CRITICAL HUMAN RESOURCE METRICS WHICH SUPPORT ORGANIZATIONAL AGILITY TO EMERGING CHALLENGES, TO SUSTAIN INDUSTRY COMPETITIVENESS: A CASE STUDY OF KENYA AIRWAYS PLC

BY

BRIDGETTE OPWAKA IMBUGA

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2018
CRITICAL HUMAN RESOURCE METRICS WHICH SUPPORT ORGANIZATIONAL AGILITY TO EMERGING CHALLENGES, TO SUSTAIN INDUSTRY COMPETITIVENESS: A CASE STUDY OF KENYA AIRWAYS PLC

BY

BRIDGETTE OPWAKA IMBUGA

A Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Global Executive Masters in Business Administration (GEMBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2018
DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ____________________________ Date: __________

Bridgette Opwaka Imbuga (653995)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________________ Date: __________

Dr. Peter N. Kiriri

Signed: ____________________________ Date: __________

Dean, Chandaria School of Business
COPYRIGHT

ALL RIGHTS RESERVED. No part of this research paper may be replicated, photocopied, recorded, reproduced or stored in a retrieval system or transmitted in any form hard or electronic and/ or any other mechanical means without prior consent of the author.

© Bridgette Opwaka Imuga, 2018
ABSTRACT

In today’s volatile, uncertain, complex and ambiguous world, it is critical for firms to be aware of the supply and demand fluctuations and consequently be able to rebrand, reinvent or redefine themselves in order to remain relevant in their respective markets or industries. Their ability to respond or adapt to these frequent changes i.e. being agile, is therefore vital for their survival.

Agile firms tend to be more resilient to shocks and upheavals and as such, these firms remain unaffected in terms of reliability, production cycle time and inventory turn. Human Resource Metrics that support organizational agility dictates an organization’s capacity to adjust its emerging challenges in response to changes in the environment. The general objective of this is study was therefore to investigate the critical Human Resource Metrics that would support organizational agility to emerging challenges to sustain industry competitiveness at Kenya Airways PLC (KQ). The specific objectives were; to determine which impact metrics affects HR strategy and organizational agility at KQ, to identify which efficiency metrics would influence the HR Practices and affect Organizational Agility and to establish the effect of effectiveness metrics on Organizational Agility at KQ.

The study adopted descriptive research design and the target population were senior managers at KQ. The census sampling technique was applied as the targeted sample size was already known to be the leadership team at KQ. Data was collected through the use of structured questionnaires. The quantitative data was analyzed by descriptive statistical technique and regression analysis using Statistical Package for Social Sciences (SPPS) while qualitative data was analyzed using content analysis. The data was then presented using tables as well as figures.

In terms of impact metrics that affect HR Strategy and Organizational Agility at Kenya Airways, the research established that the most important impact metrics to be implemented and monitored in the organization should be those help the organization in communication, decision making, turnover, and recruitment and ensuring that there was good management and impact of each of these at functional level. Any initiatives towards these metrics should therefore be discussed, implemented and constantly evaluated.
On the issue of efficiency metrics that would influence the HR Practices and affect Organizational Agility at Kenya Airways, the study established that these would metrics covering training, absenteeism per category, overtime, dispute resolution, and the response time to requests. These metrics were viewed to be the best metrics by the Managers that would enable HR constantly to assess its efficiency in the areas of staff productivity and cost management and in so doing would keep them abreast with their and the business’ performance.

Regarding the effect of effectiveness metrics on Organizational Agility at Kenya Airways, it was determined that the HR department could improve its efficiency in the provision of quality HR services to employees, improve its ability to identify and develop internal talent and provide opportunities to retain staff whilst at the same time ensuring that its costs remain sustainable in relation to the organizational costs through the use of HR dashboards. These should there be introduced to provide a good snapshot for the managers and in so doing would enable them to make critical decisions that would impact the success of the business.

The study concluded that the use of HR metrics would be beneficial to the HR department and to management in general in their pursuit to ensure that the organization remains agile and competitive. In particular, it recommended the use of metrics that deal with decision making, turnover, recruitment, absenteeism, dispute resolution, provision of quality HR services and talent management as key towards achieving organizational agility.

The study recommended that Kenya Airways should invest in the development of metrics that would help the enhancement of communication and employee relations in the business, metrics that would measure efficiency in the areas of staff productivity and cost management and lastly the implementation of HR dashboards that would present the metrics in a manner that the leadership team would understand and apply them.

Further research should be undertaken into the metrics that can be implemented across other departments within the Kenya Airways organization in order to improve their collaboration and agility within the organization. This would help in the better understanding of the role of metrics to the entire organization and how they would all together improve the agility of KQ. Alternatively, more research can also be undertaken into the role of senior
management at KQ and their influence on organization agility as they remain the primary custodians of the culture and strategy for the organization. Lastly, the use of HR Metrics can be researched across other organizations in Kenya to establish commonality of any metrics that would be critical to measure to remain competitive in the various industries.
ACKNOWLEDGEMENT

I would first and foremost like to thank God for His unwavering faithfulness in seeing me through this project amidst the extremely challenging situations at work. I am grateful that He opened windows wherever the doors seemed firmly shut and in so doing enabled me to finally complete this research successfully and within the limited time.

Secondly, I would like to thank my dear family who not only pushed me to complete this project but who supported me throughout the year and ensured quitting was never an option for me. I especially want to thank my mother and elder sister for being my sounding boards.

Thirdly, I thank each of the staff at KQ and especially the HR team for their willingness to provide me with their open opinions when called upon.

Lastly, I appreciate my supervisor, Dr. Kiriri, for his extreme patience and much needed guidance throughout the project and a special thank you as well to the entire staff at USIU-Africa for the support in their various capacities.
DEDICATION

This research is dedicated to the KQ leadership and the entire Human Resources team. I hope the findings will be useful and helpful to the organization throughout its strategic planning, alignment and execution as we continue to transform ourselves to embrace the true meaning of being “the Pride of Africa”.

ix
# TABLE OF CONTENT

DECLARATION.................................................................................................................. iii
COPYRIGHT.................................................................................................................... iv
ABSTRACT....................................................................................................................... v
ACKNOWLEDGEMENT..................................................................................................... viii
DEDICATION................................................................................................................... ix
LIST OF TABLES ............................................................................................................. xii
LIST OF FIGURES .......................................................................................................... xiii
ABBREVIATIONS AND ACRONYMS............................................................................... xiv

CHAPTER ONE .................................................................................................................. 1

1.0 INTRODUCTION ...................................................................................................... 1
  1.1 Background of the Study ......................................................................................... 1
  1.2 Statement of the Problem ....................................................................................... 5
  1.3 General Objective .................................................................................................... 8
  1.4 Specific Objectives .................................................................................................. 8
  1.5 Significance of the Study ....................................................................................... 8
  1.6 Scope of the Study .................................................................................................. 9
  1.7 Definition of Terms ................................................................................................ 9
  1.8 Chapter Summary ................................................................................................... 10

CHAPTER TWO ............................................................................................................... 11

2.0 LITERATURE REVIEW ............................................................................................ 11
  2.1 Introduction .............................................................................................................. 11
  2.2 Impact Metrics affecting HR Strategy and Organizational Agility ....................... 11
  2.3 Efficiency Metrics that influence HR Practices and Organizational Agility .......... 16
  2.4 Establishing the Effect of Effectiveness Metrics .................................................... 22
  2.5 Chapter Summary ................................................................................................... 29

CHAPTER THREE ........................................................................................................... 30

3.0 RESEARCH METHODOLOGY ............................................................................... 30
  3.1 Introduction .............................................................................................................. 30
  3.2 Research Design .................................................................................................... 30
LIST OF TABLES

Table 3.1: Total Population Distribution ..................................................................................31
Table 4.1: Need for the right HR Metrics in Every Department .............................................39
Table 4.2: Regression Statistics for Employee Time in the Company and Need for HR
Metrics ..................................................................................................................................40
Table 4.3: Enhancement of Communication with Employees as a Way of Getting
Organizational Information .................................................................................................41
Table 4.4: Middle Level Management Involvement in Decision Making.................................41
Table 4.5: HR Metrics in Recruitment Cost Management ......................................................42
Table 4.6: HR Metrics in Determination of Involuntary Turnover ..........................................44
Table 4.7: HR Metrics in Measuring Employee Training Cost ................................................45
Table 4.8: HR Practices and Their Effect on KQ Adaptation to Challenges ............................46
Table 4.9: Use of HR Metrics Correlation Analysis ................................................................47
Table 4.10: HR Metrics Effectiveness in Evaluating Absenteeism Rate by Category ..............48
Table 4.11: HR Management Systems and HR Metrics in Dispute Resolution Times ..........48
Table 4.12: Acceptable Use of HR Metrics for Performance of the HR department ............52
Table 4.13: Quality of HR Services Would Increase Organizational Agility .........................53
Table 4.14: Use of HR Metrics in Measuring Percentage of Succession Planning ...............55
Table 4.15: HR Metrics in Measuring Management Span of Control ......................................56
Table 4.16: HR Metrics to Measure the Costs of HR as a Percentage of the Total Costs.57
LIST OF FIGURES

Figure 4.1: Gender Distribution of the Respondents ............................................... 34
Figure 4.2: Age of the Respondents ........................................................................ 35
Figure 4.3: Education Level of the Respondents ......................................................... 36
Figure 4.4: Experience of the Respondents with Kenya Airways ............................ 36
Figure 4.5: Experience of the Respondents in Management .................................... 37
Figure 4.6: Departments of the Respondents .............................................................. 38
Figure 4.7: Need for HR Metrics .............................................................................. 38
Figure 4.8: Social Media as a Tool for Measuring Organizational Agility .............. 42
Figure 4.9: HR Metrics and Their Use in Enhancing Employee Engagement .......... 43
Figure 4.10: Impact of HR Metrics on Measuring Voluntary Turnover .................. 44
Figure 4.11: Necessity of a HR Management System in Maintaining Competitiveness at KQ ............................................................................................................................. 46
Figure 4.12: Role of HR Metrics in Organizational Effectiveness .............................. 47
Figure 4.13: Use of HR Management Systems in Showing Cost per Hire ............... 49
Figure 4.14: Use of HR Management Systems in Overtime Evaluation .................. 50
Figure 4.15: Response Time per Request Measure .................................................... 51
Figure 4.16: Sick-time per Employee per Year Measure ............................................ 51
Figure 4.17: HR Metrics in Measuring Internal Hire Probability ............................. 53
Figure 4.18: Use of HR Metrics in Measuring Employee Retention ......................... 54
Figure 4.19: The Effectiveness of Using HR Metrics as a Measure of Total Compensation per Employee ..................................................................................................................... 55
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF</td>
<td>Agility Forum</td>
</tr>
<tr>
<td>ARPA</td>
<td>Advanced Research Programs Agency</td>
</tr>
<tr>
<td>BM</td>
<td>Business Matrix</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>COO</td>
<td>Chief Operating Office</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise resource Planning</td>
</tr>
<tr>
<td>HPWS</td>
<td>High Performance Work System</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>HRIS</td>
<td>Human Resource Information System</td>
</tr>
<tr>
<td>HRM</td>
<td>Human resource Management</td>
</tr>
<tr>
<td>IHRM</td>
<td>Institute of Human Resource Management</td>
</tr>
<tr>
<td>IOSA</td>
<td>The IATA Operations Safety Audit</td>
</tr>
<tr>
<td>IS</td>
<td>Information systems</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>KPA</td>
<td>Kenya Ports Authority</td>
</tr>
<tr>
<td>KQ</td>
<td>Kenya Airways PLC</td>
</tr>
<tr>
<td>PMI</td>
<td>Project Management Institute</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>TQM</td>
<td>Total Quality Management</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The competitive business environment has gone through many evolutions from the time of mass production popularized by Henry Ford where the competitive strategy emphasized cost efficiencies through economies of scale. This was followed by quality as competitive strategy and later priorities were set on cost leadership and delivery speed. As the competition intensified, world-class firms offered low-cost, quality products with greater reliability or dependability. However, great consumer demand for customization led to short product life cycles thus creating the need for flexibility as the next strategy. Flexibility became necessary due to business uncertainties which forced firms to produce products in small volumes (Vokurka & Fliedner, 2012). Technological developments are occurring at an ever-increasing pace, resulting in both product innovations and manufacturing process improvements. The nature of these changes is creating the need for firms to have capabilities beyond flexibility. Fliedner and Vokurka (2013), describe these capabilities as agility. Over the last decades the economy shifted from an industrial based national economy to information or knowledge-based economy. In knowledge based national economy, the input of employees is more about theories, concepts, and ideas than manual skills and/or muscle power (Drucker, 2014).

Agility is founded on cumulative model of competitive capabilities theory and resource-based view (RBV) of the firm. Skinner (2014) stated that certain competitive capabilities such as flexibility, speed, cost and quality can be used as the competitive weapons. Agility requires that firms combine all their competencies and capabilities to remain competitive in the business environment. Proponents of the resource-based view argue that it is not the environment but the resources of the organization, which form the foundation of the firm’s strategy (Feurer & Chaharbaghi, 2014).

Resources can be classified into financial, physical, human, organizational, technological and intangibles. It is widely known and accepted that every organisation is affected by changes in economic, political, social, legal, demographic and technological aspects and how organisations react to these changes, would beyond any doubt, be the determining factor as to whether they stay competitive.
Osmani and Kraja (2015), observed that internal and external factors have great impact on competitive advantage and in order to gain and sustain competitive advantage; organizations need to pay attention to these factors. Similarly, according to Bateman and Snell (2013), organisations need to constantly change their structures and systems in a quick, effective and efficient manner in order to maintain their competitive edge in readiness for the future. This rapid change and response to competition, as well as internal and external factors can be referred to as agility. Haneberg (2011), defined agility as the efficiency within which organizations respond to continuous change by consistently adapting. In an undated white paper Holsapple and Li defined agility as “the result of integrating alertness to changes by recognizing opportunities and challenges both internal and environmental, and a capability to use resources in responding both proactively and reactively to such changes, all in a timely, flexible, affordable, relevant manner.

A report by Project Management Institute (PMI) (2012), concluded that organisations that had high agility were more likely to achieve success compared to organisations with low agility. This view is further supported by a survey by McKinsey that indicated that nine out of ten executives, spanning all regions and industry sectors, ranked organizational agility as being both critical to business success and growing in importance.

Meredith and Francis (2013), argued that management must be committed to adopting agile strategies across the entire organization. Hamel (2015), further provided that this commitment requires that management rethinks organizational structures, functions and time-honoured management practices such as planning, budgeting, incentive and measurement systems. A study by Lawler III, Levenson and Boudreau (2014), stated that lack of having the right metrics and analytical models is one of the reasons HR falls short of becoming a Strategic HR Partner. Further, multiple studies support a statistically significant relationship between HR metrics and Organization Financial Performance (Chhinzer & Ghathehorde, 2015).

Hammer and Champy (2013), explains that world class services are part of the corporate culture where service is benchmarked with other superior airlines like Qatar Airways. The standards are then cascaded to all the staff to ensure that the airline stands out from the crowd. The industry is faced with very stiff competition and therefore every effort must be made to ensure superior quality. It is this way of life that has enabled Kenya Airways to remain profitable despite many challenges ranging from air accidents, economic
turbulence, ever sky-rocketing fuel prices, terrorism and other natural catastrophes like the recent Volcanic activities in Iceland. KQ’s mission therefore is to maximize stakeholder value by consistently (Hammer & Champy, 2013).

Providing the highest level of customer satisfaction- many training courses have been put in place for every member of staff to appreciate the importance of customer care; upholding the highest level of safety and security-from the CEO to the lowest level, a culture of safety is taught to every member and practiced and maximizing employee satisfaction streamlining recruitment process, compensation packages, retention, employee motivation and training, whilst being committed to corporate and social responsibility. In summary actions, behaviour and attitude at work will be driven by safety, customer satisfaction and quality considerations (Haneberg, 2011).

KQ is the national carrier of Kenya and was established in February 1977 following the breakup of the East African Community and subsequent disbanding of the jointly- owned East African Airways. By 1991 KQ had been fully commercialised with a functional board. By 1993/4 financial year KQ reported profits from the commercialisation process. In the effort to strengthen KQ’s global position in the aviation industry, KLM was selected out of 134 airlines as a strategic partner in May 2015. A year later, KQ’s shares were floated to the public enhancing profitability (Bateman & Snell, 2013).

Commercial aviation is an industry that is extremely volatile and complex, and which has over the years seen a sharp increase in new players competing for market share. It is therefore expected that as the drive towards a free, converging and global market gathers momentum it is expected that there shall be a corresponding increase in competition especially within the aviation sector. Increasingly open skies are likely to impact on yields, and extraordinary profits will increasingly be an exception. Given this potentially turbulent environment, the key to survival in the industry lies in whether an airline can clearly anticipate the patterns of change coming, the underlying forces driving these changes, and above all the ability to align its strategies to respond to a changing business and aero-political environment. KQ is committed to investing in the development of world-class information gathering capacity, analysis and interpretation so as to facilitate faster and correct business decision-making. This way, KQ hopes to enhance ability for rapid response to opportunities, threats and challenges in the market place (Bateman & Snell, 2013).
In concrete terms, in the next 10 to 20 years, KQ aims to grow into a decidedly dominant carrier in Africa with notable presence in Asia, Europe and the America, while operating a modern fleet of 30 to 40 aircraft. It also intends to forge strong partnerships and be a respected member of the global airline community. For this dream to happen, a positive corporate culture must be pursued to focus all the effort in order to avoid disruption. This is integral in the formulation of the general strategy for Kenya Airways (Gugler, 2012).

KQ’s vision is, "To consistently be a Safe and Profitable Airline that Guarantees World Class Service." The IATA Operations Safety Audit (IOSA) standards require that an audit on the operations meet the IATA specifications of which KQ qualifies. The safety standards must be met, maintained and cherished by all departments and individuals. For instance, before deciding on the new destinations and continuous operation to the already existing ones, strict safety audits must be undertaken by both internal and external IOSA teams (Shapiro, 2012).

As part of the Kenya Airways’ culture, each staff member is taken through rigorous training on the importance of safety to the level of work station. For example, unlike other carriers who took the risk and continued to fly to Kisumu while the runway was under construction, as a matter of principle Kenya Airways stopped operations on safety grounds until the runway was declared safe by the Operation Safety Audit Team. Profitability in the aviation business remains a major challenge, however KQ management sends a clear message to the employees, suppliers and shareholders on the importance of remaining profitable to guarantee jobs and sustain growth. The culture of cost cutting has been inculcated and embraced by all (Haneberg, 2011).

Human resources should support the organizations strategy given its growing importance in determining organizational effectiveness. Sun and Scott (2013), stated that success of an organisation is dependent on how the organisation thinks, integrates, invests their time and resources and rapidly enact change. This demands an effective measurement system one that provides a good balance of quantitative and qualitative measures.

Fineman (2017), reinforced this view by proposing that one of the top 10 areas which organizations need to close the gap between pace of change and the challenges of work and talent management is “People analytics”. The report further states that “people analytics is now viewed as a business discipline supporting everything from operations and management to talent acquisition and financial performance”. Despite the fact that 71% of
organizations viewed people analytics as being important or key to the business only 8% of the reported that they have usable data while 9% believed that they had a good understanding of the talent factors that drive performance.

The above statement goes to show that majority of organizations have not fully embraced the role of Human Resource Metrics as part of the critical business data needed to make critical decisions. Kaplan and Norton (2013), propose that Human Resource metrics are not simply an evaluation tool, or a method of justifying HR investments. Rather, they represent the operational expression of the theory of how people contribute to organization success and the Human Resources investments that lead to that success. Boudreau and Ramst (2013), highlighted Human Resource see kinds of Human Resource metrics; efficiency, effectiveness and impact, that an organisation would need to collect in order to better understand and evaluate the impact of Human resource activities and in doing so influence business strategy and business performance.

In summary, with the increased changes at local and global levels, organizations must align their unit strategies and in particular their HR Strategies to the overall business strategy in order to maintain competitive advantage.

1.2 Statement of the Problem

The airline industry continues to struggle with low margins and elusive positive financial performance. The biggest challenges currently facing this industry according to IATA (2017), relate to three key areas. First is the increased security threat due to terrorism which has resulted in the US and UK banning large electronic devices on flights that originate from a few Middle East and African state airports. Secondly, is the looming Infrastructure crisis with increased bottlenecks being experienced in Bangkok, Sydney, New York, Mexico City and São Paulo and unbearable air traffic congestion in China, the Gulf, Europe and the U.S. Lastly, the hasty responses to social media by enacting new regulations without taking into account global standards and conducting cost-benefit analysis bring unintended consequences. Smarter Regulation principles therefore become critical to timely address arising issues such as taxation in a proactive manner (Shapiro, 2012).

Tony Tyler, the former Director General and CEO of IATA indicated Africa as having eight key challenges hinder African airlines from growth and realising profits or at the very least breaking even. Safety in terms of skills, experience and use of safety systems,
restrictive air traffic regulations by governments which seem to favour non-African airlines and thereby intensifying competition, poor infrastructure, increased security concerns, infectious diseases such as Ebola, Currency depreciations and repatriations, reduced global commodity prices and lastly extremely high aviation related taxes and fuel costs. KQ currently has over 3,582 employees and an additional 739 contracted staff spread across over 55 countries. KQ has over the last 4 years recorded financial loses, experienced a high turnover in certain departments and had its fair share of industrial unrest (KQ, 2017).

In order to obtain and sustain a competitive advantage, there is need for KQ to monitor internal and external factors in a timely manner and on an ongoing basis. This will increase its ability to adapt to these factors by changing its internal capabilities and resources and formulating and implementing relevant strategies. Some ways it can assess its internal factors is through financial ratios, performance metrics, industry averages and survey data. The HR function should be able to correlate its HR data to business outcomes and should be able to perform predictive analysis and review past trends for it to be relevant to the business and to adequately support the business in achieving its strategic objectives (Salarifar & Asiaei, 2012).

This research is aimed at determining which HR metrics are considered critical for KQ and how they would impact its agility. Agility capabilities are considered as main features of today’s forward-looking organizations. Those organizations which possess such characteristics would be able to achieve competitive advantage and gain an edge over competitors. Many firms in today’s business environment are facing business challenges due to increased competition, changing technology and customer demands. Environmental turbulence can affect the existence of an organization thus threatening the continuity of business (Salarifar & Asiaei, 2012).

Firms are required to be agile as they will understand not only their current markets, product lines, competencies and customers, but also understand the potential for future customers, markets and the necessity of changing to meet those opportunities. Agility allows a company to react more quickly than in the past. An agile firm proactively anticipates customer requirements and leads the emergence of new markets. Sanchez and Nagi (2001), observe that there is a need for an organization to be agile in its operation to handle the uncertainties associated with operational environment.
Kenya Ports Authority for example, like other port Authorities is facing many operational challenges. The congestion in the port and in road networks linking the port has caused slow and poor uptake of cargo into and out of the port. This is threatening the Authority’s business due to potential loss of customers to regional competitors. High cost of infrastructural development and resistance to change by employees are also major challenges faced by the Authority. For instance, to enhance efficiency in terminal operations, the Authority procured hand held terminals a couple of years ago to be used to capture container data and transmit the same to management information system. However, due to resistance by employees to change, the gadgets have not been put into use as required (Alberts & Hayes, 2013).

In June 2015, the Authority introduced time management system aimed at managing labour related costs. All employees were required to clock in and out using Biometric clocking system. This was however resisted by some workers who went on strike causing great losses to the Authority and its customers (Ndua, personal communication 2015). There is an urgent need for Kenya Ports Authority to enhance efficiency and operational productivity. By adopting agility practices, KPA can provide transport solutions by developing the capability to effectively control transport chain through extra-flexibility and capacity utilization.

According to Marlow and Paixão (2001), agile ports can quickly adapt the service delivery processes associated with service-production and service development, they are capable of exploiting unanticipated customer opportunities. Several studies have been done in areas of organizational agility. Monie (1987), conducted a study on agility and port performance. Ebrahimpour, Salarifar and Asiaei (2012), carried out a study on the relationship between agility capabilities and organizational performance. Meurs (2012), conducted a study on the influence of trust and empowerment on the agility of an organization and how does agility in turn influence the productivity.

In Kenya, Misiko (2014), conducted a study on TQM and operations management tools as agility strategies used by firms in Kenyan Dairy Industry. Murungi (2015), carried out a study on the influence of strategic agility on competitive capability of private universities in Kenya. The researcher was not aware of any studies on the relationship between organizational agility and operational productivity or relationship between critical HR
metrics and organizational agility in the context of Kenya Airways PLC and thus this study sought to address this gap.

**1.3 General Objective**
The general objective of the study was to determine the relationship between critical HR metrics and organisational agility.

**1.4 Specific Objectives**
Specifically, the study sought:

1.4.1 To determine which impact metrics affects HR Strategy and Organizational Agility at KQ.

1.4.2 To identify which efficiency metrics would influence the HR Practices and affect Organizational Agility.

1.4.3 To establish the effect of effectiveness metrics on Organizational Agility at KQ.

**1.5 Significance of the Study**
This study would be a light and source of knowledge to a variety of stakeholders. These include:

1.5.1 **KQ Management**
Information from this study would be useful to management first by providing key areas of improvement in terms of increasing the organizations’ agility; secondly the metrics would highlight the strengths and weaknesses that exist in the organization which could be incorporated in the strategic plans. The study would therefore provide the baseline from which the department could identify key value add areas for the business.

1.5.2 **Policy Makers**
The Institute of Human Resource Management (IHRM) would find the study useful in giving an overview of the use of HR metrics and their influence on organization agility. This would be useful in guiding the revision or development of policies that would guide the practice of Human Resource in Kenya. In addition, by linking the metrics to organizational agility, IHRM could better understand how Human Resources practices and policies impact organizational performance and thereby better assist Human Resources
practitioners in adding value to their organization and in realizing the objective of the Human Resources function becoming a strategic business partner.

1.5.3 Researchers

The concept of Organizational agility has been studied globally but not much information exists regionally, specifically in Kenya. This study therefore would provide much needed background on this area for those looking for theoretical background information. Similarly, guidance on methods to use in studying Human Resources metrics in other industries or sectors would be gained.

1.6 Scope of the Study

The scope of the study was limited to KQ. KQ has over 3,800 employees and an additional 1,000 contracted staff spread across over 55 countries. The study however, only focused on the senior managers based in Kenya. The study dwelled on critical human resource metrics which support organizational agility to emerging challenges, to sustain industry competitiveness: a case study of KQ. The research sought to determine which Impact metrics affect HR Strategy and Organizational Agility at KQ, identify which efficiency metrics would influence the HR Practices and affect Organizational Agility and establish the effect of effectiveness metrics on Organizational Agility.

The researcher as expected, encountered quite several challenges related to the research and most particularly during the process of data collection. During the study, the researcher travelled to different parts of the headquarter to access the respondents. Some respondents were hard-pressed to assist with data collection and time limitation was evident but the researcher, being an employee of the organization, was able to move from her work station within the KQ Headquarters when possible to access information and employed the use of technology to improve data collection. Although the duration the study was conducted was limited and exhaustive, it was extremely comprehensive and was eventually conducted within specified time frame.

1.7 Definition of Terms

1.7.1 Agility

Agility is the ability to thrive in an environment of continuous and often unanticipated change (Advanced Research Programs Agency (ARPA) and Agility Forum (AF) cited by Sarkis (2001).
1.7.2 Organizational Agility

This is the ability of organizations to have a quick and effective response to unexpected variations in market demands (Brown & Bessant (2013); Sharifi and Zhang (2001)). Agility is the ability of a firm to market successfully low-cost, high quality products with short lead times and in varying volumes that provide enhanced value to customers through customization (Fliedner & Vokurka, 2013).

1.7.3 Agile attributes

They are referred to as capabilities which allow organizations to swiftly and efficiently cope with customers’ dynamic demands and intense global competition (Bottani, 2010).

1.7.4 HR Metrics

Human Resource metrics are a vital way to quantify the cost and the impact of employee programs and HR processes and measure the success (or failure) of HR initiatives. There are three different kinds of metrics that organizations can collect in order to better understand and evaluate the impact of HR activities and to influence business strategy and business performance. They are efficiency, effectiveness, and impact metrics (Boudreau & Ramstad, 2013).

1.8 Chapter Summary

This chapter has provided the background of the study which sought to define what Organizational Agility is as well as HR Metrics and the importance of these in dealing with changes in both external and internal factors. It has also briefly highlighted the airline industry in Kenya before presenting the background of KQ. Subsequently, the problem was stated, along with the general and specific objectives of the study. The chapter also discussed the scope and significance of the study and the definition of terms as used within the context of the study were listed.

The next chapter shall review theoretical and empirical literature pertaining to HR Metrics and Organization Agility. This will be followed by chapter three which focuses on the Research Methodology and procedures used in this study to collect data and analyse the same. The final chapters, chapters 4 and 5 presents the findings and conclusions as well as recommendations for further research.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the accessible literature identified with critical human resource metrics which support organizational agility to emerging challenges, to sustain industry competitiveness. The chapter is based upon the specific objectives: To determine which Impact metrics affects HR Strategy and Organizational Agility at KQ, to determine which efficiency metrics would influence the HR practices and affect Organizational Agility at KQ and to establish the effect of effectiveness metrics on Organizational Agility at KQ.

2.2 Impact Metrics affecting HR Strategy and Organizational Agility

2.2.1 Strategies of HR Metrics

Strategy may be viewed as a plan, a ploy, a perspective or intent. HR strategies set out what the organizations intends to do about the different areas of its human resource management. They would be integrated with the Impact Metrix and one another (Armstrong 2006). According to Boxall (2013), HR strategies provide ‘a framework of critical ends and means.” Richardson and Thompson (2012), have argued that a strategy must have strategic objectives and an action plan. Thus, HR strategies help define the functional areas in which specific HR strategies need to be designed and implemented. Often, HR strategies focus on a system of human resource practices that have been shown either theoretically or empirically to influence employee performance. Based on functional HR areas, for a given job or set of jobs they aim at securing the best employee performance by attracting competencies that lead to job and business success (Wright, 2015).

Emphasis is placed on the broad array of practices rather than, for example, individual tests or interview techniques. For example, clerical workers are managed differently from senior executives. Each group undergoes different recruitment process, is subjected to different selection criteria, goes through different training and management programs and is paid differently. Further, researchers have made attempts to create generic HR strategies representing either “commitment” or “control” strategies. Huselid (2015), developed a framework called High Performance Work System (HPWS) containing best practices. Earlier, Arthur (2013), had developed a powerful generic framework labeled controlled strategies. The commitment strategy would include broadly defined tasks while the control
strategy would include narrowly defined jobs, among others, suggesting that a firm could implement only two different generic HR strategies.

More recently, Lepak and Snell (2012), developed a model labeled Value Matrix Approach, suggesting that a firm can implement four possible HR strategies (commitment, performance, compliance and partnership strategies) in four quadrants, tied to four distinct job groups representing different types of workers in the firm (i.e. strategic, core, support or collaborative workers). Interestingly, an analysis of these generic frameworks suggests that despite the different approaches adopted, only two broad strategies can be discerned—“commitment” and “control”—suited to firms pursuing differentiation and cost-effective business strategies respectively (Doz & Kosonen, 2013).

Being aware of the cost of employee and HR procedures and how to measure each would enable the organization to assess the achievement or failures of the objectives. Human resources exercises have direct outcome on general business implementation. Characteristically, the most important HR exercises are regarded from viewpoints, rewards and accountability; collegial, flexible supervision, recruiting and retention superiority, frequent communications, honesty, dedicated HR service technologies and sensible request of resources. Most of the research analysis has shown a robust association between these preparations and a 30% increase in shareholder value. Strategy should therefore be related to the business goals and objectives (Baum et al., 2012).

When generating effective HR capacities, an organizational management should contemplate whether each set of HR metrics supports its business implementation and provides an awareness to its productivity valuation and resource assessment which leads to effectiveness gains and customer experience enhancement. This can be done through the use of HR metrics. Generally, HR metrics are organized in three key categories historical, real-time and forward-looking. The HR policy should therefore stipulate the starting point of business progress in order to evaluate the motivation and future influence of the alterations in the HR profile and general business construction. To calculate the business expansion, HR can either use its own remarkable data or benchmark its organization alongside other equally sized businesses within or outside its industry. HR analysis necessitates the provision of specific resources. It is vital to implement periodical assessments of implementation without interfering with existing business measures. Most
companies wish to employ dedicated technology to improve data collection to better track progress. Besides, the HR narrative (Rumelt, 2014).

2.2.2 Effectiveness matrix

According to Wright (2015), effective HR strategies must consider industry analysis, value chain analysis, key processes and key people in the firm. The value chain helps a firm to understand the point where it creates superior value against competitors through identification of 4 to 7 aspects of its value chain that are closely interdependent from design through sales, distribution and/or services to the final consumers. Having grouped together the value chain components in terms of interdependent business processes, the firm can distinguish processes critical to the successful implementation of each component of the value chain. Grouping of the value chain components will enable the firm to identify its key people in terms of jobs or job sets around whom to design multiple HR strategies. Key people can also be identified via the human capital architecture discussed earlier. Key people can be analyzed for their criticality in terms of whether the value chain is relatively stable, changing and for the uniqueness of their skills and availability (Dove, 2014).

If appropriately identified key people will help develop and complement HR strategies to ensure that an organization has the needed competencies for the execution of the firm’s business strategy. Studies suggest that there are best practices around which HR strategies can be formulated: recruiting large pools of applicants, assessing applicants via valid selection tests, performing regular appraisals, giving regular formal and informal feedback, providing substantial training to upgrade or maintain skill levels, offering competitive pay packages, tying monetary incentives to high performance, providing information on company performance, competitors and industry and allowing employees to participate in decision-making, among others (Dove, 2014). Recruitment is the process of stimulating job applicants to apply for job vacancies in an organization, whereas selection is the process of evaluating the applicants to determine who, among them, is suitable for employment (Nzuve, 2014).

According to Johnson and Scholes (2016), there should be a large pool of applicants to recruit from to enable the organization to be selective. In addition, valid recruitment tests/interviews should be used. Strategies required consist of: where to find the right people, what skills will these people need and how will these skills be assessed. HR practices will
be employed differently across business strategy. Regular appraisals of employees’ performance help improve employee performance by distinguishing levels of performance among employees. Formal appraisals take place annually and link to the business cycle enabling staff understand what the business is trying to achieve in the next year. By distinguishing different performance levels, a firm can make decisions on the kind of assistance staff require, whether the appraisal method is adequate, whether appraisal should be tied to salary decisions and whether the appraisal system as a whole should be maintained or improved (McGrath & Iansiti, 2014).

According to Ngechu (2014), giving and receiving regular feedback from team members can help to: identify and deal with performance issues without delay, harvest new ideas and issues, maintain a “temperature check” on team morale, involve and motivate people. Strategies include what employee groups need to give feedback, how often if regular, and what format should it take. If informal, the organizations could come up with a strategy say of giving staff an off on Friday afternoon every month to think up ideas to make the company better.

Effectiveness HR Metrics presents on how effective organizations are in using metrics and analytics to address critical business and HR issues. Among possible impact areas there is a wide range of effectiveness levels. The least effective are assessing new business strategies and possible HR programs (Milkovich & Boudreau, 2015). The most effective is identifying high-impact talent however there is no model or metrics to determine why some talent pools are chosen as high-impact and others are not. There should be a means to assess the degree to which organizations have the skills and data needed to address important business operations and Impact Metrix issues.

Interestingly, in the case of both skills and data, organizations are much more optimistic that they have the skills than that they have the data. It provides one more piece of evidence that what is often missing when it comes to HR being a business partner is the right data, how to measure or monitor this data and how to use the information derived from the data to the benefit of the organisation. Most organization also stated that the necessary data did exist, but it was not connected to the HR data. They noted that the right logic and analytics for connecting HR data and business or strategy measures is an essential element of success but that in general they did not have them (Doz & Kosonen, 2014).
2.2.3 Impact Metrics

Impact Metrix and learning go hand-in-hand, and their alignment should be an ongoing, repeatable process and this is achieved by the Business Matrix process. As the strategy changes to meet the needs of the business, executives need to guide the appropriate high-level changes to the organization’s training initiatives to meet the needs of the new strategy (Long, 2013). With this guidance, training can become a strategic tool if its strategic use is understood against the backdrop of the organization’s ever-changing business environment and that understanding is translated into planning and execution (Hoek et al., 2001). Business Matrix (BM) involves using risk management approaches and scenario planning to avoid business disruptions. The greater the market insight of a firm, the more aware the firm will be of the dangers it faces due to competitor’s action, changes in the preferences of customers and other environmental forces (Roth, 2012).

This awareness will inform the decision-making process of the firm in coming up with effective risk hedges to counter these dangers. As a result, a firm using scenario planning and other risk management approaches will reduce the number of scenarios that can cause the failure of its system. Further, if an unforeseen disaster occurs it will have less drastic impact on the firm performance as firms can recover from the disaster sooner and, at a lower cost as the firm will be having the requisite recovery plans in place (Christopher & Towill, 2012).

The presence of two metrics shows a clear relationship to the role of HR as strategic partner. Organizations which have data that shows the business impact of HR practices report they are much more likely to be a strategic partner than those that don’t. In addition, those that have measures of the effectiveness of HR practices targeted toward the work force show a significant difference in comparison to those who don’t (Hammer & Champy, 2013).

Those organizations that can measure the impact and effectiveness of their HR practices on the work force are more likely to be strategic partners than are those who cannot. A number of items in show a difference in the strategic role for HR between those companies that have measures and those that don’t, but they don’t reach statistical significance. For example, those companies that use efficiency metrics such as benchmarks, cost of services measures and outsourced services show a tendency to be a strategic partner more than those that don’t, but the differences are not statistically significant (Hammer & Champy, 2013).
Apparently, what really makes the difference in being a strategic partner is having HR data that address key business issues such as the condition of the work force and the business impact of HR practices and policies. The ability to run an effective HR organization and having measures of how efficiently the HR organization runs, although perhaps helpful in making HR a creditable strategic partner, is not the difference maker that business impact data are, despite the fact that such efficiency measures are the most prevalent metrics used by HR today. In addition, having HR measures/metrics that relate to business decisions is related to being a strategic partner. Perhaps the most interesting relationships are the ones that are not viewed as significant. Specifically, having metrics that relate to outsourced HR transactions and having a low cost of HR services are not related to being a strategic partner (Hill, 2013).

2.3 Efficiency Metrics that influence HR Practices and Organizational Agility

2.3.1 Human Resources Management Practices

In realization that employees are the most important resource to an organization, agile organizations seek to employ, train and motivate to retain high caliber employees. Therefore, an agile organization employs human resources management practices to ensure that the organization sails through the turbulent business currents. According to Armstrong (2016), HRM is defined as a strategic and coherent approach to the management of an organization’s most valued assets the people working there who individually and collectively contribute to the achievement of its objectives. Schuler and Jackson (2013), defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members.

Minbaeva (2015), indicated that it is through the development of human resource that organizations achieve enhanced operational performance in a dynamic competitive environment. According to Minbaeva (2015), HRM practices sets out practices by an organization to manage human resources through facilitating the development of competencies that are firm specific, produce complex social relation and generate organization knowledge to enhance its operational performance. Tan and Nasurdin (2010), highlights that an organization’s approach of HRM practices have an influential effect on organizational innovation. HRM practices set the tone and condition of the employer-employee relationship which can encourage the employees to become more innovative (Rousseau & Greller, 2001). Creativity and innovation represents a way of organization
alignment with business environment to ensure that it remains relevant. Cook (2008), indicated that creativity is an element of competitive advantage for organizations.

Majaro (2013), looks at innovation as a process where ideas are generated and transformed for implementation to business products and services. Firms that continually launch creative and innovative actions outperform those that launch few competitive moves (Smith, Guthrie & Chen, 2012). According to Helfat and Peteraf (2013), adoption of IT ensures that organizations achieve the operational goals of speed, quality, cost, and effectiveness in managing interactions with customers, suppliers, and other important stakeholders. Shapiro (2012), asserts that agile business emphasizes on interdependence through collaboration, innovation and integration; this therefore underscores the importance of creativity and innovation in a dynamic business environment.

Creativity and innovation are important factors in organizations and organizational leaders because much of today’s competitive marketplace demands ever-increasing value to customers, which translates to lowest total cost, highest total quality, fastest total cycle time, and highest total overall customer satisfaction (Atkins, Dykes, Hagerty & Hoye, 2012). Smith and Munn, (2014), predict that future success globally will be achieved only by driving down costs as well as improving operating efficiencies. Myloni, Harzing and Mirza (2014), underpinned the importance of recruitment and selection process in attracting maximum number of highly talented applicants and selecting the best in order maintain and improve operational performance in the firm.

Delany and Huselid (2014), established that practicing an effective recruitment and selection process has positive relationship with operational performance. Agile organizations, has to match customer expectations with output in the firm. Myloni, Harzing and Mirza (2014), indicated that it is very important for a firm to identify relevant qualities that are required of existing and potential applicants that will enable an appropriate match to occur between person and job.

To enhance high level of employees’ productivity, employees need to be equipped with the necessary training to perform their jobs with ease. Olajide (2015), highlights that no matter how automated an organization, high operational performance depends on the level of motivation and the effectiveness of the workforce; staff training is an indispensable strategy for motivating workers. The organization must have good training program to achieve results in the dynamic business environment. According to Bjorkrnan and Budhwar (2014),
Training is often interpreted as the activity when an expert and learner work together to effectively transfer information from the expert to the learner to enhance a learner's knowledge, attitudes or skills so the learner can better perform a current task or job.

Training activity is both focused upon, and evaluated against, the job that an individual currently holds (Learner, 2015). Development is often viewed as a broad, ongoing multifaceted set of activities training activities among them to bring someone or an organization up to another threshold of performance. In an ideal world, training and skill profiling must be relevant and responsive to changing organizational needs.

This would suppose a systematic assessment of current and projected needs and training strategies, which permit a timely response (Dyer & Reeves, 2015). Performance appraisal is a tool of management that can lead to better communication, motivation and feedback (Stivers & Joyce, 2015) used by firms for enhanced performance. Performance appraisal (PA) enhances the quality of organizational decisions, ranging from promotions, layoffs, compensation and transfers. Also, PA can enhance the quality of individual decisions, ranging from career choices to decisions about where to direct one's time and effort. Performance appraisal provides a set of tools for organizational diagnosis and development. Further, performance appraisals can affect employees' views of and attachment to their organization (Dyer & Reeves, 2015).

Bernadin and Russel, (2013), argued that performance appraisal within an organization is essential to make employees clear about their specific role expected as contribution in operational performance. According to Björkman and Budhwar (2014), highly motivated employees have high level of performance. Organization use both financial and non-financial rewards to motivate employee to high performance to achieve competitive advantage. However, Akintoye (2015), asserts that money remains the most significant motivational strategy. Cole (2012,) concurs that employers seeking staff that are rare or want to achieve fairness in pay in relation to effort, responsibility and other factors find that monetary incentives are needed to encourage employees to put extra effort. Employees’ performance translates to enhanced operational performance for the organization.

Mathis and Jackson (2014), argued that a balanced, fair and competitive compensation and reward system affect the retention of employees and thus positively affect firm operational performance. There are a number of extracts in literature that suggest that there is a relationship between reward and compensation linked to the employee’s behavior and the
organization’s operational performance. Chiu, Luk and Tang (2012), stated that compensation and rewards significantly affects organizational outcome. A study done by Chiu, Luk and Tang (2012), concluded that an effective compensation and reward system increases sales, reduce staff turnover, and improve firms' performance. Armstrong (2014), asserts that the aim of reward management is to support the attainment of the organization strategic and short-term objectives by helping to ensure it has skilled, competent, committed, and well-motivated work force it needs. One way of ensuring the right talent for the right job is obtained is through ensuring that there is an effective system that deals with the end to end employee life cycle which included recruitment, talent management and performance management. Cherrington (2013), indicated that reward mechanisms (salary, bonuses etc.) improve employees’ commitment to the organization and therefore enhances organizational performance. Therefore, organizations operating in the modern dynamic environment have to ensure that they attract and retain high caliber employee who are motivated to ensure that these organization attain high operational performance.

2.3.2 Organizational agility and Operational Performance

Lee (2014), highlighted that firms ought to be agile and be able to sense and respond to market changes quickly and smoothly to maintain and improve their operational performance. Firms that fail to be agile might find themselves losing market share and competitive advantage due to a lapse in their operational performances. Organizations are fully aware of the volatile environment in which they operate in and hence the importance of their being able to respond effectively in a proactive rather than reactive manner. Sambamurthy, Bharadwaj and Grover (2010), highlighted that there is increasing recognition that agility is an imperative for success of contemporary firms as they face intense rivalry, globalization, and time-to-market pressures. Through organizational agility the firm is able operations with speed and surprise, without disrupting enhanced operational performance. Agile firms are resilient to shocks and upheavals in their business environments, adaptive to emerging opportunities, and entrepreneurial in creating new business models to ensure enhanced operational performance (Bharadwaj & Sambamurthy, 2012).

Organizations use metrics and analytics to address critical business and HR issues. Among possible impact areas there is a wide range of effectiveness levels. The least effective are
assessing new business strategies and possible HR programs. The most effective is identifying high-impact talent. (Osmani & Kraja, 2015).

The degree to which organizations have the skills and data needed to address important business operations and Impact Metrix issues. Interestingly, in the case of both skills and data, organizations are much more optimistic that they have the skills than that they have the data. It provides one more piece of evidence that what is often missing when it comes to HR being a business partner is the right data. The interesting paradox is that when we interviewed the survey respondents they often said that the necessary data did exist, but it was not connected to the HR data. They noted that the right logic and analytics for connecting HR data and business or strategy measures is an essential element of success but that in general they did not have them (Orodho, 2013).

2.3.3 HR as a Strategic Partner

A model developed by Lawler and Mohrman (2013), of when HR will be a strategic partner hypothesizes that an important contributor to a strategic partnership relationship for HR is having the right metrics and data and the results from this research strongly support this hypothesis. Those organizations that have the capability to do strategic analysis are the ones that are most likely to be positioned as strategic partners. The results suggest that not all data are equally powerful when it comes to making HR a strategic partner (Rumelt, 2014).

Having analytic data about strategy is a powerful way to gain a seat at the strategy table, while data about the operation of the HR function is not. Thus, it appears that “all” HR has to do to become a strategic partner like finance and marketing is to develop better HR metrics and analytics with respect to organizational effectiveness and strategy. The results suggested that in the firms studied, there is considerable room for improvement when it comes to their ability to gather and analyze the types of metrics data that are needed in order for HR to be a strategic partner (Rumelt, 2014). They seem to have good efficiency data about HR operations so that they are in a strong position when it comes to improving HR administration and to controlling its cost. But efficiency data about HR operations is not the kind of data that is associated with HR being a strategic partner.

According to Nzili (2012), what is needed are measures which indicate whether HR programs and practices actually make a difference in the organizational effectiveness areas they are directed toward. In addition, it is important to measure whether and how improving
talent areas affect business processes, resources, and ultimately strategic success. These two elements clearly are the weakest in the companies studied. Many of them need to develop better metrics with respect to talent, organizational capabilities and core competencies. They also need to develop analytic capabilities in order to assess the degree to which such HR practices as talent management impact organization performance, and the degree to which organizational capabilities impact organizational performance (Onsongo, 2014).

Since the companies studied do not represent a random sample of all companies there is a good chance that Onsongo’s results did not accurately reflect the condition of most companies when it comes to metrics and analytics. Indeed, there is a very good chance that the companies in our sample are well above average when it comes to using metrics and analytics. They were in the sample because they were already active or wanted to be active in these areas. Thus, it is likely that a study which covered a random sample of companies would find a much lower average level of activity and effectiveness with respect to metrics and analytics. HR in the Future, Will HR develop its metrics and analytics capability? There are a number of reasons to believe that it will despite the fact that at the present time there is good reason to believe it is at a low level (Pfeffer, 2016). HR managers clearly want to address key strategic business issues. They also are aware that their HR metrics and analytics capabilities fall short of what is needed to address most key business decisions and Impact Metrix issues.

Thus, in terms of change they meet the first condition for change: there is a felt need. The growing use of information technology is a clear positive with respect to the ability to change. The fact that most organizations now have an HRIS system means that enormous data warehouses are being created. In the cases where data warehouses contain valid measures of important HR practices and outcomes, it creates a great opportunity for organizations to answer key business issues with quantitative data. Eighty-percent of the organizations responding to our survey have an enterprise-wide HR information system that could be linked to business data, yet far fewer reported using metrics and analytics to connect HR investments to business outcomes (Pfeffer, 2016).

In general, the results are encouraging with respect to the future ability of these organizations to relate HR metrics to operational outcomes. Most of these organizations are in the process of developing the kind of skills and data needed to effectively assess the
link between HR policies and practices and organizational performance. However, it remains to be seen whether these organizations will ultimately develop the needed skills and data. In order for HR metrics to drive change, the right analyses need to be done. The wrong analyses can mislead, such as when leaders assume that just because one thing is associated with another (such as satisfaction is correlated with performance), it means that one thing causes the other. Many HR organizations do not have skills in analysis, research design and data interpretation within the function (Pfeffer, 2016).

Even when these skills exist, they are applied only to very specific areas such as attitude surveys or test validation. Where can HR go for such skills if not within its own function? In areas of organizations that depend on data analysis (such as research and development, market analysis, operations management, financial audit, etc.) there are often skilled analysts whose expertise can be brought to bear on the data and logic of how people and their talents connect to business success (Gugler, 2012).

HR organizations can forge partnerships with these areas in order to obtain analytic skills. In the long run, we believe that analytic skills need to reside within the HR organization itself and should become an important HR competency. There is a good possibility that as part of the overall changes that are taking place in the HR function there will be considerably more analytic and metrics work done and it will help HR take on a more strategic role in corporations (Weill and Vitale, 2012). It may be an overstatement to say that metrics represent a kind of Holy Grail that will help HR become a true strategic partner. But it is not an overstatement to suggest that a growing focus on metrics and analytics can help HR functions become more of a player in the game of corporate business decisions and strategies (Gugler, 2012).

2.4 Establishing the Effect of Effectiveness Metrics

2.4.1 Human Resource Information System (HRIS) and Metrics

Human Resource Information Systems (HRIS) have been used in HR departments for many years, but more lately their use has totally altered to that of performing a more deliberate role to support HR workers, in particular HR managers for various knowledge. The job contents and the prospects from HR managers have changed over the last a few years, with Sambamurthy, Bharadwaj and Grover (2010), argue that information technology (IT) management capabilities provide a platform for firms to develop the appropriate digitized
processes and knowledge systems that enhance their agility and therefore ensure their operational performances are increased. Weill and Vitale (2012), indicates that information technologies provide superior information management capabilities, analytical decision support, and enhanced communication. Organizations are able to utilize information technologies in creating new business models for enhanced performance. Managing and planned compressions ever growing on them.

Consequently, Human Resource Information System delivers technique, by which an organization gathers, maintains examines and reports the material on people and jobs at any time and where ever it is essential. The evidence contained in the HRIS supports as an escort to recruiters, trainers, career planners and other human resource authorities. Altogether, top management and HR should have incorporated information system that gives them a bird’s view of their workforce occupation interest, progress, rewards, assessment results and sequence planning process. It has already been renowned that without evidence, it is very difficult to pledge the planning process and computing any function of HR. The use of Human Resource Information Systems (HRIS) has been supported as an occasion for human resource (HR) specialists to become planned partners with top management (Gugler, 2012).

The impression has been that HRIS would allow for the Function to become well-organized and to deliver better information for policymaking and for measure by HR people in different functional areas. Sambamurthy Bharadwaj and Grover (2013), notes that IT applications, such as Internet computing, customer relationship management, enterprise resource planning, and supply chain management, allow firms to rapidly detect changes, flexibly alter their market strategies, and thus respond more quickly to customers” changing requirements thereby attaining competitive advantage. Information technologies should be viewed as digital options generators because they have the potential to help firms develop high levels of operational capabilities for organizations.

Many of the contemporary business processes are either innovated or reengineered through the functional capabilities of existing or emerging information technologies. However, the ability of firms to harness the power and functionality of information technologies depends on their ability to make appropriate decisions about the acquisition, implementation, and use of the appropriate technologies. Bharadwaj (2013), notes that for firms to be competitive, their IT management capability should be such that the firms acquire, utilize,
and manage information technologies in support of its business processes and activities adequately.

Keen (2013), argues that with the same IT resources in an industry, the way that these IT resources are managed determine the competitive advantages or disadvantages of firms. Earl (2013), noted that rapid adoption of IT has been necessitated by the need for increased efficiency of activities, reduction in transaction time and/or reduces costs that results. This has led to development of programs that will assist business achieve efficiency; this explains how ERP came to be. In advancing the capabilities that IT offers the customer service function, Quinn, Dorley and Paquette (2015), argue that, with new technologies, executives can manage the strategic elements to achieve competitive advantage with minimum transaction costs thus reducing customers’ exit/turnover.

Meuter, Bitner, Ostrom and Brown (2014), argue that customer’s interactions with innovative technically intellect staff in any industry/sector affect their evaluations and behaviors. Information technology can play an important role in leveraging productivity and efficiency in both public and private organizations. Advancement in technology, has built a platform on which ERP is built on to aid diverse business processes. Business practices are now taking new forms and shapes owing to the increase technological advancement and change in consumers’” tastes and preferences as well as heightened competition. This has led to rapid advances in IT to link the activities of many enterprises into large networks, enabling widely dispersed organizations to cooperate via computer networks including the internet.

These clusters or “digital enterprise communities” (Brown & Lockett, 2001) not only change the way that firms interact; the basis on which business is conducted is also dramatically changed. Having a risk evaluation mechanism in place provides management with visibility of areas of the business that would pose a threat to its operations. Communication is an indispensable element of business processes which has greatly been improved since the adoption of ERP. Oke Pisano and Shuen (2014), identified that IT helps firms in sharing of knowledge and development of skills in addressing their problems; therefore, the adoption of IT comes in handy to enhance the very communication that business practices are based on. Therefore, the need to improve business processes has led to many firms to adopt IT systems in order to remain relevant and competitive in the environment they operate from.
2.4.2 Strategic Alliances

A strategic alliance is also an agility strategy which companies use to achieve operational performance; they are based on cooperation between companies (Mockler, 2015). By pursuing and implementing these alliances, organizations improve their competitiveness within the industries that they operate. This is especially important when the company is moving into a new market, is lacking critical skills and needs an investment partner to assist in revenue generation or cost management of key projects. Also, organizations employ HRM practices as an agility strategy seeking to employ, train and motivate its employees to ensure them and thus ensure enhanced operational performances.

According to Mockler (2015), strategic alliances are agreements between companies (partners) to reach objectives of common interest. A strategic alliance involves at least two partner firms that: remain legally independent after the alliance is formed; share benefits and managerial control over the performance of assigned tasks; and make continuing contributions in one or more strategic areas, such as technology or products (Yoshino & Rangan, 2015). Some of the strategies that can be adopted by businesses to improve their agility is the use of partnerships and alliances to increase its chances of operational success.

Frankel, Whipple and Frayer (2014), noted that strategic alliances are critical to organizations for a number of key reasons that are related to organization agility; organic growth alone is insufficient for meeting most organizations’ required rate of growth; speed to market is essential, and partnerships greatly improve it; complexity is increasing, and no single organization has the required total expertise to best serve the customer; partnerships can defray rising research and development costs; and that alliances facilitate access to global markets.

Booz, Allen and Hamilton, (2015), acknowledged that strategic alliances result in higher return on equity, better return on investment, and higher success rates, compared with integration through mergers and acquisitions. Further, (Gugler, 2012), noted that trust, partner selection, knowledge transfer through co-operative business ventures, complementarities and synergies between partners ensure enhanced operational performance in businesses. Simonin (2015), noted that strategic alliances may result in knowledge ambiguity, but it has advantage of allowing technological knowledge transfer.
According to Baum, Calabrese and Silverman (2008), initial operational performances for organizations were enhanced by establishing alliance networks that provided access to “diverse information and capabilities with minimum costs of redundancy, conflict, and complexity,” gave more opportunities to learn from established rivals, but avoided risky intra-alliance rivalries. Also, Rowley, Behrens and Krackhardt (2015), noted that the startups alliance networks boosted organizational innovativeness as measured by rates of patenting and research and development growth and thus operational performances. Specifically, both innovation and sales rates increased substantially if a firm was connected to more technologically innovative and revenue rich alliance partners (Stuart, 2014). Firms that transfer proprietary knowledge and pool specialized resources and employee skills into a joint research and development project sometimes achieve technological breakthroughs with widespread product applications that yield market windfalls for all partners. Stuart (2014), noted that alliances decrease the manufacturing costs, other costs and risks of the project, product or services by sharing between the alliance partners. They also help business to gain access to intangible assets like brand name, expertise etc.

Rowley, Behrens and Krackhardt (2015), noted that due to alliances potential rivals also cooperate which helps to decrease internal and external uncertainties in environment. Strategic alliances help to broaden product line, services processes and fill product line gaps in the current products. High cost and lack of technology may force a firm to seek a foreign partner to fill their product lines (Gugler, 2012). According to Frankel, Whipple and Frayer (2014), alliances allow firms to gain efficiency by achieving economies of scales and vertical integration. Resources are increased in strategic alliances and thus there is an enhanced operational performance, as the all partners of alliance provide resources. So, the firms that have less resources of any kind they create strategic alliances. Small firms often lack in research and development resources for which they create alliances.

Yi (2014), indicated that, to achieve enhanced operational performances, strategic alliance is created to gain new skills and knowledge. Gaining knowledge is one of the most important factors in enhancing operational performance. Partners in an alliance learn from each other’s skills, expertise, technology and technical standards. Stuart (2014), indicated that alliances help to improve performance, productive capacity and existing market product and services by joint manufacturing and developing product jointly. Alliances are also made by following industry trends to attain competitive advantages and increase profits (Gulati, 2008). However, despite the many benefits of alliances, there are various
negative consequences. Among negative consequences of alliance networks there is the effect of social embeddedness on market efficiencies by locking partners into unproductive relations or blocking collaboration with other viable firms, and rigidity in changing order levels and trading partners and potential lack of market stimulus (Gulati, Nohria & Zaheer 2015).

2.4.3 Organizational Agility

Sambamurthy, Bharadwaj and Grover (2013), in their study established that organizational agility or the ability to execute innovations and competitive moves with speed, surprise, and competitive disruption has attracted significant attention as a business capability for enhancing operational performance in the current business environments. Agile firms are resilient to shocks and upheavals in their business environments; they are adaptive to emerging opportunities, and entrepreneurial in creating new business models or significant operational improvement (Bharadwaj & Sambamurthy 2015). According to Goldsby and Stank (2015), firms focus on mass customization and postponement strategies, which allow more space to respond to demand changes in a flexible way. Organizations also promote information systems (IS) as platforms that foster agility by helping achieve time reductions and quality enhancements in product design and development (Frayret Nagel & Preiss, 2001), and by facilitating communication necessary to coordinate work activities for enhanced operational performance.

Dove (2015), in a study to establish the relationship between knowledge management and agility notes that knowledge management can enable agility by providing greater or faster awareness of changes. Alberts and Hayes (2013), contends 24 that the capacity to change the organization and business rules by which it operates can make the business more effective and efficient in its operations. Alberts and Hayes (2013), in their study describe agility as an edge in an organization, noting that organization uses various mechanisms to be agile to cope with the ever-changing business environment and to achieve and maintain enhanced operational performance to achieve competitiveness.

Several studies have been conducted on organizational agility and operational productivity. In a study which sought to establish relationship between agility capabilities and organizational performance for home appliance factories in Iran by Ebrahimpour, Salarifar and Asiaei (2012), they found out that there was a significant positive relationship between agility capabilities and performance of a company in the confidence level of 0.99.
The study investigated the key principles and features of the agile manufacturing companies and agile manufacturing dimensions. It was found out that responsiveness, flexibility, competency and quickness in company provide the preliminaries for increased performance. The researchers further noted that agility enhances the organization’s capability to provide high quality products and services and is therefore important in increasing organizational competitiveness by enhancing the employee’s knowledge and experiences which enable organization to gain desired results. The researcher concluded that if agility practices are designed and implemented well, the company would achieve improvement in productivity in comparison with competitors. The study recommended that managers apply these capabilities in their plans.

Meurs (2012), conducted a survey of 28 companies in Rotterdam. The objective of the survey was to find out the influence of trust and empowerment on the agility of an organization and how agility in turn influences the productivity. The study found out that agility does influence the productivity level of an organization and that the more agile an organization was, the higher the productivity. The study also noted that agility of an organization helps to improve the performance of an organization. The researcher observed that an agile organization is able to sense, respond, and learn of developments in the external environment. The researcher recommended that organization should focus on changes and trends in the external environment by using the dynamic capabilities and involve customers and partners to remain competitive. Some studies have been done in Kenya on organizational agility.

Misiko (2014), undertook a study on TQM and operations management tools as agility strategies used by firms in Kenyan Dairy Industry. He found out that agile firms are keen in creating new business models; they are innovative and speedy to seize opportunities. Murungi (2015), carried out a study on the influence of strategic agility on competitive capability of private universities in Kenya. The study found out that various strategic agility variables influenced competitive capabilities of private universities. Organizational capabilities of quality, delivery, flexibility, and/or cost were linked to business performance. The study revealed that competitive capabilities enhance an organization’s chances for growth and survival and those organizations that couple high integration intensity with market transactions were hypothesized to reduce transaction costs. The study recommended that private universities should adopt the various strategic agility practices more in their institutions to achieve the desired levels of competitive ability. The study
further recommended that organizations should know their weaknesses and strengths to facilitate achievement of competitive ability.

2.5 Chapter Summary

With respect to the main objective of the study and the specific objectives, this chapter has presented literature study based on the scope and research questions on critical human resource metrics which support organizational agility to emerging challenges, to sustain industry competitiveness: a case study of KQ: The main objective sought to determine the relationship between critical HR metrics and organizational agility: Specific Objectives: To determine which Impact metrics affects HR Strategy and Organizational Agility at KQ, to identify which efficiency metrics would influence the HR Practices and affect Organizational Agility at KQ, to establish the effect of effectiveness metrics on Organizational Agility at KQ. Chapter three discusses the research methodology that was used in the study and data collection.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives details of the methodology that was used in the study. The chapter sets out various stages and phases that were followed in completing the study. It discusses the research design that was utilized in this study. It also discusses the population and sampling design, data collection methods, research procedures and data analysis methods that was used in the study.

3.2 Research Design

According to Robson (2004), the research design is the blue print of the study and defines every step that the researcher intends to take to reach conclusions for the study. Similarly, Creswell (2014), views a research design as reflecting the entire processes that the researcher intends to undertake in the course of the study. As such, research design is the entire plan for linking the conceptual problems of research and the underpinning and attainable empirical research. Several research designs exist, including experimental designs, descriptive designs, exploratory design as well as explanatory research design among others (Robson, 2004). For this Study, the researcher adopted a descriptive research design aimed at revealing the critical human resource metrics that influence the HR Strategy and in turn support KQ’s agility to emerging challenges. Descriptive research design was selected because it provides a precise and legitimate representation of the variables or factors that pertain to the research problem and questions (Robson, 2004; Creswell, 2014).

3.3 Population and Sampling Design

3.3.1 Population

Creswell (2014), states that a population refers to the sum of individuals, incidences, events and phenomena bearing certain common observable features. The population therefore, is the entirety of individuals, items and incidences that conform to a given specification (Robson, 2004; Creswell, 2014). It is from the population that the researcher obtains the individuals or items to include in the study as the sample. It is also on the population that the researchers’ postulates, applies or generalizes the results of the study (Blanche, et la, 2002; Creswell, 2014). The total population of KQ was 3,582. However, the study was
limited to the top 45 leadership team which included the Functional Directors, Heads of Departments and Heads of Section. This population was deemed the most suitable in providing information regarding organizational agility to emerging challenges since they are the most likely to be involved in the selection, development and execution of the organizations strategies. They were therefore best placed to provide information and opinions concerning what measures they would rely on from HR in order to influence their decision making.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Department</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Commercial Department</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Support Departments</td>
<td>25</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: KQ (2017)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

According to a 2008, United Nations Publications on Designing Household Survey Samples: Practical Guidelines, sampling frame is the set of source materials from which the sample is selected. The sampling frame for this research includes all the members of the leadership team at KQ. This includes the senior leadership in Operations department (Technical, Ground Services, Flight Operations, COO), Commercial department and Support departments (IS, HR, General Counsel, Finance)

3.3.2.2 Sampling Technique

Given the sample was already known in the research and included all the members of the leadership team at KQ, the census sampling technique was applied. The questionnaires were sent to the entire leadership team and their responses were recorded and analysed.

3.3.2.3 Sample Size

The size of the sample is 45 respondents. This was determined through the census, which included collecting data from all the members of the senior leadership team at Kenya Airways. As shown in Table 3.1 above, this sample equals the entire population of the senior management team at Kenya Airways and the census approach requires that information be collected from the entire population.
3.4 Data Collection Methods

Primary data was collected using a structured questionnaire to collect data from the research participants. The researcher developed structured questionnaires containing several questions seeking the respondents’ opinions pertaining to the three specific research objectives of the study i.e. determining which impact metrics affects HR strategy and organizational agility, the influence of efficiency metrics on HR practices and organizational agility and the effect of effectiveness metrics on organizational agility.

To make the instrument easy to respond to and to avert respondent fatigue, the researcher ensured that the data collection tool was short enough to allow respondents to respond faster to questions and long enough to ensure that all the relevant data is collected. Furthermore, the researcher divided the data collection instrument into four key parts. The first part of the questionnaire will comprise of queries aimed at assessing the respondents’ background. This part is deemed necessary as it will help to assess the personality factors that influence respondent’s agility towards the airline. The next three parts of the data collection instrument corresponded to each of the three research objectives: Part A sought to explore the effect of Impact Metrics on HR Strategy and Organizational Agility at KQ and HR metrics that the HR team can measure to improve their responsiveness to the HR Strategy and increase KQs overall Organizational Agility.

Part B sought to identify the influence of efficiency metrics on HR Practices and Organizational Agility and specifically the HR Metrics that the HR team can measure to indicate the extent to which HR Practices are efficient and support organizational agility. Part C sought to gauge the effect of effectiveness metrics on Organizational Agility and it particular, the HR Metrics that the HR team can measure to indicate the extent to which its activities meets the expectation of the employees and the organization in general and in so doing improve organizational agility. The questionnaire adopted the use of the Likert’s 5 Point Scale to gauge the extent of the respondent’s agreement or disagreement to specific statements. Stangor (2010), stated that the Likert scale consists of a series of items that show agreement or disagreement with the issue to be measured, each with a set of responses on which the respondents express their opinions. The scale used comprised of 5 responses with the responses being assigned values from 1 through to 5: Extremely Important (5), Quite Important (4), Neutral (3), Not Very Important (2) and Not important at all (1).
3.5 Research Procedure

The researcher developed the data collection instrument as mentioned. The researcher then developed an introductory letter and used the same to obtain permission from the relevant authorities of KQ. The researcher then developed the questionnaire and pre-tested it amongst the HR staff who provided areas of changes to ensure clarity and its suitability as a research tool.

After ascertaining that the survey was possible, and that the data collection instrument was appropriate, the researcher then proceeded to collect the relevant data from the research participants. The researcher then used the drop and pick method as well as sending an electronic version of the questionnaire out via e-mail to administer the questionnaire. The respondents were given a week to respond and thereafter, e-mail reminders were sent out to improve the response rate.

3.6 Data Analysis Method

After obtaining the required data volume, the data collection instruments were coded and entered the data into SPSS software. The study used descriptive statistics and regression analysis to analyze the data obtained from the survey. Descriptive statistics refers to the use of information collected to describe the population. The current study used Survey Monkey Analysis as well as Microsoft Excel and Statistical Package for Social Scientists (SPSS) to generate frequency percentages and analyse the descriptive statistics. The data was then presented in tables and figures.

3.7 Chapter Summary

Chapter 3 provided the methodology of the study and described the blue print of the study or the research design. The chapter also described the study population and the sampling design. The chapter indicated the total population that the study targeted and the method of data collection that was used as structured questionnaires. The chapter further mentioned that the data analysis tools that would be adopted as Survey Monkey and SPSS and that these would be used to generate inferential statistics that will provide more in-depth understanding of the data. The next chapter, Chapter 4 provides the analysis and results of the survey.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the research as collected from the targeted respondents. The chapter will first provide information on the analysis of general information from the research for example the response rate, the statistical results from the responses, the demographics of the respondents and the distribution of the results. The second part of the chapter shall then focus on the analysis of the results with respect to each of the research questions and finally the third part shall focus on the discussion linking the results of the research to the literature review in the research. The final part shall be a brief summary of the chapter, which shall show the different conclusions reached and how this information will be applied in future research.

4.2 General Information

4.2.1 Gender of the Respondents

From the research, 64% of the respondents were male while 34% of the respondents were female as shown in Figure 4.1 Below. This shows the general distribution of respondents which is similar to the distribution of employees within Kenya Airways.

![Figure 4.1: Gender Distribution of the Respondents](image-url)
4.2.2 Age of the Respondents

From figure 4.2 below, 35% of the respondents were aged between 41 and 45 years while those between the ages of 36 years and 40 years represented 22% of the respondents. Twenty percent (20%) of the respondents were aged between 46 and 50 years represented while those above 50 years represented 7% of the respondents. Overall, 77% of the respondents were aged between 36 years and 50 years. This is reflective of the typical age range within which most senior leaders are in organizations.

![Age of the Respondents](image)

**Figure 4.2: Age of the Respondents**

4.2.3 Education Level of the Respondents

Figure 4.3 overleaf indicates that 53.33% of the respondents have postgraduate qualification as their highest education qualification. 33.33% of the respondents had a degree as their highest qualification, which shows that the respondents have very good education levels and good backgrounds that can be linked to senior leadership and thus can enhance their ability to make critical decisions.
4.2.4 Experience of the Respondents in Kenya Airways

From the results, we find that 33.33% of the respondents have worked with KQ for over 15 years while 24.44% had worked with the company for between 11 and 15 years. This demonstrates that over 55% of the respondents have great experience within KQ’s dynamic environment and across various scenarios that resulted in both profit making and loss-making results. They are therefore able to understand how the business operates. This distribution is represented in figure 4.4 below;

![Experience of the Respondents](image)

Figure 4.4 Experience of the Respondents with Kenya Airways
4.2.5 Experience of the Respondents in Management

Incredibly, only 6% of the respondents had less than 5 years managerial experience which further confirms the rich knowledge and experience of the respondents and the invaluable insight to be gained from this research. Those with between 5 and 10 years of managerial experience represented 37.78% of the respondents, 26.67% had between 11 and 15 years of experience and 22.22% had over 15 years of managerial experience as depicted in Figure 4.5 below;

![Experience of the Respondents in Management](image)

**Figure 4.5: Experience of the Respondents in Management**

4.2.6 Department of the Respondents

Majority of the targeted respondents in this research, 55.56%, were members of the support departments. The operations executives covering technical, ground services and flight operations had a 22.22% representation, similar to the commercial executives as shown in Figure 4.6 overleaf.
4.3 Impact Metrics affecting HR Strategy and Organizational Agility

4.3.1 Need for and Implementation of HR Metrics at Kenya Airways

Figure 4.7 below shows that 81.82% of the respondents strongly agreed that Kenya Airways needs to implement and monitor HR metrics that will help the company adapt to the volatile, uncertain, complex and ambiguous environment in which it operates. The rest of the respondents agreed with this statement with only one respondent skipping this question and none disagreeing. This confirms and affirms the importance of the organization implementing and monitoring HR metrics.
4.3.2 Need for HR Metrics in Every Department

The managers further agreed that aside from having and implementing the metrics, there is need to ensure that each department has the right metrics to support its operations and enable them cope with the unique challenges facing them. This is demonstrated in the table below which shows 76.19% of the respondents strongly agreeing with this position. This proves that they have a strong appreciation for the need of being presented with HR metrics to enable their decision making in the day to day running of their department. Monitoring the metrics would also most likely enhance proper communications of the trends whether positive and negative, which may then lead to the implementation of appropriate systems and internal structures that will eventually result in the organization’s agility and ability to deal the various challenges that it encounters.

Table 4.1: Need for the right HR Metrics in Every Department

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>76.19</td>
<td>32</td>
</tr>
<tr>
<td>Agree</td>
<td>23.81</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>42</strong></td>
</tr>
</tbody>
</table>

The research also shows the appreciation of the respondents towards a continued culture and organizational strength within Kenya Airways. While majority of the respondents supported the implementation of HR metrics to improve the agility and adaptability of the organization, there appears to be some concern that these metrics should not break up the communication and cultural elements within the organization. One of the suggestions given from the research is that communication with employees should not be compromised. The managers seemed to feel that communication with employees on matters that affect the organization is vital to the organization’s success in adapting as needed. This implies that the combination of constant communication on issues as well as having the right HR metrics would further improve the responsiveness to changes that might threaten the organization’s sustainability within its operating environment. The importance of communication is as shown in Table 4.3 overleaf where over 97.77% agreed with the principle of availability of information leading to better responsiveness.

The regression relationship between the time that employees have spent in the organization and their response to the need for HR metrics shows a strong regression as shown in Table 4.2 below;
Table 4.2: Regression Statistics for Employee Time in the Company and Need for HR Metrics

<table>
<thead>
<tr>
<th>Regression Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>Standard Error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>

ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1</td>
<td>23.343</td>
<td>23.343</td>
<td>1.1847</td>
<td>0.390074</td>
</tr>
<tr>
<td>Residual</td>
<td>2</td>
<td>39.4063</td>
<td>19.703</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>62.75</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Standard Error</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>13.0456</td>
<td>0.042</td>
<td>1.147166</td>
<td>24.94</td>
<td>1.147</td>
<td>24.9</td>
</tr>
<tr>
<td>X Variable 1</td>
<td>-0.163242</td>
<td>0.390</td>
<td>-0.80853</td>
<td>0.482</td>
<td>0.482</td>
<td></td>
</tr>
</tbody>
</table>

4.3.3 Communication Enhancement

One of the suggestions from the research is communication with employees. The managers feel that communication with employees on matters that affect the organization is one way to enhance their agility and that the organization should employ these metrics in the support of such communication and in enhancing communication agility and sharing of information as shown in Table 4.3 below;
Table 4.3: Enhancement of Communication with Employees as a Way of Getting Organizational Information

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>73.33</td>
<td>33</td>
</tr>
<tr>
<td>Agree</td>
<td>24.44</td>
<td>11</td>
</tr>
<tr>
<td>Neutral</td>
<td>2.22</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

4.3.4 Involvement in Decision Making

Whilst communication was deemed to be important, another element that had an overwhelming affirmative response is the involvement of the employees in decision making. The respondents seemed to believe that involvement of the employees in decision making should be one of the best elements that HR can monitor as a metric. Specifically, when asked about the involvement of middle management in decision making, majority agreed although not strongly that this should be the case. Interestingly, none of the respondents disagreed with this principle although 10% of the respondents opted to remain neutral. This may indicate that whilst they may feel that involvement of middle manager is important in decision making, they may not necessarily be overly convinced that this in itself should be measured as one of the HR metrics or that it would further enable the organization to be more agile. The results of this question are shown in Table 4.4 below;

Table 4.4: Middle Level Management Involvement in Decision Making

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>35.56</td>
<td>16</td>
</tr>
<tr>
<td>Agree</td>
<td>53.33</td>
<td>24</td>
</tr>
<tr>
<td>Neutral</td>
<td>11.11</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

4.3.5 Social Media

Having a good HR strategy in place appears to be a vital component to the organization managing some of the standing HR issues and challenges. Additionally, managers having a better way to keep track of their teams’ progress and performance can be enhanced using HR metrics. On monitoring social media and its use in making the organization agile, figure 4.8 overleaf shows that the respondents’ responses were wide spread even though 69% agreed that it can be used as an indicator.
Figure 4.8: Social Media as a Tool for Measuring Organizational Agility

4.3.6 Recruitment Cost Management

HR metrics, if used effectively, can be very impactful in a number of ways and the management’s responses were biased towards this. When asked whether having a HR metric that measures recruitment cost would enable the organization better to realign its HR strategy and its responsiveness to external changes, 81.39% of the respondents agreed with 25.58 strongly agreeing to the statement. Despite this, 13.95% opted to remain neutral on this and less than 4.7% disagreed. The above 80% agreement shows that they believed that measuring the recruitment costs against the organization’s turnover costs would be a good indicator to keeping an eye on whether there were flaws with the recruitment process and any relatively high costs would easily be picked out and dealt with and in so doing, the organization and in particular HR can review its recruitment strategy. The above result is shown in Table 4.5 below;

Table 4 5: HR Metrics in Recruitment Cost Management

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>25.58</td>
<td>11</td>
</tr>
<tr>
<td>Agree</td>
<td>55.81</td>
<td>24</td>
</tr>
<tr>
<td>Neutral</td>
<td>13.95</td>
<td>6</td>
</tr>
<tr>
<td>Disagree</td>
<td>4.65</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>
4.3.7 Employee Engagement

The employee engagement index metric seeks to measure key areas that the employees feel deserve management’s attention and which if dealt with effectively would increase the opportunity for better performance both from the employees and the business as well. When asked whether this was an important aspect for HR to implement and monitor, all respondents agreed with 79.07% strongly agreeing as shown in figure 4.9 below;

![Figure 4.9: HR Metrics and Their Use in Enhancing Employee Engagement](image)

4.3.8 Voluntary Turnover

Whilst, employee engagement was indicated as being important in helping with the organization’s agility, collaboration and efficiency, one metric on voluntary turnover showed 93.33% of the respondents agreeing to its importance. Voluntary turnover metric measures the commitment of the organization to developing the capacity of the employees. It provides an opportunity for the organization to identify leading causes of the turnover in a manner that will retain talent within the business. A high score on this HR metric therefore may indicate that there may be underlying issues touching on elements such as low motivation, poor leadership, and bad reward systems. Only 2.22% disagreed that measuring
this element would be key for an organization’s agility. These results are shown in figure 4.10 overleaf;

![HR MEtrics and Voluntary Turnover](image)

**Figure 4.10: Impact of HR Metrics on Measuring Voluntary Turnover**

### 4.3.9 Involuntary Turnover

The respondents also felt that involuntary turnover was important and measuring it would be important for the organization. Metrics used to measure the leading factors for employee turnover had overwhelming support although there was less conviction for the respondents to strongly agree. When asked whether the metrics measuring involuntary turnover would assist HR and the Leadership better respond to issues that would help it gain competitive advantage if resolved, 84.44% of the respondents agreed with the statement with 33.33% of the respondents strongly agreed while a majority 51.11% agreed but were not convinced strongly agreeing. 11.11% opted to remain neutral on the issue while only 4.44% either disagreed and strongly disagreed. This is shown in Table 4.6 below;

**Table 4.6: HR Metrics in Determination of Involuntary Turnover**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>33.33</td>
<td>15</td>
</tr>
<tr>
<td>Agree</td>
<td>51.11</td>
<td>23</td>
</tr>
<tr>
<td>Neutral</td>
<td>11.11</td>
<td>5</td>
</tr>
<tr>
<td>Disagree</td>
<td>2.22</td>
<td>1</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2.22</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>
The respondents also agreed that measuring the number of hours spent by employees in training. HR training hours would show a strong indication of how the employees are growing and developing while also helping the management to make important decisions on how to motivate the employees through training and monitoring how this relates to performance. 22.22% strongly agreed with the use of this HR metric with a further 55.55% agreeing. The remainder of the respondents opted to remain neutral which may be an indication that it may necessarily not be considered to have an impact on sustainable agility.

Linked to the hours of training is the cost per training. It is extremely critical for the organization to manage its costs, which is the essence would involve also ensuring that the training costs are monitored. Using a HR metric for this purpose will not necessarily look to lower the costs but to ensure that there is a good return on investment, which would be an effective strategy. In addition, monitoring this cost would enable the organization to better allocate its resources and budget towards being agile and ensure better planning for the critical trainings. When questioned on whether this is a measure that would be a good indicator of the organization’s agility, 22.22% strongly agreed while 42.44% agreed though not strongly. 33.33% were neutral on the matter and 2.22% disagreed as shown in Table 4.7 below;

Table 4.7: HR Metrics in Measuring Employee Training Cost

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>22.22</td>
<td>10</td>
</tr>
<tr>
<td>Agree</td>
<td>42.22</td>
<td>19</td>
</tr>
<tr>
<td>Neutral</td>
<td>33.33</td>
<td>15</td>
</tr>
<tr>
<td>Disagree</td>
<td>2.22</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>45</td>
</tr>
</tbody>
</table>

4.4 Efficiency Metrics that Influence HR Practices and Organizational Agility

4.4.1 Value of Effective HR Practices to Organizational Agility

It is notable that measuring efficiency metrics have been viewed as being helpful in enhancing the performance of employees and the entire organization. When asked whether having the right qualitative HR Practices within KQ would enable KQ increase its ability to adapt to emerging challenges and in so doing sustain its competitiveness, almost 100% of the respondent agreed with the statement. 59.09% strongly agreed, 34.09% agreed and only 6.82% opted to remain neutral as shown in Table 4.8 overleaf;
Table 4.8: HR Practices and Their Effect on KQ Adaptation to Challenges

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>59.09</td>
<td>26</td>
</tr>
<tr>
<td>Agree</td>
<td>34.09</td>
<td>15</td>
</tr>
<tr>
<td>Neutral</td>
<td>6.82</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.00</td>
<td>44</td>
</tr>
</tbody>
</table>

4.4.2 HR Management System

Additionally, the respondents agreed that having an efficient HR Management System would be critical in ensuring that the organization was running efficiently and remained competitive throughout. 97.73% of the respondents strongly agreed or agreed that Kenya airways should use such a system and only 2.27% opted to stay neutral. This result was significant because it showed the desire of the top management to have HR Management systems that would be able to provide information instantly and in a format that would enable the detection of possible changes that would possibly affect KQ’s competitiveness and in so doing, they would be able to make impactful decisions. The results are shown in figure 4.11 below;

![Necessity of HR Management System](image)

Figure 4.11: Necessity of a HR Management System in Maintaining Competitiveness at KQ

Further, to understand the effectiveness of the HR metrics in resolving multiple challenges in the business, the t-test results in Table 4.9 below show the correlation between the use
of metrics in meeting communication challenges and its use in managing emerging business issues;

Table 4.9: Use of HR Metrics Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Metrics Use in Emerging challenges</th>
<th>Metrics use in Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>8.4</td>
<td>9</td>
</tr>
<tr>
<td>Variance</td>
<td>192.8</td>
<td>201.5</td>
</tr>
<tr>
<td>Observations</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>-0.067565168</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
<td>0.473894958</td>
<td></td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>1.859548038</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.947789916</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>2.306004135</td>
<td></td>
</tr>
</tbody>
</table>

4.4.3 Value of Effective HR Practices to Organizational Agility

In order to understand the role and essence of such a system better, the respondents were asked whether having the right HR Metrics would assist the HR department to determine how effective the organizations is and enable analysis of how to address critical business and HR issues. The results also showed a resounding support with 67.44% of the respondents strongly agreeing while a further 27.91% agreed and 4.65% of the respondents opting to stay neutral as showed in figure 4.12 overleaf;

Figure 4.12: Role of HR Metrics in Organizational Effectiveness
4.4.4 Organizational Agility and Operational Performance: Absenteeism

The research was also seeking to understand the role of HR metrics and HR practices in various elements of operational performance and organizational agility. The first element was absenteeism rate by job category, which would be used to show the number of employees absent from a certain job and would be helpful in showing any issues or challenges arising in a certain departments or sections. 39.53% of the respondents strongly agreed that such a HR metric would be helpful in evaluating this with a further 53.49% being in agreement albeit not strongly and 6.98% opted to stay neutral. The results are shown in Table 4.10 below:

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>39.53</td>
<td>17</td>
</tr>
<tr>
<td>Agree</td>
<td>53.49</td>
<td>23</td>
</tr>
<tr>
<td>Neutral</td>
<td>6.98</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

4.4.5 Dispute Resolution

The other measure of performance that interested the organization is the average time used to resolve disputes. When asked whether having a HR metrics that measures the average time for dispute resolution in KQ would help the organization better understand and manage issues and in so doing enable effecting of better strategies and procedures, over 80% of the respondents agreed with this statement with 43.18% strongly agreeing and 40.91 agreeing. 13.64% opted to remain neutral while 2.27% disagreed with the statement as shown in Table 4.11 below. This shows a strong inclination of the respondents towards having HR practices and systems that would help the organization to better understand conflict resolution and making that process more effective and in so doing it would improve its agility towards changes that may cause conflict.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>43.18</td>
<td>19</td>
</tr>
<tr>
<td>Agree</td>
<td>40.91</td>
<td>18</td>
</tr>
<tr>
<td>Neutral</td>
<td>13.64</td>
<td>6</td>
</tr>
<tr>
<td>Disagree</td>
<td>2.27</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Answered</strong></td>
<td><strong>100.00</strong></td>
<td><strong>44</strong></td>
</tr>
</tbody>
</table>
4.4.6 Cost per Hire

Two major elements that touch on efficiency and would influence HR practices and Organization agility is the cost per hire and number of overtime hours within the organization and these were evaluated through this research. First, the cost per hire measures how much the organization spends to hire or recruit new employees. The research sought to find out whether monitoring this cost would help improve the efficiency of HR and overall the agility of the organization. As shown in figure 4.13 overleaf, only 18.18% strongly agreed while 40.91% agreed. A very high percentage of respondents, 31.82%, opted to remain neutral and 9.09% disagreed with the statement. This seems to indicate that either the respondents do not feel that this is a critical measure that would assist them in adapting to the ever-changing environment or that there is need for the organization to enlighten the managers on how this metric can assist in making them more in sync with the business environment and in so doing enable them to make better decisions.

![Use of HR Management Systems in Knowing Cost per Hire](image)

Figure 4.13: Use of HR Management Systems in Showing Cost per Hire

4.4.7 Overtime

The other measure are the overtime hours worked, which can help the managers understand the labor efficiency and workloads in order to determine the distribution of tasks well and undertake proper role assignment and workload management. When asked if this is a metric that if measured would enable their agility, 47.73% strongly agreed it was necessary while 25.00% agreed though not strongly. 27.27% opted to stay neutral, which may mean that
whilst the measurement is acceptable, there may be need for the managers to be enlightened on how the measure can facilitate their adaptability to various situations. These results are shown in figure 4.14 below;

![HR Systems and Overtime Evaluation](image)

**Figure 4.14: Use of HR Management Systems in Overtime Evaluation**

**4.4.8 Response Time**

Performance evaluation and management is one of the prime roles that should be played by a HR Management system and having HR metrics that is geared towards measuring HR’s performance is critical to ensuring continuous improvement of HR’s practices and strategy. The research was focused on three main performance measures. First, the respondents were asked whether having a metric that measures the response time per request evaluation, which looks at how long a request placed in the organization took for the organization to attend to it and resolve the issues raised. An overwhelming 97.73% of the respondents strongly agreed and agreed to this metric and only 2.76% disagreeing. This shows the great desire from the managers on the encouragement of accountability and execution within the business and they felt that having these would enable the business respond to issues more effectively and in so doing increase its adaptability. This is shown in figure 4.15 below.
4.4.9 Sick Off

Lost manhours due sickness can be an indicator of underlying health or mental issues with employees which may affect the overall productivity of a team. The research sought to find out whether measuring the number of sick days taken by full time employees would be important to the organization’s agility to external factors. 36.36% strongly agreed with this statement, 59.09% agreed though not strongly and a further 4.55% opted to remain neutral as shown in figure 4.16 overleaf. This shows that with more information or used with another parameter, it is a measure that should be considered as it can lead to improved productivity and execution.
4.4.10 Performance Management

The last performance metric that was monitored through the research was a measure of the effectiveness of the HR department in the recruitment process by measuring the number of days that the department took to fill a vacant role after it falls vacant. There was an overwhelming agreement that this metric is key as 95.36% both strongly agreed and agreed with the metric and only 4.55% opted to remain neutral. This shows resounding support for the use of this metric and its importance in the competitiveness and adaptability of the organization. The results are shown in Table 4.12 below;

Table 4.12: Acceptable Use of HR Metrics for Performance of the HR department

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>65.91</td>
<td>29</td>
</tr>
<tr>
<td>Agree</td>
<td>29.55</td>
<td>13</td>
</tr>
<tr>
<td>Neutral</td>
<td>4.55</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>44</td>
</tr>
</tbody>
</table>

4.5 Establishing the Effect of Effectiveness Metrics

4.5.1 Human Resource Information System (HRIS) and Metrics: Quality of HR Services

Human Resources as a support department should provide services to the business in a manner that would improve organizational agility however this can only be so if the activities that the HR department carry out are of utmost quality and to the expectations of both the employees and the business.

When asked whether providing quality services would greatly improve the agility of the organization, 93.1% of the respondent either strongly agreed or agreed. A further 6.82% opted to remain neutral which implies that they neither agreed nor disagreed. This means that the HR Information Systems that the department uses, the processes and procedures is has put in place and the HR staff within the department should all work together to provide top notch services. The results are shown in Table 4.13 below;
4.5.2 Internal Talent

This research also sought to find out whether the use of HR Metrics to measure the hiring of internal talent into some of the vacant roles would improve the organization’s agility. A higher probability would allow the staff to be aware of KQ’s intention to fostering its talent and in searching for potential candidates within before searching for external candidates. The respondents strongly agreed that this measure would influence organization agility with 44.19% of the respondents strongly agreeing and a further 41.86% simply agreeing which combined represents at least 86% of the respondents. The remaining respondents opted to remain neutral. The above results are shown in figure 4.17 overleaf; 

![Internal hire probability](chart.png)

Figure 4.17: HR Metrics in Measuring Internal Hire Probability

4.5.3 Staff Retention

The effectiveness of the HR team and the organization’s HR practices can also influence the retention of key talent within the business. Having a metrics that measures the
percentage of key staff being retained within the business would therefore be key as it may be an indication of the level of engagement and satisfaction of employees within the team. Highly engaged team would most likely be keen to changes within the organization if these changes would secure their future within the business. When asked whether the measure of retention rate would be a good HR Metric to monitor, 63.64% strongly agreed that this is an important metric while another 27.27% agreed though not strongly. 4.55% opted to remain neutral on the question and a similar percentage, 4.55%, disagreed. This may be an indication that though the monitoring of this metric is more or less agreeable with majority of the respondents, there may be need for the metric to be used in combination with another metric or the managers need to be provided with additional information as to why this metric may increase agility or that the metric is not as important at this point in time for the business. These results are shown in figure 4.18 overleaf;

![HRIS and Metrics as a measure of staff retention](image)

**Figure 4.18: Use of HR Metrics in Measuring Employee Retention**

### 4.5.4 Total Compensation

Measuring the total compensation expense per employee is a measure of the compensation versus the amount of work that an employee commits to. A high TCE may be an indication of high attrition or the need for the organization to cut down on its costs. When asked whether this metric would be important to measure effectiveness, 18.18% strongly agreed with 54.55% agreeing though not strongly. 27.27% opted to remain neutral as shown in figure 4.19 below.
4.5.5 Succession Planning

With an ever-changing environment, business continuity becomes extremely important and the preparedness of successors to take on leadership roles when called upon can make or break an organization. The research sought to find out whether the measurement of potential successors within the business for executive roles and critical roles would be an indicator of the business’ ability to respond to external factors that would affect its agility. Approximately 60.47% of the respondents strongly agreed that this is an important metric, 37.21% agreed and only 2.33% remained neutral as shown in Table 4.14 below.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>60.47%</td>
<td>26</td>
</tr>
<tr>
<td>Agree</td>
<td>37.21%</td>
<td>16</td>
</tr>
<tr>
<td>Neutral</td>
<td>2.33%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

4.5.6 Span of Control

Having the right span of control for managers would ensure that they are not overwhelmed by the number of staff that they are responsible for to the point that they lost focus on the purpose of their sections and focus on less important tactical issues. Having a HR metric...
that would help in measuring and evaluating this may improve the organization’s agility. With this in mind, the research sought to find out from the respondents whether this would be a good metric to monitor to only 30.23% strongly agreed with the metric and an additional 53.49% simply agreed. Approximately 9.30% of the respondents opted to remain neutral and 6.98% disagreed with the importance of monitoring this metric. Table 4.15 overleaf summarizes these responses.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>30.23</td>
<td>13</td>
</tr>
<tr>
<td>Agree</td>
<td>53.49</td>
<td>23</td>
</tr>
<tr>
<td>Neutral</td>
<td>9.30</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>6.98</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

### 4.5.7 HR Cost vs. Total Cost

From the responses in the research, the managers seemed to be strongly interested in factors that would enhance agility in the organization. There is a moderate to very high agreement that the human resources department in applying the HR metrics assessed would place it in a better position to continuously improve its systems, processes and procedures and in doing so, it will inevitably provide the much-needed support that the business needs to improve its agility.

In spite of the above, it is important that the Metrics and systems put in place by the HR Department though important to improving the functioning of the other departments, does not cost the company to an unsustainable point. The research therefore also sought to find out whether it was important to introduce another metric that would monitor the overall HR costs in comparison with the overall operating cost of the business. The results indicated that 2.27% strongly disagreed to this measure and similar number simply disagreeing, 15.91% opted to remain neutral, 34.09% agreed and 45.45% strongly agreed. The results are shown in Table 4.16 below.
Table 4.16: HR Metrics to Measure the Costs of HR as a Percentage of the Total Costs

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>No. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>45.45</td>
<td>20</td>
</tr>
<tr>
<td>Agree</td>
<td>34.09</td>
<td>15</td>
</tr>
<tr>
<td>Neutral</td>
<td>15.91</td>
<td>7</td>
</tr>
<tr>
<td>Disagree</td>
<td>2.27</td>
<td>1</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2.27</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total answered</strong></td>
<td><strong>100.00</strong></td>
<td><strong>44</strong></td>
</tr>
</tbody>
</table>

4.5.8 HR Dashboards

The respondents also agreed that in order to increase the agility within Kenya Airways, there is need for the HR department to create different dashboards that would provide various indicators for different departments given them invaluable information that would enable the managers make quality decisions and better advice the business or respond to the various challenges they would face. When asked about the importance of the use of HR dashboards, over 97.72% either strongly agreed or agreed with this with only 2.27% opting to remain neutral.

Lastly, the research sought to find out the current state of the use of HR Metrics within Kenya Airways and when asked to rate it, it was clear that management were generally dissatisfied with the current state of HR metrics which implied that either the metrics were not in use or that the information arising from the metrics was not shared with the managers to enable them be more responsive to the changing environment. There is therefore a clear need for the HR team to ensure that these metrics are put in place and that the HR systems, HR practices HR policies and procedures all work together to support the strategic partnerships within the business.

4.6 Chapter Summary

This chapter presented information received from the respondents through the questionnaire presented to them. With a total of 40 questions, the 45 respondents helped in understanding the various elements of the research objectives through their responses. The general conclusion from the responses is that the managers are generally not pleased with the use or lack thereof of HR Metric at KQ and there is a clear need for these to be put in place and especially those metrics which the managers felt would strongly enable them to
become better responsive to the changing needs of the business. The results were presented through charts, tables and figures. Chapter five will seek to better explain the results by attempting to link them to the literature review before making relevant conclusions and recommendations from this research.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

Through analyzing the results, this chapter aims to make important conclusions from the obtained results, elaborate on the findings and in so doing make important recommendations for Kenya Airways and where possible provide an avenue for further research. This would help in better understanding the research area and facilitating future research into HR metrics both at KQ and other Companies.

5.2 Summary

The general objective of this study was to determine which HR metrics would be considered critical to organizational agility. The research was guided by three main research questions: to determine which impact metrics affects HR strategy and organizational agility at Kenya Airways; to identify which efficiency metrics would influence the HR practices and affect organizational agility; and to establish the effect of effectiveness metrics on organizational agility at Kenya Airways.

To undertake the research, descriptive research design was selected. The descriptive research design helped in ensuring that the sampling design, which was a census was well undertaken. Data was collected using a questionnaire sent to the 45 respondents with an average response rate of 97%. The researchers were asked various questions that related to the use of HR metrics and organizational agility at Kenya Airways. To analyse the data, descriptive statistics and regression analysis was then done using Microsoft Excel and Statistical Package for Social Scientists (SPSS) due to the quantitative nature of the results.

The findings indicated that the use of HR metrics would be effective in improving organizational agility and the metrics to be adopted should include social media, HR Management Systems, and HR Information systems. Efficiency metrics were also viewed to be important to Kenya Airways with the specific metrics to be adopted identified as those covering the areas of performance management, cost management, and overtime.

On the question of the effect of effectiveness metrics, the management viewed replacement of jobs, job succession planning, and HR costing as important metrics. Overall, the
respondents agreed that Kenya airways did not use HR metrics as needed. They however agreed that these metrics were necessary in promoting agility within the organization and there was need for the KQ to not only adopt the use of metrics but to also have implement HR dashboards where the managers could see the different metrics as it applies to their department and be able to respond accordingly.

5.3 Discussion

5.3.1 Impact Metrics Affecting HR Strategy and Organizational Agility at Kenya Airways

From the research, there were a number of impact metrics that would be key in improving agility at KQ. First, communication was found to be important in the organization. From the literature review, communication and constant information flow in an organization can help to enhance its agility and the respondents strongly agreed that this metric would be important in increasing the agility at Kenya Airways. 73.33% strongly agreed that this is an important metric, which supports Schuler and Jackson (2013) that communication creates organizational cohesiveness and unity in objectives.

The Decision-making process is another area that respondents agreed was necessary especially the level of involvement of middle level managers. 35.53% agreed that involvement of the middle level management would increase agility in Kenya Airways hence the need to have metrics that help in ensuring that their input is considered. Sambamurthy, Bharadwaj and Grover (2010) note that involvement for the entire business in the organizational processes and operations helps to create more information flow and agility, a factor that the respondents backed up. However, there is need for more information on how this will be undertaken in KQ considering that 53.33% agreed although not strongly and 11.11% stayed neutral. They may be need for more awareness sessions to influence them on the importance of their involvement. It may also be an indication that their involvement in the past was never considered or considered important in past regimes.

From the results, the respondents also agreed that recruitment cost metrics are important metrics in enhancing the organizational agility at Kenya Airways hence they are necessary in the organization. 25.58% strongly agreed that measuring turnover costs by recruitment cost was an effective metric in lowering the human resource cost in the organization. Having a higher recruitment cost than turnover costs may be an indication of insufficient
recruitment processes or poorly formulated policies or strategies being adopted e.g. retention strategies or poor reward policies. Recruitment cost is one of the highest costs for the HR department. When an organization wants to manage its costs through the HR department, retention is one of the best policies because it lowers the HR cost significantly (Boxall, 2013). However, for KQ, this is an issue that needs more information for the management as it was clear that majority of the respondents did not strongly agree with this metric being important.

Employee engagement metrics also came out as important metrics for the organization. According to Meuter, Bitner, Ostrom & Brown (2005), employee engagement metrics measure the themes and topics that employees are more interested and engaged in and creates conversations around them in order to increase the communication and engagement of the employees. Employee engagement enhances agility in the organization especially through positively affecting the communication and engagement protocols in the organization as it increases their hearts and minds commitment towards the company. This was a metric that had a high response from the respondents with 79.09% strongly agreeing and the rest simply agreeing. It is therefore a necessary metric to have towards increasing agility within Kenya Airways. Through it, Kenya Airways can increase the information sharing and open up communication channels on issues that would affect the productivity of the employees and which is handled or resolved would most likely create an environment where employees can be more responsive to changes within the business that would affect the organization’s agility.

Turnover metrics can help an organization in measuring two main aspects in the organization, the voluntary turnover index and involuntary turnover index. A high voluntary turnover rate shows poor organizational development and employee development on the side of Kenya Airways, which can point to poor motivation by managers, poor training, lack of succession and career planning to a point that employees do not see a future with the Company. The respondents strongly agreed that this is an important metric for KQ and should be implemented in order to better understand the causes of turnover in the business and adopt strategies to further reduce the turnover rates. Involuntary turnover rate helps in the determination of the leading causes of employee turnover as a result of the Employer’s decision. It helps in identifying areas that are as a result of indiscipline that would tend to result separation. The respondents strongly agreed
that this is a necessary metric for Kenya Airways. However, majority of the respondents did not strongly agree hence need for more information on how this metric will work in case it is implemented within Kenya Airways HR department.

5.3.2 Efficiency Metrics that would Influence HR Practices and Affect Organizational Agility at Kenya Airways

The first aspect of efficiency that is important in measuring through HR metrics in KQ is training especially training hours necessary per employee and the cost of training per hour per employee. The respondents agreed that training hours are key determinants in the efficiency hence the agility of employees in KQ. Measuring the average number of training hours spent by employees in training as well as the cost incurred on the same helps in understanding the efficiency of the knowledge and skills imparted on the employees. As per Frankel, Whipple & Frayer (2006), when employees have the right skills imparted to them at the right cost, the organization is more likely to improve its agility and efficiency. Imparting knowledge requires a strong partnership with both internal and external parties and hence having a metric that measures training hours and cost is therefore necessary for implementation.

The job absenteeism rate by category is another metric that would significantly influence HR practices and influence organizational agility. 93.02% of the respondents either strongly agreed or agreed that this is an important HR metric for KQ to keep track of. According to Chhinzer & Ghatehorde (2009), there is a significant relationship between HR metrics and Organization Financial Performance and as such a high absenteeism by job category would help to know whether any department has an absenteeism problem as this would directly impact the organization’s performance. A high absenteeism rate would indicate problems like motivation that would affect the organization’s ability to remain agile and committed. Kenya Airways would need to understand the impact that absenteeism can have on its agility and put in place mechanisms to detect issues that would lead to absenteeism by employees.

Average dispute resolution time was also agreeable as an important measure that would influence HR practices because conflict resolution and employee motivation is the resolve of the HR department. The department would want to resolve conflicts faster as this directly affects the parties involved. From the results, slightly more respondents (43.18% strongly
agreed that this metric is important for KQ compared to those who agreed although not strongly (40.91%). Combined, over 84% of the respondents agreed that this is a metric to implement.

Responsiveness within the HR department is also an important HR metric that can be measured using a range of metrics that are illustrated in the responses by the managers and show how KQ’s HR department can increase organizational agility by how they respond to arising issues. Many of the respondents saw the cost per hire as being a metric that would not add value to the organization’s agility and as such a high number opted to remain neutral on it. According to Chhinzer & Ghatehorde (2009), while the HR department needs to have ample staff in order to respond to issues and requests, they should do so sustainably especially in terms of the costs involved. However, with only 18.18% strongly agreeing, it does not seem to be a major issue of concern for Kenya Airways. However, an issue that certainly affects KQ is the overtime hours as this translates to additional costs. The use of this HR metrics would measure overtime hours that will help the organization in understanding the labour efficiency of the employees in the company. KQ needs to understand whether task allocation is effective done within the business, which is the reason why 47.73% of the respondents strongly agreed that there is need for the monitoring of overtime hours with a further 25.00% agreeing although not strongly and the rest remaining neutral. This shows that in relation to costs, this is a better measurement compared to the cost per hire.

According to Frankel, Whipple & Frayer (2006) note, efficiency of the employees in the human resources in implementation of HR policies including HR metrics depends on their ratio to the number of staff in the organization and the roles expected of them as the strategic partners as it’s through these strategic partnerships that they would be able to influence organizational agility. It is therefore no wonder that the HR metrics intended to measure the percentage of the HR employees to the rest of the employees received a high agreement response rate with 81.40% agreeing to its importance. Linked to the same, over 97.73% of the respondents also strongly agreed or agreed that the response time that HR takes to deal with arising issues within the business would also impact on its agility.
5.3.3 The Effect of Effectiveness Metrics on Organizational Agility at Kenya Airways

The respondents agreed that effectiveness metrics could influence the agility of Kenya Airways as an organization as well as the effectiveness of the HR department when properly implemented and monitored. The effectiveness of the HR department was an important aspect for the organization especially the time that the organization took to fill vacancies that fell vacant. Chiu, Luk & Tang (2002) concluded that an effective compensation and reward systems increases staff performance, reduces staff turnover, and improves firms' overall performance. It is therefore critical to ensure that the HR department is efficient and that its practices, policies and procedures are all aimed at assisting the rest of the departments to work efficiently because they get the right human resources support and requisite trainings to undertake key tasks. Ensuring that the departments are adequately resources would ensure that there is business continuity. The respondents therefore agreed that HR metrics that measures the time taken to fill vacant roles would be important with 65.91% strongly agreeing, which makes the efficiency of the HR department an important aspect of the HR metrics. This however is not sufficient as the services provided by the HR staff should be of quality as indicated with the agreement of 91.19% of respondents that providing quality HR services by the HR department can significantly improve the agility of the organization.

Innovation and improvement of competitiveness is another role that can be enhanced through the HR metrics and can help KQ in improving its agility. The respondents agreed that KQ’s Agility would improve if it implemented innovations and made competitive moves with speed as is evidenced by the over 58.14% respondents who strongly agreeing with this assertion and a further 34.88% simply agreeing. More so, the flexibility of the KQ HR department and the rest of the employees is another benefit that could be achieved from using the effectiveness metrics. The employees will be able to understand what is happening in the organization and increase their agility by being conscious and in tune with potential changes and disruptions that may occur and be willing and flexible enough to adjust accordingly. Over 95.45% of the respondents either strongly agreed or agreed to this.

Effectiveness metrics can also help in preservation of an organizations culture (Bharadwaj & Sambamurthy, 2005). The respondents agreed that the metrics for KQ would help in sensitizing management on the number of internal hires that are made, which means recruitment from the existing staff would help inculcate a positive culture within the
organization that portrays the employees as important assets of the organization. Over 83.08% either strongly agreed or agreed with its importance. This works hand in hand with the retention metrics which measures the retention of critical employees which was strongly backed by 63.64% of the respondents. Employees seeing a future within the Company and observing their colleagues progressing their careers internally would improve staff retention. The last element of organizational culture is succession planning. Succession planning means having a successor for the top executive and management positions. This is also linked to the above two metrics on internal hires and retention. It received a strong backing with 60.47% strongly agreeing with the use of this metric.

However, in order to ensure that HR metrics are even more effective in KQ, there is need to have metrics that measure management span of control and ensure that the management has no overwhelming tasks where some managers have too many people under them. The management and the HR department should also use dashboard where the metrics can be prepared at department level thereby increasing the department’s agility as there is critical information flow to department level and beyond and the managers would be able to use the supplied information to make critical decisions. This was backed up by 70.45% of the respondents as they also asserted their views that the HR metrics and HR information systems in the organization were not satisfactory and would need to either be introduced or reviewed.

5.4 Conclusions

5.4.1 Impact Metrics that Affect HR Strategy and Organizational Agility at Kenya Airways

From the research, the most important impact metrics to be implemented and monitored in the organization include the metrics that can help the organization monitor its communication with employees and the frequency or flow of such communication. Involvement of middle level managers in decision making was found to be vital it served as an avenue for managers to be aware of the business circumstances and increase their buy in to business initiatives or objectives. Measuring recruitment costs, turnover and employee engagement were also found to be essential to providing management with a feel of where their employee’s hearts are and consequently be more aware of the overall organization
health index. These metrics with management’s support and backing and with proper evaluation would have a positive effect on organizational agility.

5.4.2 Efficiency Metrics that would Influence HR Practices and affect Organizational Agility at Kenya Airways

The metrics that would improve the efficiency of the HR department and influence HR practices include training, absenteeism per category, overtime, dispute resolution, and the response time to requests. The training metrics was found to be critical in the assessment of employees’ upskilling as it would assist in the gauging of the quality and number of trainings conducted. Absenteeism on the other hand was also seen to influence HR practices as this had a direct impact on organization performance therefore the mechanisms to be put in place to detect potential issues is vital for the business. Dispute resolution and response time to requests are all tied to the efficiency of the HR team and these would also influence the HR management strategies and practices to be adopted and the monitoring and evaluation of these metrics would ensure continuous improvement.

5.4.3 The Effect of Effectiveness Metrics on Organizational Agility at Kenya Airways

The study also found that the effectiveness metrics could help improve the supervision and performance management in the HR department through the provision of quality HR services to employees, through improvement of its ability to identify and develop internal talent and through providing opportunities to increase staff retention whilst at the same time ensuring that the costs remain sustainable in relation to the organizational costs. The use of HR dashboards was also found to be a critical as these would provide managers with a snapshot of these metrics at their department and sectional level and would also be critical in enabling them make decision that would eventually impact the success of the business.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.5.1 Impact Metrics that Affects HR Strategy and Organizational Agility at Kenya Airways

Kenya Airways should invest in development of metrics that would help in enhancing communication, decision making and employee relations because these are areas that
management felt would increase KQ’s agility. The other metrics to be implemented are those that measure turnover and recruitment time and cost. Lastly, providing an avenue for innovations to be discussed and implemented would also foster improved agility.

5.5.1.2 Efficiency Metrics that would Influence the HR Practices and affect Organizational Agility at Kenya Airways

The human resource management department should seek to improve its efficiency through the implementation of HR practices and HR systems that would evaluate its efficiency. Implementing the HR metrics that would assist it measure its efficiency in the areas of staff productivity and cost management would go a long way to keeping the HR department abreast with its performance. Important metrics to measure this would include absenteeism, dispute resolution time, cost of overtime and time taken to fill a vacancy.

5.5.1.3 Effect of Effectiveness Metrics on Organizational Agility at Kenya Airways

In order to realize more benefits from the HR metrics and HR practices, the HR department in KQ should enhance training and employee development and ensure that opportunities for internal staff are present. This includes succession planning and putting in place retention strategies for critical roles. In addition to this, the HR department should implement dashboards that would present these HR metrics in a manner that would ensure the managers understand and are able to apply them in their decision making and day to day management.

5.5.2 Recommendations for Further Studies

Further research should be undertaken into the metrics that can be implemented across other departments within the Kenya Airways organization in order to improve the collaboration and agility within the organization. This will help in better understanding the role of the entire organization in improving agility in KQ.

More research should also be undertaken into the role of senior management at KQ and their influence on organization agility as they remain the prime custodians of the culture and strategy for the organization. Whether the senior management provides an ample environment for promotion of agility in the organization should be determined through research.
Lastly, it would be good for the research to be expanded to other organizations within Kenya to establish whether the same HR Metrics can be consistently applied in all other industries to improve their agility. In addition, finding out whether there are HR Metrics that are a must measure for organizations to remain competitive in their respective industries.
REFERENCES


Boudreau, J. W. & Ramstad, P. M. (2002). Strategic HRM measurement in the 21st century: From justifying HR to strategic talent leadership


Holsapple, C.W & Li, X. Understanding Organizational Agility: A Work-Design Perspective


Osmani, E., & Kraja, Y.B (2015). Importance of External and Internal Environment in creation of competitive advantage to SMEs (Case of SMEs in the Northern Region


Zhao, C., Qian, H., Hefu, L., Robert, M., & Liang, L. Developing organizational agility through it capability and km capability: the moderating effects of organizational climate.
APENDICES

APPENDIX I: LETTER OF INTRODUCTION

January 2018

Dear respondent,

I am a student at United States International University Africa (USIU-Africa) pursuing Degree of Global Executive Masters in Business Administration (GEMBA) program. In partial fulfillment of my course work, I would like to conduct a research project to assess CRITICAL HUMAN RESOURCES METRICS WHICH SUPPORT ORGANIZATIONAL AGILITY TO EMERGING CHALLENGES, TO SUSTAIN INDUSTRY COMPETITIVENESS.

Therefore, kindly complete the attached questionnaire with as accurate information as possible. This research will be used entirely for academic purposes while observing utmost confidentiality.

Your assistance is highly appreciated. Thank you in advance.

Yours faithfully,

BRIDGETTE OPWAKA IMBUGA
APPENDIX II: QUESTIONNAIRES

Kindly respond to the following questions by ticking on the appropriate box (√) or filling the answers in the blank spaces

SECTION 1: DEMOGRAPHIC INFORMATION

You are requested to fill out your personal information in the spaces below. Please tick only one response.

1. What is your Gender?
   Female: [ ] 1
   Male: [ ] 2

2. What is your Age?
   18-25 [ ] 1
   26-35 [ ] 2
   36-40 [ ] 3
   41-45 [ ] 4
   46-50 [ ] 5
   51-55 [ ] 6
   56 and over [ ] 7

3. What is your Highest Level of education:
   Certificate/Diploma [ ] 1
   Degree [ ] 2
   Postgraduate [ ] 3
   PhD. [ ] 4

4. How many years have you worked for KQ?
   Less than 5 years [ ] 1
   Between 5 and 10 years [ ] 2
   Between 11 and 15 years [ ] 3
   Above 15 years [ ] 4

5. How many years have you been in a Management role?
   Less than 5 years [ ] 1
   Between 5 and 10 years [ ] 2
Between 11 and 15 years [ ] 3
Above 15 years [ ] 4

6. Which department are you in?
   Operations (Technical, Ground Services, Flight Operations, COO [ ] 1
   Commercial [ ] 2
   Support (IS, HR, General Counsel, Finance) [ ] 3

SECTION II: COMPANY INFORMATION

PART A: Determine which Impact Metrics affects HR Strategy and Organizational Agility

7. Indicate your agreement or not, with the following statements regarding the Effect of Impact Metrics on HR Strategy and Organizational Agility at KQ (Place a check mark in the appropriate square bracket). Strongly Agree (5) Agree (4) Neutral (3) Disagree (2) Strongly Disagree (1)

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The HR Department should have critical HR Metrics in place to support KQ’s ability to adapt to emerging challenges and in doing so sustain its competitiveness.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Having in place the right Department should have critical HR Metrics in place to support KQ’s ability to adapt to emerging challenges and in doing so sustain its competitiveness.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Constant communication with employees on issues that affect the organization would improve organizational agility.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Involving middle management staff in the decision-making processes would increase KQs organizational agility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Social media is one of the easiest way to find out whether KQ as an organization is agile.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Below is a list of HR metrics that the HR team can measure to improve its responsiveness to the HR Strategy and increase KQs overall Organizational Agility. Using a scale of 1 to 5, where 1 means “not important at all” and 5 means “Extremely Important”, please place a check mark in the appropriate square bracket to tell us if the following HR Metrics would improve HRs and the Leadership’s Responsiveness to
issues that would then address KQ’s sustainable strategic advantage and improve its business processes and improve our talent pipeline.

Extremely Important (5) Quite Important (4) Neutral (3) Not Very Important (2) Not important at all (1)

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>5 EI</th>
<th>4 QI</th>
<th>3 N</th>
<th>2 NVI</th>
<th>1 NI</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td><strong>Capturing Turnover costs by recruitment cost</strong> – measures whether there are problems in the recruitment process and alerts the company to look for alternative and more efficient source.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td><strong>Employee – Engagement Index:</strong> measures key themes and issues staff deem to be in need of management’s attention and provides opportunity to improve business performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td><strong>Involuntary Staff – turnover Rate:</strong> provides opportunity to identify leading causes of turnover and if there is need to improve the recruitment, planning or performance processes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td><strong>Voluntary Staff – turnover Rate:</strong> measuring the trend can provide indication of commitment of KQ to develop the capacity of its employees. A high score may indicate an unhealthy organizational culture, poor leadership, poor reward schemes etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td><strong>Training hours per employee:</strong> measures the average no. of hours spent by staff on training activities. It can help determine whether the training correlates to high levels of performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f.</td>
<td><strong>Cost per trainee hour:</strong> measures the average cost per hour KQ spends on training its employees and it helps in planning and budgeting.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PART B: The Influence of Efficiency Metrics on HR Practices and Organizational Agility**

9. Below is a list of HR Metrics that the HR team can measure to indicate the extent to which HR Practices are efficient and support organizational agility? Using a scale of 1 to 5, where 1 means “not important at all” and 5 means “Extremely Important”, please place a check mark in the appropriate square bracket to tell us if the following HR Metrics would enable HR and the Leadership identify issues related to HR’s practices within KQ.
Extremely Important (5) Quite Important (4) Neutral (3) Not Very Important (2) Not important at all (1)

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>5 EI</th>
<th>4 QI</th>
<th>3 N</th>
<th>2 NVI</th>
<th>1 NI</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Having the right qualitative HR Practices within KQ would enable KQ increase its ability to adapt to emerging challenges and in doing so sustain its competitiveness?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Having the right HR Metrics would assist the HR department to determine how effective the organization is and enable analysis of how to address critical business and HR issues.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Having an effective HR Management System is critical to improving HR’s efficiency in supporting the business by being able to rapidly detect changes that would affect KQ’s competitiveness.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Absenteeism Rate by Job Category: Measures the number of employees absent from a specific job. Helps identify issues in a particular department, morale problems or even impact on productivity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Average Time for Dispute Resolutions: Measures the length of time taken to resolve a dispute. The shorter the time, the more effective the dispute resolution process.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f.</td>
<td>Cost per hire: Measures the costs incurred to recruit new employees. Decline in the cost may indicate cost efficient recruitment process and an increase may indicate a need to review recruitment supplier costs or the recruitment process.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g.</td>
<td>Overtime Hours: Can be used to measure labour efficiency and assist in managing labour costs. Measuring this can enable quicker response to workload demands. A high OT may indicate poor workforce planning.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h.</td>
<td>HR Staff as a percentage of total staff: Measures the number of HR staff as a proportion of the total staff and can be used to determine the efficiency of the HR department operations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Statement</td>
<td>5 (EI)</td>
<td>4 (QI)</td>
<td>3 (N)</td>
<td>2 (NVI)</td>
<td>1 (NI)</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>-------</td>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>a.</td>
<td>Providing Quality services to staff by the HR team would greatly improve KQ’s organizational agility.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>KQ’s Agility would improve if it executes innovations and takes competitive moves with speed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>KQ staff would need to be resilient to shocks and upheavals in their business environments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Internal-Hire Probability: Measures the likelihood of current staff being appointed to vacant roles within KQ. A higher probability indicates KQ’s belief in fostering talent from within.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Retention Rate of Critical Staff: Indicates the percentage of key staff retaining within the business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PART C: Effect of Effectiveness Metrics on Organizational Agility**

10. Below is a list of HR Metrics that the HR team can measure to indicate the extent to its activities meets the expectation of the employees and the organization in general and in so doing improves organizational agility. Using a scale of 1 to 5, where 1 means “not important at all” and 5 means “Extremely Important”, please place a check mark in the appropriate square bracket to tell us if the following HR Metrics would enable HR and the Leadership identify issues related to HR’s practices within KQ.

- Extremely Important (5)
- Quite Important (4)
- Neutral (3)
- Not Very Important (2)
- Not important at all (1)
A high retention rate may indicate a high level of engagement and satisfaction.

**f. Total Compensation Expense per Employee:** Measures spend of KQ against work performed. A high TCE may indicate a need to cut costs whilst a low TCE may be an indicator of high attrition.

**g. Succession Planning Rate:** The percentage of Executive roles for which there is a succession candidate.

**h. Total HR Costs as a % of overall Operating Costs:** The total cost of HR as a percentage of the total operating costs.

**i. Management Span of Control:** Average number of employees per Manager /Executive.

**j.** It is critical for HR to have Dashboards that provide various measurements so as to enable them advice the business on potential issues.

11. How would you rate the use of human resource metrics at KQ?.

   a. Very Satisfactory [ ]
   b. Satisfactory [ ]
   c. Moderately Satisfactory [ ]
   d. Non Satisfactory [ ]

12. Which 3 Metrics do you think if adopted by the KQ HR Team would enable KQ be responsive to external challenges?.

   a. __________________________________________
   b. __________________________________________
   c. __________________________________________

**THANK YOU**