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STRATEGY IMPLEMENTATION PRACTICES AND PERFORMANCE OF AVIATION INDUSTRY IN KENYA

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Abstract

This study sought to establish the influence of strategy implementation practices on performance of aviation industry in Kenya. The study specifically sought to: assess the influence of performance targets on performance of aviation industry in Kenya; to establish the influence of stakeholder consultation on performance of aviation industry in Kenya. The study was guided by the following theories: Agency theory, Resource Based View. The study used a descriptive survey research design. The study targeted 128 management level employees at Kenya Airways. The study used Krejcie and Morgan (1970) formula to arrive at the sample size. The study sample size was 97 employees. The study used questionnaires as the tool for data collection. The questionnaire was self-administered using drop-and-pick-up later technique. The questionnaire was piloted to a group of 9 managers who were excluded in the actual study. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics was computed and presentations done in percentages, means, SD and frequencies. Displaying of the information was done in table and figures. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression models were fitted to establish the impact of strategy implementation practices on performance of Aviation industry. The study concludes that performance targets has a significant effect on performance of Aviation Industry. In addition, the study concludes that stakeholder consultation has a significant effect on performance of Aviation Industry. From the results, study recommends that the management of Aviation Industry should ensure the set performance targets are achievable and the organization employees work towards achieving the set targets.

Keywords

Strategy implementation practices, performance targets, stakeholder consultation, aviation industry

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INTRODUCTION

Government parastatals and corporations are very significant in the enhancement of socio-economic welfare of their citizens (Ong'onge, 2012). Globally, 20% of the investment from the state corporations, contributes to 5% of employment and more than 40% of the output in some countries (Wachira, Karanja & Iravo, 2018). They have continuously delivered services that are very critical to the economic development of any nation, which includes finance, utilities and natural resources. However, performance of some of the state corporation has been on the decline as they are not able to meet their set objectives and goals. According to Richards, Yeoh, Chong and Popovič (2019), the decline in performance can be associated with inadequacies in their strategy implementation practices which are important for the realization of their goals.

Strategy implementation involves a chain of mediations concerning organizational structures which touches on the key personnel actions and control systems which are very imperative in controlling performance to the desired outcome (Orangi, 2013). Implementation process converts plans into actions projects and ensures that such projects are affected in a fashion that meets the objectives that are to be achieved (Chang, 2016). Strategy implementation therefore addresses who, where, when and how desired goals and objectives can be executed for success (Obiero & Genga, 2018).

According to World Bank (2019), the field of strategic management is considered to be one of the most vital activities of any organization, since it encompasses the organization's entire scope of strategic decision-making. Through the strategic management process, it allows the organization to formulate sets of decisions, actions and measures collectively known as strategies that are subsequently implemented in order to achieve organizational goals and objectives (Niresh & Thirunavukkarasu, 2014). While the strategy is a road map for future direction and scope, implementation on the other hand translates these strategies into action (Edwards & Hulme, 2014).

Various authors have depicted strategy implementation practices in a variety of ways. The studies from Brinkschröder (2014); Waal and Heijden (2016); Akpa and Okwu (2011); Caroline, Harriet and Anne (2016); Yan (2014); Han and Hong (2016); Shukla and Oduor (2015); and Donkor (2017) present the strategy implementation practices as strategic management support, strategic leadership, strategic communication, resource allocation, strategy adjustment or change management, monitoring and evaluation, organization structure governance and human resource practices. The World Bank Group Strategy Guide (2018) centers on strategic management practices as strategic communication, strategic change management, monitoring and evaluation. Therefore, this study will adopt strategic management support, strategic communication, strategic change management, monitoring and evaluation as they are most substantial in the field of strategic management and as supported by the highlighted studies.

Strategic management support entails making decisions that affect everyone in the organization, and is held entirely responsible for the success or failure of the organization (Howsley, Gradt & Delgado, 2015). According to Powell, Waltz, Chinman, Damschroder, Smith, Matthieu and Kirchner (2015); Pathirage, Jayawardena and Rajapaksha (2012), strategic management support can be assessed through commitment, leadership and skills. For successful strategy implementation practices, good managerial skills are required together with leadership skills, people management skills, open minded thinking, perseverance and analytical skills (Chelang'at, 2014). With the required support from the management an organization can implement its strategies effectively and their performance will be competitive.

Strategic communication involves policy-making and guidance for consistent information activity within an organization (Yang, 2014). According to Shonubi and Akintaro (2016) effective communication is critical for success in the strategy implementation practices of any plan, whether an organizational strategic plan or a marketing or operational plan. In strategic communication, message development, or the process of creating key points or ideas, requires high levels of planning and research (Shonubi & Akintaro, 2016). These messages are targeted, or created with a specific audience in mind, and help to position an organization's communication goals with its structural goals. Effective communication systems have a great impact and direct effect on organization learning and innovation processes (Waal & Heijden, 2016). It can be evaluated through the communication channels available, the technologies used, and the feedback generated (Karanges, Johnston, Beatson & Lings, 2015).

Monitoring and evaluation strategy is a systematic and objective examination concerning the relevance, effectiveness, efficiency and impact of activities in the light of specified objectives (World Bank, 2018). Monitoring is a continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities (Christensen, Jantz & Lægreid, 2014). The idea in evaluating projects is to isolate errors in order to avoid repeating them and to underline and promote the successful mechanisms for current and future organizational plans. They involve periodic reviews, expenditure control and accountability measures (Grigorescu & Lupu, 2015; Mwaura, 2013).

The overall themes of strategic change are the integration of all institutional functions, adherence to broad organization goals and responsiveness to the external environment (Shukla & Oduor, 2015). Strategic change can be evaluated through technology adoption, organization restructuring, leadership change and product diversification (Atieno & Kyongo, 2015). Strategy change implemented in the state-owned corporations is purposely for improving the efficiency in public service delivery, service quality improvement, reducing resource usage, revenue collection improvement and streamlining the bureaucratic processes among other things (Atieno, 2017). With state corporations, the implementation of strategies can be evaluated for the success and the performance can also be determined.

Problem Statement

Aviation Industry has faced losses for three years in a row from 2016 to 2019. In the financial year 2019/2020, Aviation Industry experienced a widened loss of kshs 8.85 billion from shs 5.94 billion in financial year 2018/2019, which is a 49 % increase in loss. The gross loss in financial year 2019/2020 grew to 12.98 billion, a 71% percent further increase compared to shs 7.55 billion loss in the f/y 2018/2019.The loss was experienced despite the increase in income to 128.3 billion in 2019 from Sh114.1 billion in 2018. The poor financial performance by Aviation Industry was attributed to a number of factors resulting from poor strategy implementation (Kenya Airways, 2020).

The losses were attributed to the increase in operating costs which grew by 12.4 per cent to Sh129.1 billion in 2019 compared to Sh114.8 billion in 2018.Additionally, profitability was constrained by the increased competition in the airline area of operation, which increased pressure on pricing in order to remain competitive (Kenya Airways, 2020). The initiative to reduce the pricing was not a good strategy hence it led to the company incurring losses. Despite the debt restructuring strategy that was conducted in 2016 in a bid to boost the organization's profitability, the airlines kept posting losses. Therefore, Aviation Industry ought to make proper observations in the implementation of new strategies so as to tame their losses and improve their performance (World Bank, 2018).

A number of studies have been done by researchers both globally and locally with regards to strategy implementation but most of them have presented little information with regard to strategy implementation practices and performance of financial and commercial state corporations. Globally, (Efendioglu & Karabulut, 2016) Analyzed the Impact of Strategic Planning on Financial Performance of Companies in Turkey. The concept of the study was strategic planning which is narrow and it was carried out in a different context, Turkey. This study will analyze strategic implementation practices on a wider scope in Kenya, hence both knowledge and contextual gaps are realized. (Chaimankong & Prasertsakul, 2018) Examined the Impact of Strategy Implementation on Performance of firms in the chemical industry in Thailand. The study was carried out in a different context (chemical firms in Thailand).This study will focus on the Performance of financial and commercial state corporations in Kenya, hence a contextual gaps are realized.

Locally, (Chando, 2017) Conducted a study on the influence of selected determinants of strategy implementation on performance of parastatals in the energy sector in Kenya. The study focused on the performance of the parastatals in the energy sector. This study will focus on the performance of financial and commercial state corporations in Kenya, hence Chando’s study presents a contextual gap. (Murugi, 2015) Analyzed the impact of strategy implementation on performance at Kenya urban roads authority. The was carried out in different context, Kenya Urban Roads Authority. This study will focus on the performance at financial and commercial state corporations in Kenya, hence contextual gaps is realized. This study therefore sought to fill the knowledge and contextual gap from past studies listed above by analyzing the influence of strategy implementation practices on performance of Aviation Industry.

Objectives of the Study

i. To assess the influence of performance targets on performance of Aviation Industry in Kenya.
ii. To establish the influence of stakeholder consultation on performance of Aviation Industry in Kenya

LITERATURE REVIEW

Theoretical Review

Agency Theory

The Agency Theory set forth by Jensen and Meckling (1976) proposes that the operator follows up in the interest of the head and to propel the key's destinations. Agency theory is a management approach where one individual (the agent) acts on behalf of another (the principal) and is required to advance the principal's goals (Jean, 2002). The agent is required to advance both the interests of the principal and his own interests in that particular organization. Normally, a balance of these interests should be combined so that the objectives of the organization can be achieved through the agent because he/she is in charge of the vast resources of the organization.

According to Laffort and Martimost (2002) it was affirmed that the agency theory of strategic management is very important since the action chosen by an individual (the agent) affects not only one, but several other parties (the principals). The role of an agent in strategy and the overall strategic management process and practices cannot be underestimated. They say that the firm is often characterized as a nexus of both explicit and implicit contracts linking the management and its different stakeholders, including employees, customers, bondholders, suppliers, unions and the state among others.

The Agency Theory holds that there should be proper synergy between the management and its stakeholders in order to work towards an achievable common goal. The Agency Theory has also been defined as the central approach to managerial behavior. Ross, (1987) states that the Agency Theory is used in the managerial literature as a theoretical framework for structure and managing contract, which is among the emerging issues in strategic management. Hence, the behavior of principals and agents relationships in performance contracting in management is explained.

The agency theory tends to be more considered against other strategic management theories. Krueger, (2004) in his paper in strategic management and management by objectives postulates that the plethora of strategic management is the agency theory in practice at all levels of the strategic management process. He argues that starting from the corporate strategy to operational strategy the objectives designed at all these levels must be supervised by the agents or managers for an organization to achieve its organizational objectives. For the organization to attain its objectives , management by objectives which observes that organization must formulate objectives at all strategic hierarchy levels according to the studies by Henry (2006) which upholds that, for these objectives to be achieved there has to be joined efforts between the managers as agents and the subordinate staff in the organization.

Top managers are required to provide clear and visible support to the strategic management Program. Without that support of the managers as the agent the synthesis between the individual and the organization goals does not develop. Krueger, (2004) upholds that strategic management depends upon a team approach that flows from the corporate level to the functional level of the organization. Therefore, the process depends on input from all levels of management both (top to bottom and bottom up). The Chief Executive Officer (CEO) as the agent should highly embrace synergy by searching for information resulting in an evaluation of the task to be carried out (strategy formulation) and also to proposes a strategy to the board (principals), for their agreement and then carry out the agreed task (strategy implementation) in order to gain competitive advantage and perform well in relation to other similar firms in the same field of operation.

In conclusion, the Agency theory of strategic management stands to be superior to any other theory of strategy when it comes to strategy management hierarchy. This is an affirmation that at each level of the strategic formulation hierarchy, there has to be an agent charged with the responsibility of representing other stakeholders at other levels. For the organization to achieve its objectives efficiently and effectively it is therefore prudent to put into consideration that there should be synergy using the Agency theory and proper understanding between the principal and the agent. Hence, the agency theory should be embraced particularly at the strategy formulation stage of strategic management and to the overall process of strategic management generally to enhance the organizational performance. Aviation Industry acts as an agent to the government of Kenya in its mandate is providing its services. The government of Kenya acts as the principal. Aviation Industry also acts as the agent to its shakeholders.

Resource Based View

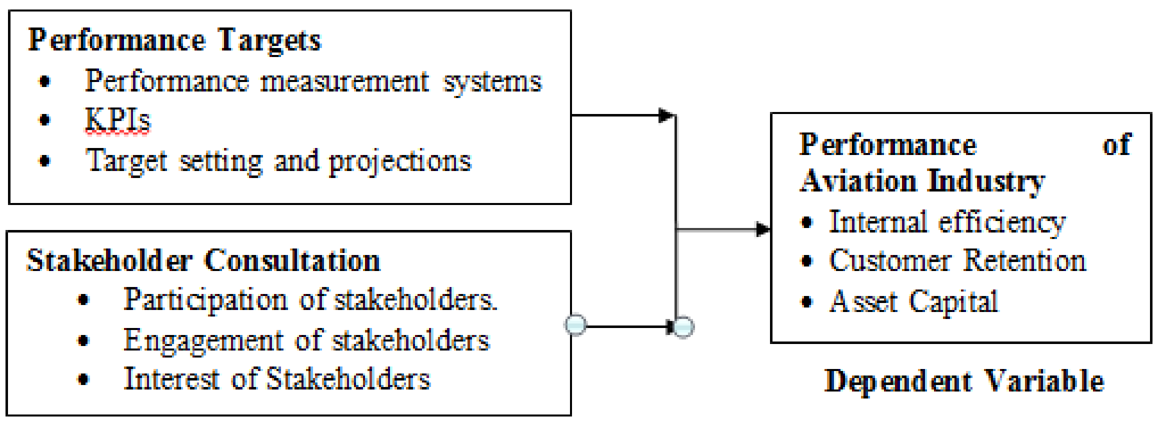
The Theory of Resource-Based View (RBV) postulates that resources owned by an organization are critical for a firm to sustain competitive advantage and superior performance (Barney 2002). King (2007) predicted that resources possessed and managed by organizations are able to create a competitive advantage resulting in premium performance. The resources can be tangible such as raw materials, finances, real estate, computers; or intangible such as staff morale, reputation and patents (Mayer & Solomon, 2006). An organization's capacity is the ability of combining resources, people and processes to transform inputs to outputs. Makadok (2001) defines capabilities as special types of resources such as innovations and augmented customer service, specifically embedded and nontransferable, whose function is to improve the output of the other resources owned by the firm.

RBV explains the role played by resources possessed by an organization in differentiating it from other organizations in the industry through superior performance giving it competitive advantage (Baumol, Litan & Schramm, 2009). These different resources and capacities have positive implications on the performance of an organization. Organizations which allocate adequate resources to assets such as machinery, plant and equipment have a higher chance of premium performance than those that overlook such allocation (Ainuddin, Beamish, Hulland, & Rouse, 2007). Similarly, organizations that allocate resources to development of their personnel improve the human resources' skills and competencies. This in turn influences how decisions are made and implemented affecting the overall performance of organizations (Rose & Kumar, 2007). Allocation of financial resources such as money in hand and bank, stocks and other derivatives affects how a firm invests and even takes advantage of the new opportunities (Morgan, Kaleka, & Katsikeas, 2004). Intangible resources such as reputation of the products/services of the organization, its brand name and experience have significant implications on organization's activities. Capacities significantly affect an organization's performance and competitive ability (King, 2007). The organization must aim at allocating its resources at a cost-efficient and differentiated manner than its rivals for increased performance and eventually competitive advantage.

The RBV views organizational performance as the key component in gaining competitive advantage. The theory focuses on the following when determining the value of resources allocated in an organization: Firstly, competitive superiority which states that any resource that helps fulfill the customers' needs better than those of the competitor should be strategically allocated to customer-centered activities for synergy of performance (Mahoney & Pandian, 1992). Secondly, resource scarcity that states that any scarce resource should be sparingly allocated so that it can be sustained over time for continued organizational performance over the competitors who may not have access to the resource (Dierickx & Cool, 1989).

This theory was relevant to this study because it explains the role played by resource availability in determining the organization performance. When the resources are available to key organizational activities, the organizational performance increased as well the competitive advantage of the institution.

Conceptual Framework



Performance Targets

Performance targets are one of the most used managerial tools in the corporate world. Performance targets –also referred to as assigned goals, quotas or performance aspiration levels. Deming (2019) stressed that performance targets are "a fortress against improvement"

– can be defined as the objects or aims of managerial actions (Latham, 2018) or as borderlines that differentiate success from failure (Lopes, 2017). Targets are mainly used for motivating specific behaviors, establishing expectations, evaluating and rewarding performance. At present, the use of performance targets seems to be ubiquitous; however, a high proportion of organizations have reported to be dissatisfied with their targets arguing that this management tool is not generating the expected results (Marchetti & Brewer, 2020).

Performance targets can be used alone or they can be linked to incentive plans as agency theory suggests (Jensen and Meckling, 2016; Eisenhardt, 2019). In sales environments, performance targets are typically linked to incentive pay (Sands, 2020). Management selects the different structures that target-based incentive plans take depending on situational characteristics such as: the strategic business objectives, specific constraints (e.g. sales people's equity perceptions, sales people's earnings security), available information (e.g. on territory sales, sales people's risk preferences) and ability to predict future results, sales management culture and philosophy (Darmon, 2017; Zoltners, Sinha & Lorimer, 2016).

Stakeholder Consultation

The objective of the stakeholder consultation process is to collect information, ideas, opinions and insights from a wide range of stakeholders to complement the data analysis and secondary research (Donaldson & Preston, 2017). Stakeholder consultation involves the development of constructive, productive relationships over the long term. It results in a relationship of mutual benefit; it enables us to identify trends and emerging challenges which are currently or will in the future impact on the business (Carley, 2018). Listening to stakeholder concerns and feedback is a valuable source of information that can be used to improve project design and outcomes, and help a corporation to identify and control external risks. It can also form the basis for future collaboration and partnerships.

Consultation enables us to identify and monitor trends, challenges and perceptions over time with specific groups of stakeholders (Moodley, 2018). It therefore helps to: Identify and track needs and expectations; Identify and track perceptions and attitudes; Provide feedback on specific planned developments; Evaluate implementations and actions; and Establish the brand values and positioning of the corporation as seen by others (Mugo, 2018). The internal and external stakeholder contribution can be vital to the effective allocation of resources, the success of individual developments, and the longer-term success and direction of the corporation (Albert, 2018).

Empirical Review

Franco-Santos, and Bourne (2018) assessed the impact of performance targets on behaviour. This study reviewed existing literature on target setting and undertakes four detailed case studies and a survey of 95 sales representatives to better understand the factors that affect managerial behaviour. The sales function was chosen, as it is known that in this environment performance targets are widely used. Performance targets have been defined as 'the objects or aims of managerial action' or as 'borderlines that differentiate success from failure'. They are one of the most commonly used motivational tools in the corporate world. Nevertheless, little consensus exists regarding the true effects of performance targets on people's behaviour and performance. Some researchers stress the fact that performance targets are key mechanisms for improving motivation and organizational performance. Other researchers suggest that the use of performance targets can be detrimental for organizations as they generate stressful work environments, a low trust culture, data manipulation and financial performance losses. This lack of agreement is a hurdle for managers as it does not provide clear guidance about what to expect from the use of this managerial tool.

A study conducted by Cruz, Scapens and Major (2017) on 54 organizations on the influence of performance evaluations on organizational performance revealed the existence of a significant relations between the two. In this study, they also noted that (74%) of the organizations indicated that evaluation of performance was important in that it provided mechanisms for reflection, realignment, and restructuring of their projects to meet organizational performance targets. On the other hand, Choi et al., (2018) argue that evaluation of performance provides necessary feedback to employees and the organization on areas they need to improve. Such knowledge is not only essential but fundamental in establishing performance cultures within organization.

Bandeira-de-Mello, Marcon, and Alberton (2017) researched on performance effects of stakeholder interaction in emerging economies: evidence from Brazil. The study argued that interacting stakeholders in a contractual set yield synergistic governance structures that allow firms more efficient access to external resources. Using a sample of 267 firms in Brazil (secondary data), we explored different patterns in stakeholder contracting with community, government, top management, and employees. A three-stage analysis process was devised: cluster analysis, general linear model estimation and verification tests. Results suggest that stakeholder interaction has a positive impact on firm performance. The conjoint effect of government and community contracts was found to yield superior firm performance as they provide a basic structure for contracting with other interacting stakeholders.

Ayuso et al. (2017) conducted a study that sought to investigate whether engagement with different stakeholders promotes sustainable innovation in the organization. The study established that the firm’s sustainable innovation orientation was dependent on the knowledge sourced from engagement with internal and external stakeholders. Schraeder and Self (2010) outlined four main potential benefits of engaging primary stakeholders such as employees, customers, and owners in developing a vision; when employees are involved in the creation and development of the company’s vision then they will support future changes related to it.

RESEARCH METHODOLOGY

For this study, the study used a descriptive survey research design. The study targeted management level employees from the airlines within the industry. In accordance with the provisions of the Civil Aviation Act, 2013, the role of KCAA is to plan, develop, manage, regulate and operate a safe, economically sustainable and efficient civil aviation system in Kenya. According to KCAA HR (2020), there are 128 recognized management level employees from the airlines. The study used Krejcie and Morgan (1970) formula to arrive at the sample size of 97 respondents. The study used questionnaires as the tool for data collection. The questionnaire was self-administered using drop and pick later technique. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics were computed and presentations done in percentages, means, SD and frequencies. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression models were fitted to the data in order to test the influence of the independent variables on the dependent variable

RESEARCH FINDINGS AND DISCUSSION

Descriptive statistics

Performance Targets and Performance of Aviation Industry

The first specific objective of the study was to assess the influence of performance targets on performance of Aviation Industry in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to performance targets and performance of Aviation Industry. The results were as presented in Table 4.2.From the results, the respondents agreed that Aviation Industry have set targets that differentiate performance from failure. This is supported by a mean of 3.944 (std. dv = 0.989). In addition, as shown by a mean of 3.917 (std. dv = 0.805), the respondents agreed that Performance targets are key mechanisms for improving motivation. Further, the respondents agreed that in some cases, performance targets have resulted in stressful work environments. This is shown by a mean of 3.855 (std. dv = 0.981). The respondents also agreed that the organization has performance measurements systems that guide the performance of the institution. This is shown by a mean of 3.849 (std. dv = 0.923). From the results, the respondents agreed with a mean of 3.803 (std. dv = 0.874) that KPIs are used in their company to guide performance. Further, as shown by a mean of 3.787 (std. dv = 0.901), the respondents agreed that they have control over the actions associated with their performance targets. The respondents also agreed that targets are used as motivational tools. This is shown by a mean of 3.715 (std. dv = 0.873).

The study findings agree with Franco-Santos, and Bourne (2018) that performance targets can be detrimental for organizations as they generate stressful work environments, a low trust culture, data manipulation and financial performance losses. It also agrees with Cruz, Scapens and Major (2017) that evaluation of performance was important in that it provided mechanisms for reflection, realignment, and restructuring of their projects to meet organizational performance targets. Also, Choi et al., (2018) argued that evaluation of performance provides necessary feedback to employees and the organization on areas they need to improve. Such knowledge is not only essential but fundamental in establishing performance cultures within organization.

Table 4.1: Performance Targets and Performance of Aviation Industry

	Mean	Std. Deviation
Aviation Industry have set targets that differentiate performance from failure	3.944	0.989
Performance targets are key mechanisms for improving motivation	3.917	0.805
In some cases, performance targets have resulted in stressful work environments	3.855	0.981
We have performance measurements systems that guide the performance of the institution	3.849	0.923
KPIs are used in our company to guide performance	3.803	0.874
We have control over the actions associated with our performance targets	3.787	0.901
Targets are used as motivational tools	3.715	0.873
Aggregate	**3.865**	**0.922**

Stakeholder Consultation and Performance of Aviation Industry

The second specific objective of the study was to establish the influence of stakeholder consultation on performance of Aviation Industry in Kenya. The respondents were requested to indicate their level of agreement on various statements relating to stakeholder consultation and performance of Aviation Industry. The results were as presented in Table 2.From the results, the respondents agreed that there is adequate communication of the organization objectives to all stakeholders. This is supported by a mean of 3.967 (std. dv = 0.897). In addition, as shown by a mean of 3.920 (std. dv = 0.815), the respondents agreed that strategic plan document is shared across the organization and all staff members have access to it. Further, the respondents agreed that long term and short term goals are set in every department for the achievement of the strategic plan. This is shown by a mean of 3.888 (std. dv = 0.901). The respondents also agreed that management organizes special sessions to disseminate the strategic plan in the organization. This is shown by a mean of 3.835 (std. dv = 0.793). From the results, the respondents agreed with a mean of 3.813 (std. dv = 0.884) that top management seek views and opinion from other stakeholders during strategic planning and implementation process. Further, as shown by a mean of 3.798 (std. dv = 0.786), the respondents agreed that the company conducts PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) analysis during strategy implementation. The respondents also agreed that the company encourages Bottom-up management style where lower management staff articulate issues to the top management. This is shown by a mean of 3.788 (std. dv = 0.892).

The study findings agree with those of Bandeira-de-Mello, Marcon, and Alberton (2017) that stakeholder interaction has a positive impact on firm performance. The conjoint effect of government and community contracts was found to yield superior firm performance as they provide a basic structure for contracting with other interacting stakeholders. It also agrees with Ayuso et al. (2017) that firm's sustainable innovation orientation was dependent on the knowledge sourced from engagement with internal and external stakeholders.

Table 2: Stakeholder Consultation and Performance of Aviation Industry

	Mean	**Std. Deviation**
There is adequate communication of the organization objectives to all stakeholders	3.967	0.897
Strategic plan document is shared across the organization and all staff members have access to it	3.920	0.815
Long term and short term goals are set in every department for the achievement of the strategic plan	3.888	0.901
Management organizes special sessions to disseminate the strategic plan in the organization	3.835	0.793
Top management seek views and opinion from other stakeholders during strategic planning and implementation process	3.813	0.884
The company conducts PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) analysis during strategy implementation	3.798	0.786
The company encourages Bottom-up management style where lower management staff articulate issues to the top management	3.788	0.892
Aggregate	**3.828**	**0.897**

Performance of Aviation Industry

The respondents were requested to indicate their level of agreement on various statements relating to performance of Aviation Industry. The results were as presented in Table 3. From the results, the respondents agreed that performance of aviation industry has declined over the time. This is supported by a mean of 3.968 (std. dv = 0.905). In addition, as shown by a mean of 3.859 (std. dv = 0.885), the respondents agreed that prudent resource availability and allocation has affected performance of aviation industry. Further, the respondents agreed that setting of performance targets has helped aviation industry work towards achieving set performance standards. This is shown by a mean of 3.800 (std. dv = 0.605). As shown by a mean of 3.785 (std. dv = 0.981), the respondents agreed that consultations with stakeholders has benefited aviation industry by improving their performance. In addition, the respondents agreed that availability of resources has helped aviation industry improve its performance. This is shown by a mean of 3.777 (std. dv = 0.878). The respondents also agreed that through monitoring and control strategies, aviation industry has been able to improve their performance standards. This is shown by a mean of 3.678 (std. dv = 0.897).

The findings agree with those of Richards, Yeoh, Chong and Popovič (2019) that the decline in performance can be associated with inadequacies in their strategy implementation practices which are important for the realization of their goals. it also agrees with Chelang'at (2014) that with the required support from the management an organization can implement its strategies effectively and their performance will be competitive.

Table 3: Performance of Aviation Industry

	Mean	Std. Deviation
Performance of aviation industry has declined over the time	3.968	0.905
Prudent resource availability and allocation has affected performance of aviation industry	3.859	0.885
Setting of performance targets has helped aviation industry work towards achieving set performance standards	3.800	0.605
Consultations with stakeholders has benefited aviation industry by improving their performance	3.785	0.981
Availability of resources has helped aviation industry improve its performance	3.777	0.878
Through monitoring and control strategies, aviation industry has been able to improve their performance standards	3.678	0.897
Aggregate	**3.798**	**0.821**

Inferential Statistics

Correlation Analysis

Table 4: Correlation Coefficients

		Organization Performance	Performance Targets	Stakeholder Consultation
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	89		
Performance Targets	Pearson Correlation	.881**	1	
	Sig. (2-tailed)	.000		
	N	89	89	
Stakeholder Consultation	Pearson Correlation	.805**	.289	1
	Sig. (2-tailed)	.003	.061	
	N	89	89	89

From the results, there was a very strong relationship between performance targets and performance of Aviation Industry (r = 0.881, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Franco-Santos, and Bourne (2018) who indicated that there is a very strong relationship between performance targets and organization performance.

Moreover, the results revealed that there is a very strong relationship between stakeholder consultation and performance of Aviation Industry (r = 0.805, p value =0.003). The relationship was significant since the p value 0.003 was less than 0.05 (significant level). The findings conform to the findings of Ayuso *et al.* (2017) that there is a very strong relationship between stakeholder consultation and organization performance.

Regression Analysis

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.931	.867	.868	.10428

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.867. This implied that 86.7% of the variation in the dependent variable (performance of Aviation Industry) could be explained by independent variables (performance targets, stakeholder consultation, resource availability and monitoring and control strategies).

Table 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	141.081	4	35.270	40.869	.000[b]
1	Residual	7.254	84	.0863		
	Total	148.335	88			

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 40.869 while the F critical was 2.480. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of performance targets, stakeholder consultation, resource availability and monitoring and control strategies on performance of Aviation Industry.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.154	0.039		3.949	0.001
	Performance Targets	0.377	0.105	0.379	3.590	0.000
	Stakeholder Consultation	0.462	0.108	0.463	4.277	0.001

a Dependent Variable: Performance of Aviation Industry

The regression equation was as follows:

$Y = 0.154 + 0.377X_1 + 0.462X_2 + \varepsilon$

According to the results, performance targets has a significant effect on performance of Aviation Industry, β_1=0.377, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Franco-Santos, and Bourne (2018) who indicated that there is a very strong relationship between performance targets and organization performance

The results also revealed that stakeholder consultation has significant effect on performance of Aviation Industry, β1=0.462, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings conform to the findings of Ayuso *et al.* (2017) that there is a very strong relationship between stakeholder consultation and organization performance.

Conclusions

The study concludes that performance targets have a significant effect on performance of Aviation Industry. The study findings revealed that performance measurement systems, KPIs,1 target setting and projections influences performance of Aviation Industry.

In addition, the study concludes that stakeholder consultation has a significant effect on performance of Aviation Industry. The study findings revealed that participation of stakeholders, engagement of stakeholders and interest of Stakeholders influence performance of Aviation Industry

Recommendations

This study recommends that the management of Aviation Industry should ensure the set performance targets are achievable and the organization employees work towards achieving the set targets.

This study also recommends that the management of Aviation Industry should ensure all stakeholders are consulted when making major decisions affecting the organization. This will help in taking the views of the stakeholders hence making informed decisions.

Suggestions for Further Studies

This study was limited to performance of Aviation Industry in Kenya, hence the study findings cannot be generalized to the aviation industry in East Africa. The study therefore suggests further studies on the influence of strategy implementation practices on performance of aviation industry in East Africa.

Further, the study found that the independent variables (performance targets, stakeholder consultation, resource availability and monitoring and control strategies) could only explain 86.7% of performance of Aviation Industry. This study therefore suggests further research on other factors affecting performance of Aviation Industry.

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