

INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF TELECOMMUNICATION FIRMS IN KENYA: A CASE OF SAFARICOM PLC.

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Telecom operators must adapt to fast-changing telecom enterprises. The telecommunications business faces strong connection demand, significant competition, chronic security issues, and ongoing innovation in devices and services, consumer expectations, and cost reductions. Strategic Management methods and how they are absorbed and used to differentiate performance of companies. This research examined how Strategic Management Practices affects Kenyan telecom enterprises' performance. The specific objectives of this research were to determine the influence of human resource planning, knowledge management, strategic marketing and technological innovation on performance of telecommunications firms in Kenya. This research relied on three theories, the resource based, knowledge based and the dynamic capability theories. The research relied on the descriptive research design and sampled 116 top and middle level managers employed at Safaricom Plc. Using questionnaires, the study obtained responses from the managers and then subjected the collection to validity and reliability tests. Data was analyzed descriptively and inferentially using SPSS and presented using tables. Only 100 questionnaires out of the 116 distributed were completed hence the study response rate was adequate. The study descriptive findings indicated that most respondents agreed with the assertion that human resource planning, knowledge management, strategic marketing and technological innovation influenced the performance of telecommunication firms in Kenya. Correlation findings showed that all the variables were strongly and positively correlated with performance. Similarly, the regression outcomes pointed to a significant model and a statistically significant influence of human resource planning, knowledge management, strategic marketing and technological innovation on telecommunication firms' performance. The study recommends that HR managers regularly review their human resources planning policies to make sure it aligns with their corporate goals. Also, firms should establish a learning culture with a focus on organizational procedures and routines and not the management of assets to derive greater benefits from knowledge management. Further, telecommunication companies to pursue more aggressive product strategies to bring their services to the target market and increase their profitability.

1. INTRODUCTION

Creating, executing, and assessing organizational strategies are all part of a strategic management strategy. (Mitra, 2021). A corporation's existence relies on its competitiveness and good management in today's fast-changing business climate. Kumar (2021) opined that an ineffective and inefficient strategic plan can result in an organization extinction. Strategic management practices have become vital in the performance of telecommunication companies and the fast-changing environment. (Rani, 2019). Effective strategy management practices like strategic resource planning, knowledge management, strategic marketing, and technological innovation can help organizations keep up with this ever-changing service world and gain a competitive edge to achieve their goals (Phinah, 2020).

A good strategy helps organization keep their eyes on the goal. It helps people set clear goals about what kind of business they want to stay in and what kind of goods they want to sell to customers. (Ellinger & Svendsen, 2021). It helps a business figure where it stands in the market. By doing this, they can say where they want to be, what their future strategy will be, and how long they want their plans to take to get there. They can easily change the way they work to reach their goals if they know how far they need to go from where they are now. It helps them figure out how many tools they need to help them reach the desired result by the given date. (Sotey & Munisi, 2022).

Strategic management practices improve organizational performance by optimizing resource utilization, reducing uncertainty, and motivating workers (Phinah, 2020). Human resource planning sets the company's goals, creates strategies to attain them, and allocates resources to execute them (Phinah, 2020). Companies should use applicable human resource planning strategies to gain a competitive edge and improve company performance. Human resource planning has long been used in business to adapt to market demand, customer preferences, and technology (Waweru & Omwenga, 2015).

Strategic knowledge management happens when a business obtains or creates an attribute or combination of traits that increases performance and outperforms rivals, according to Nduati (2020). These features might include access to natural resources, highly skilled people resources, new technologies like information technology to be used in the product or to help make it. If a rival has a rare skill, strategic knowledge management may work. It might be unique resources. Some companies have patented goods or services, which may require them to sue unlawful imitators. Intellectual capital—particularly brilliant people—may be distinct resources for service firms. Rani (2019) observed that a business must have customer-valued skills to establish strategic knowledge management processes. Strategic knowledge management requires unique competencies.

The telecommunications industry is volatile, uncertain, complex, and ambiguous. In such an environment, firms must use strategic marketing and technical innovation practices to notice and react to market risks and opportunities quickly and unexpectedly to survive. (Agic et al., 2016) Competition is forcing demand and supply to change faster, wider, and more often in this dynamic market. To sustain competitiveness, organizations must be nimble and able to recognize and adapt to market changes swiftly and seamlessly. This research examines strategic management approaches and performance in Kenyan telecommunication firms- Safaricom Plc.

Specific Objective of the Study

2. LITERATURE REVIEW

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Knowledge based theory posits that knowledge management practices like getting knowledge, storing it, making it, sharing it, and putting it to use are very important for high levels of productivity, financial and human resource performance, and improving a company's long-term competitive advantage. (Soderberg & Holden, 2022). The dynamic capability theory posits that it is impossible for businesses to thrive with the same resources in an environment that is always changing.

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Organizational Performance

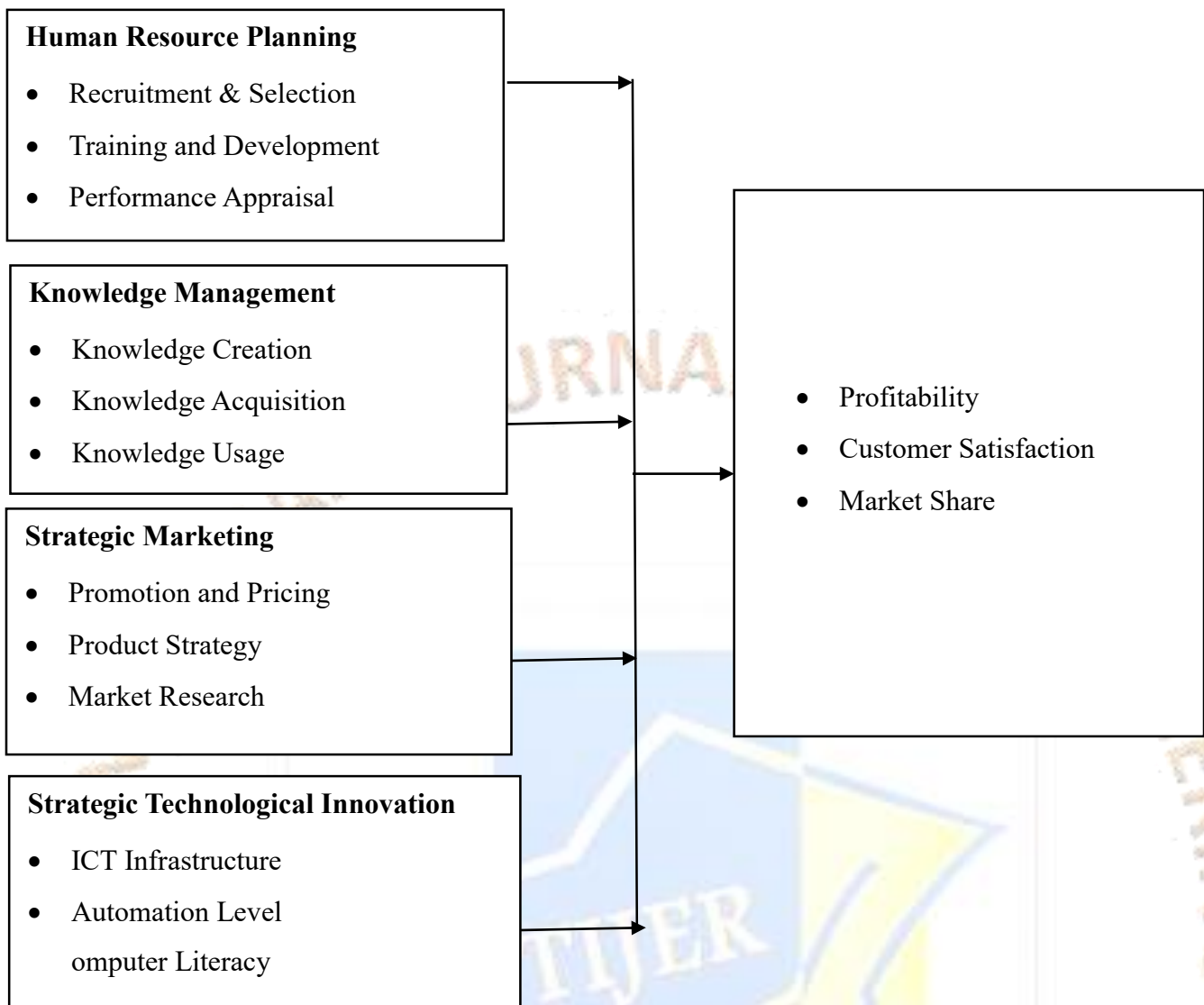


Figure 2. 1 Conceptual Framework

A conceptual framework is a graphic that links research elements. It demonstrates the independent-dependent relationship (Amuhaya et al. 2018). This study examined human resource planning, knowledge management, strategic marketing, and strategic technological innovation as separate variables. Telecom performance is the dependent variable. This prepares the research assessment's precise study goals and hypotheses.

Influence of Strategic Management Practices on Performance

Karanja et al. (2014) studied the marketing strategies and performance of Nairobi County, Kenya mediators between mobile service firms and consumers. Simple and stratified random selection selected 219 participants

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This research adopted a descriptive research design. Portney (2020), contends that a descriptive design involves gathering data to test a hypothesis or answer questions about the present state of the topic being studied. One of its advantages is that it is often used to express conduct, values, attitude, and character. The purpose of a descriptive survey is to characterize aspects of topics or events, as well as the views, attitudes, preferences, and perceptions of individuals who are of interest to the researcher (Hennink et al., 2020). Additionally, the goal of a descriptive survey is to get information from a representative sample of the whole population (Bryd, 2020).

3.2 Target Population

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Table 1: Target Population

Category	Population	Percentage
Director & Head of Departments	22	4
Senior Managers	87	17
Managers	161	32
Principles	108	22
Team Leaders	70	14
Senior Officer	52	10
Total	500	100

Source: Safaricom Plc (2022)

3.3 Sample and Sampling Procedure

The sample size of the study consisted of 116 respondents who were chosen through stratified random sampling. This approach is justified because it allowed for the selection of a sample size (strata) when the population was divided into groups. The target demographic was divided into six groups representing the various levels in the company for the analysis. The sample size therefore was 116. To figure out how many people are in each group, the researcher divided the total number of people in each group by the total number of people in all groups, then multiplied that number by the sample size (116).

3.4 Data Collection Method

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4.0 DATA ANALYSIS AND DISCUSSION

4.1 Descriptive Analysis

Most respondents believed that Safaricom Plc ensured that hiring was done in accordance with candidates' ability and that their training and development opportunities aligned with the future career opportunities in the business as depicted by mean values of 4.55 and 4.54 respectively. In addition, many respondents agreed, as shown by the mean of 4.39, that Safaricom Plc factored their organizational needs throughout the recruitment and selection

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process. Additionally, as indicated by the mean response of 4.22, significant respondents strongly concurred that the company's human resource planning helped in preventing both overstaffing and understaffing

The mean of 4.78 suggests that most study participants admitted that Safaricom Plc solicits consumer feedback regarding the services provided. The mean score of 4.69, also shows that they concurred that Safaricom used and kept consumer information in a secure database. Respondents who similarly thought that Safaricom wanted to gather competitor data closely followed. It averaged a mean of 4.66. Also, most participants concurred that Safaricom Plc valued customer feedback as a source of knowledge and made sure that all the knowledge acquired

The majority of respondents believed that their company had made sure that the emphasis on the products increased the value associated with the customers and that there were frequent advertisements for the products in the market, as indicated by the highest means of 4.50 respectively.

Most respondents (mean of 4.34) concurred that the promotions run are intended to convince domestic and international clients to purchase the products. According to a significant number of respondents (4.32 and 4.31, respectively), the company ensures that consistency and planned activities can be used to meet and exceed customer preferences as well as that their customers frequently pay less for their products than do competitors

Most respondents believed that Safaricom Plc gradually monitored and updated technologies in line with the prevailing market trends and change. At 4.50, the mean was among the highest. Furthermore, they argued that their company had automated every process for improved efficiency, dependability, and control, as shown by a mean of 4.46. The firm encourages the use of IT tools and services to improve customer service, and the majority also stated that workers are trained to utilize IT to interact with consumers and address complaints. 4.41 and 4.40 were used to illustrate the two propositions, respectively.

4.2 Inferential Statistics

Table 2: Combined Model Summary for Strategic Management Practices

Model	R	R Square	Adjusted R Square	Standard Error
1	.735 ^a	.541	.503	.15176

Table 3: Combined ANOVA Results for Strategic Management Practices

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.793	1	0.793	9.05	0.002 ^b
Residual	8.584	98	.0876		
Total	9.377	99			

Table 4: Combined Coefficient Results for Strategic Management Practices

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	β	Std. Error	Beta		
(Constant)	6.759	2.286		4.957	.000
HBP	2.013	.134	.439	4.517	.000
KM	2.412	.142	.541	6.519	.000
SM	3.627	.327	.673	3.904	.000
ST	2.752	.241	.762	7.2531	.000

The respective means for the two statements were comparatively higher at 4.51 and 4.45.

Source: Survey Data (2023)

Table 2, 3 and 4 is the combined regression results for the independent variables against the dependent variables. According to the R² value of 0.541 in Table 2 above, the four independent factors account for 54.1% of performance differences, while other factors are responsible for 45.9%. According to ANOVA Table 28, the linear

$$\text{Organizational Performance} = 6.759 + 3.043 X_1 + 2.412 X_2 + 3.627 X_3 + 2.852 X_4$$

5.0 SUMMARY OF THE FINDINGS

The first objective was to determine influence of human resource planning on the performance of telecom companies. The findings revealed a significant and positive influence of HRP on the performance. Most respondents opined that Safaricom Plc considered organizational needs during recruitment and selection and provided training and development for future job opportunities in the organization. Fewer respondents agreed that human resource planning helped to prevent overstaffing and understaffing in the organization.

6.0 CONCLUSIONS

Further, the study concludes that knowledge management practices including knowledge creation, knowledge acquisition, knowledge conversion and knowledge usage benefits positively the performance of management, strategic marketing and strategic technological innovation. This suggests that all of the independent constructs are significant at the 0.05 level. The four constructs' linear equations can be written as follows:

Finally, the study concludes that telecommunication firms employ strategic technological innovation techniques, such as ICT infrastructure, automation, and computer literacy, experience improvements in performance. Through innovation, a company transforms an idea or invention into a product or service that adds value and generates revenue. It involves figuring out a better approach to carry out some tasks.

7.0 RECOMMENDATIONS

The study recommends that telecommunications companies consider how they can implement knowledge management so that it generates benefits. The execution of knowledge management strategies and plans as well as initiatives to promote staff learning and knowledge exchange would enable an organization generate greater

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