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Organizational Processes and Strategic Positioning in Telecommunication Industry in Kenya

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Abstract:
The steady growth on mobile and internet connectivity has increased growth in telecommunication industry. The changed environment has necessitated a new business model in the telecommunication industry structure aiming at building resource capabilities and strategic positioning in the fast changing business environment. The study established how organization processes led to strategic positioning in telecommunication industry. The study was carried out from the entire mobile and network operators licensed by Communication Authority of Kenya. These were Safaricom limited, Airtel Kenya, Orange Kenya and Equitel Kenya. Descriptive statistics as mean scores, standard deviation were used in this study. The study used Pearson Correlation to measure strength of linear relationship between variables. The research adopted multiple regression analysis in testing of variables. A Census method was used on strategic planning managers and C.E.O's from 188 customer care centers from the four mobile and network operators. Primary data were collected using semi-structured questionnaires. The questionnaires were administered to all Strategic planning Managers at customer care centers at headquarter offices for four companies in 47 counties. The study found that organization processes in telecommunication industry significantly affected strategic positioning. The study established that there was a strong statistically significant. The study recommends that telecommunication industry should invest in improvement of organization processes through innovation in order to position itself strategically in a vast changing environment.

Keywords: *Organizational processes, strategic positioning, telecommunication industry*

1. Introduction

The country's mobile market continues to undergo significant changes in the wake of rapid development in telecommunication industry. During the third quarter of the financial year 2017/2018, the number of mobile subscription grew by 3.0 per cent to stand at 44.1 million from 42.8 million subscriptions reported during the second quarter. As a result the mobile penetration level rose to 95.1 percent from 94.3 percent (Angeline, 2018). As a consequence of the enormous growth in the mobile communications industry in Kenya, tensions might undermine its further development as the three stakeholders in the industry fight in an uncertain regulatory context to get the biggest possible share of the pie (Nick, 2012). Kenya's mobile market has continued to show strong growth in the number of subscribers. This has translated into sustainable revenue growth for operators as they develop services on the back of heavy investments in technologies and in infrastructure upgrading. The telecom sector in Kenya is well developed having four players Safaricom, Telkom Kenya Airtel Kenya and Equitel Kenya (Henry, 2015). Currently, the Safaricom continue to enjoy its Market share as a leading telecommunication company, followed by Airtel, Telcom and Finserve, Sema Mobile is below 0% hence exclusion from the study (CA, 2018).

1.1. Statement of the Problem

The telecommunication industry is continuing to change and mounting a lot of pressure towards efficiency in the business world enabling exploration of new opportunities in the rapidly widening digital organization processes which guarantee them future success in meeting the fast changing expectations and that which position them well in the competitive environment. However, the organization processes that guarantee the telecommunication operators success, still remains a puzzle to be solved. The high internet growth connectivity has demanded persistent information security and high innovation in devices and services. The emerging trend to address this growth requires new organization processes and strategic positioning as operators focus on pursuing the fresh vista of growth and opportunities that requires new business models as well as adopting new measures across a number of industry positioning.

The pace of change in the global telecommunication market is high and the industry is in a period of significant transformation. The new market has created new offerings and solutions that transform opportunity into business sustainability. However, each individual company's ability to understand and manage the corresponding challenges is critical in identifying and seizing emerging opportunities. Unless the industry has efficient organization processes, it will never be robust or sustainable in the long run. However, it will take time to achieve anticipated success especially if the industry is faced by the mass increase in network traffic brought by mass terminals, mass digital contents, mass discoveries and greater technological innovations. The emerging trend in telecommunication industry revealed that there were challenges that needed a study to be conducted on organization processes and strategic positioning in telecommunication industry. It was through the interest earned on organization processes that positioned the industry competitively in competitive market. The sought to determine the effect of organizational processes on strategic positioning in telecommunication industry

1.2. Research Hypothesis

- **H_0:** There is no significant relationship between organizational processes and strategic positioning in telecommunication industry.

1.3. Scope of the Study

The research focused on four mobile and fixed network operators in Kenya. These were Safaricom limited, Airtel Kenya, Telcom Kenya and Equitel Kenya. The research was based on industry data, report and findings from questionnaires and was limited to organization processes and strategic positioning in telecommunication industry in 47 counties in Kenya.

2. Literature Review

The resource based theory of the firm can be traced back to the book, "The Theory of the Growth of the Firm", first proposed by Penrose in 1959. Penrose looked at the firm as a bundle of resources and thought that they consisted of internal and external resources (Barney, 1991). These internal resources consisted of resources within the firm and included; non-human resources like, plant, equipment, land, raw materials, semi-finished goods, etc. and human resources that were labor, administrative, financial, legal and technical. Others were external resources which the firm never possessed and were outsourced from other firms (Kabue & Kilika, 2016). On the basis of classical literature, Teece (1997) in his study of dynamic capability claimed that the dimension of firm-specific capabilities were sources of competitive advantage and positioned the firm at a higher level compared with other in the same field.

The resource-based view of strategy holds company capabilities as the primary resources for overall competitive advantage emphasizing the way in which competitive advantage is achieved through valuable, rare, inimitable and non-substitutable combinations which then guarantee firm dynamic capabilities and sustainable growth (Barney, 2001). To transform a firm into a sustainable development, the principle requires that resources were heterogeneous in nature and not perfectly mobile (Eisenhardt & Martin, 2000). This principle translated into valuable resources that either cannot be imitate or substituted easily by other competing firms. The firm's strategies accomplished firm's objectives and the firm resources helped in sustaining above-average returns on dynamic capabilities which guaranteed success (Barney, 2002). Telecommunication industry therefore tries to achieve the same resource based capability by improving and maintaining its innovation and technology advancement exploring all means in ever changing environment (Sharon & Agnes, 2014).

2.1. Empirical Review

The Current business environment in telecommunication industry is very complex with random demand on efficient operating activities (Saeed et al., 2018). Globalization has created challenging pressure on firms to compete and survive in a dynamic market. This issue is very critical in telecommunication industry. The firms are faced by Circumstances of reshaping themselves so as to accept challenges through improvement and increase of efficiency in operating activities. The operational excellence demand adequate resource provision, products/service quality and monitoring/testing service management. (Shehadeh, Al-Zu'bi, Abdallah, & Magableh, 2016).

The operational activities increase productivity and economic efficiency which guarantee success in almost all sectors (Shamsuzzaman, Alzeraif, Alsyouf, & Khoo, 2018). Implementation of operational excellence refers to reduction of delivery time in service oriented business (Muazu & Tsmin, 2017). In order to provide better quality of service, the telecom operators are more focusing on the improvement of operational procedures and management functions to attain the top mark performance level. The operational activities involve integration of organization's people, techniques and process (Shehadeh et al., 2016). The productivity of the firm is achieved by operational excellence through a process of continues improvement, output optimization, cost reduction, quality, effective utilization of time, operational efficiency and employee engagement (Muazu & Tasmin, 2017). The firms combine operational activities and enable any service industry to progress and survive in any competitive environment (Shehadel et al., 2016).

The excellence of operating activities depends on adequate resource provision and acquisition, unmatched products or service quality management and effective organization monitoring and testing management. Yassien and Jordan (2015), study indicated that achieving competitive advantage requires the capability of the firm in acquiring strong and valuable resources better than competitors. Steven (2015) and Garvin (2014), study emphases the importance of quality and service management as solution that defines demand of the products or services. On the other hand, study by

Steven (2015) argued that firms evolves and grows in series of recognizable stages which requires monitoring and testing at every stage.

3. Methodology

This study adopted a descriptive design. The target population for this study comprised of 188 strategic planning managers at customer care centers and C.E.O's at Head offices of the four mobile and fixed network operators in Kenya namely; Safaricom Limited, Airtel Kenya, Telkom Kenya and Equitel Kenya. The target population was based on 47 counties and the managers per counties were interviewed. In every county there were customer care center headed by managers. However, counties like Mandela, Kwale and West Pokot had no operational managers but branch supervisors were interviewed. The study used census to collect the data from the four mobile operators. Primary and Secondary data was used in this study. Primary data was collected and semi structured questionnaire was administered to respondents through drop and pick method. The data was then coded and tabulation was done to enable the responses to be statistically analyzed. Descriptive statistics such as mean scores, standard deviation was used in this study. The study used Pearson Correlation to measure strength of linear relationship between variables. The study also used regression analysis and cross tabulation to show the link and relationship that existed between the variables.

4. Data Analysis, Presentation and Interpretation

The study issued 188 questionnaires to the respondents. Only 156 questionnaires were returned which accounted for 83% response rate. Sekaran (2010) recommends 30%, and Hager, et.al, (2008) recommend 50% response rate as adequate. Based on these assertions, this implies that the response rate for this study was adequate.

The study sought to investigate the influence of organizational processes on the strategic positioning in telecommunication industry. This was important since the organization processes will influence strategic positioning in telecommunication industry.

4.1. Effectiveness of Resource Provision

The study was interested in finding out the rate of effectiveness in resource provision in telecommunication industry. Their responses were as indicated below in table 1

Responses		Frequency	Percent
	Low	1	.7
	Undecided	17	10.7
	High	91	58.1
	Highest	47	30.5
	Total	156	100.0

Table 1: Effectiveness of Resource Provision

These results show that 88.6% of the respondents rated the effectiveness of resource provision to be high while only 0.7% of the respondents who rated the effectiveness of resource provision low. From this finding, it is clear that majority of telecommunications industry has taken the issue of the resources provisions and its effectiveness as of great importance. This finding is in agreement with those of Breznik and Lahovnik (2016), Yassien and Jordan (2015) who found that well developed organizational systems requires an effective resource provision that build firm's capabilities by integrating new knowledge assets and reconfiguring existing ones. Resource provision is a source of competitive advantage and telecommunication should focus on building up innovative resources better than competitors.

Telecommunication industry operates in a very competitive environment amongst themselves. Due to this competitive pressure, the study investigated effectiveness of service quality management on strategic positioning in telecommunication industry. The responses were as illustrated in figure 1.

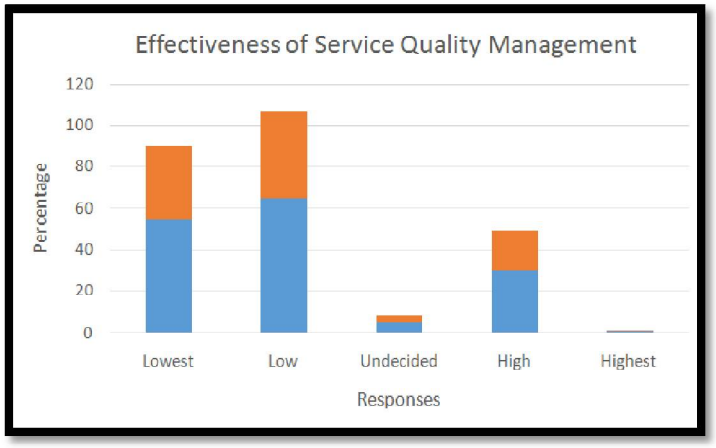

Figure 1: Effectiveness of Service Quality Management

The results revealed that majority of respondents 77.2% that the effectiveness of service quality management is low while only 19.5% who indicated that the effectiveness of service quality management is high. This shows that despite the competition among the telecommunication industry, the service quality management is still low. This finding differs with those of Curado and Bontis (2016) who found that knowledge structures across the telecommunication industry as a condition for achieving sustainable knowledge based resources are characterized by difficulties of transmission, imitation and social complexities in telecommunication. What matters according to Curado and Bontis was the nature of the service in the eyes of others and the service should be difficult in transmission to competitors, difficult to imitate and traits of complexities. Steven (2015) and Garvin (2014) supported the study by showing the importance of quality service management as solution that defines demand of the products or services.

4.2. Responses on Effectiveness of Testing Service Management

The study aimed to find out effectiveness of testing service management in the telecommunication industry especially in pursuit of expanding their businesses. The responses of this construct are illustrated below in table 2

Responses		Frequency	Percent
	Lowest	4	4.8
	Low	3	2.2
	Undecided	9	5.9
	High	75	48.2
	Highest	65	39.0
	Total	156	100.0

Table 2: Responses on Effectiveness of Testing Service Management

From the results it is clear 87.2% indicated that there is high effectiveness of testing service management while only 7% who indicated that effectiveness of testing service management was low. This finding means that telecommunication industry has been able to ensure that their testing service management is highly effective. This finding agrees with those of Steven (2015) that firms evolves and grows in series of recognizable stages which requires monitoring and testing at every stage. According to Steven, testing and monitoring determines how the network in telecommunication is performing. The firm which is proactive with monitoring and testing provides agility to solution and alerts in critical applications to ensure proper operation. Steinhilber (2018) reiterated that testing and monitoring is one of critical elements of effective operation compliance which is required as a component in any industry. Why? Because without testing it is difficult or impossible to understand what is working and what needs enhancement. Similarly robust monitoring and testing of service serve as an early warning that allow compliance professional to identify potential compliance issue, sooner than later.

4.3. Responses on Effectiveness of Support Service Management

The study investigated whether there is effectiveness of support service management in the telecommunication industry. This was important in order to ascertain whether customers are able to get effective support service management in telecommunication industry. Their responses were as illustrated below in figure 2.

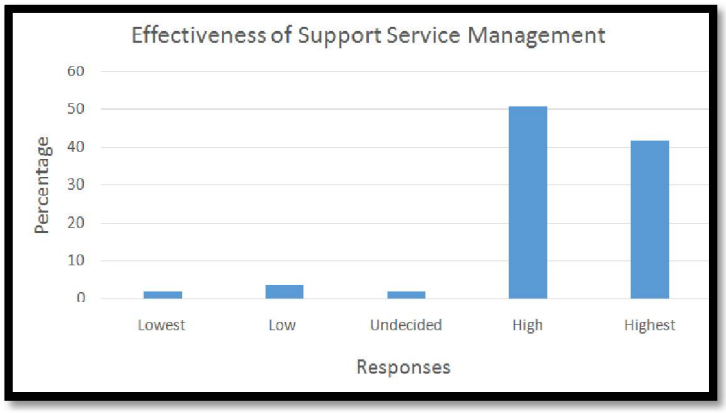

Figure 2: Effectiveness of Support Service Management

The data revealed that 92.6% of the respondents indicated that the effectiveness of support service management is high while only 5.5% who argued that effectiveness of support service management was low. This shows that the telecommunication industry has ensured that effectiveness of support service management is high. This finding is in agreement with those of Zahra, Davidson and Sapienz (2012) who fund that internal and external human resources and technological resources enhanced support service management. This clearly indicated the importance of investing on skilled human resources and technology that is unmatched by competitors. The study of Omae, Langat and Ndung'u (2015) was in agreement that telecoms that carefully engineer support services is evident in their success and prove that business services and internal functioning are strategically executed. This further enumerates scenarios where technology is

interwoven with the big and small decisions in successful companies. Supports services are factors that contribute to a better customer decisions and customer goals setting. Further study by Green (2016) supported this argument that support services save valuable resources; time and money and boost internal processes such as calls management, billing management and database management for increased productivity in telecommunication management.

4.4. Response on Effectiveness of System Problem Solving Management

The study investigated whether there is Effectiveness of System Problem Solving Management in the telecommunication industry. This was important in order to understand whether the telecommunication companies are able to effectively manage their problem solving system management. Their responses were as illustrated in table 3

Responses		Frequency	Percent
	Lowest	16	10.3
	Low	11	7.0
	Undecided	7	4.4
	High	71	45.2
	Highest	51	33.1
	Total	156	100.0

Table 3: Response on Effectiveness of System Problem Solving Management

The results revealed from 78.3% of the respondents who indicated that the rate of effectiveness in system problem solving management is high while only 17.3% who indicated that the rate of effectiveness in system problem solving management is low. This means that majority of respondents in telecommunication industry indicated problem solving is high. This finding is supported by a study conducted by Najihah, Malina & Rosfatinah (2017) and found that knowledge resides in organizational routines, processes, strategy and culture which codify and preserve memories and knowledge importance in problem solving management. This was in agreement by study of Builder (2017) in his topic of, "what problem solving skills are and why they are important". According to builder, problem solving skills are important in every industry growth. He indicated that firms which improve on problem solving skills have a distinct edge both in internal management and external management within the industry. He further said that employers will only be interested for new hires who have demonstrated problem solving skills. He stated that, " It's not enough to simply state problem solving skills on your resume, you need to illustrate exactly what types of problem solving skills at which excel and show specific examples of how you have utilized these skill in past positions". In a robust telecommunication environment, problem solving skills enhances operational effectiveness and improve strategic decision making within the company.

4.5. Response on Effectiveness of Billing and Revenue Management

The study investigated whether billing and revenue management of the telecommunication companies is effective. This was important since the effectiveness of billing and revenue management affect overall financial performance of telecommunication industry. The billing and revenue management in telecommunication is network based system and its effectiveness is importance in the growth of the telecoms in an environment characterized by robust growth. Their responses were as indicated in table 4.8.

Response		Frequency	Percent
	Low	3	2.2
	Undecided	10	6.3
	High	77	49.6
	Highest	66	41.9
	Total	156	100.0

Table 4: Response on Effectiveness of Billing and Revenue Management

The results revealed that 91.5% of the respondents who indicated that the billing and revenue management of the telecommunication is high while only 2.22% who indicated that the billing and revenue management of the telecommunication is low. This shows that telecommunication industries have ensured that their billing and revenue management is effective. This finding agrees with those of a study done by Ali et al., (2017) who found that billing and revenue management offers opportunities to efficiently plan and strategize on financial and product/service demands as well as offers ability to react appropriately to accurate financial and product/service information emerging from competitors. Oracle (2019) supported the argument by saying that revenue management and billing provide significant flexible for defining and maintaining both customer and product relationship.

Variable		Strategic positioning
Process	Pearson Correlation	0.638
	Sig.	0.000

Table 5: Correlation Analysis

Results of correlation analysis show the nature of relationship between the dependent and the independent variable of the study. According to table, there was a strong statistically significant ($p < 0.05$) relationship between process and all the aspects of strategic positioning considered in the study.

4.6. Regression Analysis

After the successful running of the preliminary diagnostic tests and confirming that the data complied with the prerequisite assumptions, regression analyses was performed on the data to test the hypotheses.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.386	20.660	33.386	1.616	.116
	Process	.264	.063	.231	4.170	.000

Table 6: Regression Analysis Coefficients
a. Dependent Variable: Strategic positioning
$Y= 33.386+0. .264X_1$

4.7. Relationship between Process and Strategic positioning

The study findings established a positive and significant ($p < 0.05$) relationship between strategic positioning and process. This was in accordance with the expectations of the study that a well constituted process can help increase strategic positioning of a telecommunication industry. The regression coefficient of 0.264 implies that holding all other factors affecting Strategic positioning constant, a well-constituted process would increase strategic positioning by 26.4%.

5. Conclusion and Recommendations

The findings of the current study reveal that telecommunication processes positively influences strategic positioning of telecommunication industries in Kenya. The results of the inferential statistics results especially the regression analysis show that telecommunication processes is a critical variable in strategic positioning as it has a major positive significant contribution of telecommunication industry in Kenya. This further indicates that telecommunication industries use processes capability as a component of strategic positioning which by practice have a significant effect on the performance telecommunication industries in Kenya.

The study concludes that all components of processes significantly influenced strategic positioning of telecommunication industries. Processes are essential in ensuring that telecommunications industries are adequately equipped to deal with the competition in the industry. Processes were found to be positively significant, influencing strategic positioning; hence, telecommunication industries should enhance to improve the customer processes and the skills of their employees. The study recommends that telecommunication industries should empower their research and design departments to facilitate the understanding of how processes should be more convenient to their customers. The processing department should constitute of highly trained personnel with proper knowledge so as to improve the strategic positioning. The communication authority of Kenya to develop policies on how to monitor the way they work to ensure world class services are offered by employees across all telecommunication industries.

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