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Influence of Innovativeness On Performance of Kenyan Owned Airline Enterprises

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Abstract

This study sought to investigate the influence of innovativeness on the performance of Kenyan airlines. The study adopted a descriptive design. The research focused on a population of 47 Kenyan owned airlines, both passenger and cargo, from whom a sample of 42 firms was selected through simple random sampling method. In the 42 airlines, the researcher accessed two subjects, a chief executive officer and a senior level manager giving a total sample size of 84. The study employed structured questionnaires to collect primary data. Both descriptive statistics and inferential statistics was generated. From this data, a regression model was used to show the relationship between the independent variables to the dependent variable. The results indicate that there is a relatively strong but significantly positive association between innovativeness and Kenyan owned airlines' performance (R=.483). The coefficient of determination R^2 =.233 implies that innovation explains 23.3% of the Kenyan owned airlines' performance. The study recommends that Kenyan owned airlines to continuously adopt entrepreneurial innovativeness since this leads to improved performance. The practices should include all scientific, technological, organizational, financial and commercial steps which actually, or are intended to, lead to the implementation of innovations.

Keywords: *Innovativeness, performance, Kenyan owned airlines.*

1.0 Introduction

1.1 Background of the Study

Entrepreneurship involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services. It comprises ways of organising markets, processes and raw materials through organising efforts that previously had not existed (Shane &Venkataraman, 2015) and encompasses innovation that seeks to find new and better ways of doing things that are commercialised (Rwigema & Venter,2014). It has been described as the capacity and willingness to design, develop, organize and manage a business venture along with the accompanying risks and is crucial to the growth of a country's economy. The world's largest economies have mainly grown as a result of a national entrepreneurial culture (*Nairobi Business Monthly*, 2016).

According to (Watson, 2018), entrepreneurship is propelled by individuals (entrepreneurs) who possess an entrepreneurial mindset. Inventors may be motivated by the challenges of solving a problem rather than commercialising their invention. These individuals hold allegiance to idea generation rather than operationalisation and commercialisation. They are concerned with ephemeral satisfaction rather than long-term optimal business commitment and the finance and investment behaviour this implies (Watson, 2018).

From the perspective of Kirzner (2019), the entrepreneur is an individual who is alert to opportunities for trade. The entrepreneur is capable of identifying suppliers and customers and acting as an intermediary where profit arises out of the intermediary function (Deakins & Freel, 2012). The entrepreneur looks at existing opportunities and maximises them to create a business. In contrast, Schumpeter's (1934) perspective involves innovations that result in new combinations that spur creative destruction where the newly created goods, services or firms can hurt existing goods, services or firms (Shane, 2015). Entrepreneurs are known to create disruption through new ideas and innovations. Zimmerer and Scarborough (2018) hold that entrepreneurs are new business or combinations that arise in the face of risk and uncertainty for the purpose of achieving profit and growth. The factors that distinguish entrepreneurs most strongly are innovation, opportunity recognition, process, and growth in a business and employment of strategic management practices in the business (Carland, Hoy, & Boulton, 2014).

1.1.1 Entrepreneurial Mindset

An entrepreneurial mindset has been described as a group of personal dispositions, also known as entrepreneurial spirit, which leads to the innovative practice like identifying and creating opportunities, then taking these opportunities in a productive way (Hamilton, 2015). It is set of attitudes, skills and behaviors that individuals need to succeed academically, personally and professionally. These include: initiative and self-direction, risk-taking, flexibility and adaptability, creativity and innovation, critical thinking and problem solving. It includes the ability to see opportunities, marshal resources and create value. Important feature in an individual possessing this mindset is the "creativity displayed" which helps him to create new ideas and bring these ideas to the market in a way appropriate to create value for an external audience (Faltin, 2018).

An entrepreneur should consistently be taking risks, be innovative and be proactive. Past literature shows a direct relationship between entrepreneurial characterization and firm performance (Keh, 2020). Risk taking has been noted as the most prominent characteristic of most entrepreneurs. The entrepreneurial characteristics are a critical component to mobilization, organization and management of resources (Covin, 2018). An entrepreneur has the ability to do things differently i.e., innovate, be creative and alert to business opportunities. Lumpkin and Dess (2018) have drawn attention to the complexity of entrepreneurial characteristics on performance relationship and suggest that the relationship between entrepreneurial characteristics and performance is context specific.

Performance relates to expansion, business volumes and profitability. In other words, the degree of the relationship between entrepreneurial characteristics and firm performance is influenced by external environment as well as internal organizational processes (Cooper, 2013). In developing economies such as Kenya, one of the biggest problems is to propel people unleash the

entrepreneurial mindset in their business endeavor and avoid the common practice of duplicating products found among many traders.This research shall investigate the roles that metacognition in an individual play in facilitating cognitive adaptability.

Innovation is defined as the implementation of a new or significantly improved product, process, marketing method, or organizational method within business practices, workplace organization, or external relations (Tiwari, 2018). For something to qualify as an innovation, it must be new or significantly improved to the firm. Innovation activities encompass all steps—scientific, technological, organizational, financial, and commercial—that contribute to the development and implementation of innovations, including R&D that may not directly result in a specific innovation (Tiwari, 2018). Empirical research consistently demonstrates that innovation leads to new products and services, improved quality, and lower prices, fostering business growth and competitiveness. Economies with high levels of innovation tend to experience greater economic growth, as innovation creates opportunities for expansion and competitive advantage (Arundel, 2018; Bosworth & Collins, 2015). Businesses with a strong record of innovation enjoy significant benefits, including increased enterprise value and sustained market leadership.

1.2 Statement of the Problem

In the developed countries, most notably the BRICs – Brazil, Russia, India, China – impressive growth has been driven by some veritable entrepreneurial activities (Naude, 2013). It has been observed that successful entrepreneurs are the movers of any economy in different sectors line the airline industry (Naude, 2013). Airline industry contribution towards economic growth is paramount for a sustainable economic development. This decade has seen local and East African airlines either winding up or experiencing loss positions constituently (Wanjiku, 2014). Job losses as well as loss of revenue to the shareholders and government has been experienced. There has been a great emergence of new local and low fare airlines in Kenya over the last decade (Amadala, 2019).

In Kenya, the contribution to the GDP by the airline sector has been varying over the years for instance in the year 2014, the contribution was at 0.3%, the year 2017, the contribution increased to 0.4% and the year 2018 increased to 0.5% (KNBS, 2019). Notwithstanding that there are variations in the development of domestic commercial airlines, the profitability of the airlines has been plunging as airlines record a net loss of Kshs. 7.1 billion in 2017 compared to Kshs. 8 billion in 2018, with debt financing increasing to Kshs. 23billion in 2018 (AFRAA, 2018).

Njeru (2012) studied the extent of entrepreneurial mind-set and its effect to the performance of enterprises and found out that innovativeness relates to the firm's capacity to introduce new products. This capacity to innovate is among the most important factors that impact on business performance (Wanjiku, 2014). In previous studies targeting airlines in Kenya, there is a lot of focus on expansion projects in creating better financial performance and profitability of the Kenyan owned airlines. A study by Nabosu (2013) observed the focus by Kenya Airways to return to profitability through route expansion and buying larger carriers. A number of studies have shown that many businesses stagnate while others show remarkable performance in terms productivity, profitability or expanded market size. These aspects form the basis of this research since the airlines are operating under similar environment yet some have managed to perform exemplary well, while others seem to stagnate and struggling to remain afloat. Few

studies have been done on airline performance in Kenya and no particular studies have been carried linking entrepreneurial innovation and performance of Kenyan airlines. One of the studies by Nabosu (2013) proposes this as an area of study. This study seeks to address this knowledge gap. It will investigate the influence of entrepreneurial innovation to the performance of Kenyan owned airlines.

1.3. Specific Objectives

To investigate the influence of innovativeness on Kenyan owned airlines' performance.

1.4. Research Hypotheses

H_O1: Innovativeness has no positive influence on business performance in the Kenyan airline industry.

2.0 Literature Review

2.1 Theoretical Framework

2.1.1 The Theory of Innovation

The literature on entrepreneurship reveals significant variation in the entrepreneurial behaviors of different organizations, with much of the differentiation stemming from individual-level cognitive traits. Njeru (2012) posits that the entrepreneurial mindset is a crucial determinant of entrepreneurial action, comprising attributes such as creativity, innovativeness, and proactiveness. These traits fuel a dynamic cycle within organizations: when present, they lead to a continuous feedback loop of increased performance and further entrepreneurial activity; when absent, the enterprise risks stagnation. This cyclical process is compounded by various external and internal factors, including market conditions and organizational structure, which may either amplify or limit the effects of an entrepreneurial mindset. Bwisa (2011) provides a theoretical framework for understanding innovation through three schools of thought: the social deterministic school, which attributes innovation to external social forces; the individualistic school, which stresses the innate creativity of individuals; and the unexpected discovery school, which recognizes serendipitous innovation. These perspectives highlight the multifaceted nature of innovation and its relationship to the entrepreneurial mindset, suggesting that it is not solely the result of individual traits, but also a product of broader environmental and systemic influences.

In his theory of innovation, Schumpeter (1934) extends this idea, emphasizing that true entrepreneurs possess a unique ability to introduce transformative changes to both products and processes, often through technological innovations that disrupt existing markets. This capacity for creative destruction, as Schumpeter (1934) describes it, is fundamental to the entrepreneurial process, with entrepreneurs acting as catalysts who exploit opportunities invisible to others. As Chell (2013) further asserts, the distinct knowledge that entrepreneurs hold enables them to initiate innovations that lead to substantial organizational growth. This aligns with Davidson's (2010) view that entrepreneurship is intrinsically linked to the creation of value in the market by addressing deficiencies or inefficiencies. A stable market, Davidson suggests, discourages entrepreneurial innovation, while a deficiency or gap in the market drives the entrepreneurial impulse to innovate. Cantillon's (1755) concept of the entrepreneur as a speculator navigating

uncertainty also underscores the importance of risk-taking and opportunism in entrepreneurial success (Barreto, 2012; Audretsch, 2020). Taken together, these theories illustrate that the entrepreneurial mindset and innovation are not merely the product of individual characteristics, but are deeply interwoven with broader market conditions and organizational structures that either facilitate or hinder entrepreneurial outcomes.

2.2 Innovation

Innovation has long been recognized as an important driver of business performance (Bosworthand & Collins, 2015). Empirical research and surveys of business activities show that innovation leads to new products and services, better quality, and lower prices. Innovation involves a change in the thought process for doing something new or improving stuff to become more useful. It is an incremental emergent or radical and revolutionary change in thinking, product processes and organization. In distinguishing between innovation and invention, Schumpeter (1934) said that invention is an idea made manifest while innovation is an idea successfully applied in practice. Applying the idea or not applying it is what makes the difference between one organization from the other. That organization that is geared towards applying the ideas is said to be innovative and hence its performance is enhanced and vice versa (Njeru, 2012). The product, service or process offered to the market must be substantially new for innovation to be seen. In economics the change introduced must increase value for the customer or supplier. The goal of innovation is positive change that leads to increased productivity which is fundamental source of increase in wealth (Baregheh, 2016). To engage in innovative activities, an airline firm must set aside some budget on research and development, purchase and modify current technologies and empower its staff. According to Luecke and Katz (2016), innovation is the introduction of a new thing or method. It is the embodiment, combination or synthesis of knowledge in original, relevant, valued new products, processes or services (Njeru, 2012). Innovation is the multi- stage process whereby organizations transform ideas into new or improved products, services or processes in order to advance, complete and differentiate themselves successfully in their marketplace. These organizations define business performance by the number of innovations that have been undertaken within a specific period and the value and number of patents right procured (Arundel, 2018).

2.3 Empirical Review

2.3.1. Innovation

Southwest Airlines has been successful due to constant innovation in a competitive market. A study by Brancatelli (2008) revealed that US major carriers have consumed perhaps USD100 billion in capital during the past decade due to losses, but one of the airlines, Southwest Airlines, continues to be profitable. Its competitors among the network carriers like American, United, Delta, Continental, Northwest, and US Airways were shrinking passenger capacity by more than 10% and grounding hundreds of aircraft. Southwest added a handful of daily flights and undertook delivery of another dozen aircrafts in 2009 anticipating growth of between 2 to 3%. And Southwest carries more passengers annually, over 101 million, than any other U.S. carrier, a nifty trick for an airline that didn't fly outside Texas at the dawn of deregulation in 1978.

Uganda is the latest country in Africa to revive its airline. East Africa now has five national carriers in all. However, IATA (2017) predicts that most will lose money due to high fuel prices

and the inability to sell all the seats. Uganda is the latest to bring back its carrier after 30 years offline, joining its neighbours Tanzania, Kenya and Rwanda (Mohamed, 2019). IATA (2017), predicts that African airlines will lose money as in the previous four years. Fuel costs, the main challenge for most airlines range at 35% in East Africa, higher than they are elsewhere in the world, accounting 25-30% of an airline's operating costs. Ethiopia Airlines is the only carrier in Africa doing well, helped by the presence of the African Union, headquartered in Addis Ababa, and Ethiopia's proximity to Asia (IATA, 2017).

The airline industry in Kenya faces increasing pressures to adopt best industrial practices since there is an increasing number of visitors arriving through the Jomo Kenyatta International Airport (JKIA) and Moi International Airport, in fact the numbers increased from 74,838 in January 2016 to 105,862 in December 2017 (KNBS, 2018). According to Accenture (2016), 39% of all airline executives tend to view the potential sources of disruption to be likely to emerge from within the industry which is exemplified by indications that within three years, less than 50% of all passengers will make their bookings through airline websites. Due to the development of these disruptive innovations, that provide convenience, efficiency and flexibility for accessing and making payments for a wide variety of goods and services in other industries, consumers expect that the same will be offered in the airline industry. This is consistent with Njonjo (2014) who revealed that Kenya Airways decided to conduct business process re-engineering which included the automating of some of its operations such as the back Enterprise Resource Planning (ERP) software that has helped in making the processes that support the core business more efficient. This was in agreement with Suhartanto and Noor (2012) who found that among the key determinants of customer satisfaction in the airline industry are: service quality; employee attitude; promptness and accuracy of service; and physical evidence. Njonjo (2014), also found that Kenya Airways launched an aggressive strategic plan called *Mawingu* which sought to increase its global footprint by increasing the number of flights from 56 to 115, increasing its presence from 4 continents to 6 leading increments in the capacity.

3.0 Research Methodology

This study used positivism research philosophy. The researcher used exploratory research to understand the effect of interactive relationship between an entrepreneurial mindset exhibited through innovations and the airline performance. The study adopted descriptive survey design. The target population was Kenyan owned airlines. According to Kenya Airports Authority, there are 47 Kenyan owned licensed airlines operating in Jomo Kenyatta International Airport in Nairobi, Kenya's largest aviation facility, and the busiest airport in East Africa and Wilson Airport whose domestic flights constitute 90% of the total flights from the Airport with international flights accounting for 10%. The research focused on a population of these airlines from whom a sample of 42 firms were selected through simple random sampling method. The sample comprised of 32 passenger airlines and 10 cargo commercial carriers.

In the 42 airlines, the researcher accessed two subjects, a chief executive officer and a senior level manager giving a total sample size of 84. The study employed structured questionnaires to collect primary data. Both descriptive statistics and inferential statistics was generated. From this data, a regression model was used to show the relationship between the independent variables to the dependent variable.

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4.0 Research Findings and Discussion4.1 Descriptive Analysis

Descriptive analysis was used to describe the basic features of the data collected and the quantitative descriptions presented in tables and figures. Descriptive analysis preceded quantitative analysis of the data done to test the hypotheses proposed by the research model. General descriptive statistics of the study variables were summarized through the use of frequencies, percentages, means, standard deviation and figures. The researcher started by a general analysis on the demographic data got from the respondents which included: gender, age of respondents, length of operation of the airline and level of management of the respondents.

4.1.1 Gender of Respondents

The respondents were required to indicate their gender by either ticking against the option of male or female. The findings revealed that majority 53 (66%) of the respondents were male while the remaining 27 (34%) were male. The information on gender was done to ascertain that there was a balance in the distribution of views collected from both genders. The findings indicate that while male respondents were slightly more than female respondents, there was diversity in the respondents and hence the data collected was not expected to be distorted by factors relating to data distribution.

This is also an indicator that Kenyan airlines are in compliance with the gender equality rule in the Kenyan constitution which states that none of the gender sensitive institutions that give equal opportunities to both males and females. Gender distribution is presented in Table 1.

Table 1: Gender of respondents

Gender	Frequency	Percentage
Male	53	66
Female	27	34
Total	**80**	**100**

4.1.2 Age of Respondents

The study sought to determine the respondents' age. Majority 39 (54%) of the respondents were of ages above 40 years while 26 (32%) were of ages between 30 to 40 years. A few 15 (14%) were below 30 years. This indicates that the response on the influence of entrepreneurial mindset on performance of Kenyan owned airline enterprises was from a wide representation of ages among the employees.

Table 2: Age of respondents

Age of respondents	Frequency	Percentage
Below 30 years	15	14
30 to 40 years	26	32
Above 40 years	39	54
Total	**80**	**100**

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4.1.3 Length of Operation of the Airline

The respondents were required to state the length of time the airline had been in operation. Majority 64 (58%) of the respondents indicated for over 5 years. A few (28%) had their airlines being in operation for between 3 to 5 years while (14%) had them for less than 2 years. The findings indicate that the airline had been in operation long enough to be experience and sufficient to evaluate the influence of entrepreneurial mindset on performance of Kenyan owned airline enterprises.

Hence, information provided was reliable and could be used to make conclusions on the study hypothesis and variables. The findings also indicate that airlines stay in the market for long periods within Kenya and therefore a good indication of high entrepreneurial mindset. This can be attributed to the aspects of ready market in the aviation industry. Findings are presented in Table 3.

Table 3: Length of Operation of the Airline

Duration	Frequency	Percentage
Less than 2	15	14
3 to 5 years	31	28
Over 5 years	64	58
Total	**110**	**100**

4.1.4 Level of Management

The respondents were required to state their level of management at the given airline enterprise. Majority 43 (54%) of the respondents were juniors while 25 (31%) were mid-level employees. A few 12 (15%) were of senior levels. The findings indicate that the participants represented all level of management and therefore were conversant with the operations and therefore were better informed of the influence of entrepreneurial mindset on performance of Kenyan owned airline enterprises.

Table 5. Level of management

Duration	Frequency	Percentage
Junior	43	54
Mid-level	25	31
Senior	12	15
Total	**80**	**100**

4.1.5 Influence of Innovativeness on Kenyan Owned Airlines' Performance

The study investigated the influence of innovativeness on Kenyan owned airlines' performance by examining if the firms add more features in their products and had new processes introduced in their airline to improve efficiency and effectiveness in their operations. If the top board allocates finances in the budget for research and development and empowering the employees. The researcher probed if the airlines have continually embraced and modified the available technology

to remain on top of competition and if the firm seeks new markets. The findings are indicated in Table 5.

Table 5: Influence of Innovativeness on Kenyan Owned Airlines' Performance

Innovativeness	N	Mean	Std. Deviation
Adding more features in our products have been emphasized	80	4.29	.766
New processes have introduced in my airline every six months to improve efficiency and effectiveness in our operations	80	4.08	.808
Every year, the top board allocates some portion of the budget to research and development	80	4.24	.680
Empowering the employees is encouraged, planned and implemented.	80	4.39	.879
My airline has continually embraced and modified the available technology to remain on top of competition.	80	4.09	.679
My firm does not seek new markets since the market we serve is still high	80	4.10	.686
The workers in this firm encouraged and rewarded for performance	80	4.24	.733
It is important conduct a market survey to capture customer requirements before producing	80	4.21	.774
The workers are encouraged to experiment and take business risks	80	4.36	.641
Making maximum profits is very key in my firm	80	4.28	.811
My firm has all the skills it requires and hence no need to hire new skills	79	4.32	.809
My firm has never had any need to engage a consultant	80	4.08	.808
The top management is well balanced and hence does not need to involve other employees in decision	80	4.18	.823
The inputs in my firm have continually and systematically changed	80	3.93	.897

The findings from the survey indicate a strong emphasis on innovation within the airline, with respondents affirming that product features are consistently added, new processes are regularly introduced, and a portion of the budget is allocated annually for research and development. These efforts reflect a commitment to continuous improvement, with a mean score of 4.29 for product features, 4.08 for process improvements, and 4.24 for R&D allocation. Employee empowerment and performance-based rewards are also prioritized, contributing to a culture that encourages experimentation and risk-taking, as shown by a mean of 4.39 for empowerment and 4.36 for risk-taking. These practices align with the understanding of innovation as a driver of business performance (Bosworth & Collins, 2015), where the introduction of new ideas, products, or processes enhances competitiveness and productivity (Arundel, 2018). The airline's adaptation of technology and focus on market surveys further underscore its proactive approach to innovation, with a mean of 4.09 for technological adaptation and 4.21 for market surveys.

Innovation, as distinguished from invention, is seen as the successful application of ideas to improve products, services, or processes, thereby creating value and enhancing business performance (Schumpeter, 1934; Njeru, 2012). Respondents also indicated that their firms had the

required skills in-house, minimizing the need for external consultants or new hires, suggesting confidence in their internal capabilities. The strategic focus on innovation within the airline reflects a broader economic understanding that innovation drives productivity and wealth creation (Baregheh, 2016). By systematically altering inputs and encouraging risk-taking, the airline fosters an environment conducive to innovation, which is critical to maintaining competitiveness in a dynamic market. This approach aligns with the views of Luecke and Katz (2016) on innovation as the synthesis of knowledge into new, valuable products or processes, and demonstrates how ongoing innovation efforts contribute to long-term business success.

4.3 Inferential Statistics

4.3.1 Hypothesis Testing

Hypothesis testing was done using t-tests. In this study, the research rejected the null hypothesis if the t-calculated is less than the t-critical value of 1.96 thus accepting the alternative hypothesis. In a stipulation where the t-calculated is greater than the t-critical value, the study did not reject the null hypothesis. The study first tested the effect of innovativeness and Kenyan owned airlines' performance relationship. This was through performing a regression analysis to determine and test the hypothesis for the existence of a link between the two variables. The composite index was computed for attributes relating to innovativeness and Kenyan owned airlines' performance and the hypothesis tested through multiple regression analysis. The study hypothesis claimed that innovativeness has no positive influence on business performance in the Kenyan airline industry. The results are presented in Table 6.

Table 6: Effect of innovativeness on Kenyan owned airlines' performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483[a]	.233	.268	77.630629

a. Predictors: (Constant), Innovation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50212.376	1	50212.376	6.770	.011[b]
	Residual	578508.374	78	7416.774		
	Total	628720.750	79			

a. Dependent Variable: Kenyan owned airlines' performance
b. Predictors: (Constant), Innovation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	78.231	114.208		1.823	.072
	Innovation	0.559	27.118	.283	2.602	.012

a. Dependent Variable: Kenyan owned airlines' performance

The results indicate that there is a relatively strong but significantly positive association between innovativeness and Kenyan owned airlines' performance (R=.483). The coefficient of determination R^2 =.233 implies that innovation explains 23.3% of the Kenyan owned airlines' performance. The other variables explain the remaining 76.7%. This is an indicator of a weak influence of innovation on Kenyan owned airlines' performance. The analysis from the model had the F value of 6.770 with p-value .000< 0.05, while the results of the beta coefficient showed that a unit increase in innovation will cause a .559 increase in Kenyan owned airlines' performance (B=.443, t=2.602, p<0.05). This implies that innovation is a good predictor of Kenyan owned airlines' performance. The findings, thus, were sufficient to support the influence of innovativeness on Kenyan owned airlines' performance; therefore, the hypothesis (H_0) was rejected.

5.0 Summary of the Findings

From the findings, innovativeness has strong influence on Kenyan owned airlines performance. A large number agreed that adding more features in their products had been emphasized and that new processes had been introduced in the airline every six months to improve efficiency and effectiveness in the operations. Majority of the airline had continually embraced and modified the available technology to remain on top of competition and the firms do not seek new markets since the market. The workers are encouraged and rewarded for performance. Majority agreed that it was important to conduct a market survey to capture customer requirements before designing products. The workers were encouraged to experiment and take business risks and making maximum profits was very key in the firms. Majority agreed that their firms had all the skills it requires and hence no need to hire new skills. A large number agreed that their firms had never had any need to engage a consultant and the top management was well balanced and hence does not need to involve other employees in decision.

6.0 Conclusions

The study concluded that innovativeness has been used by Kenyan owned airlines to increase profitability, sales and grow strong brands that can attract more customers. The study further concluded that creativity included adding more features in their products and that new processes had been introduced in the airline every six months to improve efficiency and effectiveness in the operations as. The top board allocates some portion of the budget to research and development and the airlines also encourages empowerment of the employees. The airlines have continually embraced and modified the available technology to remain on top of competition and the firms do not seek new markets since the market they serve is still high. The workers are encouraged and rewarded for performance and that it was important to conduct a market survey to capture customer requirements before producing.

7.0 Recommendations

The study recommends that Kenyan owned airlines to continuously adopt entrepreneurial innovativeness since this leads to improved performance. The practices should include all scientific, technological, organizational, financial and commercial steps which actually, or are intended to, lead to the implementation of innovations.

Entrepreneurial mindset significantly influences performance of Kenyan owned airlines. Therefore, Kenyan owned airlines should come up with policy guidelines that will lead to design entrepreneurial mindset practices like curiosity, resilience, flexibility, risk-taking, and vision that will lead to enhanced performance of Kenyan owned airline.

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