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Organizational Learning and Strategic Positioning in Telecommunication Industry in Kenya

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Abstract

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 environment. The fast changing environment has led the industry to focus on developing organization learning which guarantees future success in meeting the fast changing telecommunication market. The study focused on organizational learning on strategic positioning in telecommunication industry. This study adopted a descriptive design. The target population for this study comprised of 188 strategic planning managers at customer care centers and Chief Executive Officers at the head offices of the four mobile and fixed network operators in Kenya namely; Safaricom Limited, Airtel Kenya, Telkom Kenya and Equitel Kenya. 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 using a questionnaire administered to respondents through drop and pick method. Descriptive statistics and inferential statistics was used in this study. The study established that continuous learning had influence on strategic positioning of telecommunications industries in Kenya. The results confirmed that telecommunications industries that practiced continuous learning based on innovation had strategic positioning advantage than those organizations that do not. This means that improvement on continuous learning led to strategic positioning in telecommunication industry in Kenya. This study concludes that organizational learning was statistically significant. The study recommends that the communication authority should lobby for application of the most recent technology by its members for use by the research and development department in conjunction with the ICT ministry.

Keywords: Organizational learning; Strategic positioning; Telecommunication industry.

1. Introduction

1.1. Background of the Study

The rapid development in the telecommunication industry has facilitated a competitive environment within the industry. The competition has raised a question about the fitness of firm's strategy and organization learning to survive and win in a changing environment. Ridder (2012), says that dynamic capability can be described as combinative capability that refers to a novel synthesis of external and internal resources into new innovations which is achieved through learning. Kiiru (2014), extended by saying that dynamic capability of external reconfiguration refers to the capacity to recombine external resources internally in order to achieve novel configuration that serve new purposes. The organization learning have increased rapidly as well as advancement on technology in customer preferences and industry restructuring (Pavlou and El Sawy, 2011; Teece, 2007). The level of environmental turbulence has increased potential gain from organization learning in terms of performance outcomes, the renewal of operational efficiency and resource capabilities (Yeung, 2014). However, in fast moving business environment open to global competition, and characterized by dispersion in geographical and organizational resources of innovation, sustainable advantage requires more than the ownership of difficult to replace (knowledge) assets. It also requires a unique and difficult to replicate organization learning (Di Stefano *et al.*, 2014).

1.2. 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 envionment. The fast changing environment has led the industry to focus on developing organization learning which guarantee them future success in meeting the fast changing expectations and that which position them better than competitors. However, the organization learning that guarantee the operator's success, still remains a puzzle to be solved. The high internet growth connectivity hasr demanded persistent information security and high innovation in devices and services. The emerging trend to address this growth requires new organization learning and positioning as operators focus on

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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 improve on organization learning through innovation, 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 learning and strategic positioning in telecommunication industry. It was through the interest earned on organization learning which positioned the industry competitively in global market.

1.3. Objective of the Study
To analyze the effect of organizational learning on strategic positioning in telecommunication industry.

1.4. Research Hypothesis
There was no significant relationship between organizational learning and strategic positioning in telecommunication industry.

1.5. 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 learning and strategic positioning in telecommunication industry in 47 counties in Kenya.
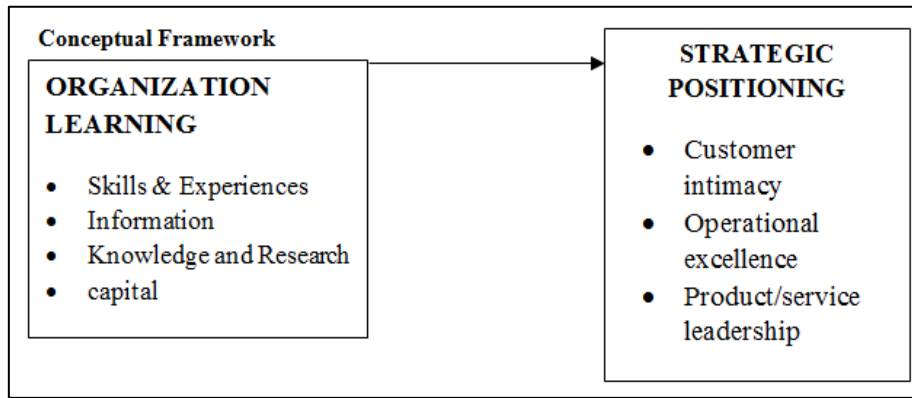
2. Literature Review
The father of modern strategic thinking Igor Ansoff (1918-2002) developed a number of new corporate management concepts and combining them with earlier strategic management methods already in use to create a new strategic paradigm. The strategic planning became an established management activity within business environment. According to his theory, a company's needed to establish and match the level of turbulence present in its current environment by building strategic moves (Dininni, 2017). Ansoff created awareness on strategic moves which were referred to in this study as strategic positioning. Ansoff approaches to strategic management focused on businesses in presenting a real life positions endeavoring on strategic diagnosis with elements of performance matrices. Ansoff focused in providing enhanced capability to evaluate firm's current and future position (John, 2013).

The modern strategic thinking according to Ansoff called for developing and implementing an effective strategic management plan for the business (Ansoff, 2013). The effective approach to strategic management and thinking was therefore critical for the success of the business in telecommunication industry which is rapidly changing (Rodger and Cuismart, 2016). The implementation of management strategies in telecommunication industry led to application of dynamic capabilities and strategic positioning as way of achieving and maintaining a competitive edge (Jurevicius, 2013).

Organizational learning is an internally dynamic process of organization which aims at creating organizational knowledge and integration of resource capabilities in the firm (Drucker, 2017). The term 'organizational learning' mainly focuses on creating knowledge, Knowledge acquisition and cognitive process (Skerlavaj and Dimovski, 2006). During the process, an individual's tacit skills are shared and embedded into organizational knowledge repository to form a relatively fixed model of continuous organizational learning (Ramanujam, 2003; Sessa and London, 2006). Organizational learning is positively related to the quality of the team joint contribution (Sessa *et al.*, 2011).

The organizational learning is associated with cognitive, social, and pedagogical capability positively correlating with innovative behavior (Kululanga, 2009). Organizations commonly set targets for their operational units that reflect top management aspirations for these units. Targets are commonly the outcome of a subjective process where supervisors combine their explicit and tacit knowledge to set performance expectations for their units (Aranda *et al.*, 2017). Hence, an understanding of how firms use the available information to set aspiration levels is important for management research (Blettner *et al.*, 2015; Bromiley and Harris, 2014; Shinkle, 2012).

Conceptual Framework	
ORGANIZATION LEARNING • Skills & Experiences • Information • Knowledge and Research • capital	**STRATEGIC POSITIONING** • Customer intimacy • Operational excellence • Product/service leadership

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, frequency distributions and percentages 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. Model for the study as below.

$$Y = \beta_0 + \beta_1 X_1$$

3.1. 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 Hagger *et al.* (2008) recommend 50% response rate as adequate. Based on these assertions, this implies that the response rate for this study was adequate.

3.2. Study Variable

This section presents the results and discussion of the specific objective of the study. Frequencies and descriptive statistics are presented first followed by inferential statistics. The questionnaire responses were coded with numerical values for ease of data analysis. The values assigned to the likert were 1=Lowest 2=Low 3=Undecided 4=High 5=Highest.

3.3. Learning

The study sought to investigate the influence of learning on the strategic positioning in telecommunication industry. This was important since the learning will influence how the telecommunication in the telecom industry.

3.4. Competency and Creativity of Staff

The study was interested in finding out the rate of effectiveness in terms of competency & creativity of staff. The responses were as indicated below.

Figure-1. Effectiveness of Support Service Management
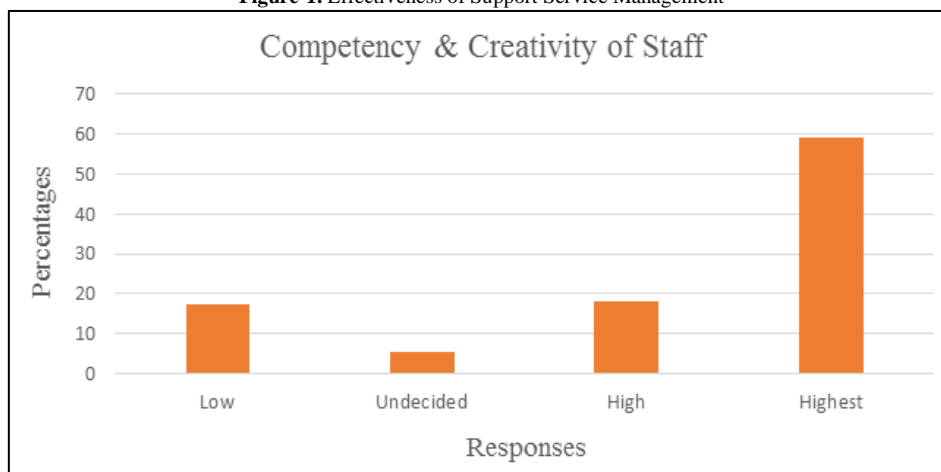
These results show that 77.2% of the respondents rated the effectiveness of competency & creativity of staff to be high while only 17.3% of the respondents who rated the effectiveness of competency & creativity of staff to be low. From this finding, it is clear that majority of telecommunications industry has embraced competency & creativity of staff and its effectiveness as of driver of performance and strategic positioning. This finding is in agreement with those of Gregor (2016) who found that staff competencies and creativity constituted important success in work, it was in the interest of the leaders to know how to ensure maximum number of employees develop their competencies to the highest level possible.

Zadel (2016), in the study of Impact of Personality and Emotional Intelligence claims that some of the admired companies, those reputed to have not only good management and financial success, but also innovation, appears to be whose leaders had a creative ideas. Under these conditions, strong corporate culture emphasizing uniformity, loyalty and adherence to company expectations would be advantageous. Management research in telecommunication industry confirms that innovative companies, those that are able to use innovation to improve their processes or to differentiate their products and services, outperform their competitors, in terms of market share, profitability growth or market capitalization (Tidd, 2015). Furthermore, it is being argued that dealing with innovation requires different sets of management knowledge and skills from those of everyday business administration. Similar implication was proposed by Zhao (2016), who interviewed middle and senior managers at Siemens (Australia) in order to get their perceptions on various issues relating to competency and creativity of leaders. He also identified two ways to improve their competency processes. Firstly, the organization needs to draw the idea from the people because the top down approach does not get things done. Secondly, there a need to recruit creative people who are able to think outside the Box. Zhao concluded that competent and creative workforce is a primary factor for innovation success.

3.5. Innovativeness & Intellectual level of Staff

The study interrogated the rate of effectiveness in terms of innovativeness & intellectual level of staff in telecommunication industry. Their responses were as indicated below.

Table-1. Responses on Innovativeness & Intellectual Level of Staff

Responses	Frequency	Percent
Lowest	9	5.5
Low	25	15.7
Undecided	6	3.9
High	81	51.9
Highest	35	22.8
Total	156	100.0

These results show that 74.7% of the respondents rated the effectiveness of innovativeness & intellectual level of staff to be high while only 21.3% of the respondents who rated the effectiveness of innovativeness & intellectual level of staff to be low. From this finding, it is clear that telecommunications industry values the innovativeness & intellectual level of staff and its effectiveness has contributed to positioning of their companies. This finding is in agreement with those of Edvinsson (2014) who stated that intellectual capital is the firm capacity to transform knowledge into wealth. Zack (2019), support the argument by saying that the companies which has superior knowledge, holding an ability to coordinate and combine traditional knowledge and its capability with unique and latest way and give the greatest value to the consumer than the competitors. Various studies show that innovativeness and intellectual level of staff contribute to the organizational capabilities; such innovation is very important factor in determining the performance of the business (Kogut and Zander, 2018).

Based on the previous studies (Mark *et al.*, 2018), innovation and intellectual stimulation helps employees to solves problems on different perspective; directing to find out new ways in finishing job. In addition, through intellectual stimulation, employees are challenged to find new ways in doing their job. The employees are challenged with the question, whether they are in line with the goals of the organization in general (Nielson and Danniels, 2018).

3.6. Teamwork and Entrepreneurial Initiatives

The study established the rate of effectiveness in teamwork & entrepreneurial initiatives. Their responses were as indicated below

Table-2. Teamwork and Entrepreneurial Initiatives

Responses	Frequency	Percent
Lowest	26	16.5
Low	74	47.2
Undecided	12	7.9
High	9	6.3
Highest	35	11.8
Total	156	100.0

These results show that 63.7% of the respondents rated the effectiveness of teamwork & entrepreneurial initiatives to be low while only 18.1% of the respondents who rated the effectiveness of teamwork & entrepreneurial imitativeness to be high. From this finding, it is noted that effectiveness of teamwork & entrepreneurial initiatives of telecommunications industry is at its low position. This finding is in agreement with those of Lome (2018) who argued that businesses are not functioning the way they are supposed because of their traditional practices and lack of teamwork and entrepreneurial initiatives. According to Lome, studies show that traditional practices do no increase the profits of businesses in developing countries, particularly those in competitive environment.

Julian (2013), in her article on the paradox of Corporate Entrepreneur stated, "the collapse of the Enron Corporation has had enormous ramifications, not just for its shareholders, Suppliers, and other creditors, but also for management theory." The Company was widely celebrated for its ambitious, innovation, and seemingly successful management model, the balance of loose and tight management, the use of stretch goals, and the system for attracting and retaining aggressive and creative people, and the centre, the encouragement of internal entrepreneurship as the engine of growth and change. This article centers on the entrepreneurial transformation school of thought. According to this view of corporate organization, entrepreneurship is an individual behavior that is shaped by the systems and culture of the firm. To bring about lasting change in an establish company, the job of senior executives is to develop a set of corporate systems and processes that promote such entrepreneurship through the organization (Julian, 2013). Kotey (2016), argued that the outcomes and processes involved in venture teamwork can be adequately replicated in the success of business, if sufficient attention is given to teamwork planning and management, the aim is to achieve an outcome that is beyond that which can be successfully attained by an individual member. Telecoms Companies are renewing their energy and resilience to thrive in volatile conditions, building trusts to replace silos with win/win/win solutions through inventive teamwork, strategic thinking, creative problem solving and appreciation for diverse perspectives (CGP, 2019). Arecent wall street Journal article titled, Together We Innovate, addressed the importance of employees working together in an effort to pull new ideas from multiple sources regardless of hierarchy or rank. It states that, "most Companies continue to assume that innovation comes from that individual's genius, or, at best, sequestered teams that vanish from sight and then return with big ideas." The articles argue that "most innovations are created through networks, groups of people working in concert" (Glenn, 2019).

3.7. Education and Training
The study established the rate of effectiveness in education & training in telecommunication industry. Their responses were as indicated below

Table-3. Responses Education and Training

Responses	Frequency	Percent
Lowest	21	13.4
Low	66	42.5
High	40	25.9
Highest	29	18.2
Total	156	100.0

These results show that 55.9% of the respondents rated the effectiveness of education & training to be low while only 44.1% of the respondents who rated the effectiveness of education & training to be high. From this finding, it is noted that effectiveness of education & training of telecommunications industry is at its low position. This finding contradicted the study by Afshan *et al.* (2015) that found that education and training contributed to employee's ability to perform. The study also indicated that training as necessary to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments or management positions.

The importance of training as a central role of management has long been recognized. The one contribution a manager is uniquely expected to make is to give others vision and ability to perform. Training is necessary to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments or management positions. There is therefore a continual need for the process of staff development, and training fulfils an important part of this process. Training should be viewed therefore as an integral part of the process of total quality management. The recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized. They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development. Many organizations meet their needs for training in an ad hoc and haphazard way. Training in these organizations is more or less unplanned and unsystematic (Benedicta, 2017).

Table-4. Correlation Analysis

Variable		Strategic positioning	Learning
Strategic positioning	Pearson Correlation	1	
	Sig.		
Learning	Pearson Correlation	0.586*	1
	Sig.	0.015	

*significant at …..

Results of correlation analysis show the nature of relationship between the dependent and the independent variables of the study. According to table 4.37, there was a strong statistically significant (p < 0.05) relationship between process and all the aspects of strategic positioning considered in the study. This was an indication that strategic positioning of the telecommunication industry could be increased by improving any of the aspects of learning under consideration. It was also observed that there was a strong positive and significant relationship (p < 0.05) between assets and strategic positioning as well as co-specialization and strategic positioning which is an indication that strategic positioning of telecommunication can be improved using organization learning.

3.8. Regression Analysis

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

Table-5. Regression Analysis Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.386	20.660	33.386	1.616	.116
	Learning	.230	.071	.264	3.250	.000

a. Dependent Variable: Strategic positioning

$Y = 33.386 + 0.230X_1$

4. Conclusion and Recommendations

This study established that continuous learning had influence on strategic positioning of telecommunications industries in Kenya. From the results on this variable confirmed that telecommunications industries that practice continuous learning have strategic positioning advantage than those organizations that do not. The finding on this variable imply that the relationship between continuous learning and strategic is causal and not due to chance. This means that an increase in continuous learning will lead to increased strategic positioning in Kenya. These results support the hypothesis that increased continuous learning practices would increase the strategic positioning of telecommunication in Kenya.

This study concludes that all components of learning were statistically significant. Learning does influence strategic positioning in that positive learning program enhances the acceptability of the program, and by extension strategic positioning in the industry. The study concludes that organization learning components were all statistically significant to enhancing strategic positioning in the telecommunication industries. The results indicated significant positive influence of learning activities on strategic positioning of telecommunication industries in Kenya, implying their importance. The telecommunication industries managements should therefore ensure that their branches embrace learning in order to support strategic positioning. The CAK should lobby for application of the most recent technology by its members for use by the R&D department in conjunction with the ICT ministry.

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