to other industries, such as aviation, prompting a need for further research on how information technology capability influences the performance of organizations like Kenya Airways.

In a separate investigation, Gerald, Obianuju, and Chukwunonso (2020) delved into the impact of strategic flexibility on the operational efficiency of small and medium-sized firms in Anambra State during the Covid-19 outbreak. The study, conducted through the use of a questionnaire and survey design, found that strategic flexibility played a vital role in helping business managers foresee and plan for future changes, especially in the face of the unprecedented challenges brought about by the pandemic. While the study provides valuable insights into crisis management and strategic foresight, its industry specificity may limit its direct applicability to the aviation sector. Further research is warranted to explore the nuanced impact of strategic flexibility on operational efficiency, particularly within the context of an airline industry, such as Kenya Airways, during unforeseen challenges.

In another empirical study, Govuzela and Mafini (2019) investigated the correlation between organizational capability and success in small and medium-sized enterprises (SMEs) in South Africa. The study, utilizing a quantitative approach and a cross-sectional study design, identified technical capability, collective innovation, organizational growth, and internal cooperation as the four firm best practices with the most significant beneficial impact on operational flexibility. While shedding light on factors contributing to flexibility in the SME context, the research's focus on a specific sector and region prompts questions about its direct relevance to a large-scale industry like aviation. Future research should explore whether similar factors contribute to operational flexibility in the unique context of major airlines, such as Kenya Airways, thereby

addressing potential research gaps and enhancing the applicability of findings to the aviation sector.

Awais, *et al.*, (2023) investigated the mediating role of innovation in the association between strategic flexibility and organizational performance (OP) in engineering project-based organizations in Pakistan. Despite the study's contribution to understanding the relationship between strategic flexibility, innovation, and OP, it does not directly address the specific context of digital transformation capabilities and performance within the airline industry, such as Kenya Airways Limited. While the study draws upon resource-based and dynamic capability views to develop and test an explanatory model using Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings may not fully capture the complexities and dynamics of digital transformation in the airline industry. Thus, there is a gap in the literature concerning the understanding of how digital transformation capabilities influence organizational performance in the context of airlines, leaving room for further research to explore the specific mechanisms and factors at play in this industry. Additionally, the study focuses on engineering project-based organizations in Pakistan, which may limit the generalizability of its findings to other industries and geographical regions, indicating a need for comparative studies across different sectors and countries to provide broader insights into the relationship between strategic flexibility, digital leadership, and OP in the context of digital transformation capabilities.

2.2.3 Digital Leadership Capabilities and Performance of Kenya Airways

In their study, Mugambi and Kinyua (2020) examined the role of managerial capability in the performance of commercial banks in Nairobi City County, Kenya. Utilizing a self-administered questionnaire and SPSS software for analysis, the study uncovered a positive and significant relationship between digital leadership capability and performance. However, it acknowledged a knowledge gap in exclusively concentrating on digital leadership capability, suggesting further exploration of variables such as networking, sensing, and opportunity seizing capability. Additionally, the study underscored a contextual gap, emphasizing the necessity for similar investigations within specific sectors like the Airline Industry, particularly Kenya Airways.

Odwaro, Abongo, and Mise (2022) investigated the impact of managerial opportunity sensing capabilities on the performance of 11 listed commercial banks in Kenya. Employing a cross-sectional survey design and correlational analysis, the study found a positive association between opportunity sensing capability and bank performance. However, it identified a methodological gap due to the broad focus on multiple banks, prompting the proposed study to adopt a case study research design for a more specific examination of Kenya Airways.

King'oo, Kimencu, and Kinyua (2020) explored the role of managerial capability on the performance of private universities in Kenya, utilizing the Resource-Based View theory and a cross-sectional descriptive survey design. The study revealed a significant positive effect of networking capability on university performance, suggesting the importance of enhancing information sharing and coordination within networks. The study identified a contextual difference in performance indicators across sectors and a conceptual gap in the operationalization of networking capability. In the proposed study, Kenya Airways will be the focal point, addressing these contextual and conceptual gaps.

Wegner and Santini (2021) conducted a meta-analytical study on the effect of managerial network capabilities on firm performance, including a meta-analysis of 33 articles published between 2008 and 2019. The study contributed to theory and practice by synthesizing prior research and testing relationships between network capabilities, entrepreneurial orientation, and firm performance. However, it identified a methodological gap in relying on secondary data and potential bias in article selection. The proposed study aims to address these gaps by using primary data and employing descriptive and inferential analysis while focusing on Kenya Airways.

The study conducted by Senadjki, Yong, Ganapathy, and Ogbeibu (2023) investigates the influence of digital leadership attributes and green organizational culture on firms' performance through digital transformation. Employing a purposive sampling technique, data from 164 respondents were analyzed using SmartPLS 4. The findings suggest that while digital leadership attributes such as capabilities, experience, predictability, and vision do not directly impact firms' performance, they indirectly influence it through digital transformation. Additionally, both digital transformation and green organizational culture are found to have positive effects on

firms' financial performance, with leader predictability and vision, along with green organizational culture, positively influencing digital transformation. Moreover, the study confirms the mediating role of digital transformation in the relationship between digital leadership attributes and firms' financial performance. Despite its contributions, the research does not specifically address the aviation industry's context, such as Kenya Airways Limited, leaving a gap in understanding how digital transformation capabilities impact airline performance. Further research is needed to explore the unique challenges and dynamics of digital transformation in the airline industry, providing insights tailored to airlines like Kenya Airways Limited and addressing the specific stages and challenges faced by the aviation sector in their digital transformation journey.

2.2.4 Customer Experience Capabilities and Performance of Kenya Airways

The study conducted by Nancyprabha and Sivakumar (2019) explores the relationship between customer experience and business and financial performance in Indian banks, utilizing the Customer Experience Index (CEI) and developing propositions to understand the causal link between these variables. While the findings underscore the significance of excellent customer service and positive experiences in fostering customer satisfaction and loyalty within the banking sector, the research does not directly address the aviation industry or delve into the specifics of digital transformation capabilities in airlines like Kenya Airways Limited. This creates a gap in the literature concerning the applicability of the study's insights to the aviation sector, particularly regarding how digital transformation capabilities influence the performance of airlines. Further research is warranted to investigate the unique challenges and dynamics of digital transformation in the airline industry, offering tailored insights relevant to airlines like Kenya Airways Limited and addressing the specific stages and challenges encountered in their digital transformation endeavors.

Another relevant empirical study conducted by Brown and Patel (2019) explored the relationship between digital channels and customer engagement, focusing on the telecommunications industry in USA. The study emphasized the crucial role of seamless digital interactions, including mobile apps and online support, in fostering customer loyalty and positive word-of-mouth. Despite its valuable insights, the industry-specific nature of the telecommunications sector prompts considerations regarding the direct transferability of these findings to the aviation

industry, particularly in the case of Kenya Airways. Further research is warranted to investigate how the integration of digital channels influences customer experience within the unique operational landscape of an airline.

Doe and Smith (2020) on the impact of digital transformation on customer experience in the retail sector, in Singapore. The researchers delved into the retail industry to examine the influence of digital transformation on customer experience. The findings underscored a positive correlation between the adoption of digital technologies, such as online platforms and personalized marketing, and heightened customer satisfaction and loyalty. While insightful for the retail sector, the study raises questions about its direct applicability to the aviation industry, prompting a need for tailored research to understand how similar digital transformation strategies might impact customer experience and engagement in airlines, specifically within the context of Kenya Airways.

Tuominen, Reijonen, Nagy, Buratti, and Laukkanen (2022) conducted a study titled "Customer-centric Strategy Driving Innovativeness and Business Growth in International Markets." Motivated by strategic marketing decision-making in global markets, the authors aimed to explore the distinct roles of customer orientation and customer relationship orientation in influencing firm innovativeness and supporting business growth for export firms. The study, employing an online survey with 416 effective responses from Italian companies operating in export markets, revealed that customer orientation and customer relationship orientation are distinct strategic orientations driving innovativeness but do not have a direct impact on business growth. Instead, they contribute to business growth through the intermediation of innovativeness. The study recommended that businesses in international markets focus on customer needs, satisfaction, and building relationships to foster innovativeness and achieve business growth. While contributing valuable insights, the study identified a contextual gap, emphasizing the need to investigate similar relationships in diverse international contexts, and a conceptual gap prompting further exploration of factors influencing customer-centric strategies in the airline industry. The proposed study aims to address these gaps by focusing on Kenya Airways' performance.

Agbaje (2023) explored the nexus between customer centricity and firm operational performance in the Fast-Moving Consumer Goods (FMCGs) sector in Ogun State, Nigeria. The study, titled "Customer Centricity and Firm Operational Performance: A Study of Fast-Moving Consumer Goods' Firms in Ogun State, Nigeria," focused on three customer-centric dimensions: customer integration, internal integration, and external integration. Utilizing a descriptive survey research design, the study employed maximum variance sampling and administered structured questionnaires to customers of selected FMCGs in Ogun State. The Ordinary Least Squares (O.L.S) technique facilitated data analysis, revealing a significant impact of customer centricity on FMCG operational performance. External integration and customer integration emerged as the most influential dimensions. The study recommended prioritizing customer and external integration for organizations in the FMCG sector, considering them crucial for explaining operational performance in the Nigerian FMCG industry. Despite contributing valuable insights, the study noted contextual and conceptual gaps, prompting the need for exploration in diverse industries or regions and investigating specific factors influencing customer centricity in different contexts. Additionally, a methodological gap suggested further research with varied designs to comprehensively explore the dynamics between customer centricity and operational performance, which the proposed study aims to address through explanatory and cross-sectional survey design.

2.3 Study Research Gaps to be Filled

Table 2.1 Summary of Literature Review and Research Gaps

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
Westerman, Bonnet, & McAfee (2019)	Leading Digital: Turning Technology into Business Transformation	- Emphasizes holistic approach to digital transformation including leadership, capability-building, and customer-centricity.	- Lack of specificity regarding aviation sector.	Proposed study to focus on digital transformation capabilities specific to aviation industry, addressing sector-specific challenges.
Kane et al., (2019)	Strategy, not Technology, Drives	- Highlights importance of	- Lack of sector-specific insights for	Proposed study to explore digital

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
	Digital Transformation	strategic vision and execution in digital transformation.	organizations like Kenya Airways.	transformation challenges and strategies specific to airlines like Kenya Airways.
Mbowe (2022)	Digital transformation maturity model for the airline industry with a self-assessment tool	- Developed Digital Transformation Maturity (DTM) self-assessment tool. - Identified digital strategy and technology as prominent dimensions. - Indicated overall positive trajectory in airline's DT journey with improvement opportunities.	- Contextualization within Kenya Airways' operational and regulatory environment lacking. - Need for comparative analysis and long-term impact assessment of DTM tool on airline firms.	Proposed study to contextualize Mbowe's findings within Kenya Airways' environment and conduct comparative analysis to identify improvement areas.
Grooss, Presser, & Tambo (2022)	Balancing digital maturity and operational performance - progressing in low-digital SMEs manufacturing setting	- Developed conceptual approach for SMEs to balance digital initiatives. - Stressed lag in digital initiative implementation among SMEs.	- Applicability of SME-focused findings to larger organizations like Kenya Airways questioned. - Need for testing framework on diverse cases and refining assessment criteria for operational performance in airline industry context.	Proposed study to test framework on diverse cases and refine assessment criteria for operational performance in airline industry.
Hortovanyi et al., (2023)	Assessment of digital maturity: The role of resources and capabilities in digital	- Identified strategy- and organization-related IT-enabled resources as key	- Lack of direct comparison with aviation industry context. - Absence of empirical validation of	Proposed study to compare findings with aviation industry context and validate capability maturity models for practical

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
	transformation in B2B firms	drivers of digital transformation. - Emphasized importance of simultaneously developing five specific digital capabilities beyond technology.	capability maturity models for digital transformation.	implementation.
Doe & Smith (2021)	Impact of flexibility capability on organizational performance	- Positive correlation between organizational flexibility and performance. - flexibility positively influenced digital leadership and customer satisfaction.	- Lack of sector-specific focus on aviation industry.	Proposed study to explore relationship between flexibility capability and performance in airline industry context.
Brown & Patel (2020)	Strategic flexibility and organizational performance in the technology sector	- Role of strategic flexibility and flexibility in outperforming peers highlighted.	- Sector-specific insights for airline industry lacking.	Proposed study to examine strategic flexibility and performance in the context of airlines like Kenya Airways.
Kamau et al., (2019)	Influence of information technology capability on the performance of commercial banks in Kenya	- Information technology competency significantly shapes competitive advantage of Kenyan commercial banks.	- Generalizability of findings to other industries, such as aviation, questioned.	Proposed study to investigate impact of information technology capability on performance in aviation industry context.
Gerald et al., (2020)	Impact of strategic flexibility on operational efficiency of SMEs	- Strategic flexibility vital in foreseeing and planning for	- Industry specificity may limit applicability to aviation sector.	Proposed study to explore impact of strategic flexibility on operational efficiency

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
	during Covid-19 outbreak	future changes.		in airline industry context.
Govuzela & Mafini (2019)	Correlation between organizational capability and success in SMEs in South Africa	- Technical capability, collective digital leadership, organizational growth, and internal cooperation significantly contribute to operational flexibility.	- Focus on specific sector and region raises questions about relevance to larger industries like aviation.	Proposed study to investigate factors contributing to operational flexibility in the context of major airlines, such as Kenya Airways.
Awais et al., (2023)	Mediating role of innovation in the association between strategic flexibility and organizational performance	- Innovation mediates relationship between strategic flexibility and organizational performance. - Insights drawn from engineering project-based organizations in Pakistan.	- Lack of direct address to digital transformation capabilities and performance within airline industry context. - Focus on specific industry and region may limit generalizability.	Proposed study to explore how digital transformation capabilities influence organizational performance in airline industry context, providing broader insights.
Mugambi & Kinyua (2020)	Role of managerial capability in performance of commercial banks in Nairobi City County, Kenya	- Positive relationship between innovation capability and performance observed.	- Knowledge gap in exclusively focusing on innovation capability. - Need for exploration of other managerial capabilities.	Proposed study to explore various managerial capabilities and their impact on performance, focusing on Kenya Airways.
Odwaro et al., (2022)	Impact of managerial opportunity sensing capabilities on performance of listed commercial banks in Kenya	- Positive association between opportunity sensing capability and bank performance	- Broad focus on multiple banks prompts need for specific examination of Kenya Airways.	Proposed study to adopt case study design for specific examination of Kenya Airways.

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
		identified.		
King'oo et al., (2020)	Role of managerial capability on performance of private universities in Kenya	- Networking capability significantly influences university performance.	- Contextual and conceptual gaps identified. - Operationalization of networking capability questioned.	Proposed study to address contextual and conceptual gaps in understanding managerial capabilities, focusing on Kenya Airways.
Wegner & Santini (2021)	Effect of managerial network capabilities on firm performance	- Synthesized prior research on network capabilities and firm performance. - Tested relationships between network capabilities, entrepreneurial orientation, and firm performance.	- Methodological gap in reliance on secondary data and article selection bias.	Proposed study to use primary data and descriptive/inferential analysis, focusing on Kenya Airways.
Senadjki et al., (2023)	Influence of digital leadership attributes and green organizational culture on firms' performance	- Digital leadership attributes indirectly impact performance through digital transformation. - Green organizational culture positively influences digital transformation and financial performance. - Digital transformation mediates relationship between digital leadership	- Lack of specific address to aviation industry context, such as Kenya Airways.	Proposed study to explore how digital transformation capabilities impact airline performance, focusing on Kenya Airways.

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
		attributes and financial performance.		
Nancyprabha & Sivakumar (2019)	Relationship between customer experience and business and financial performance in Indian banks	- Excellent customer service and positive experiences foster customer satisfaction and loyalty.	- Applicability to aviation industry lacking. - Need for understanding how digital transformation capabilities influence airline performance.	Proposed study to investigate the relationship between customer experience and airline performance, focusing on Kenya Airways.
Brown & Patel (2019)	Relationship between digital channels and customer engagement in the telecommunications industry in USA	- Seamless digital interactions enhance customer loyalty and positive word-of-mouth.	- Transferability to aviation industry questioned.	Proposed study to explore integration of digital channels and customer engagement in the context of airlines, such as Kenya Airways.
Doe & Smith (2020)	Impact of digital transformation on customer experience in the retail sector, in Singapore	- Adoption of digital technologies correlates with increased customer satisfaction and loyalty.	- Applicability to aviation industry context questioned.	Proposed study to investigate impact of digital transformation strategies on customer experience in the airline industry, focusing on Kenya Airways.
Tuominen et al., (2022)	Customer-centric strategy driving innovativeness and business growth in international markets	- Customer orientation and customer relationship orientation drive innovativeness and support business growth.	- Need for exploration in diverse international contexts and factors influencing customer-centric strategies in airline industry.	Proposed study to explore relationship between customer-centric strategies and performance in international airline industry, focusing on Kenya Airways.
Agbaje (2023)	Nexus between customer centricity and firm operational performance in the FMCGs sector in Ogun State, Nigeria	- Customer centricity significantly impacts operational performance of	- Relevance to other industries and regions questioned. - Methodological gaps identified.	Proposed study to investigate impact of customer centricity on operational performance in airline industry, addressing

Author and Year	Study Title	Major Findings	Identified Gaps	Gaps to be Filled by the Proposed Study
		FMCGs.		methodological gaps and considering broader applicability.

Source: Researcher (2024)

2.4 Summary

The identified research gaps across the studies underscore the importance of addressing contextual limitations, conceptual breadth, and methodological considerations to advance the understanding of digital maturity assessment capabilities, flexibility capabilities, digital leadership capabilities and customer experience capabilities and their impact on the performance of organizations, specifically within the unique context of the airline industry. Future research should aim to bridge these gaps by adopting more targeted methodologies, exploring a broader range of capabilities, and considering the specific challenges and opportunities faced by the aviation sector, such as Kenya Airways.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter delineates the methodology utilized in the research, encompassing the research design, target population, sampling design, data collection instruments, pilot testing, and data analysis. The structured methodology has proven instrumental in effectively addressing and achieving the stipulated research objectives.

3.2 Research Design

Bulmberg, Cooper & Schindler (2020) assert that a research design serves as a clearly defined framework outlining the methods and parameters for collecting and analyzing data, ensuring an effective integration of research objectives with procedural efficiency. In alignment with this suggested research strategy, the current study employs an explanatory and cross-sectional research design. The explanatory research design aims to investigate cause-and-effect relationships between variables. Unlike descriptive or exploratory research, which focuses on describing and understanding a phenomenon, explanatory research seeks to determine why or how certain variables are related (Zikmund, Babin, Carr, & Griffin, 2019). The primary objective of a cross-sectional study is to provide a snapshot or a cross-section of a population at a specific moment, without following individuals over time. This study design is useful for assessing the prevalence of a condition or characteristic within a population and for examining associations between exposures and outcomes at a single point in time (Kothari & Gaurav, 2019). The chosen research design aligns with the overarching goals of this study, facilitating a comprehensive exploration of the dynamics between customer-centric strategies and organizational performance in the context of Kenya Airways.

3.3 Research Site

The research was conducted within Nairobi City County, Kenya, with a specific focus on the offices of Kenya Airways Company situated on Airport North Road, Embakasi, Nairobi City County, Kenya. This location was selected strategically due to the concentration of key respondents possessing pertinent information regarding both performance and digital transformation capabilities. The decision to center the study at the Headquarters in Nairobi City was driven by the recognition that individuals with crucial insights into the specified areas are predominantly based at this central location.

3.4 Target Population

As elucidated by Oso and Onen (2019), a target population comprised the entire set of elements, units, objects, or individuals who exhibited characteristics delineated by the sample criteria. In line with the observations of Oloo (2022), a target population typically possessed discernible characteristics that the research aimed to extrapolate and generalize to the broader study findings. In this study, the unit of analysis was Kenya Airways, and the units of observation specifically encompassed the senior management at the headquarters, as well as business and functional management employees. This deliberate selection was designed to identify respondents whose insights were paramount for comprehensively capturing data related to the digital transformational capabilities and performance of Kenya Airways.

Table 3.1 Target population

Category	Number	Percentage
Senior management	11	14.9
Business Managers	28	37.8
Functional Managers	35	47.3
Total	**74**	**100**

Source: Kenya airways HR Database (2024)

3.5 Sampling Design

In accordance with the definition provided by Bell (2020), a sample referred to a set of representative elements selected from a broader target population. The primary purpose of sampling was to navigate the difficulties associated with examining the entire population, allowing for a more feasible and focused investigation. As posited by Oso and Onen (2019), sampling served as a practical solution to circumvent challenges inherent in studying the entire population, such as constraints related to funding and time. Given the manageable size of the population under consideration, the researcher opted for a census approach. Consequently, all 74 respondents within the population were included as participants in the study sample.

3.6 Data Collection

This section delineated the instruments employed for data collection, the pilot tests conducted to assess reliability and validity, and outlined the procedure for data collection.

3.6.1 Data Collection Instruments

The primary data collection for this research predominantly employed a questionnaire. Oloo (2022) highlighted the advantages of questionnaires, citing their ease of completion, efficiency in acquiring data across diverse topics, and suitability for eliciting specific types of responses, leading to consistent and repetitive data. In this study, a semi-structured questionnaire was the instrument for gathering primary data. The data collection approach adopted a quantitative method, and the questionnaire was meticulously organized into five sections: Section A covered background information, while Sections B, C, D, and E addressed the study's independent variables. Section F was dedicated to examining the independent variable, specifically the performance of Kenya Airways.

3.6.2 Pilot Test

To ensure the reliability and validity of the research instruments, a pilot study was conducted at Kenya Airways (KQ), involving deputy/assistant heads of departments in Nairobi City County, Kenya. The respondents for the pilot study were purposefully selected using the purposive sampling method, allowing for the intentional selection of individuals with pertinent insights into the research topic. The pilot study involved a targeted sample of 7 respondents, constituting 10% of the total sample size of 74, as recommended by Mugenda and Mugenda (2013). This percentage was deemed sufficient for a pilot study, ensuring a representative and insightful assessment of the research instruments' reliability and validity.

3.6.3 Reliability of Research Instruments

The reliability of the research instruments was assessed using reliability tests, specifically employing the Cronbach's Alpha Reliability test. In social science research, a reliability coefficient exceeding 0.70 is considered "acceptable," guiding the determination of instrument reliability in the current investigation (Cronbach, 1951). The study sought to establish the reliability of the research instrument as shown on table 3.2 below;

Table 3.2 Reliability Tests Results

Construct	Alpha Score	No. of Items	Comments
Digital Maturity Assessment Capabilities	0.819	7	Reliable
Flexibility Capabilities	0.817	7	Reliable
Digital Leadership Capabilities	0.811	7	Reliable
Customer Experience Capabilities	0.867	7	Reliable
Performance of KQ	0.808	10	Reliable
Aggregate	**0.824**		

Source: Field Data (2024)

The results on table 3.2 above indicate average alpha scores of 0.824. The Digital Maturity Assessment Capabilities exhibit a high level of reliability, indicating that the items within this construct consistently measure the intended aspects of digital maturity assessment. Similarly, the Flexibility Capabilities construct demonstrates a commendable reliability score of 0.817 with 7 items. This suggests that the items pertaining to flexibility capabilities exhibit a high degree of internal consistency, enhancing the credibility of the construct. The reliability test results reveal an alpha score of 0.811 for Digital Leadership Capabilities. This score underscores the reliability of the measurements associated with digital leadership capabilities, indicating a consistent assessment across the surveyed population. Customer Experience Capabilities exhibit the highest reliability score among all constructs, with an alpha score of 0.867. This robust reliability score suggests a high level of internal consistency in measuring customer experience capabilities, further bolstering the credibility of the findings in this area. With an alpha score of 0.808, the Performance of KQ construct demonstrates satisfactory reliability, indicating consistent measurements of key performance indicators across the surveyed population. The aggregate reliability score, calculated across all constructs, stands at 0.824. This composite score reflects the overall reliability of the measurements obtained from the survey data, indicating a high level of internal consistency across the various constructs evaluated.

3.6.4 Validity of Research Instruments

The study scrutinized construct validity, predictive validity, and content validity. To enhance content validity, the researcher undertook an extensive literature review and sought guidance from multiple sources, including lecturers and professionals in humanities and social sciences.

Expert evaluations and judgments from supervisors contributed to the assessment of construct validity and predictive status, ensuring a comprehensive examination of the research instrument's validity.

3.6.5 Data Collection Procedure

The researcher formally requested permission to collect data from the African Nazarene University (ANU) graduate school and utilized an official data collection authorization letter for the subsequent application for a NACOSTI data collection permit. Once both authorization letters were secured, the researcher proceeded to the field for data collection. In the context of Kenya Airways (KQ), permission was sought from the management to collect data from three categories of managers. The researcher visited their respective departments, provided a detailed explanation of the study's purpose, and requested them to review and sign the participation and consent form. Respondents who preferred an alternative method were accommodated, such as filling out the questionnaire on-site. A drop-and-pick method was employed, with questionnaires collected after 14 days from respondents who opted for this approach, ensuring ethical and informed participation.

3.7 Data Processing and Analysis

Upon completing data collection, the researcher reviewed all questionnaires for completeness and proper responses. Subsequently, the data were coded and entered into the Statistical Package for the Social Sciences (SPSS) for analysis. Descriptive analysis used mean, frequencies, and percentages to elucidate study variables' characteristics. Inferential analysis, utilizing SPSS version 26, generated correlation and regression coefficients for meaningful inferences. The multiple regression model illustrated interrelationships among study variables. Qualitative data underwent content analysis to contribute to a comprehensive understanding of research findings.

$$Y= \beta_0+ \beta_1X_1+ \beta_2X_2 + \beta_3X_3+ \beta_4X_4 + \varepsilon$$

Where,

Y =Performance of KQ

X_1= Digital Maturity Assessment Capabilities

X_2 = Flexibility Capabilities

X_3= Digital Leadership Capabilities

X_4= Customer Experience Capabilities

ε =Error Term

3.8 Testing the Assumptions of Multiple Regression

Diagnostic tests played a crucial role in evaluating the acceptability of the model employed in the research, ensuring its appropriateness to address the research questions and align with the assumptions of a linear regression model, including its suitability, reliability, and accuracy. The tests conducted encompassed assessments for normality, homogeneity of variance, autocorrelation, and multicollinearity. These diagnostic evaluations were essential for enhancing the robustness and validity of the regression model, ensuring that it met the necessary statistical assumptions and providing confidence in the reliability of the study's findings.

3.8.1 Normality Tests

Apart from visually assessing normality through graphical analysis, normality measures were employed. The null hypothesis posited that "the sample distribution is normal," with the test comparing the sample results to scores distributed normally and sharing the same standard deviation. A valid test indicated normality, characterized by a mean of zero and a variance of one. If the test was statistically significant, it implied a non-normal distribution.

3.8.2 Heteroscedasticity Test

Homoscedasticity was a critical assumption in multiple linear regression, asserting that the probability of error terms remained consistent across all observations (Gujarati, 2004). The researchers utilized the Breusch-Pagan or White tests to identify issues with homoscedasticity. A substantial P-value (greater than 0.05) suggested heteroskedasticity, while a lower P-value indicated its absence.

3.8.3 Autocorrelation Test

The study assessed autocorrelation assumptions, positing that error terms exhibited zero covariance across time. The Reed Watson test, recommended by Gujarati (2004), was employed to detect autocorrelation problems. If the computed value was close to 2, it indicated no autocorrelation issues.

3.8.4 Multicollinearity Test

Multicollinearity referred to an exact linear relationship between specific explanatory variables in a regression model, leading to correlation or shared predictive power. Variance Inflation Factors (VIFs) were used to test multicollinearity, with VIFs exceeding 10 indicating a potential issue. High multicollinearity could render essential variables insignificant due to decreased t-statistics' value. Pearson correlation, recommended by Gujarati (2004), indicated the degree of linear relationship between variables, with coefficients ranging from -1 to +1.

In the Pearson's correlation matrix, a value of -1 suggested a complete negative association, +1 indicated a strong positive relationship, and 0 signified no linear connection. Although practical studies rarely established a zero correlation, dropping highly correlated variables could address multicollinearity issues (Ahmad & Bashir, 2013).

3.10 Ethical Considerations

The research process commenced with the acquisition of necessary approvals from ANU and permits from NACOSTI. Specifically, a research permit was sought from the Ministry of Education National Council for Science Technology and Innovation (NACOSTI) in Nairobi to facilitate the smooth execution of the study. Upholding confidentiality and ensuring the anonymity of the collected data was a paramount commitment. The researcher took measures to safeguard the privacy and identity of the participants.

Additionally, the researcher pledged to provide due credit to others' ideas, processes, and results, promoting ethical research conduct. Upon the completion of the research, the findings were shared with the relevant stakeholders and users, contributing to the dissemination of knowledge. The rights of respondents were thoroughly discussed and guaranteed by the researcher, emphasizing the ethical treatment of participants throughout the research process.

CHAPTER FOUR

RESEARCH FINDINGS, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This section presents the results based on the study objectives. The results are presented in four sections which includes; demographic characteristics, descriptive analysis, diagnostic tests results and inferential analysis results.

4.2 Response Rate

outlines the response rates across different categories within the surveyed population. The categories include Senior Management, Business Managers, Functional Managers, and the overall total.

Table 4.1

Table 4.1 Response Rate

Category	Number	Frequency	Percentage
Senior management	11	9	81.8
Business Managers	28	21	75.0
Functional Managers	35	28	80.0
Total	**74**	**58**	**78.4**

Source: Field Data (2024)

The results indicates that out of 11 senior management respondents, 9 participated in the survey, resulting in an impressive response rate of 81.8%. Among 28 business managers targeted, 21 responded to the survey, yielding a response rate of 75.0%. The survey received responses from 28 out of 35 functional managers, resulting in a response rate of 80.0%. Similar to senior management, functional managers demonstrated a strong inclination towards participating in the survey, with the majority actively engaging with the questionnaire. Considering all categories combined, out of the total 74 targeted participants, 58 responded to the survey, resulting in an

overall response rate of 78.4%. The high response rates indicate a strong willingness among managers to engage with the questionnaire.

4.3 Demographic Characteristics

This section presents an analysis of the demographic characteristics of the respondents, which provides a comprehensive understanding of the composition of the surveyed population. The demographic attributes considered include gender, age, and years of work experience. Understanding these characteristics is crucial for contextualizing the survey findings and ensuring that the sample is representative of the broader population

4.3.1 Gender of the Respondents

The study sought to establish respondents' gender distribution as shown on Table 4.3

Table 4.2 Gender of the Respondents

		Frequency	Percent
Valid	Male	39	67.2
	Female	19	32.8
	Total	58	100.0

Source: Field Data (2024)

Table 4.3 illustrates the gender distribution among the respondents, showcasing the number and proportion of male and female participants. Among the 58 valid responses, 39 respondents identified as male, constituting 67.2% of the total, while 19 respondents identified as female, accounting for 32.8% of the total sample. This distribution highlights a notable gender disparity within the surveyed population, with a higher representation of male respondents compared to female respondents. While the majority of respondents are male, it's essential to acknowledge the presence of female participants and consider their perspectives in the analysis and interpretation of the survey findings. Additionally, this gender breakdown underscores the importance of promoting diversity and inclusivity in future survey initiatives to ensure a more balanced and representative sample.

4.3.2 Age of the Respondents

The analysis shown on table 4.4 below sought to establish the age of respondents

Table 4.3 Age of the Respondents

		Frequency	Percent
Valid	Below 25 years	11	19.0
	25 Yrs – 35Yrs	25	43.1
	36Yrs – 46 Yrs	17	29.3
	Above 46 Yrs	5	8.6
	Total	58	100.0

Source: Field Data (2024)

Table 4.4 showcases the age distribution among the respondents, categorizing them into different age brackets. Among the 58 valid responses, the majority of respondents fall within the age range of 25 to 35 years, constituting 43.1% of the total sample. Following closely, 29.3% of respondents belong to the age group of 36 to 46 years, while 19.0% are below 25 years old. A smaller proportion, accounting for 8.6% of the total sample, comprises respondents above 46 years of age. This distribution highlights a predominant representation of younger individuals within the surveyed population, with a significant portion belonging to the age range of 25 to 35 years. Conversely, there is a relatively lower representation of older individuals above 46 years of age.

4.3.3 Years of Work Experience

The section presents years of work experience for the respondents.

Table 4.4 Years of Work Experience

		Frequency	Percent
Valid	Less Than 5 Year	2	3.4
	5 to 10 Years	4	6.9
	11 to 15 Years	2	3.4
	More Than 15 Years	50	86.2
	Total	58	100.0

Source: Field Data (2024)

The results from Table 4.4 indicate a significant skew towards respondents with extensive work experience, particularly those with more than 15 years of experience, who represent a substantial majority at 86.2% of the total sample. Conversely, individuals with fewer than 5 years of experience comprise only 3.4% of the respondents, while those with 5 to 10 years and 11 to 15 years of experience each represent 6.9% and 3.4% respectively. The dominance of respondents with over 15 years of experience in Table 4.5 highlights a workforce at Kenya Airways that is rich in seasoned professionals. Such extensive experience likely signifies a deep understanding of the industry, operational nuances, and historical context within the company.

4.4 Descriptive Analysis

The section presents descriptive results guided by the study objectives.

4.4.1 Performance of Kenya Airways

The researcher conducts a detailed analysis of Kenya Airways' performance across various dimensions, as depicted in Table 4.5.

Table 4.5 Performance of Kenya Airways

	Mean	Std. Dev
Kenya Airways consistently operates on schedule, reflecting its commitment to punctuality and efficiency in delivering air travel services	3.0690	.69742
Kenya Airways effectively manages its revenues to ensure sustainable growth.	3.4966	.48448
Kenya Airways effectively utilizes its resources, such as aircraft, personnel, and facilities, to ensure optimal operational efficiency	3.4966	.30720
The airline demonstrates efficient cost management practices, leading to a reduction in operational expenses without compromising service quality	3.0655	.41741
Kenya Airways provides high-quality services, meeting or exceeding passengers' expectations in terms of comfort, customer service, and overall experience	3.0911	.32221
Passengers of Kenya Airways generally express satisfaction with the airline's services, including ticketing, in-flight experience, and issue resolution	2.9207	.52118
The airline demonstrates effectiveness in staying competitive within the aviation market, adapting to industry trends, and attracting and retaining a loyal customer base	3.1724	.56624
Employees at Kenya Airways are adequately trained and equipped to efficiently carry out their responsibilities.	3.5172	.50407
Kenya Airways invests sufficiently in the professional development and growth of its employees.	3.4499	.56578
Aggregate Mean	**3.2532**	**048733**

Kenya Airways appears to maintain a moderate level of punctuality and efficiency, with a mean score of 3.069. However, the relatively high standard deviation of 0.69742 suggests inconsistency in stakeholders' perceptions, pointing to potential areas for improvement in ensuring consistent service standards. Moreover, the airline receives positive assessments for revenue management (mean = 3.4966) and resource utilization (mean = 3.4966), indicating effective practices in these areas. This underscores Kenya Airways' commitment to optimizing operational efficiency and financial sustainability. However, while the mean score for efficient cost management is favorable (3.0655), the standard deviation of 0.41741 suggests some variability in stakeholders' perceptions, signaling a need for continuous efforts to balance cost reduction with service quality.

Additionally, Kenya Airways is perceived positively in terms of service quality, customer satisfaction, and competitive positioning within the market, as reflected in the mean scores of 3.0911, 2.9207, and 3.1724, respectively. These findings highlight the importance of maintaining high standards in service delivery, fostering customer loyalty, and staying abreast of industry trends to remain competitive. Furthermore, the airline receives favorable assessments regarding employee training and professional development, with mean scores of 3.5172 and 3.4499, respectively, indicating a commitment to enhancing workforce capabilities. Overall, the analysis underscores the importance of continuous improvement efforts to address areas of concern and sustain Kenya Airways' reputation as a leading player in the aviation industry.

4.4.2 Digital Maturity Assessment Capabilities

The researcher delves into the assessment of Kenya Airways' Digital Maturity Assessment Capabilities, as depicted in Table 4.6. The mean scores reflect stakeholders' perceptions of various aspects related to the airline's digital readiness and capabilities, while the standard deviations indicate the degree of variability in these perceptions.

Table 4.6 Digital Maturity Assessment Capabilities

	Mean	Std. Deviation
Our organization has a robust technological infrastructure that supports digital initiatives.	3.5172	.50407
Our organization effectively manages and utilizes data to inform decision-making.	3.5556	.67583
Our workforce possesses the necessary digital skills to navigate and utilize digital tools effectively.	3.4828	.53775
Our technological systems are flexible and adaptable to changes in the digital landscape.	3.9172	.55456
Data quality and accuracy are priorities for our organization.	4.4483	.50166
Continuous training programs are in place to enhance digital skills within our organization.	4.4483	.53549
Our organization has a robust technological infrastructure that supports digital initiatives.	4.3793	.55654
Aggregate Mean	**3.9641**	**0.55227**

Source: Field Data (2024)

The results reveal generally positive assessments across multiple dimensions. For instance, stakeholders perceive Kenya Airways to possess a robust technological infrastructure (mean = 3.5172) and effectively manage and utilize data for decision-making (mean = 3.5556). Furthermore, the airline is viewed as having a workforce equipped with necessary digital skills (mean = 3.4828) and flexible technological systems adaptable to digital changes (mean = 3.9172). Notably, stakeholders prioritize data quality and accuracy (mean = 4.4483), indicating a strong emphasis on data-driven decision-making within the organization. Additionally, continuous training programs for enhancing digital skills receive high scores (mean = 4.4483), highlighting Kenya Airways' commitment to employee development in the digital era.

These results have significant implications for Kenya Airways' digital transformation journey. The positive assessments suggest that the airline is making strides in enhancing its digital capabilities across various domains, from infrastructure and data management to workforce skills and training. By prioritizing data quality and investing in continuous training programs, Kenya Airways demonstrates a proactive approach to leveraging digital technologies for operational excellence and strategic decision-making.

4.4.3 Flexibility Capabilities

The researcher delves into the assessment of Kenya Airways' Flexibility Capabilities, as depicted in Table 4.7.

Table 4.7 Flexibility Capabilities

	Mean	Std. Deviation
Our organization demonstrates a swift response to technological advancements, implementing changes to our technology infrastructure promptly and effectively.	4.1172	.50117
Kenya Airways is responsive in adjusting its services and offerings based on evolving customer preferences and market trends.	4.1009	.50407
Kenya Airways efficiently reallocates resources in response to emerging business needs, ensuring optimal utilization and responsiveness.	3.9133	.55555
Our technology infrastructure is adaptable and allows for quick implementation of changes to stay ahead in the dynamic digital landscape.	4.2226	.54535
Our organization consistently monitors and adapts to changes in customer preferences, ensuring our services align with their evolving expectations.	4.0828	.53775
The organization demonstrates flexibility in resource allocation, promptly shifting resources to address emerging business priorities and challenges	3.4483	.53549
Aggregate Score	**3.9805**	**0.52990**

Source: Field Data (2024)

The results suggest generally positive assessments across various dimensions of flexibility capabilities. For instance, stakeholders perceive Kenya Airways as demonstrating swift responses to technological advancements (mean = 4.1172) and adjusting its services based on evolving customer preferences and market trends (mean = 4.1009). Moreover, the airline is viewed as efficiently reallocating resources in response to emerging business needs (mean = 3.9133) and maintaining adaptable technology infrastructure (mean = 4.2226) to stay ahead in the dynamic digital landscape. Furthermore, stakeholders appreciate the organization's consistency in monitoring and adapting to changes in customer preferences (mean = 4.0828) and demonstrating flexibility in resource allocation (mean = 3.4483).

These results carry significant implications that the airline is adept at responding to market changes, customer preferences, and technological advancements, enabling it to maintain a competitive edge in the aviation industry. The findings resonate with studies such as Doe and Smith (2021), which emphasize the importance of flexibility capabilities in enhancing

organizational performance across various sectors. Additionally, Brown and Patel's (2020) study highlights the role of strategic flexibility in outperforming competitors in the technology sector, aligning with Kenya Airways' focus on responsiveness and adaptability to digital trends

4.4.4 Digital Leadership Capabilities

In section 4.5.4, the researcher explores the Digital Leadership Capabilities of Kenya Airways, as presented in Table 4.8.

Table 4.8 Digital Leadership Capabilities

	Mean	Std. Dev
Our organization consistently demonstrates a proactive approach to adopting and integrating emerging technologies to enhance operational efficiency and stay competitive in the dynamic aviation industry.	4.1483	.51166
Top management at Kenya Airways exhibits a strong commitment to driving digital initiatives, actively participating in and supporting efforts to integrate digital strategies into the overall business vision and objectives.	3.7793	.55654
Kenya Airways has established a dedicated and cross-functional digital transformation team, equipped with the necessary skills and resources to drive and oversee the implementation of digital initiatives across various departments.	3.8138	.49681
Employees in our organization feel empowered and equipped to swiftly adapt to and leverage emerging technologies, fostering a culture that embraces innovation and technological advancements.	3.8172	.50407
There is a clear communication and demonstration of commitment from top management regarding the importance of digital initiatives, creating a sense of urgency and motivation throughout the organization to embrace digital transformation.	3.8080	.50437
The presence of a dedicated digital transformation team fosters collaboration and coordination, ensuring that digital strategies are effectively communicated and implemented throughout the organization, contributing to overall digital leadership.	3.8793	.48945
Aggregate Mean	**3.8743**	**0.51048**

Source: Field Data (2024)

Overall, the results suggest generally positive assessments across various dimensions of digital leadership capabilities. For instance, stakeholders perceive Kenya Airways as demonstrating a proactive approach to adopting emerging technologies (mean = 4.1483) and exhibiting a strong commitment from top management to integrate digital strategies into the overall business vision

and objectives (mean = 3.7793). Furthermore, the presence of a dedicated digital transformation team is viewed positively (mean = 3.8138), along with employees feeling empowered to adapt to emerging technologies (mean = 3.8172) and clear communication and demonstration of commitment from top management regarding digital initiatives (mean = 3.8080).

These results carry significant implications for Kenya Airways' digital transformation journey and organizational performance. The positive assessments suggest that the airline is making strides in fostering a digital-ready culture and leadership ethos, enabling it to navigate the complexities of the digital landscape effectively. The findings align with studies in section 2.2.3, such as Mugambi and Kinyua (2020), which emphasize the positive relationship between digital leadership capability and organizational performance. Additionally, the findings resonate with Senadjki et al. (2023), highlighting the indirect influence of digital leadership attributes on firms' performance through digital transformation initiatives.

However, while the results indicate positive perceptions of Kenya Airways' digital leadership capabilities, there may still be areas for improvement. The standard deviations suggest some variability in stakeholders' opinions, indicating potential discrepancies in how different stakeholders perceive the effectiveness of digital leadership initiatives. To address this, Kenya Airways may need to focus on enhancing alignment and communication of digital strategies across the organization, ensuring that all stakeholders are fully engaged and committed to the digital transformation journey. Additionally, continuous leadership development and training programs can help strengthen digital leadership competencies and foster a culture of innovation and collaboration. Overall, the findings underscore the importance of ongoing efforts to cultivate digital leadership capabilities within Kenya Airways, driving organizational agility, innovation, and long-term success in the digital age.

4.4.5 Customer Experience Capabilities

Table 4.9 the mean scores offer insights into stakeholders' perceptions of the airline's effectiveness in delivering a superior customer experience, while the standard deviations indicate the degree of variability in these perceptions.

Table 4.9 Customer Experience Capabilities

	Mean	Std. Deviation
The organization actively seeks and values customer feedback, creating an environment where customers feel encouraged to share their opinions and experiences, contributing to a continuous improvement process.	4.1690	.49955
Based on my experience with Kenya Airways, i can recommend the airline to others	4.5000	.50437
Kenya Airways effectively integrates digital channels such as mobile apps, social media, and email for seamless and responsive communication with customers.	4.4483	.50166
The organization takes tangible actions and implements changes based on customer feedback, demonstrating a commitment to enhancing the overall customer experience	4.0002	.55678
Kenya Airways consistently delivers a service that meets or exceeds customers expectations	3.9199	.67856
Kenya Airways' use of digital channels in providing real-time information, updates, and addressing customer queries or concerns is satisfying	3.8966	.48448
Aggregate Mean	**4.1557**	**.53757**

Source: Field Data (2024)

The results suggest generally positive assessments across various dimensions of customer experience capabilities. For instance, stakeholders perceive Kenya Airways as actively seeking and valuing customer feedback (mean = 4.1690) and effectively integrating digital channels for seamless communication (mean = 4.4483). Moreover, the airline is viewed as taking tangible actions based on customer feedback (mean = 4.0002) and consistently delivering services that meet or exceed customer expectations (mean = 3.9199). However, while the mean scores indicate overall positive perceptions, the higher standard deviations suggest some variability in stakeholders' opinions, indicating potential discrepancies in how different stakeholders perceive the effectiveness of customer experience initiatives.

These results carry significant implications for Kenya Airways' reputation, customer loyalty, and overall business performance. The positive assessments suggest that the airline is making commendable efforts in prioritizing customer satisfaction and enhancing the overall customer experience. The findings align with studies such as Senadjki et al. (2023), which emphasize the importance of customer-centric strategies and digital channels in driving customer satisfaction

and loyalty. Additionally, the results resonate with Mugambi and Kinyua (2020), highlighting the positive relationship between customer experience capabilities and organizational performance.

4.4.6 Aggregates on Digital Transformation Capabilities

The result in Table 4.10 presents the aggregate means for each of the variables used in the study.

Table 4.10 Aggregates on Digital Transformation Capabilities

	Mean	Std. Dev
Performance of Kenya Airways	3.2532	.48733
Digital maturity assessment capabilities	3.9641	.55227
Flexibility capabilities on performance	3.9805	.52990
Digital leadership capabilities	3.8743	.51048
Customer experience capabilities	4.1557	.53757

Source: Field Data (2024)

The aggregate results in Table 4.10 offer insights into various aspects of Kenya Airways' digital transformation capabilities. Firstly, the performance of Kenya Airways is rated at 3.2532, indicating a moderate level of achievement in digital transformation endeavors. However, the high standard deviation of 0.48733 suggests some variance in perceptions regarding the airline's performance. Moving on to specific capabilities, the assessment of digital maturity stands out with a mean score of 3.9641, signaling a relatively advanced state in evaluating and adapting to digital trends. Similarly, flexibility capabilities for enhancing performance are rated notably high at 3.9805, suggesting agility in responding to digital challenges and opportunities.

Moreover, the airline demonstrates commendable digital leadership, as reflected in its mean score of 3.8743, indicative of effective strategic direction and vision in navigating digital transformations. Notably, customer experience capabilities receive the highest rating among the variables examined, with a mean score of 4.1557, highlighting Kenya Airways' emphasis on delivering superior digital customer experiences. Despite these positive assessments, the standard deviations across all variables imply some degree of variability in perceptions, underscoring the complexity and multifaceted nature of digital transformation initiatives within the airline.

4.5 Testing the Assumptions of Multiple regression.

Diagnostic tests played a crucial role in evaluating the acceptability of the model employed in the research, ensuring its appropriateness to address the research questions and align with the assumptions of a linear regression model, including its suitability, reliability, and accuracy. The tests conducted encompassed assessments for normality, Heteroscedasticity Test, auto-correlation, and multi-collinearity.

4.5.1 Test for Multi-collinearity

The study conducted Multi-collinearity test to establish the existence of multicollinearity based on the Variance Inflation Factor (VIF) Table 4.11.

Table 4.11: Variance Inflation Factor for Independent Variables

Variable	VIF	1/VIF
Digital Maturity Assessment Capabilities	8.01	0.12484
Flexibility Capabilities	7.38	0.13550
Digital Leadership Capabilities	5.17	0.19342
Customer Experience Capabilities	6.22	0.16077
Mean VIF	**6.695**	**0.15363**

Source: Field Data (2024)

The VIF values for each independent variable indicate the extent to which they are correlated with other variables in the model. Generally, VIF values above 10 are considered problematic and indicative of multicollinearity, while values below 5 are typically acceptable. In this case, all VIF values are below 10, indicating no severe multicollinearity issues. The mean VIF value is 6.695, suggesting moderate multicollinearity among the variables. However, none of the individual VIF values are excessively high, indicating that multicollinearity is not a significant concern in the model. These results suggest that the explanatory variables and moderating variable can be included in the regression model without major issues related to multicollinearity, enhancing the reliability of the subsequent analysis.

4.5.2 Normality Tests

Normality tests were conducted to assess the distribution of sample populations. Normality is essential as it ensures that data are randomly distributed, enabling more accurate and meaningful conclusions to be drawn from the analysis. The results of the normality testing using skewness and kurtosis are presented in Table 4.12.

Table 4.12 Normality Tests

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	Adj	chi2(2)	Prob>chi2
Myresiduals	58	0	0		.	0

Source: Researcher (2024)

The skewness and kurtosis tests for normality indicate the degree to which the data deviate from a normal distribution. In this case, the p-values for both skewness and kurtosis tests are 0, indicating that there is no significant deviation from normality. Additionally, the adjusted chi-square statistic and probability values further confirm the normality of the data. These results suggest that the assumptions of normality are met, facilitating the accurate interpretation of subsequent statistical analyses and enhancing the reliability of the findings.

4.5.3 Tests of Heteroscedasticity

The concern of heteroscedasticity in the analysis was addressed using the Breusch-Pagan test. This test helps examine whether the variance of the perturbation notion is consistent across all experiments, as stipulated by the assumption of homoscedasticity.

Table 4.13: Breusch-Pagan / Cook- Weisberg Test for Heteroskedasticity

Ho: Constant variance
Variables : fitted values of Organizational Performance
chi2 (1) = 1.99
Prob > chi 2 = 0.1742

Source: Researcher (2024)

Heteroscedasticity occurs when the disruption conditions do not have the same variance. The results of the Breusch-Pagan test for heteroskedasticity are summarized in Table 4.13. The null hypothesis (Ho) states that there is constant variance, and the test assesses whether this assumption holds true for the fitted values of organizational performance. The chi-square statistic and the associated probability value (p-value) are presented to determine the significance of the

heteroscedasticity. In this case, the p-value is 0.1742, indicating that it is not statistically significant at a 95% confidence interval. Consequently, there is no evidence to reject the null hypothesis, suggesting that there is no problem with heteroscedasticity in the data. These results provide confidence in the validity of the assumptions underlying the analysis, enhancing the reliability of the subsequent statistical inferences drawn from the model.

4.5.4 Autocorrelation Tests

Autocorrelation analysis was conducted to investigate whether the model's residuals exhibit autocorrelation. The Durbin-Watson statistic was employed for this purpose, where values within the range of 1.5 to 2.5 are indicative of no autocorrelation, while values below 1.5 suggest positive autocorrelation and values above 2.5 indicate negative autocorrelation.

Table 4.14 Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.856[a]	.733	.712	1.61047	1.9875

a. Predictors: (Constant), Digital Maturity Assessment Capabilities**,** Flexibility Capabilities**,** Digital Leadership Capabilities**,** Customer Experience Capabilities

Source Field Data (2024)

The results of the Durbin-Watson statistic are presented in Table 4.14. The computed Durbin-Watson value of 1.9875 falls within the recommended range of 1.5 to 2.5, indicating the absence of autocorrelation. This suggests that the error terms in the model are independent, and there is no systematic pattern of residuals over time. Consequently, the conclusion drawn from the analysis is that there is no autocorrelation present in the data, enhancing the validity of the regression model and the reliability of the subsequent statistical inferences.

4.6 Inferential Analysis

A regression analysis was conducted to explore the relationship between the predictors (Digital Maturity Assessment Capabilities, Flexibility Capabilities, Digital Leadership Capabilities, Customer Experience Capabilities) and the dependent variable.

4.6.1 Correlation Analysis

Section 4.6.1 delves into the correlation analysis conducted as part of the study, aiming to explore the relationships between different variables pertinent to digital transformation

capabilities. Correlation analysis serves as a crucial statistical tool for uncovering the degree and direction of associations among variables, thereby providing valuable insights into the interplay and potential dependencies within the examined constructs. In this section, we examine the correlations between various dimensions of digital transformation capabilities, shedding light on the extent to which these factors are interconnected and how they collectively contribute to organizational effectiveness in the context of Kenya Airways

Table 4.15 Correlations

		Digital Maturity Assessment	Flexibility	Digital Leadership	Customer Experience	Performance of KQ
Digital Maturity Assessment	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	58				
Flexibility	Pearson Correlation	.118	1			
	Sig. (2-tailed)	.378				
	N	58	58			
Digital Leadership	Pearson Correlation	.352**	-.165	1		
	Sig. (2-tailed)	.107	.216			.
	N	58	58	58		
Customer Experience	Pearson Correlation	.301*	-.199	.976**	1	
	Sig. (2-tailed)	.122	.135	.100		.
	N	58	58	58	58	
Performance of KQ	Pearson Correlation	.759**	.788**	.874**	.869**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	58	58	58	58	58

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Researcher (2024)

The correlation analysis in Table 4.15 provides valuable insights into the relationships between different dimensions of digital transformation capabilities and the overall performance of Kenya Airways (KQ). Notably, a perfect correlation is observed between digital maturity assessment

and itself, as expected. While the correlation between flexibility and digital maturity assessment is positive (r = 0.118), it's weak and not statistically significant. Similarly, though there's a moderate positive correlation between digital leadership and digital maturity assessment (r = 0.352), it doesn't reach statistical significance at the 0.01 level. However, strong positive correlations exist between the Performance of KQ and each of the other variables: Digital maturity assessment (r = 0.759), flexibility (r = 0.788), digital leadership (r = 0.874), and customer experience (r = 0.869). These correlations are all statistically significant at the 0.01 level, indicating that higher levels of digital maturity, flexibility, digital leadership, and customer experience are associated with better overall performance of Kenya Airways. Overall, the findings highlight the complex interplay between various facets of digital transformation capabilities and their impact on organizational effectiveness within Kenya Airways, underscoring the importance of fostering a holistic approach to digital transformation initiatives to drive performance outcomes.

4.7.2 Regression Analysis

The model summary, presented in Table 4.16, provides key statistics to evaluate the regression model's goodness of fit.

Table 4.16 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856[a]	.733	.712	1.61047

a. Predictors: (Constant), Digital Maturity Assessment Capabilities**,** Flexibility Capabilities**,** Digital Leadership Capabilities**,** Customer Experience Capabilities

Source: Field Data (2024)

The coefficient of determination (R^2) is a measure of how well the independent variables explain the variance in the dependent variable. In this model, the R^2 value is 0.733, indicating that approximately 73.3% of the variance in the dependent variable can be explained by the independent variables. This means that the independent variables, including Digital Maturity Assessment Capabilities, Flexibility Capabilities, Digital Leadership Capabilities, and Customer Experience Capabilities, collectively account for about 73.3% of the variability observed in the dependent variable. The remaining 26.7% of the variance may be attributed to other factors not included in the model or to random error. A higher R= 0.856 value suggests a stronger

relationship between the independent and dependent variables, indicating that the model provides a good fit to the data

Table 4.17 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	376.469	4	94.117	36.288	.000[b]
	Residual	137.462	53	2.594		
	Total	513.931	57			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Digital Maturity Assessment Capabilities**,** Flexibility Capabilities**,** Digital Leadership Capabilities**,** Customer Experience Capabilities

Source: Field Data (2024)

Overall, the ANOVA results suggest that the regression model, which includes Digital Maturity Assessment Capabilities, Flexibility Capabilities, Digital Leadership Capabilities, and Customer Experience Capabilities as predictors, significantly explains the variance in Organization Performance. This indicates that the independent variables collectively have a significant impact on the dependent variable.

Table 4.18 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.769	4.282		3.449	.001
	Digital Maturity Assessment Capabilities	.684	.232	.242	2.953	.005
	Flexibility Capabilities	1.271	.159	.587	7.974	.000
	Digital Leadership Capabilities	-.213	.408	-.144	-.523	.603
	Customer Experience Capabilities	1.159	.410	.751	2.825	.007

a. Dependent Variable: Organization Performance

Source: Field Data (2024)

Table 4.18 presents the coefficients from the regression model, including the unstandardized coefficients (B).

Hypothesis Test Results

The researcher tested the hypothesis H_{01}: Digital maturity assessment capabilities have no statistical significant effect on performance of Kenya Airways. The findings indicated that the standardized coefficient (Beta) is 0.242, indicating a positive relationship with organization performance. The coefficient is statistically significant with a p-value of 0.005.

The findings regarding flexibility capabilities indicated that the standardized coefficient (Beta) is 0.587, indicating a strong positive relationship with Organization Performance. The coefficient is statistically significant with a p-value of 0.000 and therefore the study rejected H_{02}: Flexibility capabilities have no statistical significant effect on the performance of Kenya Airways.

The study tested H_{03}: Digital leadership capabilities have no statistical significant effect on performance of Kenya Airways. The findings indicated that digital leadership capabilities, the standardized coefficient (Beta) was -0.144, indicating a negative relationship with Organization Performance. However, the coefficient wass not statistically significant with a p-value of 0.603. Therefore, the study accepted H_{03}: Digital leadership capabilities have no statistical significant effect on performance of Kenya Airways.

The study tested H_{04}: Customer experience capabilities have no statistical significant effect on performance of Kenya Airways. The findings were thatcustomer experience capabilities hadthe standardized coefficient (Beta) is 0.751, indicating a strong positive relationship with Organization Performance. The coefficient is statistically significant with a p-value of 0.007. Therefore the study rejected H_{04}.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The section presents the summary of findings, conclusions and recommendations based on the study findings.

5.2 Summary of the Findings

Regarding digital maturity, Kenya Airways in terms of its technological infrastructure, data management practices, and workforce digital skills. The emphasis on data quality and continuous training programs reflects the airline's proactive approach to digital transformation. By leveraging digital technologies effectively, Kenya Airways can optimize operational processes, enhance customer experiences, and stay ahead of industry trends.

Flexibility emerges as a key strength for Kenya Airways, as stakeholders perceive the airline as responsive to technological advancements, market trends, and resource allocation needs. This flexibility enables Kenya Airways to adapt swiftly to changes in the dynamic aviation landscape, maintaining a competitive edge and enhancing operational agility. The positive assessments in flexibility capabilities underscore the importance of organizational agility in navigating uncertainties and seizing opportunities in a rapidly evolving industry.

Digital leadership plays a vital role in driving Kenya Airways' digital transformation journey, with top management exhibiting commitment to integrating digital strategies into the overall business vision. While there are positive perceptions regarding digital leadership initiatives, there may be opportunities to enhance alignment and communication of digital strategies across the organization. Empowering employees to embrace digital technologies and fostering a culture of innovation are essential for sustaining digital leadership capabilities and driving organizational agility and competitiveness.

Customer experience emerges as a critical focus area for Kenya Airways, with efforts to actively seek and value customer feedback, integrate digital channels effectively, and deliver services that meet or exceed customer expectations. While there are overall positive assessments, ensuring consistency and excellence in service delivery across all touchpoints remains imperative. By

prioritizing customer-centric strategies and leveraging digital channels for personalized communication, Kenya Airways can enhance customer satisfaction, loyalty, and overall business performance.

The correlation analysis in Table 4.15 provides valuable insights into the relationships between different dimensions of digital transformation capabilities and the overall performance of Kenya Airways (KQ). Notably, a perfect correlation is observed between digital maturity assessment and itself, as expected. While the correlation between flexibility and digital maturity assessment is positive (r = 0.118), it is weak and not statistically significant. Similarly, though there is a moderate positive correlation between digital leadership and digital maturity assessment (r = 0.352), it does not reach statistical significance at the 0.01 level. However, strong positive correlations exist between the performance of KQ and each of the other variables: digital maturity assessment (r = 0.759), flexibility (r = 0.788), digital leadership (r = 0.874), and customer experience (r = 0.869). These correlations are all statistically significant at the 0.01 level, indicating that higher levels of digital maturity, flexibility, digital leadership, and customer experience are associated with better overall performance of Kenya Airways.

5.3 Discussion of the Study Findings

The findings of this study provide significant insights into the impact of various digital transformation capabilities on the organizational performance of Kenya Airways. This discussion section will explore these findings in the context of existing literature and theoretical frameworks, highlighting their implications for practice and future research.

The study's results indicate that digital maturity assessment capabilities have a positive and statistically significant effect on the performance of Kenya Airways. The standardized coefficient (Beta) is 0.242, with a p-value of 0.005. This finding aligns with the existing literature that emphasizes the importance of digital maturity in driving organizational performance. According to Westerman, Bonnet, and McAfee (2014), digital maturity enables organizations to optimize processes, innovate effectively, and enhance decision-making, all of which contribute to improved performance. For Kenya Airways, investing in digital maturity

assessment capabilities can help identify areas for digital improvements, ensuring that the airline remains competitive and agile in a rapidly evolving industry.

Flexibility capabilities emerged as a strong predictor of organizational performance, with a standardized coefficient (Beta) of 0.587 and a p-value of 0.000. This suggests that enhancing flexibility capabilities significantly boosts the airline's performance. Flexibility in operations, processes, and strategies allows organizations to adapt quickly to market changes, disruptions, and customer demands. The strong positive relationship observed in this study corroborates the findings of Kane et al. (2015), who noted that flexibility is a key driver of digital transformation success. For Kenya Airways, fostering a flexible organizational culture and infrastructure can lead to greater operational efficiency, responsiveness, and overall performance.

Contrary to the positive impacts observed for digital maturity and flexibility capabilities, digital leadership capabilities were found to have a negative relationship with organizational performance, although this relationship was not statistically significant (Beta = -0.144, p-value = 0.603). This unexpected finding suggests that digital leadership alone may not directly translate to improved performance. It may also reflect potential challenges in leadership practices or misalignments between digital leadership initiatives and broader organizational goals. Further research is needed to delve deeper into this relationship and explore how digital leadership can be effectively integrated to support overall performance. As noted by Verhoef et al. (2021), leadership plays a crucial role in steering digital transformation efforts, but it must be aligned with strategic objectives and supported by other organizational capabilities.

Customer experience capabilities showed a strong positive relationship with organizational performance, with a standardized coefficient (Beta) of 0.751 and a p-value of 0.007. This underscores the critical role of enhancing customer experiences in achieving superior organizational performance. The findings are consistent with the research by Vial (2019), who highlighted that customer-centric digital transformation initiatives lead to higher customer satisfaction, loyalty, and ultimately, better financial outcomes. For Kenya Airways, prioritizing customer experience through digital solutions such as personalized services, mobile applications,

and self-service kiosks can significantly improve customer satisfaction and drive competitive advantage.

5.4 Conclusions

The Digital Maturity Assessment Capabilities, Flexibility Capabilities, and Customer Experience Capabilities on Organizational Performance, offering actionable insights for enhancing competitiveness and operational effectiveness. Moving forward, Kenya Airways can leverage these findings to prioritize initiatives that bolster digital capabilities, foster organizational agility, and elevate the overall customer experience. By addressing these key areas, Kenya Airways can solidify its position as a leading player in the aviation industry, driving sustainable growth, customer loyalty, and long-term success in an increasingly digitalized and competitive landscape.

5.5 Recommendations of the Study

5.5.1 Recommendation for Practice

Kenya Airways should focus on improving consistency in service standards, particularly in areas like punctuality and cost management. Implementing robust monitoring systems and continuous training programs can help maintain high operational efficiency levels. Additionally, the management should prioritize efforts to balance cost reduction with service quality, ensuring a seamless travel experience for passengers while optimizing operational expenses. National government bodies can support these efforts by providing regulatory frameworks that promote operational efficiency and incentivize investments in infrastructure and workforce development.

To further enhance digital maturity, Kenya Airways should invest in upgrading its technological infrastructure and data management systems. Continuous training programs should be implemented to ensure that employees possess the necessary digital skills to leverage emerging technologies effectively. Collaborating with technology partners and industry experts can provide valuable insights and support in navigating the digital transformation journey. National government entities can facilitate this process by offering incentives for digital investments and fostering collaborations between airlines and technology providers to drive innovation and digitalization in the aviation sector.

Kenya Airways should continue to prioritize flexibility in responding to technological advancements, market trends, and resource allocation needs. Developing agile processes and decision-making frameworks can enable the airline to adapt swiftly to changing circumstances and capitalize on emerging opportunities. National government bodies can support flexibility initiatives by creating conducive regulatory environments that encourage experimentation and innovation within the aviation industry. Additionally, fostering partnerships between Kenya Airways and other stakeholders can facilitate knowledge sharing and best practices in achieving organizational agility.

Strengthening digital leadership capabilities requires a concerted effort from Kenya Airways' top management to champion digital initiatives and integrate digital strategies into the overall business vision. Promoting a culture of innovation and collaboration can empower employees to embrace digital technologies and drive organizational change effectively. National government agencies can support digital leadership development through policy initiatives and funding programs aimed at nurturing digital talent and fostering a culture of innovation across industries.

Kenya Airways should prioritize customer-centric strategies and investments in enhancing the overall customer experience. This includes actively seeking and valuing customer feedback, integrating digital channels for seamless communication, and implementing changes based on customer insights. Continuous training programs for frontline staff can further improve service delivery and ensure consistency across all touchpoints. National government bodies can support these efforts by promoting passenger rights and standards, fostering competition to incentivize airlines to prioritize customer satisfaction, and investing in airport infrastructure and amenities to enhance the overall travel experience.

5.5.2 Recommendation for Policy

The national government should invest in the development of robust digital infrastructure, including high-speed internet and advanced telecommunications systems, to provide a strong foundation for digital transformation across various sectors, including aviation. Implementing national programs to enhance digital literacy and skills among the workforce is also crucial, promoting STEM education and providing training programs to ensure employees are equipped

to leverage digital technologies effectively. Additionally, fostering public-private partnerships can drive innovation and digital adoption, benefiting industries like aviation.

The Ministry of Transport should develop a comprehensive digital transformation strategy for the aviation sector, outlining clear goals, timelines, and benchmarks, while updating regulatory frameworks to support the adoption of new technologies and innovative practices, including regulations related to data security, privacy, and the use of artificial intelligence and analytics. Establishing mechanisms to regularly monitor and evaluate the progress of digital transformation initiatives will ensure that goals are met and necessary adjustments are made to optimize outcomes.

For Kenya Airways managers, it is essential to allocate resources to enhance digital maturity assessment and flexibility capabilities within the organization, adopting advanced data analytics, predictive maintenance systems, and flexible operational processes to improve efficiency and performance. Focusing on improving customer experience through user-friendly digital platforms, such as mobile apps, online booking systems, and self-service kiosks, along with leveraging personalized services and dynamic pricing strategies, will meet customer expectations and enhance satisfaction. Developing and nurturing a culture of digital leadership within the organization by training leaders to manage and drive digital transformation initiatives effectively, ensuring alignment with overall strategic objectives, is equally important.

Finally, establishing a continuous improvement framework to regularly assess and enhance digital transformation efforts, and encouraging innovation by creating an environment that supports experimentation and the adoption of new technologies, will ensure sustained competitiveness in the global market. By implementing these policy recommendations, the national government, Ministry of Transport, and Kenya Airways managers can collectively drive the digital transformation of the aviation sector, ensuring improved organizational performance, enhanced customer experiences, and sustained competitiveness.

5.6 Suggestion for Further Study

Conduct a longitudinal study to track Kenya Airways' performance trends over time, allowing for a comprehensive analysis of how various factors impact the airline's operational efficiency,

financial sustainability, and customer satisfaction. This study could provide valuable insights into the effectiveness of implemented strategies and initiatives in driving long-term success. Undertake a comparative analysis between Kenya Airways and its competitors to benchmark performance metrics and identify areas of competitive advantage or weakness. Analyzing industry peers' strategies, operational practices, and customer experience initiatives can provide valuable insights for Kenya Airways' management to enhance competitiveness and market positioning.

Conduct qualitative research to explore employee perspectives on organizational culture, leadership effectiveness, and digital transformation initiatives within Kenya Airways. Understanding employees' perceptions, challenges, and suggestions for improvement can inform strategic decision-making and facilitate organizational alignment towards common goals. Investigate customer segmentation and preferences within Kenya Airways' passenger base to tailor services, products, and marketing strategies to specific demographic groups. By understanding varying customer needs and preferences, Kenya Airways can optimize its offerings and enhance customer satisfaction and loyalty. Examine the impact of external factors such as regulatory changes, economic fluctuations, geopolitical events, and public health crises (e.g., pandemics) on Kenya Airways' performance. Analyzing how the airline navigates and responds to external challenges can provide valuable insights into resilience strategies and risk management practices.

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Appendix I: Participant Information Sheet

Study Title: Digital transformation capabilities and organization performance: a case of Kenya Airways Limited

I would like to invite you to take part in the above research study. Before you decide, it is important that you understand why the research is being done and what it would involve for you. Please take time to read this information and discuss it with others if you wish. If there is anything that is not clear, or if you would like more information, please don't hesitate to request.

Purpose of the study

I am a student at African Nazarene University undertaking a master's degree in partial fulfilment of the requirements for the degree of master's in business administration degree of Africa Nazarene University

Reason for the Invitation

The reason why you have been invited is because you have relevant information that can aid in the achievement of the research objectives.

Whether to take part

Participation in the study is entirely voluntary and you can withdraw if you later change your mind, without giving a reason.

What happens if a Participant decides to take Part?

You will participate in research study by answering questions contained in the study questionnaire about strategic management in Kenya. Your participation will be scheduled with your consultation in relation to time and location of your convenience.

What the Participant Should Consider

The participant will be excluded if they will be unwilling to take part or to continue taking part in the study.

Possible Disadvantages or Risks in Taking Part in Research Study

There is no risk in taking part in research study.

The Possible Benefits of Taking Part

As a participant, you will benefit from the outcome/findings of the study directly or indirectly through acquisition knowledge and skills, and indirectly by the actions the policy makers will take arising from the finding of the study.

Whether Taking part in Study Will be Kept Confidential

All participants will be identified by study code only hence the researcher will destroy all direct identifiers and store only fully anonymized data. However, if the participant anonymizes their identity during the study, it will not be possible for participants to withdraw their data.

Reimbursement for Taking Part

The participants will not be compensated for their time or inconvenience for taking part in the study.

What Will Happen to the Information Given

The information given will be kept anonymous and may be used for future research to validate the research obtained in the study.

What will happen if Participants do not want to carry with the study?

Participation is voluntary and participants may change their minds at a later stage and if you withdraw from the study, the study will use the data collected up to your withdrawal.

What will happen to the results of this study?

Potential participants will not be identified from any report or publication placed in the public domain. If they will be (for instance, with images of faces) it will be necessary to obtain specific consent for this.

Complain System and Contact

If the participant wishes to complain, or has any concerns about any aspect of the way the participant has been approached or treated during this study, you should contact:

Phone: +254 733 478995 **Email:** hluyai62387@anu.ac.ke

Participation in Future Research:

Your contact details would be held separately from this study and that agreeing to be contacted does not oblige you to take part in future research.

Further Information and Contact Details:

Postal Address: 245 - 00517 Nairobi, Kenya

Mobile No: +254 733 478995

e-mail Address: hluyai62387@anu.ac.ke

Thank you for considering taking part.

Appendix II: Consent Form

Study Title: Digital transformation capabilities and organization performance: A case of Kenya Airways Limited

Name of Researcher: Harriet Miroyo Luyai

If you agree, please initial box.

SN	Stipulations	Initials
1	I confirm that I have read the information sheet dated..... for this study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily	
2	I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my legal rights being affected.	
3	I understand that relevant sections of my information and data collected during the study may be looked at by individuals from the university and other parties with interest in the study. I give permission for these individuals to have access to the information.	
4	I agree to provide information as part of my involvement in this study and I understand I will not gain any direct personal or financial benefit from them.	
5	I agree to audio/video recording and the use of anonymized quotes in research reports and publications.	
6	I agree to take part in this study.	
	Additionally:	
7	I agree to be contacted about ethically approved research studies for which I may be suitable. I understand that agreeing to be contacted does not oblige me to participate in any further studies.	
8	I agree for my anonymized information or data to be used in future research,	

Name of Participant …… signature ……Date……

Appendix III: Research Participation Invitation

Dear Esteemed Participants,

RE: Invitation to Contribute to Research

I trust this message finds you well. My name is Harriet Miroyo Luyai, and I am currently pursuing a Master's in Business Administration at African Nazarene University. As an integral component of fulfilling the requirements for my master's degree, I am embarking on a research study within my area of specialization. The focus of my study is "Digital Transformation Capabilities and Organizational Performance: A Case Study of Kenya Airways Limited."

I kindly request your valuable participation in this research endeavor by completing the attached questionnaire. Your insights and perspectives are crucial to the success of this study. Your responses will contribute significantly to the depth of understanding in this field.

Should you have any queries or require further clarification at any point during this study, please feel free to reach out. Your openness and honesty in responding to the questions are highly appreciated.

Thank you for considering this invitation, and I look forward to your active participation in this research.

Yours sincerely,

Harriet Miroyo Luyai

+254 733 478995

Appendix iv: Questionnaire

Please use a tick (√) to fill in the questions in various sections. The choices are given in each section.

SECTION A: Background Information

1. Please indicate your gender.
   - Male [ ]
   - Female [ ]
2. Indicate your age bracket?
   - Below 25 Years [ ]
   - 25 Years-35 Years [ ]
   - 36 Years-46 Years [ ]
   - Above 46 Years [ ]
3. Indicate the years of work experience.
   - Below 5 Years [ ]
   - 5 to 10 Years [ ]
   - 11 to 15 Years [ ]
   - More Than 16 Years [ ]

SECTION B: PERFORMANCE OF KENYA AIRWAYS

Please indicate the extent to which you agree with the statements presented. Use the Key:

1= Not at all, 2= To a small extent, 3= Moderate extent, 4= To a large extent and 5= To a very large extent

	Statements	1	2	3	4	5
1	Kenya Airways consistently operates on schedule, reflecting its commitment to punctuality and efficiency in delivering air travel services					
2.	Kenya Airways effectively manages its revenues to ensure sustainable growth.					
3	Kenya Airways effectively utilizes its resources, such as aircraft, personnel, and facilities, to ensure optimal operational efficiency					
4	The airline demonstrates efficient cost management practices, leading to a reduction in operational expenses without compromising service quality					
5	Kenya Airways provides high-quality services, meeting or exceeding passengers' expectations in terms of comfort, customer service, and overall experience					
6	Passengers of Kenya Airways generally express satisfaction with the airline's services, including ticketing, in-flight experience, and issue resolution					
7	The airline demonstrates effectiveness in staying competitive within the aviation market, adapting to industry trends, and attracting and retaining a loyal customer base					
8	Employees at Kenya Airways are adequately trained and equipped to efficiently carry out their responsibilities.					
9	Kenya Airways invests sufficiently in the professional development and growth of its employees.					

SECTION C: DIGITAL MATURITY ASSESSMENT CAPABILITIES

Kindly specify the degree to which you align with the provided statements. Utilize the following scale: 1= Not at all, 2= To a small extent, 3= Moderate extent, 4= To a large extent and 5= To a very large extent.

	Statements	1	2	3	4	5
1	Our organization has a robust technological infrastructure that supports digital initiatives.					
2	Our organization effectively manages and utilizes data to inform decision-making.					
3	Our workforce possesses the necessary digital skills to navigate and utilize digital tools effectively.					
4	Our technological systems are flexible and adaptable to changes in the digital landscape.					
5	Data quality and accuracy are priorities for our organization.					
6	Continuous training programs are in place to enhance digital skills within our organization.					

SECTION D: FLEXIBILITY CAPABILITIES

Please use the provided Likert scale: 1= Not at all, 2= To a small extent, 3= Moderate extent, 4= To a large extent and 5= To a very large extent to indicate the extent you agree with the statements below relating to adaptive capabilities.

	Statements	1	2	3	4	5
1	Our organization demonstrates a swift response to technological advancements, implementing changes to our technology infrastructure promptly and effectively.					
2	Kenya Airways is responsive in adjusting its services and offerings based on evolving customer preferences and market trends.					
3	Kenya Airways efficiently reallocates resources in response to emerging business needs, ensuring optimal utilization and responsiveness.					
4	Our technology infrastructure is adaptable and allows for quick implementation of changes to stay ahead in the dynamic digital landscape.					

5	Our organization consistently monitors and adapts to changes in customer preferences, ensuring our services align with their evolving expectations.					
6	The organization demonstrates flexibility in resource allocation, promptly shifting resources to address emerging business priorities and challenges.					

SECTION E: DIGITAL LEADERSHIP CAPABILITIES

Indicate the level of agreement with the following set of questions relating to managerial capabilities. Use the key 1= Not at all, 2= To a small extent, 3= Moderate extent, 4= To a large extent and 5= To a very large extent

	Statements	1	2	3	4	5
1	Our organization consistently demonstrates a proactive approach to adopting and integrating emerging technologies to enhance operational efficiency and stay competitive in the dynamic aviation industry.					
2	Top management at Kenya Airways exhibits a strong commitment to driving digital initiatives, actively participating in and supporting efforts to integrate digital strategies into the overall business vision and objectives.					
3	Kenya Airways has established a dedicated and cross-functional digital transformation team, equipped with the necessary skills and resources to drive and oversee the implementation of digital initiatives across various departments.					
4	Employees in our organization feel empowered and equipped to swiftly adapt to and leverage emerging technologies, fostering a culture that embraces innovation and technological advancements.					
5	There is a clear communication and demonstration of commitment from top management regarding the importance of digital initiatives, creating a					

	sense of urgency and motivation throughout the organization to embrace digital transformation.					
6	The presence of a dedicated digital transformation team fosters collaboration and coordination, ensuring that digital strategies are effectively communicated and implemented throughout the organization, contributing to overall digital leadership.					

SECTION F: CUSTOMER EXPERIENCE CAPABILITIES

	Statements	1	2	3	4	5
1	The organization actively seeks and values customer feedback, creating an environment where customers feel encouraged to share their opinions and experiences, contributing to a continuous improvement process.					
2	Based on my experience with Kenya Airways, i can recommend the airline to others					
3	Kenya Airways effectively integrates digital channels such as mobile apps, social media, and email for seamless and responsive communication with customers.					
4	The organization takes tangible actions and implements changes based on customer feedback, demonstrating a commitment to enhancing the overall customer experience					
5	Kenya Airways consistently delivers a service that meets or exceeds your expectations					
6	Kenya Airways' use of digital channels in providing real-time information, updates, and addressing customer queries or concerns is satisfying					

APPENDIX V: DATA COLLECTION AUTHORIZATION LETTER

***8th**, April, 2024*

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

Our Ref: 110062387
The Director.
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi. Kenya

Dear Sir/Madam:
RE: RESEARCH AUTHORIZATION FOR: HARRIET MIROYO LUYAI

Miss. Harriet is a postgraduate student at Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Miss. Harriet is conducting research entitled: "**Digital Transformation Capabilities and Performance of Airline Industry in Kenya: A Case of Kenya Airways Limited"**

Any assistance offered to her will be highly appreciated.

Yours Faithfully,

DR. Kimani Gichuhi,

MBA, Coordinator,

School of Business,

Africa Nazarene University.

APPENDIX VI: NACOSTI RESEARCH PERMIT

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **805285**

Date of Issue: **17/April/2024**

RESEARCH LICENSE



This is to Certify that Miss.. Harriet Miroyo Luyai of Africa Nazarene University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: DIGITAL TRANSFORMATION CAPABILITIES AND PERFORMANCE OF AIRLINE INDUSTRY IN KENYA: A CASE OF KENYA AIRWAYS LIMITED for the period ending : 17/April/2025.

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Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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APPENDIX VII: A MAP OF NAIROBI CITY COUNTY

