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Organizational Culture and Human Capital Development on Organizational Performance of Cargo Airlines in Kenya: A Case Study of Kenya Airways Cargo

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ABSTRACT

COVID-19 presented the world with unprecedented problems, particularly the international air transport sector. Strategic leadership and operational excellence and performance are positively correlated with one another in corporate companies. Primary objective of this study was to investigate impact of organizational culture and human capital development on cargo airline performance in the Kenyan setting. The upper echelons theory served as the primary theoretical framework for this inquiry. The study involved 161 employees as its target population, with a sample size of 112 selected using the Yamane formula and stratified random sampling. Data collection involved the use of structured closed-ended questionnaires. Descriptive statistics, including frequency, mean, as well as correlation and regression analyses, were applied to elucidate the dataset. The research findings unveiled a strong and favorable relationship of organizational culture and human capital development on the performance of Kenyan cargo airlines, as evidenced by a strong correlation coefficient (R) of 0.612, highlighting robustness of this relationship. Moreover, the study determined that organizational culture and human capital development accounted 36% of the variability in organizational performance, as indicated by the coefficient of determination (R^2). Notably, human capital emerged as the most influential factor on organizational performance, closely followed by organizational culture. Due to the dynamic and ever-changing character of the aviation business, the study strongly suggests that organizational culture and human capital development approaches in this sector be evaluated and adjusted. It underscores the importance for strategic leaders to be flexible in their approach adjustments. To maintain their competitive edge in the ever-changing market" emphasizes the need for cargo airlines in Kenya to stay ahead of the competition.

Keywords; *organizational culture, human capital development, organizational performance, of cargo airlines, Kenya*

1.0 INTRODUCTION

Certainly, significance in management in guaranteeing both high organizational performance and employee commitment within an organization cannot be emphasized enough. Leadership is commonly perceived as a crucial role in orchestrating and harmonizing organizational operations (Lewis, Packard, & Lewis, 2017). Over the last century, organizational leadership has inspired passionate debate and dozens of empirical researches and has gathered widespread attention and assuming center stage conversation in practically all boardrooms. The efficacy and flexibility of a company as a whole are significantly influenced by the caliber of its top leaders. According to Kjelin (2009), strategic management is the ability of an organization to anticipate, adapt, and empower people to create a strategic opportunity and a viable future for the organization. Managerial oversight is a critical management technique that focuses on both the interests of staff members and the interests of management. It is essential for ensuring the survival and growth of the business.

The global pandemic Covid 19 also had a significant influence on the cargo airlines sector in a variety of ways. In response to the epidemic, there was a great demand for capacity to transport crucial supplies, necessitating innovative conversion of passenger aircrafts to carry cargo in the cabin and on passenger seats. Cargo airlines who were not creative enough to implement new tactics did not survive the tough economic times as a result of the pandemic. The cargo airline industry in Kenya is dominated by international operators that fly between their home countries and Jomo Kenyatta International Airport, with the majority coming from Europe, and Africa, as well as local operators. Cargo airline environment in Kenya is rapidly changing, adversely affecting the operations of the companies. The current air cargo environment in Kenya is marked by increased regulation imposed by governing airlines, advanced technology, and increased competition, all of which pose a threat to cargo airline firms' continued operation (KAA, 2019).

A complex amalgam shared beliefs, symbols, and core values that affect how business conducted within an organization make up organizational culture. According to research, businesses can enhance core competencies by both learning skills and strategically using those talents to accomplish desired goals. By affecting how an organization runs and how its people act, organizational culture may also give a business a competitive advantage. Strategic leadership choices are extensive on performance results, Jaleha and Machuki (2018). Otieno and Lewa (2020) discovered that the success of the maritime sector in Kenya is favorably correlated with strategic direction, planned moral behavior, tactical oversight, and effective human resources.

Human capital is recognized as a vital catalyst for effective strategic execution, as highlighted by Robinson et al. (2015). The onus of defining the organization's mission or vision squarely rests with its leaders. A resource comprising skilled and knowledgeable human capital contributes significantly to proficient strategy implementation and confers a competitive edge, as emphasized by (Thompson et al., 2013). These resources encompass the collective capabilities of individuals, representing a valuable asset that can be harnessed to attain the objectives of a nation or state, either in part or in full (Simkovic, 2013). Within an organization, human resources stand out as the most invaluable asset. Effective strategic leaders must focus their efforts on the pivotal resources that hold the greatest potential for ensuring long-term success. Strategic leadership, as stated by Hitt and Ireland (2012), is the skill of leaders to access critical resources, such as social capital (relationships with other organizations) and human capital (talented employees). These resources are essential for a company's success.

According to Daft and Marcic (2016), organizational performance is the extent for an organization achieves its plans. They argue that achieving outstanding organizational performance is not a matter of chance, but rather depends on the actions of strategic leaders. In the context of non-profit organizations, any challenge they confront calls for strategic leadership to guide the critical decision-making process regarding the way forward. Organizational performance, as defined by Cho and Dansereau (2016), is the assessment of how successfully an organization is accomplishing its goals and objectives. Business organization leaders can fulfill their organizations' mission and objectives through strategic leadership techniques, skills, and expertise. Organizational performance, according to Tomal and Jones (2015), is the difference between the quantifiable outputs or outcomes that an organization delivers and those that were anticipated. Randree and Al Youha (2019) state that organizational performance reflects the organization's effectiveness in executing its strategies to attain its stated objectives, which underpin its potential for success. Meanwhile, Brumbach (2018) and Cascio (2014) characterize performance as the extent to which a company's goals are realized, encompassing work outcomes, customer relationships, service quality, and intangible consequences.

Air cargo acts as a facilitator of trade, stimulating worldwide economic growth and generating numerous job opportunities. It remains a crucial driver of Kenya's economic advancement and prosperity. The capability to efficiently deliver top-tier products to global consumers at affordable rates is pivotal for the world economy. Air cargo facilitates the transportation of goods worth over $6 trillion, constituting around 35% of global trade in terms of value, as reported by IATA. However, the COVID-19 epidemic significantly disrupted the performance of cargo airlines both in Kenya and internationally, having a considerable negative influence on their strategic leadership and general performance.

Kenya Airways is the largest airline in East Africa and the national airline of Kenya, with its headquarters in Nairobi. The firm was founded in 1977 as a replacement for East African Airways, and its primary hub is at Nairobi's Jomo Kenyatta International Airport in Embakasi (2019 Corporate History). Kenya Airways was given the airline code KQ by the International Air Transport Association (IATA), and Kenya was given the airline code KENYA by the International Civil Aviation Organization (ICAO) (IATA, 2013). In April 1995, state-owned Kenya Airways completed its privatization, becoming the continent's first successful flag carrier.

1.1 Statement of the problem

Ahmed (2018) delved into the nexus between strategic leadership and Tea Estate Company performance in Nandi County, revealing that inspiring leadership, transformational leadership, and managerial leadership emerge as pivotal factors shaping success within the Tea estate sector in Nandi County. Similarly, Otieno and Lewa (2020) in their study emphasized the vital importance of visionary leadership in driving success in maritime enterprises. Onkoba, Omari, and Ngacho (2017) studied strategic leadership practices in Nairobi County and found that they have an impact on the performance of non-governmental organizations. These practices include strategic thinking, change management, strategic direction, and core competency development. Kitonga, Bichanga, and Muema (2016) also found a positive correlation between organizational performance and strategic leadership variables. Echwa and Murigi (2019) focused on domestic airline operators in Kenya and confirmed a association between strategic leadership and performance outcomes. Taken together, these studies highlight the importance of strategic leadership techniques in various organizational settings and their potential to improve performance.

The aforementioned research has connected strategic leadership to better organizational performance and has primarily focused on other industries in various geographic and commercial environments in Malaysia, Turkey, Nigeria, and South Africa. No studies have focused on the organizational performance of cargo airlines in Kenya; therefore the current study will examine the organizational culture and human capital development on organizational performance of cargo airlines in Kenya: a case study of Kenya airways cargo.

The specific objectives of the study were to:

i. To examine the effect organizational culture on organizational performance of cargo airlines in Kenya.

ii. To determine the effect of human capital development on organizational performance of cargo airlines in Kenya.

2.0 LITERATURE REVIEW

2.1 Upper Echelon Theory

Upper echelons theory, developed by Hambrick and Mason (1984), holds that senior executives' beliefs, attitudes, and experiences influence their strategic choices. Upper echelons theory emphasises top executives' involvement in making choices and developing strategies to advance the organisation. It recognises that senior executives' cognition, skills, perceptions, and choices shape their business environment interpretation and strategic judgements. Boal & Hooijberg (2018) reference Hambrick & Mason (1984).

According to the Upper Echelon Theory, senior executives see their organisations individually. Personal histories, traits, beliefs, and other factors influence their viewpoints and interpretations. Senior managers' strategic choices affect their organisations' performance based on how they understand the larger economic, commercial, and competitive environments, according to this view. This idea links demographics to top leadership's psychological and cognitive traits. It also implies that executive discretion and choice influence organisational results (Bonelli, 2017). Strategic leadership is restricted by its practitioners' intelligence and ethical ideals, especially in their concentration and perception of the surroundings. In 1994, Hambrick found that senior executives' biases, filters, and cognitive processes affect competitive performance. Numerous studies have examined CEO traits. Additionally, these studies have examined how the CEO's personality might affect the whole organisation. Many experts believe that to understand strategy and its results, one must first understand the people who create and execute it.

2.2 Empirical Literature Review

2.2.1 Organizational Culture and Organizational Performance

The ideals most of an organization's employees share define its culture. The corporation runs according to a complicated synthesis of shared ideas, images, and values. Barney (1986) states that corporate culture may boost or hinder firm development. Strategic leaders provide staff training and development chances. Through formal, on-the-job, and mentorship programmes. Strategic leaders keep their companies ahead by developing their employees. A strong business culture may inspire and reinforce long-term goals and emphasise practical initiatives to create excellent goods and services. According to Lei, Hitt, and Bettis (2010), it guides and governs employee behaviour.

Hofstede (1998) defines culture as values, beliefs, and conventions. Culture also shows how an organisation and its members learn and handle problems (Schein 2018). Family, friends, education, religion, and work influence culture (Jones & George, 2016). Warrik (2019) says an organization's culture is vital to its success. Organisational culture affects morale, productivity, and a company's ability to recruit, engage, and retain talent. Unfortunately, many leaders either lack understanding of culture's significant effect, are aware but confused by the many contradictory cultural insights, or face both.

A company's internal and external relationships as it seeks solutions to performance and survival are shaped by its predominant culture. Fellows and Liu (2018) argue that behaviour impacts culture, which promotes learning and innovative solutions to performance issues. Company culture encompasses leadership philosophy, communication strategies, organisational rules, structures, and processes, and each organization's definition of success. Values and beliefs affect corporate structures, operations, and employee interactions. However, organisational structures and processes may influence members' views.

Strategic leaders must create and maintain a culture that supports focused learning and human development, resource sharing between business divisions, and the entrepreneurial mindset needed to innovate and stay competitive. A strong business culture promotes long-term thinking and strategic efforts to offer high-quality goods and services. Thus, managers work hard to create a performance-focused culture. Management ideologies, communication strategies, commercial practises, structures, and processes, as well as each organization's notion of success, may shape a company's culture. Their beliefs affect how people interact and how organisations structure their systems.

2.2.2 Human Capital Development and Organizational Performance

Simkovic (2013) defines "human capital" as a key component in improving a company's resources and staff to boost productivity and competitiveness. Organisational competitiveness and productivity are the goals of human capital development. Human capital development improves employees' knowledge, expertise, skills, and social assets via education, training, and other professional activities. This boosts employee happiness and performance, improving organisational performance. Therefore, "human capital" is "the information, talents, proficiencies, and held by persons that allow the growth of personal, societal, and economic success."

Hitt et al. (2009), cited by Lear (2019), say strategic leadership involves human capital development. Strategic leadership is "the competence to establish and execute strategies that allow an organisation to accomplish its goals." Today, organisational success depends on talents, abilities, personal traits, and inventiveness. How companies employ human capital is a key strategy and model. Human capital development is essential for company. Lambert (2014) says organisations provide value via effective leadership, deep talent pools, high employee engagement, and learning cultures. All types of innovation entail human capital development, whether to enhance, design, and create new products or improve old ones (Deloitte, 2019). Human capital is a vital organisational asset, and how workers perceive and act differentiates an organisation.

An organization's greatest asset is its people. They develop goods, serve customers, and innovate. Successful organisations prioritise hiring informed and competent people who can improve the organisation. A company's success depends on its personnel. Strategic leaders must prioritise personnel training and development. Akbari (2015) noted that human capital development boosts efficiency, productivity, organisational commitment, and customer happiness. Strategic leaders ensure that staff and consumers are empowered and satisfied, improving organisational performance. Strategic CEOs know how to handle the company's vital resources, giving it a competitive advantage. Effective strategic leaders see human capital as a resource rather than an expenditure to be minimised. According to Hitt et al. (2009), they develop and implement programmes to help current and future strategic leaders boost the company's residual Human Capital. Robinson et al. (2005), Norton et al. (2014), and Charan et al. (2013) found that human capital development affects strategy implementation throughout its lifespan. Thompson and Strickland (2013) state that skilled human capital, with its skills and knowledge, enables strategy execution and gives a competitive edge.

People are at the core of every company, yet the 21st century brings increased job standards. Workers want purposeful, fulfilling, and growth-minded jobs (Deloitte, 2019). An empowering suite of initiatives or programmes that aim on physical, mental, financial, and spiritual well-being may encourage and provide employees a feeling of purpose at work (International Integrated Reporting Council, 2016). Happier workers should boost productivity and organisational performance. Workforce empowerment is needed to maximise human capital for performance advantages. Based on extensive study on human capital development and business performance, Alnachef and Alhajjar (2017) suggest that improving human capital would boost competitiveness and performance. According to human capital theory, firm performance and innovation are linked.

2.4 Conceptual Framework

This segment provides an outline of the theoretic context we utilized to investigate how strategic management impacted Kenyan cargo airlines' efficiency and effectiveness. The study takes into account two independent variables: corporate culture and human capital development. The dependent variable is the performance of Kenyan cargo carriers as indicated by metrics like revenue, productivity, and efficiency

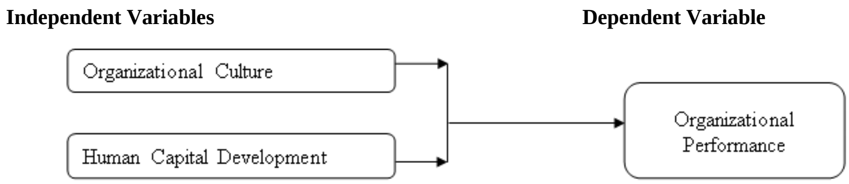

Figure 1 *Conceptual Framework*

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This study included both a descriptive research strategy and a cross-sectional research design. Data were gathered for this study using a descriptive research method that may be used for both quantitative and qualitative inquiries. It enables a complete examination of study participants, aiding the assessment of how Kenya Airways Cargo's performance is impacted by strategic leadership.

3.2 Target Population

According to Cox (2013), the study population refers to the entire collection of entities from whose data will be collected in order to draw judgments. Target audience for this inquiry includes middle managers, non-management staff, and senior employees. 161 people make up the study's target population, claims the human resources manager of Kenya Airways Cargo.

3.3 Sampling Design and Sample Size

According to Kothari (2004), sample is the representative of the population. A representative sample is one that is likely to produce results that are similar to the results that would be obtained if the entire population was studied. The sample size will be determined using a formula developed by Taro Yamane in 1973. This formula takes into account the population size and the desired confidence level. In this case, the desired confidence level is 95%.

n=N / [1+N(e^2)]

where:

n=sample size

N=Population

1= Constant

e= error term.

n=161/1+161(0.05^2)

n=115

To ensure a proper representation, proportional sampling was utilized. The study computed the proportion of the population in each stratum to ascertain the correct sample size. The researcher will select the population in a proportionate manner using percentages (Dempsey & Dimpsey, 2000). The following formula was employed for this calculation.

Employees to be sampled in each stratum= (Employee count in stratum / population) *sample size to be sampled= (9/161) *115=6

Table 1: Sample size

Category	Target population	Sample size
Top level Management	9	6
Middle level Management	12	9
Non-Management Personnel	140	100
TOTAL	**161**	**115**

Source: Author, 2019

3.4 Data Collection Instrument

According to Kothari (2004), a questionnaire is a tool used to solicit, document, and gather data. It is a written form with several questions on it that is used to gather data. The researcher, their assistants, or the subject themselves may administer the questionnaires, either under supervision or on their own. The data collection method for this study was an informal survey. Due to its affordability and convenience, which enables respondents to finish it within a week, the researcher chose to have all respondents administer the questionnaire themselves.

3.5 Pilot Study

A pilot investigation involves doing initial investigation to assess a project's viability, foresee any issues with its execution, and confirm the validity and reliability of the findings. This procedure assists in estimating an adequate sample size for the main analysis. In alignment with this methodology, random sample of 10 participants was selected to partake pilot study. Data collected from these individuals will identify and address any ambiguities in the questions or researcher biases. It should be made clear that the pilot research's respondents will not make up the research's final population (Kothari, 2004).

3.6 Data Analysis and Presentation

The study will employ multivariate regression analysis to establish the relationship between the variables under consideration and generate inference statistics. The model of regression for the study will have only one dependent variable and four independent variables.

The regression model is predicated on the following statement:

$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon_i$

Where: Y = Performance

X_1 = Organizational Culture

X_2 = Human Capital Development

β_0 = the intercept (value of Y when X = 0)

β_1* β_2= the regression coefficient

ε_i = error term

4.0 DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Response Rate

Targeted top, middle, and non-management respondents submitted 115 questions. The original sample of 115 had 88 responders who completed and submitted all questionnaire items. As shown in Table 2, the questionnaire response rate was 77%, meeting criteria. Mugenda & Mugenda (2013) consider a response rate of 50% acceptable and notable.

Table 2: Response Rate

Category	Frequency	Percentage
Responses	88	77%
Non-responses	27	23%
Totals	**115**	**100%**

4.2 Pilot Study Results

A preliminary study assessed the validity and reliability of our research methods to ensure their efficacy. The final questionnaire included reliable items. Table 3 shows that all research variables had Cronbach's Alpha reliability ratings over 0.7. According to Mugenda & Mugenda (2013), a Cronbach's alpha reliability value of 0.7 or above, with five being the highest, indicates validity. When n is fewer than 30, a validity point over 0.5 is statistically acceptable. Since Cronbach's Alpha reliability ratings were more than 0.7, this study's information gathering tool was reliable and valid.

Table 3: Reliability Test Results

Variable	No. of Items	Cronbach's Alpha
organizational culture	6	0.71
human capital	6	0.79
organizational performance	7	0.77

Source: Research data, 2023

4.3 Gender of the Respondents

Target respondents' sex distribution, which includes upper management, middle management, and non-management staff, has been tallied and is shown in Table 4.

Table 4: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	49	55.7%
Female	39	44.3%
Total	**88**	**100%**

Source: Research data, 2023

The gender distribution among the dependents revealed that most, accounting for 55.7%, were male, whereas 44.3% were female. This breakdown demonstrates that both genders were represented in the interviewees' thoughts on managerial approaches and organizational performance. As a result, the findings can be regarded as representative of the viewpoints offered by people of all genders.

4.4 Age Distribution

As shown in Table 8, the age ranges of the target responders (top management, middle management, and non-management people) were listed.

Table 5: Age Distribution of Respondents

Age Bracket	Frequency	Percent
18-25yrs	4	4.5
Over 25-35yrs	20	22.7
Over 35-39yrs	36	40.9
Over 40-45yrs	20	22.7
Above 50 years	8	9.1
Total	**88**	**100.0**

Source: Research data, 2023

The chart shows that 40.9% of respondents were above 35 to 39 years old. A similar 22.7% distribution was seen among respondents aged 25–35 and 40–45. The 18–25 age group made up 4.5% of the total, while those over 50 made up 9.1%. According to this distribution, a substantial percentage of respondents had experience with strategic leadership and corporate efficiency at Kenya Airways Cargo. This also supports Kongiri (2012)'s claim that age maturity improves study findings' credibility.

4.5 Descriptive statistics on organizational culture

The variable under scrutiny in this study pertained to "organizational culture." Respondents were instructed to evaluate the indicators related to organizational culture using a rating scale ranging from 1 to 5, where a rating of 5 denoted 'Strongly Agree' and 1 represented 'Strongly Disagree'. An overview of the results is presented in Table 6.

Table 6: Descriptive statistics on organizational culture

Statement	Mean	Std. Deviation
Employees are assigned work activities for which they possess skills, competencies and expertise.	4.09	.672
The management articulate and clearly defines role of employees.	4.08	.682
Leadership team delegate tasks to employees	4.06	.632
The leadership promotes the spirit of teamwork among employees.	3.97	.669
organizational culture influence organizational performance at Kenya Airways Cargo	3.80	.628
Employees are involved in the strategic decision making	3.76	.792
Average	**3.96**	**.679**

Valid N (listwise)=88

Participants largely recognised the significance of organisational culture in Kenya Airways Cargo's organisational performance, as shown by the combined average rating of 3.96 and standard deviation of 0.679. With an average score of 4.09 and a standard deviation of 0.672, respondents strongly agreed that workers are given assignments that fit their abilities, competences, and knowledge. With a 4.08 average score and 0.682 standard deviation, they felt that Kenya Airways Cargo management communicates and explains staff duties well. Finally, respondents agreed that the leadership team allocates staff assignments, scoring 4.06 out of 5 with a standard deviation of 0.632. On average 3.97 and 0.669, respondents felt that leadership promotes employee collaboration. Their average score was 3.80 and their standard deviation was 0.628, indicating limited agreement that Kenya Airways Cargo's organisational culture influences performance. Their average score was 3.76 and their standard deviation was 0.792, indicating moderate agreement that workers make strategic choices.

The research supports Fellows and Liu (2018)'s claim that culture influences corporate behaviour. The company's culture of lifelong learning is strengthened by this behaviour. This dynamic involvement generates unique solutions to the company's performance issues. The dominant leadership styles, communication techniques, organisational processes, structures, and systems, and the unique concept of success in each organisation make up organisational culture. Values and beliefs underpin organisational structures, procedures, and interpersonal connections.

4. 6 Descriptive statistics on human capital

The fourth variable examined in this study focused on "human capital." Participants were requested to evaluate human capital using a rating scale ranging from 1 to 5, where a rating of 5 indicated 'Strongly Agree,' and 1 indicated 'Strongly Disagree.' An overview of the results is presented in Table 7.

Table 7: Descriptive statistics on human capital

Statement	Mean	Std. Deviation
Leaders ensure that training programmes aligned with staff training needs.	3.91	.753
Leaders make ensuring that the organization's training programs increase performance and production.	3.89	.596
Organization leadership provides career growth opportunities for employees.	3.89	.651
Human capital development organizational performance at Kenya Airways Cargo.	3.76	.625
Leaders in the organization spare time for mentorship and coaching.	3.76	.678
Leaders in the organization emphasizes creation of staff development policies.	3.75	.572
Average	**3.83**	**0.646**

Valid N (listwise)=88

Source: Research data, 2023

The "human capital" dimension had an average score of 3.83 and a standard deviation of 0.646, showing that respondents appreciated its importance in Kenya Airways Cargo's organisational success. Kenya Airways Cargo employees fully supported remarks. With a mean score of 3.91 and an average deviation of 0.753, they strongly agreed that leaders should adjust training programmes to staff requirements. They also stated management control provides people with professional progression opportunities and that company education programmes improve worker efficiency and effectiveness. Both statements averaged 3.89 with standard deviations of 0.596 and 0.651. Kenya Airways Cargo workforce also agreed that human capital development affects organisational performance, with an average score of 3.76 and a standard deviation of 0.625. They also agreed that organisational leaders mentor and coach, scoring 3.76 with a standard deviation of 0.678. Finally, with an average 3.75 and 0.572, respondents somewhat agreed that organisation leaders prioritise staff development policies.

Data corroborated Simkovic's (2018) notion that "human capital" strengthens a company's resources and workers. Productivity and market competitiveness depend on this strengthening process. Organisational competitiveness depends on human capital development, which boosts productivity. Human capital development include education, training, and other professional activities to improve employees' knowledge, skills, and capacities. These efforts boost employee satisfaction and productivity, improving firm success.

4.7 Descriptive statistics on Organizational performance

The efficiency of the organization was the dependent variable for Kenya Airways Cargo. The efficacy of the organization was rated by respondents on a scale of 1 to 5, where 5 was denoted as "Strongly Agree" and 1 as "Strongly Disagree." A listing of outcomes can be found in Table 8.

Table 8: Descriptive statistics on organizational performance

Statement	Mean	Std. Deviation
surge in sales is apparent.	3.99	.634
Financial performance has improved for the last 3 years.	3.98	.643
Annual and strategic goals are linked to employee performance reviews.	3.97	.651
The staff members feel content with their jobs.	3.89	.633
Employee productivity has increased.	3.88	.640
Customers are satisfied with the quality and the timeliness of service we offer to them.	3.74	.616
Customer base has increased.	3.66	.709
Average	**3.87**	**0.647**

Valid N (listwise) = 88

Source: Research data, 2023

The dependent variable, which measures the respondents' understanding potential of strategic The mean score was 3.87 and the standard deviation was 0.647, showing that respondents were aware of the potential advantages of strategic leadership in improving Kenya Airways Cargo's performance and profitability. Kenya Airways Cargo employees largely agreed with numerous organisational performance factors. They overwhelmingly agreed that sales had increased (m 3.99 and std 0.634). They agreed that financial performance has improved during the last three years (mean score 3.98, standard deviation 0.643). Performance assessments were very strongly correlated with strategic and yearly objectives (mean score 3.97, standard deviation 0.651). They also agreed that workers are satisfied with their jobs (mean 3.89, standard deviation 0.633). Further, respondents agreed that staff productivity has risen (mean score 3.88 out of 5 and standard deviation 0.640). Finally, they agreed that consumers like the quality and timeliness of services (mean score 3.74, standard deviation 0.616).

4.5 Correlation Analysis

The investigation commenced by delving into the associations between the variables of interest. In order to assess the connection between the independent variable organizational culture and human capital development on performance of cargo airlines operating in Kenya, with Kenya Airways Cargo as a particular case study, correlation coefficients were utilized. Table 9 provides a summary of the pertinent results.

Table 9: Correlation of Study Variables

		Organizational performance	Organizational culture	Human capital
	Pearson Correlation	1		
Organizational performance	Sig. (2-tailed)			
	N	88		
	Pearson Correlation	.394**	1	
Organizational culture	Sig. (2-tailed)	.000		
	N	88	88	
	Pearson Correlation	.612**	.636**	1
Human capital	Sig. (2-tailed)	.000	.000	
	N	88	88	88

The findings in Table 9 provide valuable insights into the relationships between organizational culture, human capital development and organizational success. First, a correlation value of 0.612 with a significance level of $p < 0.05$ indicates a strong positive relationship between human capital and organizational performance. This suggests that there is a strong and statistically significant link between the quality of human capital and the organization's overall success. The analysis then examined the relationship between organizational culture and performance, finding a moderately significant correlation coefficient of 0.394 ($p < 0.05$). This finding indicates a significant correlation between organizational performance and organizational culture, with a coefficient greater than 0.3. These findings highlight the important role that human capital plays in the success of Kenyan cargo airlines.

4.6 Multiple Regression Analysis

The regression analysis in Table 10 reveals that organisational culture and human capital development improve Kenyan cargo airline performance. The adjusted coefficient of determination (R2) of 0.36 shows that organisational culture and human capital development explain 36% of organisational performance variance. These findings are summarized in Table 10 which provides a detailed overview of the model's results.

Table 10: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.612[a]	.374	.360	.33507	.374	25.419	2	85	.000

a. *Predictors: (Constant), human capital, organizational culture*

The regression analysis in Table 10 shows that organizational culture and human capital development are significantly and positively correlated with organizational performance in Kenyan cargo airlines. The correlation coefficient (R) of 0.612, means that organizational culture and human capital development can explain 34.5% of the variation in organizational performance, as shown by the adjusted coefficient of determination (R^2) of 0.36. These findings are summarized in Table 11, which provides a detailed overview of the model's results.

Table 11: ANOVA Results

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.708	4	2.854	25.419	.000[b]
Residual	9.543	85	.112		
Total	15.250	87			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), human capital, organizational culture

The F-value of 12.434 suggests that there is a strong association between organizational culture, and human capital development on organizational performance in Kenyan cargo airlines. The data underscores the compatibility between the regression model and the dataset, emphasizing the meaningful influence of organizational culture and human capital development on organizational performance. The p-value of 0.000 is below the commonly accepted significance level of 0.05, which indicates that the association practices. In practical terms, this means that an increase in the mean values of the organizational culture and human capital development variables will lead to an improvement in organizational performance. Analyzing the regression coefficients as shown in Table 12, it becomes apparent that when organizational culture and human capital development variables are kept constant, organizational performance demonstrates a positive coefficient of 1.309. This signifies that a one-unit change in human capital is linked to a 0.661-unit rise in organizational performance. However, alterations in organizational culture values by one-unit result in only a marginal increase in organizational performance (0.008).

Table 12: Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.309	.382		3.431	.001
Organizational culture	.008	.107	.008	.074	.941
Human capital	.661	.121	.607	5.456	.000

a. *Dependent Variable: Organizational Performance*

Multiple regression's resulting equation is

$$\mathbf{Y = 1.341 + 0.661\, X_1 + 0.008X_2 + \varepsilon_i}$$

These results are in line with Akbari's (2015) research, emphasizing the significance of strategic leaders' investments in training and development for their workforce. Such investments are shown to boost efficiency, productivity, organizational commitment, and customer satisfaction, ultimately resulting in improved performance through the development of human capital. The study by Alnachef and Alhajjar (2017), which emphasizes that improving human capital can increase productivity and overall performance, concurs with these findings as well. Additionally, these results support the research of Warrik (2019), which emphasizes the significance of organizational culture in an organization's success. Organizational culture has a considerable impact on various aspects, including employee morale, productivity, and the organization's ability to attract, motivate, and retain talented employees. It's noted that some leaders may not fully grasp the influence of culture or may struggle to establish and manage cultures effectively due to the wealth of conflicting information available.

5.0 SUMMARY, CONCLUSIONSAND RECOMMENDATIONS

5.1 Organizational culture and organizational Performance

The mean organisational culture score was 3.96, with a standard deviation of 0.679. This implies that Kenya Airways Cargo respondents agreed that organisational culture affects performance. Kenya Airways Cargo employees enthusiastically supported organisational culture declarations. They highly agreed that workers are allocated tasks they can handle (mean score 4.09 and standard deviation 0.672). They also felt that Kenya Airways Cargo's senior leadership successfully communicates staff duties (mean score 4.08 and standard deviation 0.682). Finally, they agreed that the leadership team sets tasks (mean score 4.06, SD 0.632). The research revealed a fairly significant positive correlation between organisational culture and production ($r = 0.392$, $p < 0.05$). This shows a good company culture boosts productivity.

5.2 Human capital and organizational Performance

The mean human capital score is 3.83, with a standard deviation of 0.646. Kenya Airways Cargo respondents mostly agreed that human capital improves performance. A mean score of 3.91 and a standard deviation of 0.753 show that leaders customise training programmes to staff needs. They also agreed that these training programmes boost productivity and performance. Respondents strongly agreed that organisational leadership offers employee career progression, with mean scores of 3.89 and standard deviations of 0.596 and 0.651. Kenya Airways Cargo's organisational effectiveness is greatly improved by human capital, according to respondents. They strongly agreed that executives should guarantee training programmes meet personnel requirements and boost productivity. They also felt organisational leadership promotes employee career progression. A correlation value of $r = 0.612$ and a statistically significant significance level of $P < 0.05$ indicate a strong positive link between human capital and organisational success. This shows a strong and statistically significant link between human capital and organisation performance.

5.3 Multiple Regression Results summary

This analysis focused on Kenya Airways Cargo's tactical management performance compared to other cargo carriers. Extensive multiple regression study showed a strong positive relationship between organisational culture and human capital development factors and organisational performance (R-value 0.612). The adjusted coefficient of determination (R2) of 0.36 shows that organisational culture and human capital development explain 36% of organisational performance variance. This suggests that organisational culture and human capital development somewhat affect Kenyan cargo airline performance. Organisational performance has a positive coefficient of 1.341 when controlling for organisational culture and human capital development, according to Multiple Regression Coefficients. This means that a one-unit change in human capital increases organisational performance by 0.661 units. However, a one-unit change in organisational cultural values boosts performance by 0.008 points.

5.4. Recommendations

This research considerably enhances the data on management strategies and economic performance, particularly in Kenya's cargo aviation sector. The research found that organisational culture and human capital development improve Kenyan cargo carriers' operations. This suggests that Kenyan cargo airlines seeking to improve performance should prioritise organisational culture and human capital development, with a focus on human capital growth and corporate culture. Kenyan cargo airline CEOs are strongly pushed to apply high-performance strategic leadership to achieve this. They should prioritise human capital development. The company will execute and generate better. Harmonise the workplace with employee values. This need a supportive workplace that supports innovation and risk-taking. This will help the company beat its competitors. Define employee roles clearly. This will assist workers understand their roles and contribute to company success. Assign tasks in which personnel are skilled and competent. Employee productivity and efficiency will improve.

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