DETERMINANTS OF EMPLOYEE RELATIONS IN THE AIRLINE SUB SECTOR IN KENYA

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ABSTRACT

Employee relations at the workplace is a key determinant of success to organizations and whereas the results of conflict at the workplace may not be all lead to negative performance of the organization, the reasons for the poor employee relations could give point towards the expected results of such poor employee relations in the organization. Owing to the importance of the airline sector in Kenya and elsewhere in the world, it is important to understand the determinants of employee relations in the sector. The study sought to establish the influence of employee relations variables including management style, compensation and benefits, communication and resource availability. The target population for the study was 6,000 employees of the airlines operating in Kenya and out of Jomo Kenyatta International Airport and Wilson Airport. Primary data was collected using questionnaires designed on the basis of the study objectives. In a multivariate regression model was be applied to establish the determinants of employee relations in the airline sub sector in Kenya. From the findings, that Decisions relating to employment relations management such as those concerned with union recognition, collective bargaining and worker participation are influenced by the manager’s ideology, values and philosophy, which form his frame of reference. These values include basic beliefs about how to treat employees, what motivates people and the role of unions in the workplace. Thus managers can be either opposed or supportive of unions. A review to the reward policy to have clearly stipulated reward and compensation regulation to avoid biasness. This will help fight nepotism and tribalism claims that some employee raised during the study. Promotion should also strictly on merit to encourage performance and discipline.

**Key Words:** Employee relations, Airlines in Kenya, management style, compensation and benefits, work environment and Resource Availability.
Determinants of Employee Relations in the Airline Sub Sector in Kenya

Introduction
The aviation sector contributes KES 24.8 billion (1.1%) to Kenyan GDP. This total comprises: KES 13.0 billion directly contributed through the output of the aviation sector (airlines, airports and ground services); KES 6.1 billion indirectly contributed through the aviation sector’s supply chain and KES 5.7 billion contributed through the spending by the employees of the aviation sector and its supply chain. In addition there are KES 59.2 billion in catalytic benefits through tourism which raise the overall contribution to KES 84.0 billion or 3.7% of GDP.

The aviation sector supports 46,000 jobs in Kenya. This total comprises: 13,000 jobs directly supported by the aviation sector; 17,000 jobs indirectly supported through the aviation sector’s supply chain; and 16,000 jobs supported through the spending by the employees of the aviation sector and its supply chain. In addition there are a further 142,000 people employed through the catalytic (tourism) effects of aviation.

Airlines registered in Kenya directly employ 6,000 people locally, and support through their supply chains a further 8,000 jobs. Examples of these supply-chain jobs include those in the distribution sector delivering aviation fuel; and jobs in the catering sector preparing the meals served on airlines. A further 8,000 jobs are supported through the household spending of those employed by airlines and their supply chain. These airlines directly contribute around KES 7.1 billion to the Kenyan economy (GDP). The sector contributes indirectly another KES 2.9 billion through the output it supports down its supply chain. A further KES 3.1 billion comes from the spending of the employees of the airlines and their supply chains. Overall, these airlines contribute over KES
13.0 billion to the economy and support 22,000 jobs in Kenya.


Despite this critical role the airline sector plays in propelling economic growth in Kenya, the sector performance is declining and thus raising concern. Kenya Airways (KQ) has been one of the most successful and consistently profitable airlines in Africa, achieving six straight years of operating profits, as well as net profits over five of the past six years to FY2012, when it reported a net profit of KES1.66 billion (USD18.8 million), down 53% on the previous year. (Airline Leader Pty 2010-2012). The airline reported a KES 7.9 billion loss after tax for the year ending 31-March 2013(CAPA, Center for Aviation). According to Wikipedia, another Kenya airline, Jetlink stopped its operations in November 2012 due to financial problems. Therefore for the sake of the future of Kenya’s airline sub-sector, several questions need to be answered. What is the future of the Kenya airline sub-sector? What are the challenges experienced by the airline sub-sector in their bid to become competitive and have better employee relations? What should airlines in Kenya do to establish great employee relations so as to achieve competitiveness and improve shareholder value?

Statement of the problem

Employer-employee conflict in the airline sub sector in Kenya has contributed significantly to the decline in performance of the airline organizations in Kenya. In December 2012 the Industrial court ruled in favor of Kenya Airways’ employees affected by a restructuring programme putting pressure on the airline’s financial standing(Airline Leader Pty 2010-2012). Workplace conflicts exist in the air transport industry and have adverse effects on employee performance ( Mwangi & Ragui 2003). Organizational conflict occurs as actors engage in activities that are incompatible
with those of colleagues within their network, members of other organization or unaffiliated members who utilize the services or products of the organization (Rahim, 2002). If conflicts are not resolved properly might affect the organization adversely in terms of poor performance, lack of cooperation, wasting of resources and productivity (Hotepo et al 2010).

If conflict between employer and employee in this sector is not well handled, contribution of the airline sector to the economic growth in Kenya will therefore be in jeopardy. However while different authors (Mwangi & Ragui 2013) highlight on workplace conflict in this industry, none of these research extends to the genesis of the corporate conflict in the airline sector in Kenya. This study therefore investigated factors contributing to corporate conflict among the airline stakeholders in Kenya.

**Objectives of the Study**

i. To find out the effect of management style on employee relations in the airline sub sector in Kenya

ii. To investigate the effect of compensation on employee relations in the airline sub sector in Kenya.

iii. To examine the effect of communication on employee relations in the airline sub sector in Kenya.

iv. To find out the effect of resource availability on employee relations in the airline sub sector in Kenya.

**Literature Review**

The section examines what other researchers and scholars have documented on the determinants of employee relations in the airline sub sector in Kenya. It shall also diagnose a critique of the existing literature relevant to the study as well as the research gap.
Theoretical review

By recognizing the inevitability of workplace conflict, those holding this perspective tend to regard conflict as necessary for the health of an enterprise as it serves to bring grievances held by workers to the surface. It is also argued that the potential for conflict provides a spur to managers to explore innovative methods for handling it in a way that will produce the best results. Acknowledging the existence of competing sources of authority, most notably in the form of shop stewards or trade unions, is held by pluralists to offer benefits by allowing organizations to deal with industrial relations issues on a collective basis. In this regard it is argued to not only provide management with the most efficient means for institutionalizing employment rules and minimizing the level of workplace conflict, but to also encourage fairer outcomes by enabling employees to organize and counter-balance the power of managers when negotiating workplace contracts. It is on the basis of these conceptions that pluralists generally accept the legitimate right of employees to bargain collectively and trade unions to act in this capacity on their behalf. To ground these study the researcher used the following theories.

Employee Relations

The classic view on conflict resulting from employer-employee relations has always been that conflict in any form is harmful and should be avoided at all cost. However, modern scholars and the corporate world at large are fast realizing that conflict is not as lethal as considered to be and if maintained within certain parameters, it can actually boost a company’s growth. (Omiko, 2013). Conflict is the interference of an agent’s or a group’s intentions in the efforts of reaching certain objectives by another individual or group. It is supposed that the two parts involved have incompatible objectives, so that reaching the objective by one of the parts determines the impossibility of reaching the other implicated person. Conflict may therefore become a strategy to
reach the superior objectives through the interference with the progress registered by the other parties (Elida-Tomița 2010).

The term conflict comes from the Latin word “conflictus” and it means, “hitting together with force” this thing meaning “disagreements and tensions between the members of the group, interaction in speech, emotions and affection”. Conflict is an interactive process manifested in incompatibility, disagreement or dissonance within or between social entities (Rakhim, 2010). Rakhim (2010) also notes that a conflict may be limited to one individual, who is conflicted within himself (the intrapersonal conflict). Although a myriad of dentitions have been suggested, organizational psychologists more and more agree that conflict is best viewed as a process that begins when an individual or group perceives differences and opposition between him- or herself and another individual or group about interests, beliefs, or values that matter to him or her. (Fischer, Michael D 2012) a key player in inter-group relations and conflict is the collective sentiment a person’s own group (in-group) feels toward another group (out-group). These intergroup emotions are usually negative, and range in intensity from feelings of discomfort when interacting with a member of a certain other group to full on hatred for another group and its members. Conflict is rarely seen as constructive; however, in certain contexts (such as competition in sports), moderate levels of conflict can be seen as being mutually beneficial, facilitating understanding, tolerance, learning, and effectiveness (Sophia Jowett (2007).

Social Identity Theory

Social identity (Saul McLeod, 2008) is a person’s sense of who they are based on their group membership(s). A social identity is the portion of an individual's self-concept derived from perceived membership in a relevant social group. In the Social Identity Theory, a person has not one, “personal self”, but rather several selves that correspond to widening circles of group
membership. Different social contexts may trigger an individual to think, feel and act on basis of his personal, family or national “level of self”. Apart from the “level of self”, an individual has multiple “social identities”. Social identity is the individual’s self-concept derived from perceived membership of social groups (Hogg & Vaughan, 2002). In other words, it is an individual-based perception of what defines the “us” associated with any internalized group membership. This can be distinguished from the notion of personal identity which refers to self-knowledge that derives from the individual’s unique attributes.

Tajfel and Turner (1979) identify three variables whose contribution to the emergence of in group favoritism is particularly important. A) The extent to which individuals identify with an in group to internalize that group membership as an aspect of their self-concept. B) The extent to which the prevailing context provides ground for comparison between groups. C) The perceived relevance of the comparison group, which itself will be shaped by the relative and absolute status of the in group. Individuals are likely to display favouritism when an in group is central to their self-definition and a given comparison is meaningful or the outcome is contestable. A key assumption in social identity theory is that individuals are intrinsically motivated to achieve positive distinctiveness. That is, individuals “strive for a positive self-concept (Haslam, 2001). In terms of individual mobility, it is predicted that under conditions where the group boundaries are considered permeable individuals are more likely to engage in individual mobility strategies that is, individuals “disassociate from the group and pursue individual goals designed to improve their personal lot rather than that of their in group” (Haslam, 2001).
Expectancy Theory of Motivation

The Expectancy Theory of Motivation (Porter & Lawler, 1968; Vroom, 1964) is one of the process theories. This theory is a model of behavioral choice, that is, as an explanation of why individuals choose one behavioral option over others. In doing so, it explains the behavioral direction process. It does not attempt to explain what motivates individuals, but rather how they make decisions to achieve the end they value. According to Holdford and Lovelace-Elmore (2001), Vroom asserts, intensity of work effort depends on the perception that an individual’s effort will result in a desired outcome”. Vroom (1964) defines motivation as a process governing choices among alternative forms of voluntary activities, a process controlled by the individual. Vroom suggests that “for a person to be motivated, effort, performance and motivation must be linked” (Droar, 2006,). Expectancy theory is comprised of three components: Expectancy, Instrumentality, and Valance (Holdford and Lovelace-Elmore, 2001).

Expectancy theory (Johnette Caulfield, 2007) was applied in the study to investigate the motivational factors that may contribute to students providing anonymous feedback to teachers. Expectancy theory has been more effective in predicting motivation when the subjects being studied had more discretion in performing a task (Robbins, 2005). Thus, as students have complete discretion in whether or not they choose to provide anonymous feedback to teachers, expectancy theory would seem to be a good choice in predicting students’ motivation for doing so. A number of studies in contingency theory demonstrate that in any environment the interaction between the leader (teacher) and followers (students) impacts the behavior of both the leader and the followers (Fiedler, 2002; Northouse, 2004). In fact, the very foundation of path-goal contingency theory of
leadership is based on expectancy theory of motivation (Northouse, 2004). It seems likely that teaching style would impact students’ motivation to provide teacher feedback.

**Agency Theory**

Agency Theory explains how to best organize relationships in which one party determines the work while another party does the work. In this relationship, the principal hires an agent to do the work, or to perform a task the principal is unable or unwilling to do. For example, in corporations, the principals are the shareholders of a company, delegating to the agent i.e. the management of the company, to perform tasks on their behalf. Agency theory assumes both the principal and the agent are motivated by self-interest. This assumption of self-interest dooms agency theory to inevitable inherent conflicts. A decentralized system (Berle and Means (1932) of shareholders cannot properly constrain corporate managers to act in the shareholders’ interests. Instead, managers act in their own self-interest (they are opportunistic). This has led to an entire literature on incentives that align managerial behavior with the interests of shareholders. In the context of the employment contract individual contracts form a major method of restructuring incentives, by connecting as closely as is optimal the information available about employee performance, and the compensation for that performance.

Because of differences in the quantity and quality of information available about the performance of individual employees, the ability of employees to bear risk, and the ability of employees to manipulate evaluation methods, the structural details of individual contracts vary widely, including such mechanisms as "piece rates, [share] options, discretionary bonuses, promotions, profit sharing, efficiency wages, deferred compensation, and so on. The "principal-agent problem", as it is known in economics, crops up any time agents aren't inclined to do what principals want them
to do. To sway them (agents), principals have to make it worth the agents’ while (Paula Szuchman, Jenny Anderson 2012). When agents are placed on individual pay-for-performance schemes, they are less likely to help their coworkers.

Productivity rises considerably in a change from salary to piece rates, with a half of the productivity gain due to worker selection effects. Performance increases when the task at hand is more repetitive, and reduces when the task at hand requires more creative thinking (Pink, Daniel H 2009). Milgrom and Roberts (1992) identify four principles of contract design: When perfect information is not available, Holmstrom (1979) developed the Informativeness Principle to solve this problem. This essentially states that any measure of performance that (on the margin) reveals information about the effort level chosen by the agent should be included in the compensation contract. The Incentive-Intensity Principle states that the optimal intensity of incentives depends on four factors: the incremental profits created by additional effort, the precision with which the desired activities are assessed, the agent’s risk tolerance, and the agent’s responsiveness to incentives.

According to Prendergast (1999, 8), "the primary constraint on [performance-related pay] is that [its] provision imposes additional risk on workers. The third principle the Monitoring Intensity Principle is complementary to the second, in that situations in which the optimal intensity of incentives is high corresponds highly to situations in which the optimal level of monitoring is also high. The fourth principle is the Equal Compensation Principle, which essentially states that activities equally valued by the employer should be equally valuable (in terms of compensation, including non-financial aspects such as pleasantness of the workplace) to the employee.
Research Gaps

Although studies have been done on the subject of employee relations, emphasis has been on the effects of such poor employee relations on the employee performance or on the management of the relations as shown in the studies by Mwangi and Ragui (2013) and Hotepo et al. (2010) respectively. There is little to indicate that organizations actually attempt to establish the underlying determinants of employee relations. Rather, and in order to resolve conflict resulting from employee relations, individuals or groups sought to employee relations management instruments without first determining what the determinants employee relations are a key element in developing appropriate conflict resolution strategies (Havenga, 2004). Mayer (2000), for instance, argues that if the causes of conflict resulting from employee relations are known and understood, a conflict map can be developed, which could guide employee relations resolution processes.

Methodology

Research Design

The study adopted descriptive design. Descriptive research was used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question (Shields et al, 2013). Descriptive design involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. Because the human mind cannot extract the full import of a large mass of raw data, descriptive statistics are very important in reducing the data to manageable form. The design is therefore most suitable in this study which aims at finding out how the four independent variables relate to the one dependent variable and
where large amount of data will be collected. According to Kombo and Tromp (2006), descriptive study is suitable for collecting information on people’s feelings, behaviour and opinions.

The Target Population

The target population of this study the targeted population was 6,000 which is the number of employees in the airline sector in Kenya (Oxford Economics, Country Report Kenya 2011). These respondents work at various departments and functions of the airline operations including ground services, commercial, finance, and flight operations, technical and marketing department. According to Mugenda and Mugenda (2003) the target population should have observable characteristics to which the researcher intents to generalize the result of the study, which implies that the population is not homogeneous. Therefore the subjects of the study being employees fall into two major categories; management or operational.

Data Analysis

The study generated both quantitative and qualitative data. Descriptive statistics data analysis method was applied to analyze numerical data gathered using semi structured questions. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis to generate data array that was used for subsequent analysis of the data. SPSS Version 21 was used, which has got descriptive statistics features that assist in variable response comparison and gives clear indication of responses frequencies. The data will be cleaned, coded, categorized per each of the research variables and then will be analyzed using descriptive analysis such as percentages.

Further inferential statistics was conducted using regression to give correlations coefficients, in order to show the relationship between the independent variables and dependent variable. The regression model was computed to show the significance of the research variables. The findings were shown using frequency tables and figures to represent the respondents’ opinions on the
determinants of employee relations in the airline sub sector in Kenya. Qualitative data analyses method was applied to analyze the data gathered using open end questions where the respondents gave their personal opinions on determinants of employee relations in the airline sub sector in Kenya.

**Research Findings**

**Response Rate**

The study targeted a sample size of 98 respondents from which 80 filled in and returned the questionnaires making a response rate of 82%. This response rate was good and representative and conforms to Bobbie (2002) stipulates that a questionnaire response rate of 50% and above is sufficient for analysis.

**Reliability Analysis**

A pilot study was carried out to determine reliability of the questionnaires. The pilot study involved the sample respondents (10) from Kenya Airways. Reliability analysis was subsequently done using Cronbach’s Alpha which measures the internal consistency by establishing if certain item within a scale measures the same construct.

Coefficient of 0.6 - 0.7 is a commonly accepted rule of thumb that indicates acceptable reliability and 0.8 or higher indicated good reliability (Chandran, 2004), thus forming the study’s benchmarked. Cronbach Alpha was established for every objective which formed a scale. The table shows that the effect of management style on employee relations had the highest reliability ($\alpha= 0.89$), followed by the effect of compensation on employee relations ($\alpha=0.87$), followed by effect of communication on employee relations ($\alpha=0.85$), while effect of resource availability on employee relations in the airline sub sector in Kenya had the least reliability ($\alpha=0.79$). This
illustrates that all the record variables were reliable as their reliability values exceeded the prescribed threshold of 0.6.

Table 4.1: Reliability coefficients for the major variables

<table>
<thead>
<tr>
<th>Item</th>
<th>Variable</th>
<th>Number of Item</th>
<th>Item adopted</th>
<th>Gronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management style</td>
<td>12</td>
<td>10</td>
<td>0.89</td>
</tr>
<tr>
<td>2</td>
<td>Compensation</td>
<td>10</td>
<td>7</td>
<td>0.87</td>
</tr>
<tr>
<td>3</td>
<td>Communication</td>
<td>9</td>
<td>6</td>
<td>0.85</td>
</tr>
<tr>
<td>4</td>
<td>Resource availability</td>
<td>12</td>
<td>8</td>
<td>0.79</td>
</tr>
</tbody>
</table>

Regression Analysis

In this study, a multiple regression analysis was conducted to establish the determinants of employee relations in the airline sub sector in Kenya. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

Table 4.21: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.847</td>
<td>0.717</td>
<td>0.707</td>
<td>0.123</td>
</tr>
</tbody>
</table>
R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R², also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. From the findings 70.7% of the variations in employee relations are explained by influence of management style, compensation and benefits, communication and resource availability contribution leaving 29.3% percent unexplained. Therefore, further studies should be done to establish the other factors (29.3%) determining employee relations in Kenya.
Table 4.3: Summary of One-Way ANOVA (Analysis of Variance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3.321</td>
<td>3</td>
<td>1.107</td>
<td>4.075</td>
<td>0.003</td>
</tr>
<tr>
<td>Residual</td>
<td>1.309</td>
<td>85</td>
<td>0.015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.630</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The probability value of 0.003 indicates that the regression relationship was highly significant in predicting how management style, compensation and benefits, communication and resource availability determine employee relations in Kenya. The F critical at 5% level of significance was 4.075 since F calculated is greater than the F critical (value = 2.71), this shows that the overall model was significant.

Table 4.4: Coefficients of Regression Equation

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.193</td>
<td>0.432</td>
<td>2.762</td>
<td>0.015</td>
</tr>
<tr>
<td>Management Style</td>
<td>0.806</td>
<td>0.108</td>
<td>0.146</td>
<td>7.463</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.648</td>
<td>0.141</td>
<td>0.126</td>
<td>3.887</td>
</tr>
<tr>
<td>Communication</td>
<td>0.413</td>
<td>0.125</td>
<td>0.145</td>
<td>4.904</td>
</tr>
<tr>
<td>Resource Availability</td>
<td>0.826</td>
<td>0.138</td>
<td>0.116</td>
<td>8.162</td>
</tr>
</tbody>
</table>

These coefficients therefore are used to answer the following regression model which relates the predictor variables (independent variables) and the dependent variables;

\[
Y = 1.193 + 0.806X_1 + 0.648X_2 + 0.413X_3 + 0.826X_4 + \varepsilon
\]
Where Y = Employee relations which is the dependent variable:

\[ \alpha = \text{Constant which defines long term Performance value without inclusion of independent variables} \]

\[ X_1 = \text{Management Style}, \]

\[ X_2 = \text{Compensation}, \]

\[ X_3 = \text{Communication}, \]

\[ X_4 = \text{Resource Availability and} \]

\[ e = \text{Error Term} \]

Based on these coefficients, the regression model therefore becomes;

The regression test results presented in the table 4.4 indicate that, all the coefficients are positive and are also significant as given by their p-values (sig. values) which are all less than 0.025 testing at 5% level with a 2-tailed test. Thus, with these values being less than the critical value at 5% level, the coefficients are statistically significant and explain significant influence of the independent variables to the employee relations in airline sub-sector.

Thus, the model indicates that, holding the predictor variables constant, the employee relations would be 1.193. This explains that, without the influence of the management style, compensation and benefits, communication and resource availability, the Employee relations in airline sub-sector in Kenya would be 1.193. Also, the model shows that, a unit increase in management style activities would result to 0.806 times increase in the employee relations in airline sub-sector in Kenya. Thus the two variables are positively related with a magnitude of 0.806 explaining the extent of influence to the dependent variable.
From the model developed also, it is clear that a unit change (increase/ decrease) in the compensation and benefits activities will lead to a 0.648 times direct changes in the employee relations in airline sub-sector in Kenya. This indicates that, compensation and benefits activities and the Performance of the pension schemes are positively related where increasing the compensation and benefits activities will give a corresponding increase of 0.648 times to the Performance and vice versa.

Further, the model indicates that, the coefficient of communication activities and changes in the employee relations in airline sub-sector in Kenya is 0.413. This reveals that, given a unit increase in communication activities, the Employee relations in airline sub-sector in Kenya will be affected by 0.413 times increase consequently. Thus, the two variables are positively related and a unit change in communication will result to 0.413 times changes in the same direction to the Employee relations in airline sub-sector in Kenya.

From the model developed also, it is clear that a unit change (increase/ decrease) in the activities will lead to a 0.716 times direct changes in the employee relations in airline sub-sector in Kenya. This indicates that, activities and the employee relations are positively related where increasing the activities will give a corresponding increase of 0.716 times to the relation and vice versa.

All the variables were significant as their P-values were less than 0.05. In terms of magnitude, the findings indicated that resource availability had the highest influence on employee relations in airline sub-sector in Kenya, followed by management style, followed by compensation and benefits while communication had the least influence on employee relations in airline sub-sector in Kenya.
Summary of the Findings

The study sought to examine the management style and its influence on employee relations in the airline sub sector in Kenya. The study reviewed motivation, leadership style, mentoring/coaching, level of engagement and influencing trust among employees. From the findings management style plays a major role in influencing both positively and negatively the employee relations in the airline sector. While some respondents indicated having good management style, a sizeable number also indicated negative management perception, hence there is need for management to try create open policy to allow employees to give feedback where they are pressed. This will in the end help create a conducive environment for working.

The study established that compensation and benefits has great influence on employee relations in the airline sub sector in Kenya. Remuneration, workplace incentives and reward policy were reviewed in order to establish the influence of compensation and benefits to employee relations. Majority of the respondents were not satisfied with compensation and benefits. While many of the respondents appreciated the tough times the airlines were going through, they noted that a good reward policy would go a long way in ensuring everyone who sacrifices for the organizations are compensated.

From the study findings communication was found to be critical on impacting employee relations in the airline sub sector in Kenya. The study reviewed effective communication, channels of communication, culture of communication and direction of communications as indicators of communication. From the findings it was established that there was already well established channels of communication and a culture that is robust. However there is need to ensure effective communication and also allow for bidirectional communication to create a culture of feedback to
the management. If this is enhanced, then most airlines would be competitive as communication can make or break the business.

The study findings established that resource availability has influence on employee relations in the airline sub sector in Kenya. To establish the effect of resource availability on the employee relations, human resource, tools and equipment and facilities were reviewed. While as expected resources are always scarce and hence require good management to ensure better balance across different sections. The respondents indicated they understood the hard times airlines were going through both locally and internationally, and would be okay to push a little more but as long as they are recognized and compensated. They were cognizant of the fact tools and equipment, facilities and staff numbers will never be enough hence the challenge to the management.

**Discussion**

The study sought to examine the management style and its influence on employee relations in the airline sub sector in Kenya. The study reviewed motivation, leadership style, mentoring/coaching, level of engagement and influencing trust among employees. From the findings management style plays a major role in influencing both positively and negatively the employee relations in the airline sector. While some respondents indicated having good management style, a sizeable number also indicated negative management perception, hence there is need for management to try create open policy to allow employees to give feedback where they are pressed. This will in the end help create a conducive environment for working. The study findings agree with other studies which indicates that employer-employee conflict in the airline sub sector in Kenya has contributed significantly to the decline in performance of the airline organizations in Kenya. In December 2012 the Industrial court ruled in favor of Kenya Airways’ employees affected by a restructuring programme putting pressure on the airline’s financial standing (Airline Leader Pty
Workplace conflicts exist in the air transport industry and have adverse effects on employee performance (Mwangi & Ragui 2003).

The study established that compensation and benefits have great influence on employee relations in the airline sub-sector in Kenya. Remuneration, workplace incentives, and reward policy were reviewed in order to establish the influence of compensation and benefits on employee relations. Majority of the respondents were not satisfied with compensation and benefits. While many of the respondents appreciated the tough times the airlines were going through, they noted that a good reward policy would go a long way in ensuring everyone who sacrifices for the organizations are compensated. According to RIAC (2014), compensation programs should factor in items beyond the base salary when evaluating the total package in order to be competitive as well as attractive for the Executive. The salary structure in relationship to comparable airports and the market and regional cost of living are considerations along with other components. If there is a goal to retain the Executive for a significant amount of time, it is recommended that the employer consider the compensation programs of airports that may offer desirable challenges or opportunities that may arise.

From the study findings communication was found to be critical on impacting employee relations in the airline sub-sector in Kenya. The study reviewed effective communication, channels of communication, culture of communication, and direction of communications as indicators of communication. From the findings it was established that there was already well-established channels of communication and a culture that is robust. However, there is need to ensure effective communication and also allow for bidirectional communication to create a culture of feedback to the management. If this is enhanced, then most airlines would be competitive as communication can make or break the business. According to Isaac (2007), effective communication is a basic
human requirement and in the aviation environment an essential pre-requisite to safety. Effective communication and coordination between pilots and flight attendants should not be taken for granted. In air carrier operations, establishment of a smooth operating relationship may be hindered by the fact that the crews may never have seen one another before boarding the aircraft and schedule constraints may limit the amount of interaction possible before a flight. The study findings are in agreement with the findings of the study by Isaac. Hence there is need to stress on the importance of effective communication as it’s about the life of customers.

Workplace design needs to take into account of a wide range of issues. Creating better and higher performing workplace requires an awareness of how workplace impacts behaviour and how behaviour itself drives workplace performance. Joroff et al. (2003) argues that in the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. Increasing workplace understanding is built on the recognition that space has different characteristics: it performs different functions and there are different ways people work. People work individually and interact with others and this requires different workplace solutions.

**Recommendations**

From the study findings and conclusions, the study recommends that the management needs to create conducive environment that does not instil fear to employees. This will encourage feedback and build trust among staff hence improving person to person relationship. A good working environment in terms of management will increase employee productivity even if the pay is low since employees take ownership of their roles and the organization. Along with perception, personality, attitudes, and learning, motivation is a very important element of behaviour. Nevertheless, motivation is not the only explanation of behaviour. It interacts with and acts in conjunction with other cognitive processes. Motivating is the management process of influencing
behaviour based on the knowledge of what make people tick. Management should also start coaching their juniors for take over and management in their absence.

The study also recommends a review to the reward policy to have clearly stipulated reward and compensation regulation to avoid biasness. This will help fight nepotism and tribalism claims that some employee raised during the study. Promotion should also strictly on merit to encourage performance and discipline. Since most airlines are constrained in terms of resources/budgets, it’s important for the management to have a session with employees to assist suggest other incentive mechanism for example off days where people have worked for long durations. Also recognitions such as wall of fame where employees are recognized for their exemplary performance.

The study findings established that communication is vital to airline industry survival and growth, hence there is need to have very frequent review of the communication channels to ensure there is effective communication. In air carrier operations, establishment of a smooth operating relationship may be hindered by the fact that the crews may never have seen one another before boarding the aircraft and schedule constraints may limit the amount of interaction possible before a flight. Good communication and flow of information creates a free environment and builds trust. Service industry is driven by the human resource, viewing employee relations from the perspective of competitive advantage involves distinguishing between competitive and comparative advantage and this can be driven by employees. Interestingly, the workplace of today is characterized by two opposing trends. On the one hand, employees are given leeway in the way they dress and act. On the other hand, the management’s tendency to micromanage has increased. Though the two are different aspects they
are certainly related. The possible explanation for the increased tendency to micromanage is because of the fact that the young workers certainly do not present a picture as serious, dedicated workers in the way they dress, speak and act. The trend these days seems geared toward having a career portfolio, as employees realize that they have to take the initiative in job resiliency, developing the skills and flexibility needed to respond quickly to shifting employer requirements. Because of these changes, loyalty to one’s professional growth has replaced organizational loyalty. Employees recognize that the traditional psychological contract that existed between an employer and an employee is now dissolved.

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