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Organizational Resources and Competitive Advantage of Airline Companies Operating in Kenya

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Abstract

Competition globally is progressively making carriers working at JKIA increasingly competitive to the degree that Airline organizations are hauling out from working at JKIA, given a case of Virgin Atlantic Airlines exit in 2012. Furthermore, in the competitive global economy, there is need to strengthen Financial resources, ICT resources and Human resources to ensure stable, reliable and efficient operations of the airline companies operating in Kenya. The general objective of this research was to evaluate organizational resources and competitive advantage of airline companies operating in Kenya. This study was guided by the following specific objectives: to determine the influence of financial resources, to establish the effect of ICT resources and to investigate how human resources influence competitive advantage in airline companies operating in Kenya. The study used descriptive design while focusing 40 Airline companies operating in Kenya. Results indicated that financial resources significantly and positively influence competitive advantage of airline companies operating in Kenya ($\beta = 0.870$; $p < 0.05$). Further, ICT resources have a significant and a positive effect on the competitive advantage of airline companies operating in Kenya ($\beta = 0.675$; $p < 0.05$). Human resources had significant and a positive effect on the competitive advantage of airline companies operating in Kenya ($\beta = 0.575$; $p < 0.05$). The study concluded that financial resources improve competitive advantage of airline companies operating in Kenya. It was also concluded that ICT resources is effective enough to enable the improvement in competitive advantage of airline companies. The study concluded that human resources are essential right from customer service at the airline industry, management, and in the operation of the actual plane by crew members. The study concluded that financial resources, ICT resources and human resources significantly and positively influenced competitive advantage of airline companies operating in Kenya. Since a lot financial resources are required in operating an airline firm, the study recommends for the need to prudently use the available resources and allocation should be based on business objectives. Airline may need to invest in relevant information technologies that support the needs of the airline firm. The study recommends for periodic refresher training, workshop and seminars for employees at the airport with aim of enhancing their skills in their respective fields.

Keywords: *financial resources, ICT resources, human resources, competitive advantage, airline companies*

Introduction

Competitive advantage is when an organisation implement a value creating strategy that cannot be duplicated and which is not currently in use by any of the competitors. Competitive advantage is achieved when advantage resist erosion by competitor because of barriers that makes imitation difficult (Mukhezakule & Tefera, 2019). Competitive advantages are central to the performance of any firm and that competitive advantages are as a result of value that a firm creates for its buyers that surpasses the cost that the firm incurred to create it (Pearson, Pitfield & Ryley, 2015). The strong competition in the airline industry has been pushing airline firms to seek alternative ways of achieving competitive advantage with allocation and mode of utilization of organizational resources being one of them.

Airline industry demands a lot of financial resource to purchase airlines, buy fuel, and maintain the aircrafts and also in meeting the high administration costs (Pearson, Pitfield & Ryley, 2015). The manner in which an airline industry allocates and utilizes the available financial resources will determine its capability of achieving sustainable competitive advantage (Seo, 2020). Sine financial resources are limited; they should be used prudently by the airline industry.

Greater potential for sustainable competitive advantage stems from investments in human resource specific skills. One avenue to sustained competitive advantage is to focus on developing a firm specific skill base within an organization because these skills cannot be easily duplicated by competitors (Gikonyo, 2018). These skills provide competitive advantage because they provide value to the firm, but that are not easily marketable by the employees who possess them. Human resources entail the support of skillful, competent employees to support the operations of the airline industry (Bertillo, Julius & Salando, 2013). Human resources are required right from customer service at the airline industry, management, and in the operation of the actual plane and thus employee capacity development is important.

Likewise, human resources require the help of information technology to effectively and efficiently operate the airline (Kilinc,Oncu & Tasgit, 2012). Airline companies should therefore invest in ICT resources as well as keep updating their technological systems so as to cope with the changing customer needs for better performance (Bharadwaj, 2010).

Information technology resources alone does not produced sustainable performance advantages in the airline industry, but that some firms have gained advantages by using ITs to leverage intangible, complementary human and business resources such as flexible culture, strategic planning-IT integration, and supplier relationships.

Airline industry plays a key role in the development of the world economy, stimulating exchanges between countries and facilitating international economic relations. Thus, air transport is a major industry in the world economy on its own, with air travel revenues usually accounting for about 2.4% of global GDP (ICAO report, 2018). In the wake of prolonged world-wide recessions and skyrocketing oil prices, the airline industry lost $16 billion in 2008 and $9.9 billion in 2009 (Zacks, 2011). Although there is a growing optimism for the revival of the airline industry with the recent profit gains, the global airline industry has been hit hard by rising fuel prices, unstable yields, weak traffic volumes, security hassles, and increased taxation for the last few years (Button, 2017). To make it worse, the competition in the global airline industry gets tougher after a series of deregulations and open skies agreements across the world that liberalized commercial aviation services and then opened up international airports and transcontinental routes to full competition.

Kenyan airline industry is primarily dominated by one player, which is Kenya Airways. Other players are Five Forty, & Jet link which are small compared to Kenya Airways. Kenyan airline industry is regulated by The Kenya Airports Authority (KAA), which was established in 1991 under KAA ACT CAP, Chapter 395 of the Laws of Kenya, to provide facilitative infrastructure for aviation services and Kenya Civil Aviation Authority (KCAA) that was established by the Civil Aviation (Amendment) Act, 2002 to plan, develop, manage, regulate and operate a safe, economically sustainable and efficient civil aviation system. According to KAA the airline industry business both in cargo and passenger has been growing at a rate of more than 9% from 2005 to 2011 (Farah, Munga & Mbebe, 2018). The airline industry has found itself in a very competitive market characterized by globalization and increased consumer demand for quality services and increased value for their money. Competition threats from multinational players across the globe are increasingly making domestic airlines more conscious of their vulnerable state and incentivizing them to proactively engage in an effort to ensure their sustainability in these turbulent times.

Statement of the Problem

Kenyan airline industry is primarily dominated by one player, which is Kenya Airways. According to KAA the airline industry business both in cargo and passenger has been growing at a rate of more than 9% from 2005 to 2011. The airline industry has found itself in a very competitive market characterized by globalization and increased consumer demand for quality services and increased value for their money (Gikonyo, 2018). Competition threats from multinational players across the globe are increasingly making domestic airlines more conscious of their vulnerable state and incentivizing them to proactively engage in an effort to ensure their sustainability in these turbulent times (Farah, Munga & Mbebe, 2018).

Sustainable competitive advantage enables a firm’s competitive advantage to resist erosion by its competitors. In local and global set up, the public sector is faced with stiff competition among the private players each trying to be ahead of the rest. The airline industry in Kenya is run by several airline companies including those operating international routes and local routes. The industry has become very competitive as more and more airline companies launched their operations in Kenya. Kenya Airways, KQ, has been commanding a good presence within the African region although there has been increased competition on key routes coupled with pricing pressure lately. Competitors have launched flights on major routes, for example the Virgin Atlantic flying in the Nairobi–London route with other destinations across the world. Qatar Airways has been effective in various Middle East and Europe destinations while Emirates Airlines has also been competitive in Africa and the rest of the world. Air Arabia also raised the bar on competition especially on the pricing front. It is also worth to note that, the Middle East carriers have been competing with KQ on the pricing. Rwandair, Fly540, Air Uganda, JetLink and Precision Air, among others, have enhanced their presence in the region on the back of new routes' expansion and increased frequency on existing destinations. With the entry of new competitors in the market, Kenya Airways efforts to increase revenue in the local market are hampered by lack of competitive advantage. This paper investigated the effect of organizational resources on competitive advantage of airline companies operating in Kenya.

Research Objectives

1. To determine the influence of financial resources on the competitive advantage in airline companies operating in Kenya.
2. To establish the effect of ICT resources on the competitive advantage in airline companies operating in Kenya.
3. To investigate how influence of human resources influence competitive advantage in airline companies operating in Kenya.

Literature Review

Theoretical Review

1. **Competitive Advantage Theory**

Competitive advantage theory, suggest businesses should pursue policies that create high-quality goods to sell at high prices in the market. Porter (1985) emphasizes productivity growth as the focus of national strategies. Competitive advantage rests on the notion that cheap labor is ubiquitous and natural resources are not necessary for a good economy (Porter, 1985). The other theory, comparative advantage, can lead countries to specialize in exporting primary goods and raw materials that trap countries in low-wage economies due to terms of trade. Competitive advantage attempts to correct this issue by stressing maximizing economies of scale in goods and services that garner premium prices (Camisón, Boronat & Villar, 2007). According to the resource-based view, in order to develop a competitive advantage the firm must have resources and capabilities that are superior to those of its competitors (Campbell, 1995). Without this superiority, the competitors simply could replicate what the firm was doing and any advantage would quickly disappear.

Resources are the firm-specific assets useful for creating a cost or differentiation advantage and that few competitors can acquire easily (Carey, Subramaniam & Ching, 2006). In

Schumpeterian theory, the companies seize competitive advantage to creates or adopt innovations that make the competitors' position obsolete, which is called creative destruction. This type of competition is considered much more effective and beneficial than price competition or creating monopoly power. However, investing in radical innovations is inherently risky and requires larger companies to invest and develop revolutionary innovations through competitive advantage (Carr & Pearson, 1999). The theory stresses on the importance of the organization's resources in order to develop a competitive advantage of the firm and hence underpins the variables of the study.

2. **Resource-Based View theory**

This theory was developed by Pfeffer and Salancik (1978). The Resource-Based View (RBV) is an economic tool used to determine the strategic resources available to a firm. The fundamental principle of the RBV was that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm's disposal (Wernerfelt, 1984). To transform a short-run competitive advantage into a sustained competitive advantage, it required that these resources be heterogeneous in nature and not perfectly mobile. Effectively, this translated into valuable resources that are neither perfectly imitable nor substitutable without great effort (Chandran, 2014). If these conditions hold, the firm's bundle of resources could assist the firm sustaining above average returns.

The resource-based view suggested that a firm's unique resources and capabilities provided the basis for a strategy (Chakava, 1996). The business strategy chosen should allow the firm to best exploits its core competencies relative to opportunities in the external environment. These included human, infrastructure, financial and physical resources. According to resource-based theory; organizations wished to maintain a distinctive product (competitive advantage) and would plug gaps in resources and capabilities in the most cost effective manner to do so. Outsourcing of cataloguing was easier to rationalize using resource-based theory as this emphasized that cost-effective solutions were required to some of the major activities, in order to fulfill the main aim of the organization (provide organized access to resources).

The resource-based view of the firm views organizations as a collection of productive resources. The central assumption in this view is that organizations gain competitive advantage by their internal resources. An important distinction in resource-based theory is that a resource provides organizations with sustained competitive advantage, and to do so there are different attributes for the resources that have to be fulfilled. This theory answers the question–Why do firms in the same industry vary systematically in performance over time? The RBV posits that it is because internal capabilities and resources yield competitive advantage. Firms have different resources and resources are immobile, firms can generate competitive advantage. There are four attributes of resources that lead to competitive advantage: valuable, rareness, imperfectly imitable, non-substitutable. A resource is valuable if it allows a firm to exploit an opportunity in the market, thwart competitive threats, and conceive of or implement strategies that improve efficiency and effectiveness. A resource is

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rare if the number of firms in competitive arena possessing a resource is less than the number of firms needed to generate perfect competition (Chandran, 2014).

The Resource Based View (RBV) hypothesis is in this way important to the investigation as it investigates the resources of the company and along these lines illuminates all the factors under study. This theory can apply to this study by ensuring sufficient use of resources. When resources are used well, affirm is able to compete their rivals by offering quality products and services. The firm is able to attract qualified manpower and purchase necessary equipment that can boost their competition in the market. Resource-based View advocates for prudent use of organizational resources in order to achieve competitive advantages and values to the airline operator.

3. Diffusion Theory

According to Dhar and Balakrishnan (2006), diffusion is defined as the process by which an innovation is adopted and gains acceptance by members of a certain community. A number of factors interact to influence the diffusion of an innovation. The four major factors that influence the diffusion process is the innovation itself, how information about the innovation is communicated, time, and the nature of the social system into which the innovation is being introduced (Dobler & Burt, 1996). In a very real sense, the underlying causes of instructional technology's diffusion problem remain a mystery to the airlines industry. There appear to be as many reasons for the airlines firms employee’s lack of utilization as there are instructional technologists. Some instructional technologists blame an intrinsic resistance to change as the primary causes of airlines firms’ technology's diffusion problem; others cite entrenched bureaucracies and inadequate funding (Domberger, 1998).

By better understanding the multitude of factors that influence adoption of innovations, airlines firms’ employee will be better able to explain, predict and account for the factors that impede or facilitate the diffusion of their products. Many of the products produced by airline companies represent radical innovations in the form, organization, sequence, and delivery of instruction. The airline company’s employee who understands the innovation process and theories of innovation diffusion will be more fully prepared to work effectively with clients and potential adopters (Drucker, 1996). This theory is relevant to this study for it analyses the innovation-competitive advantage relationship in the organization.

Empirical Review

Pearson, Pitfield and Ryley (2015) conducted a study on intangible resources of competitive advantage: Analysis of 49 Asian airlines across three business models. Every firm has a core bundle of resources which, according to the RBV, accounts for their competitive advantage from an internal perspective. Of the core seven resources for the 49 Asian airlines, the top three resources for competitive advantage were found to be slots, brand, and product and service reputation. Resources which meet all four requirements of Value, Rareness, Imitability and Non-substitutable (VRIN) are considered core competences and sources of sustained advantage. However, resource endowments among airline firms vary from firm to firm hence the need to study organizational resources in the context of Kenya.

Seo (2020) conducted a study on competitive Advantages of International Airline Alliances: A Critical Review. This study presents a critical literature review as a contribution to comprehensive and novel empirical researches in the future. The study established that airline firms enter in a alliances to accrue financial resources and human resources to sufficiently operate their airlines for sustained competitive advantage. However, the study heavily relied on qualitative approach to study International Airline Alliances and Competitive Advantages contrasting current study that employs both quantitative and qualitative approach to study organization resources and Competitive Advantage in the airline sector.

Odack (2015) conducted a study on organization resource factors and sustainable competitive advantage in institutions of higher learning. The design used for this study was mainly descriptive in nature and was considered to be the best design for this study because it mainly focuses on describing a phenomenon under study. The data collection was done using questionnaires which were considered as the most appropriate tools for collection of primary data. The study further revealed that majority of the respondents agreed that financial resources at USIU are critical in the development of human capital resources, financial resources at USIU are key for sustainable competitive advantage of organizations. However the study focused on institutions of higher learning unlike current study that focuses on airline industries presenting contextual gap.

Kilinc,Oncu and Tasgit (2012) conducted a study on the competition strategies of the airline companies in Turkey. Qualitative research method was used in the study. The result of the study reveals that the competitive strategies implemented especially focus on obtaining the cost leadership. In addition, costs, customer satisfaction and service quality, employees, innovation and technological changes appear to be the most important elements among the factors which affect the competitive strategies.

Bharadwaj (2010) conducted a study on resource-based perspective on information technology capability and firm performance. The resource-based view of the firm attributes superior financial performance to organizational resources and capabilities. This paper develops the concept of IT as an organizational capability and empirically examines the association between IT capability and firm performance. Firm specific IT resources are classified as IT infrastructure, human IT resources, and IT-enabled intangibles. A matched-sample comparison group methodology and publicly available ratings are used to assess IT capability and firm performance. Results indicate that firms with high IT capability tend to outperform a control sample of firms on a variety of profit and cost-based performance measures.

Buhalis (2014) conducted a study on eAirlines: strategic and tactical use of ICTs in the airline industry. The paper entailed comprehensive research, including exploratory research with airline executives, using qualitative methods to examine the use of ICTs in the contemporary airline industry and to discuss recent developments in the industry. The work demonstrated that the airline industry was using the Internet to improve its distribution strategy and reduce costs; it also used intranets and internal systems to develop tactical and strategic management. In addition, extranets were being gradually used for communicating with partners and to support Business to Business relationships. The effort demonstrated that ICTs will be critical for the strategic and operational management of airlines and will directly affect the future competitiveness of airlines.

Abdelkader and Abed (2016) conducted a study on the relationship between information technology resources and competitive advantage in a sample of Algerian firms. The aim of this study is to research the relationship between IT resources, which are divided into four categories: IT infrastructure, IT technical skills, IT managerial skills, and IT-business partnership, and the competitive advantage of firms. Using data from 30 Algerian firms and the Pearson Coefficient, the results indicate a significant positive relationship between IT resources and the competitive advantage. Furthermore, the results show also a significant positive relationship between all categories of IT resources from one side, and competitive advantage of firm from the other side. Finally, the results show no significant relationship between firm's age, type of industry, and the competitive of firms.

Bora and Wainaina (2020) conducted a study on internal organization dynamics and competitive advantages the case of Kenya Airways. The study based on descriptive research design as the methodology. The study established that leadership approaches played a central role towards the determination of the organizational operational determination indicating that leadership approaches directly impacts on the level of organization competitive advantage. The study concludes that internal organization dynamics factors are critical organizational drivers that form source of competitive advantages. However, the study did not show how other organization resources like information technology influences competitive advantage of airline industries.

Low and Lee (2014) conducted a study on the effects of internal resources on airline competitiveness. The paper examined the performances of 114 major international airlines between 1987 and 2010 using the resource-based theory. Results show that intangible resource is the most important resource among the human, physical and intangible resources at the aggregate industry level. In addition, successful airlines need to be able to provide an adequate level of service at relatively low cost. However, failed to show how information technology impacts airline industry. The airline industry is a dynamic industry being impacted daily by technology changes.

Gikonyo (2018) conducted a study on organizational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The study used descriptive survey design. The study found out that there is significant relationship between organisational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya. The results also show that there exist a significant positive relationship between knowledge resources management and sustainable competitive advantages in Kenya's aviation. However, failed to show how information technology impacts airline industry. The airline industry is a dynamic industry being impacted daily by technology changes.

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Burack, Burack, Miller and Morgan (2014) suggest several ways that airlines organizations can maintain high commitment and high performance among employees and ultimately organizational effectiveness thus attaining competitive advantage. Employees experience distinct stages in their commitment to achieving firms competitive advantage and they rely on different coping strategies and tactics depending on their level of commitment. Employees are arguably the most valuable resource airline company possesses and it is widely accepted that employee exposure and experience are positively linked to firms' performance aimed at improving its competitive advantage (Hasanali, 2012).

Conceptual Framework

Based on the relationship between the independent and dependent variables, the conceptual framework is as illustrated on figure 1.

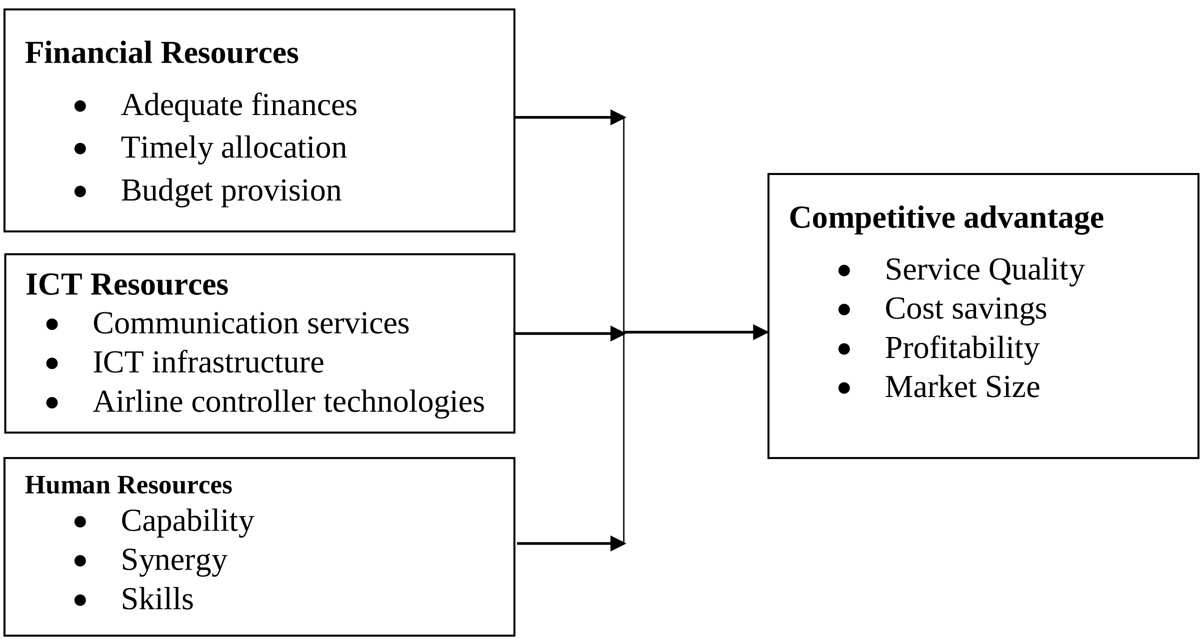

Figure 1: Conceptual Framework

The independent variables include financial resources, information communication technology and human resources. The dependent variable is competitive advantage. Financial resources were operationalized as adequate finances, timely allocation and budget provision. Information communication technology was operationalized using communication services, ICT infrastructure and Airline controller technologies while human resources was operationalized by use of capability and skills possessed by employees at the airline industry. Competitive advantage is operationalized by use of service quality, market share, cost savings and profitability. It is depicted that financial resources, information communication technology and human resources influences competitive advantage of the airline firms.

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Research Methodology

The research design utilized in this research was descriptive research. The unit of analysis was 40 passenger airline companies operating in Kenya while the unit of observation was the managerial employees of the Airline companies. Thus, the target population was 40 managerial employees of passenger airlines comprising of 13 senior management and 27 middle management operating in Kenya at the Jomo Kenyatta International Airport, as per Kenya Aviation Authority, 2019. The study sampled 29 managers through convenience sampling because of their duty station in the busiest airport in Kenya, JKIA.

Data collection was conducted by use of semi structured questionnaire. The data gathered will be both quantitative and qualitative. Qualitative data collected through open ended questions were analyzed using thematic content analysis. For quantitative data, analysis involved inferential statistics. Inferential statics involved the use of correlation and regression analyses. 95% confidence interval was used to determine the overall significance of the model. Five percent (5%) is highly recommended of academic research (Fisher, 1955). The regression model estimated is;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$

Where:

Y: Competitive advantage

X_1: Financial Resource

X_2: ICT Resources

X_3: Human Resource

β_0: Constant or intercept

β_i: corresponding coefficients.

ε: error term.

Research Finding and Discussion

The questionnaire contained questions that addressed the objectives of the study. A total of 29 questionnaires were administered, 28 completed except 1 was returned. This represents a response rate of 97% which was adequate for representative study. A response rate of 97% is considered satisfactory to make conclusions for the study. Rowley (2014) stated that a response rate of 50% is adequate while a response rate greater than 70% is very good. This implies that based on this assertion, the response rate in this case of 97 % is therefore very good. The data collection procedures used could have attributed to this high response rate. These included pre-notification of respondents and voluntary participation by respondents;

drop and pick of questionnaires to allow for ample time to fill; assurance of confidentiality and anonymity and follow up calls to clarify queries from the respondents.

Correlation Analysis

As indicated in the Table 1, there was a moderate positive correlation between financial resources and competitive advantage of airline companies operating in Kenya, ICT resources and competitive advantage of airline companies operating in Kenya and finally human resources and competitive advantage of airline companies operating in Kenya.

Table 1: Correlation Analysis

		FR	ICT	HR	CA
FR	Pearson Correlation	1	.030	039	.405**
	Sig. (2-tailed)		.838	.792	.004
	N	28	28	28	28
ICT	Pearson Correlation	.030	1	.112	.879
	Sig. (2-tailed)	.838		.450	.023
	N	28	28	28	28
HR	Pearson Correlation	.039	.112	1	.596
	Sig. (2-tailed)	.792	.450		.029
	N	28	28	28	28
CA	Pearson Correlation	.405**	.879	.596	1
	Sig. (2-tailed)	.004	.023	.029	
	N	28	28	28	28

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

Source: Researcher 2019

Results in Table 1 indicated that there was a significant positive association between financial resources and competitive advantage in airline companies operating in Kenya ($r=.405$, $p=.004<0.05$). The results imply financial resources and competitive advantage by airline companies move in opposite direction, that is; if financial resources increases, competitive advantage by airline companies increases and vice versa. Financial resources have a critical importance in strategy implementation. The intended strategy must be embedded in what is financially practical in the organization. The money or assets that are used to reimburse the organization activities is referred to as the financial resources. The results agree with

Pearson, Pitfield and Ryley (2015) who conducted a study on intangible resources of competitive advantage of 49 Asian airlines across three business models and established that resources which meet all four requirements of Value, Rareness, Imitability and Non-substitutable (VRIN) are considered core competences and sources of sustained advantage.

The results also agree with Seo (2020) who conducted a study on competitive advantages of international airline alliances and established that airline firms enter in a alliances to accrue financial resources and human resources to sufficiently operate their airlines for sustained competitive advantage.

Correlation results also revealed that information communication technology resources has positive and significant association with competitive advantage in airline companies operating in Kenya (r=.879, p=.023<0.05). The results imply that information communication technology resources and competitive advantage by airline companies move in the same direction. Information technology resources alone does not produced sustainable performance advantages in the airline industry, but that some firms have gained advantages by using ITs to leverage intangible, complementary human and business resources such as flexible culture, strategic planning-IT integration, and supplier relationships. The results agree with Bharadwaj (2010) who conducted a study on resource-based perspective on information technology capability and firm performance and indicated that firms with high IT capability tend to outperform a control sample of firms on a variety of profit and cost-based performance measures. Likewise, Kilinc, Oncu and Tasgit (2012) who conducted a study on the competition strategies of the airline companies in Turkey revealed that the competitive strategies implemented especially focus on obtaining the cost leadership. In addition, costs, customer satisfaction and service quality, employees, innovation and technological changes appear to be the most important elements among the factors which affect the competitive strategies.

Human resources and competitive advantage by airline companies have positive and significant association (r=.596, p=.029<0.05). The results imply that information human resources and competitive advantage by airline companies move in the same direction. Human resource management is playing an extremely important role contributing to the bottom line here in the airline industry. Every dollar a customer spends is being battled for by a large number of airlines. While it is the airline's responsibility to operate safely and efficiently within the confines of the rules and regulations set forth by the human resource management department we see that at times when the budget is tight that corners are cut. While some corners can safely be cut we see other times where these cutting corners result in crashes and sometimes fatality of the passengers aboard. Human resource management must work to strategically prevent these accidents from occurring. One of the ways that they can ensure that shortcuts are not taken is through proper training and retraining as needed of every employee from the top down. They must work to ensure that the airline is competitive especially in today's day and age where we have low-cost air carriers pulling customers away from some of the larger airline companies in the industry. The results agree with Low and Lee (2014) who conducted a study on the effects of internal resources on airline competitiveness and showed that intangible resource is the most important resource among the human, physical and intangible resources at the aggregate industry level. Likewise, Bora and Wainaina (2020) who conducted a study on internal organization dynamics and competitive advantages the case of Kenya Airways noted that internal organization dynamics

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factors is critical organizational drivers that form source of competitive advantages in the airline industry.

Regression Results

A multiple linear regression analysis was performed to test the effect of the independent variables on the dependent variable. The average ratings for the three independent variables were used as the indicators for input into the regression model. Three measures of competitive advantage of airline companies operating in Kenya were used. The coefficient of determination and standard error of the regression model is indicated in Table 2.

Table 2: Regression Model Parameters

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787	.675	.580	.650

Source: Researcher 2019

Results in Table 2 indicate that the adjusted r^2 was 0.675 indicating that the independent variables explained 67.5% of the improvement in competitive advantage of airline companies operating in Kenya. This indicates that the model had good explanatory power. Further, the regression output in Table 3 presents the source of variance, mean of variances and the f value.

Table 3: Analysis of Variance of the Regression

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	40.500	3	15.120	40.512	.000
Residual	9.500	25	.320		
Total	50.00	28			

The results indicate that the overall model was significant (f value = 40.512; $p < 0.05$) and could provide important results. This indicates that the model could provide some predictive significance and was a good fit. Further, Table 4 shows the multiple regression results.

Table 4: Significance of the Independent Variables

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.215	.562		4.785	.000
Financial resources	.870	.175	.565	4.750	.000
ICT resources	.675	.160	.358	1.720	.000
Human resources	.575	.065	.270	1.645	.003

CA=0.215 +0.870FR+0.675ICT+0.575HR

Where:

The dependent variable, **CA**: Competitive Advantage

0.215=βo (Constant term)

0.870, 0.675 and 0.575= an estimate of the expected increase in competitive advantage corresponding to change in the different factors affecting the organization's competitive advantage.

FR: Financial Resources

ICT: Information Communication Technology

HR: Human Resources

The results in Table 4 indicate that financial resources significantly and positively influence competitive advantage of airline companies operating in Kenya ($\beta = 0.870$; $t = 4.750$; $p < 0.05$). This indicates that financial resources improve competitive advantage of airline companies operating in Kenya. Airline industry demands a lot of financial resource to purchase airlines, buy fuel, and maintain the aircrafts and also in meeting the high administration costs. The manner in which an airline industry allocates and utilizes the available financial resources will determine its capability of achieving sustainable competitive advantage. Sine financial resources are limited, they should be used prudently by the airline industry. This has an implication that it will be increasing important for airline companies with standing to weigh in often and promulgate their opinions by investing a lot in the corporate capital as well as allocating adequate budget allocation toward the activities related to competitive advantage of airline companies to enhance its development. Financial resources which include; financial liquidity, operating funds and borrowing capacity and a firm's ability to generate internal funds is important in order to operate a stable and successful firm that enjoys maximum profits. Thus, firms need to secure sufficient financial resources to be able to operate efficiently and implement internal growth strategies to promote success. Pearson, Pitfield and Ryley (2015) who conducted a study on intangible resources of competitive advantage of 49 Asian airlines across three business models and established that resources which meet all four requirements of Value, Rareness, Imitability and Non-substitutable (VRIN) are considered core competences and sources of sustained advantage. The results also agree with Seo (2020) who conducted a study on competitive advantages of international airline alliances and established that airline firms enter in a alliances to accrue financial resources and human resources to sufficiently operate their airlines for sustained competitive advantage.

Further, ICT resources have a significant and a positive effect on the competitive advantage of airline companies operating in Kenya ($\beta = 0.675$; $t = 1.720$; $p < 0.05$). This result indicates that ICT resources are effective enough to enable the improvement in competitive advantage of airline companies. The use of information technology is mandatory in operating an airline industry. Airline line industry is tasked with providing best services while marinating safety of their customer. Information communication technology facilitates timely communication between pilots and airline controllers so that necessary precautions are taken in case of any emergency. Likewise, human resources require the help of information technology to effectively and efficiently operate the airline. Airline companies should therefore invest in ICT resources as well as keep updating their technological systems so as to cope with the changing customer needs for better performance. Information technology resources alone

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does not produced sustainable performance advantages in the airline industry, but that some firms have gained advantages by using ITs to leverage intangible, complementary human and business resources such as flexible culture, strategic planning-IT integration, and supplier relationships. The results agree with Bharadwaj (2010) who conducted a study on resource-based perspective on information technology capability and firm performance and indicated that firms with high IT capability tend to outperform a control sample of firms on a variety of profit and cost-based performance measures. Likewise, Kilinc,Oncu and Tasgit (2012) who conducted a study on the competition strategies of the airline companies in Turkey revealed that the competitive strategies implemented especially focus on obtaining the cost leadership. In addition, costs, customer satisfaction and service quality, employees, innovation and technological changes appear to be the most important elements among the factors which affect the competitive strategies.

Human Resources had significant and a positive effect on the competitive advantage of airline companies operating in Kenya ($\beta = 0.575$; $t = 1.645$; $p < 0.05$). Human resources entail the support of skillful, competent employees to support the operations of the airline industry. Human resources are required right from customer service at the airline industry, management, and in the operation of the actual plane and thus employee capacity development is important. These results indicate that the career development was effective in influencing job satisfaction. This has an implication that effective human resource management will generate a higher capacity to attract and hold employees who are qualified and motivated for good performance, and also the benefits of higher profitability, less rotation, higher product quality, lower costs in operation and a faster acceptation and the enhancement of the competitive advantage of airline companies operating in Kenya. Greater potential for sustainable competitive advantage stems from investments in human resource specific skills. One avenue to sustained competitive advantage is to focus on developing a firm specific skill base within an organization because these skills cannot be easily duplicated by competitors. These skills provide competitive advantage because they provide value to the firm, but that are not easily marketable by the employees who possess them. One can accomplish this through investing in constant training and development of employees to perform work processes and procedures that are specific to the firm. In fact, central to the concept of organizational learning is the process of developing and disseminating tacit knowledge. The results agree with Gikonyo (2018) who conducted a study on organizational resources and sustainable competitive advantage amongst selected firms in the aviation industry in Kenya and showed that there exist a significant positive relationship between knowledge resources management and sustainable competitive advantages in Kenya's aviation. According to Bertillo, Julius and Salando (2013) in a study on Human Resource Management Practices in an Airline Industry: The British Airways Global Perspective, training program of the British Airways is the stringent standards required in the hiring processes, contributing to the distinct British Airways quality of customer service unequalled in the industry. However, this proves to be at great cost to the airline.

Conclusion

The study concluded that financial resources significantly and positively influenced competitive advantage of airline companies operating in Kenya. This indicates that financial resources improves competitive advantage of airline companies operating in Kenya. This has an implication that it will be increasing important for airline companies with standing to weigh in often and promulgate their opinions by investing a lot in the corporate capital as well as allocating adequate budget allocation toward the activities related to competitive advantage of airline companies to enhance its development.

The study concluded that ICT resources have a significant and a positive effect on the competitive advantage of airline companies operating in Kenya. This result indicates that ICT resources is effective enough to enable the improvement in competitive advantage of airline companies. Airline companies should therefore invest in ICT resources as well as keep updating their technological systems so as to cope with the changing customer needs for better performance.

The study concluded that human resources had significant and a positive effect on the competitive advantage of airline companies operating in Kenya. These results indicate that the career development was effective in influencing job satisfaction. This has an implication that effective human resource management will generate a higher capacity to attract and hold employees who are qualified and motivated for good performance, and also the benefits of higher profitability, less rotation, higher product quality, lower costs in operation and a faster acceptation and the enhancement of the competitive advantage of airline companies operating in Kenya

Recommendations

It is highly recommended for management in airline companies to focus on effectively managing the financial resource portfolio which is the most important task as it is categorized into corporate capital and credit line as well as through budget allocation. This aspect will enhance the competitive advantage of their organizations over their rivals. The findings further recommends that airline companies operating in Kenya should ensure that adequate resources in term of budget allocation is prioritized toward those activities that are related with streamlining the competitive advantage of airline companies operating in Kenya to enhance their performance. Since a lot financial resources are required in operating an airline firm, the study recommends for the need to prudently use the available resources and allocation should be based on business objectives.

The study recommends that the airline companies must be focused in terms of their needs and using the right technology to achieve goals, rather, than acquiring technology because other organizations have it. Airline may need to invest in relevant information technologies that support the needs of the airline firm. Government participation in ensuring focused airline industry must be visible to reduce or remove avoidable costs of implementing e-commerce. In addition, the management should put more emphasis and pay additional attention to innovations since they are essential instruments in giving competitive advantage, which leads to high organizational performance in term of the competitive advantage.

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The study recommends that human capital, among other organizational resources, should be considered to be unique as one of the major contributors towards competitive advantage of airline companies operating in Kenya, since it was found to be positive and significant. Therefore, the human resources managers need to put more effort by investing in people through training and development to enhance knowledge and skills that will enable them identify factors that improve competitive advantage of airline companies operating in Kenya. The study recommends for periodic refresher training, workshop and seminars for employees at the airport with aim of enhancing their skills in their respective fields.

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