Organizational Assets and Strategic Positioning in Telecommunication Industry in Kenya

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Abstract
The rapid development in the telecommunication industry has raised a question about the organizational assets and strategic positioning in a rapidly changing environment. The telecommunication industry is continuing to change and mounting a lot of pressure towards the fitness of organizational assets and strategic positioning. The demand for efficiency in the telecommunication industry has enabled exploration of organizational assets that guarantee desired strategic positioning. The fast changing environment has led the industry to focus on developing organizational assets which guarantee them future success in meeting the fast changing expectations and that which position them well in the dynamic market. The study was carried out in the four mobile and network operators licensed by Communication Authority of Kenya. These were Safaricom limited, Airtel Kenya, Orange Kenya and Equitel Kenya. Descriptive statistics such as mean scores, standard deviation, frequency distributions and percentages 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 and secondary data were corrected using interview schedule. The questionnaire were administered to all Strategic planning Managers at customer care centers or C.E.O’s at headquarter offices for four companies in 47 counties. The findings on this objective revealed that organizational assets positively influence the strategic positioning of telecommunication industry in Kenya. The study concluded that assets components were all statistically significant to enhancing strategic positioning in the telecommunication industry. It is recommended that the strategic managers of the telecommunication industries should ensure the right use of assets. CAK and Ministry of ICT should make it a requirement that telecommunication industries should be submitting reports regularly of the assets they have.

Keywords: Organizational assets; Strategic positioning; Telecommunication industry.

1. Introduction
The rapid development in the telecommunication industry has raised a question about the fitness of organizational assets and strategic positioning. The competition has raised a question about the effectiveness of organizational assets and strategic positioning in ever changing environment. According to Yassien and Jordan (2015), Organizations capabilities can be harnessed to continuously create, extend, upgrade, protect, and keep relevant enterprise unique assets base. Their study was in agreement with the important of organizational assets for the growth of the firm. Hooley and Greenley (2005), supported the study by noting that Strategic positioning includes adaptation to changing technological opportunities to embrace enterprise capacity and develop new assets, and implementation of viable business models. Yassien and Jordan reiterated that, in order to sustain the acquired competitive advantages and keep up with the strategic positioning, organizations must build assets and run bundle of activities that intake the variant environmental parameters and reconfigure accordingly (Yassien and Jordan, 2015).

Strategic positioning involves choosing a target segment and a differentiating product value offer to compete for the chosen segment (Hooley and Greenley, 2005). Choosing a position that provides fit between the target segment’s needs and the organization’s unique competencies increases the likelihood of building high strategic positioning power in the marketplace and driving strong products performance (Hooley et al., 1998). Research suggests a number of analyses and steps which are required to ensure strategic positioning in market is identified, assessed and built in effective and efficient ways (Hooley and Greenley, 2005; Juga, 1999; Porter, 2001).

Further, study was supported by Majithia (2020) in the study of new era of mobile and internet connectivity in Kenya. He indicated that telecommunication industry in Kenya is serving as a major hub for the development and concluded that there is added pressure on operators like Safaricom Limited, Airtel Kenya, Telkom Kenya and Equitel in addressing a new level of demand by users in the sector and increase of assets base (Majithia, 2017). Safaricom limited is the leading mobile network operator in Kenya. It was formed in 1997 as a full owned subsidiary.

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of Telkom Kenya. In May 2000, Vodafone Group PLC of the United Kingdom acquired a 40% stake and management responsibility of the company (Majithia, 2017).

1.1. Statement of the Problem

The telecommunication industry is continuing to change and mounting a lot of pressure towards fitness of organizational assets and strategic positioning in the rapidly widening digital environment. The fast changing environment has led the industry to focus on developing organizational assets which guarantee them future success in meeting the fast changing expectations and that which position them well in the dynamic market. However, the organization assets and strategic positioning that guarantee the operators success, still remains a puzzle to be solved. The high internet growth connectivity has demanded persistent information assets of high innovation in devices and services. The emerging trend to address this growth requires new organizational assets 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 strategic positioning.

The pace of change in the global telecommunication market is high and the industry is in a period of significant transformation of organizational assets. The new market has created new offerings and solutions that transform existing assets into new form and acquisition of new ones. 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 solid underpinning organizational assets 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 organizational assets and strategic positioning in telecommunication industry. It was through the interest earned on organizational assets which positioned the industry competitively in global market.

1.2. Objective of the Study

To examine the effect of organizational assets on strategic positioning in telecommunication industry.

1.3. Study Hypothesis

There was no significant relationship between organizational assets and strategic positioning in telecommunication industry.

1.4. 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 organizational assets on strategic positioning in telecommunication industry in 47 counties in Kenya.

2. Literature Review

2.1. Resource Based View

The resource-based view of strategy holds organizational assets as the primary resources for overall growth emphasizing the way in which competitive advantage is achieved through valuable, rare, inimitable and non-substitutable combinations which then guarantee firm strategic positioning (Barney, 2001). To transform a firm into a sustainable development, the principle requires that resources were heterogeneous in nature and not perfectly mobile (Eisenhardt and Martin, 2000). According to Eisenhardt and Martin (2000), the principle translated into valuable resources that either cannot be imitate or substituted easily by other competing firms. The study by Barney (2002) noted that, firm's strategies accomplished firm’s objectives and the firm resources helped in sustaining above-average returns on strategic positioning for success. 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 and Agnes, 2014).

As suggested earlier resource based theory has a specific approach on how economic profits are generated (Barney, 2018). Barney points that some firms have more accurate expectations about the value of accessing resources than those selling access and other looking to gain access. The resource based theory suggests two possible reasons why this might happen: (a) Uncertainty about the revenue generating potential of these resources, and (b) the value created by combining these resources, created by specific investments accumulated within an organization over time with access to new resources (Barney, 2018).

A numbers of studies based on the Resource based View (RBV) considers resources as the only sources of gaining sustainable competitive advantage (Elena and Elizaveta, 2016). According to RBV approach, resources must be valuable rare and difficult to imitate processes that act a source of sustainable competitive advantage. In support of this, Barney (2001) explains that one of the sources of competitive advantage is the ability to be creative and entrepreneurial in order to discover how to generate value with its assets in ways owners cannot anticipate. Danneels (2002), in his study identifies technology and customer experiences as the two types of competencies of the business ability to make certain physical products whereas customer competency enables the business to serve a particular customer group. He asserts that firms are able to enter new market while other stay abounds to their current customers. On the other hands organization develop new technologies while other stay abounds to obsolete
technology. Elena and Elizaveta (2016), points clearly that firm can develop capabilities over time and turn imitable resources into costly to imitate capabilities. According to Elena and Elizaveta organization capabilities are activities that perform well relative to its competitors and adding unique value for its customers. Core competence represents the resources and capabilities of the organization that have strategic value. Telecommunication industry has not been left behind on core competencies (Francis, 2015). Telecoms companies are continually developing strategies by creating value to customers and innovation in technology (Muita, 2013). The recent development in planned merger between Airtel Kenya and Telkom Kenya is an indication of competitive environment in Kenya. To address these challenges, organization needs to transform assets through innovation and strategic positioning in dynamic environment.

2.2. Organizational Assets

According to James and Jane (2017), turbulent business environment, uncertainty, coupled with volatile market environment, leaves firms with no option but to rethink on how to gain competitive advantage in a competitive environment. This has led to the important subject of organization assets and strategic positioning, being leading factors to organization strategic realization. It is in this context that resource-based view theory (RBV) has emerged and became a very popular theoretical perspective for explaining organization capabilities and performance of the firm (Newbert, 2008). The RBV articulates that resources and capabilities are deployed in bundles to perform particular functions however their effectiveness determine the way they are configured (Helfat and Peteraf, 2003).

A study by Zahra et al. (2016) supported the study; they indicated that internal and external assets are related to technology commercialization and growth of the firm. This was in agreement with the study because the success of any organization is determining by how assets are orchestrated and transformed to change capability of the organization. So firms must develop processes to find high-payoff changes at low costs. The capability to change depends on the ability to scan the environment, evaluate markets, and quickly accomplish reconfiguration and transformation of assets ahead of the competitors (Kamboj et al., 2015).

2.3. Strategic Positioning

In today’s business environment, strategic positioning stresses the importance of making decisions that ensure an organization ability to successfully respond to changes in the environment and plan for sustainable viability (Wickham, 2001). This entail providing practical and field tested techniques with a complete plan on how organization will respond to emerging opportunities. Strategic positioning is concerned with the way in which a business as a whole distinguishes itself in a valuable way from its competitors and delivers value to specific customer segments (Partha and Chartered, 2013; Wickham, 2001).

The strategic positioning of an organization includes the devising of the desired future position of the organization on the basis of present and foreseeable developments, and the making of plans to realize that positioning (Karoline and Andrea, 2012). The strategies determine the contents and the character of the organization's activities (Breda, 2003). Strategic positioning is the cornerstone of enterprises to gain competitive advantage and thereby performing better than their competitors in the same industry (Kraaijenbrink et al., 2010). Firms of all types and size are looking forward to build and sustain a competitive edge, set up an ongoing process for market assessment and trend analysis and develop a vision for future growth (Olsen, 2011).

![Conceptual Framework](image)

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 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

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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 (2017) 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.

The study sought to investigate the influence of assets on the strategic positioning in telecommunication industry. This was important since asset resources influence strategic positioning in telecommunication industry.

3.3. Corporate Culture Image and Brand Reorganization

The study was interested in finding out the rate of effectiveness of corporate culture, image and brand reorganization on strategic positioning in telecommunication industry. Their responses were as indicated below in table 1.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>27</td>
<td>15.6</td>
</tr>
<tr>
<td>Undecided</td>
<td>9</td>
<td>3.7</td>
</tr>
<tr>
<td>High</td>
<td>28</td>
<td>18.1</td>
</tr>
<tr>
<td>Highest</td>
<td>92</td>
<td>59.1</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These results show that 77.2% of the respondents rated the effectiveness of corporate culture, image and brand reorganization to be high while only 17.3% of the respondents who rated the effectiveness of corporate culture, image and brand reorganization to be low. From this finding, it is clear that majority in telecommunication industry has enhanced corporate culture, image and brand reorganization as driver of performance and strategic positioning. This finding is in agreement with those of Obasan (2013) observed that organization culture and its corporate image have direct impact on the level of organization success through marketing and management efforts as well as organization’s longevity, productivity, effectiveness and efficiency.

In view of the above, actions of employees such as service personnel are seen as being important in communicating a company's corporate values and goals, particularly where they interact directly with customers and other corporate audiences. Their beliefs, norms and values derived from the organizational culture influence their actions and the informal messages that they communicate (Obasan, 2013). This in turn, determines how their company is perceived, what it stands for, as well as the value of its products. This goes a long way to affecting the corporate image of the organization and makes it evident that there is a strong positive correlation between people's perceptions of a company (corporate image) and pro-corporate supportive behaviour (organizational behaviour) (Shelley, 2015).

3.4. Knowledge of Information System

The study was interested in finding out the effectiveness of knowledge of information system on strategic positioning in telecommunication industry. Their responses were as indicated below in table 2.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>9</td>
<td>5.5</td>
</tr>
<tr>
<td>Low</td>
<td>25</td>
<td>15.7</td>
</tr>
<tr>
<td>Undecided</td>
<td>6</td>
<td>3.9</td>
</tr>
<tr>
<td>High</td>
<td>81</td>
<td>51.9</td>
</tr>
<tr>
<td>Highest</td>
<td>35</td>
<td>22.8</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These results show that 74.7% of the respondents rated the effectiveness of knowledge of information system to be high while 21.2% of the respondents who rated the effectiveness of knowledge of information system to be low. This finding shows that telecommunications industry has embraced knowledge of information system and its effectiveness in enhancing their performance and positioning. This finding is in agreement with those of Essays (2018) that knowledge of information system increases performance.
Many scholars have recognized the fact that right information and its flow within the organization can drastically improve performance and achieve stipulated objectives with ease. But at the same time it is important to note that there is no point of having information which is not relevant to the organization. This is the point where information management comes to play. The prime objective of the information management is to make relevant information readily available for the organization in precise and comprehensive format (Wickramasinghe, 2013). It is important to note that information management and information systems are the means not the end of the process. Both are the powerful tools in the hand of management, which when deployed appropriately can bring dramatic change in the way an organization perform and achieve its objectives. Appropriate utilization of information systems benefits both the organization and its employees and its stakeholders. But when misapplied, they can waste tremendous amounts of time, effort, and money (Essays, 2018).

3.5. Networking Systems and Technology Investments

The study was interested in finding out whether networking systems and technology investments contribute to strategic positioning in telecommunication industry. Their responses were as indicated below in table 3.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>10</td>
<td>6.3</td>
</tr>
<tr>
<td>Low</td>
<td>34</td>
<td>21.8</td>
</tr>
<tr>
<td>Undecided</td>
<td>12</td>
<td>7.9</td>
</tr>
<tr>
<td>High</td>
<td>26</td>
<td>16.5</td>
</tr>
<tr>
<td>Highest</td>
<td>74</td>
<td>47.2</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These results show that 63.7% of the respondents rated networking systems and technology investments to be high while 28.1% of the respondents who rated the networking systems and technology investments to be low. This finding shows that telecommunications industry has embraced networking systems and technology investments as enhancing their strategic positioning. This finding is in agreement with those of Aseed (2019) that telecommunication is rapidly evolving and network systems and technology investments remains vital and critical than ever as connectivity demands skyrocket with mobile workforces, the rise of internet of things and proliferation of cloud applications.

Networking systems and technology investments are important tools for businesses. They enable companies to communicate effectively with customers and deliver high standards of customer service. Network system is a key element in teamwork, allowing employees to collaborate easily from wherever they are located. Mobile network gives companies the opportunity to introduce more flexible working by allowing employees to work efficiently from home. The introduction of smartphones gives employees new levels of productivity and capability on the move (Networking, 2018).

3.6. Knowledge Gathering in Terms of Customers’ Needs

The study was interested in finding out how knowledge gathering in terms of customers’ needs influences strategic positioning in telecommunication industry. Their responses were as indicated below in table 4.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>21</td>
<td>13.4</td>
</tr>
<tr>
<td>Low</td>
<td>66</td>
<td>42.5</td>
</tr>
<tr>
<td>High</td>
<td>40</td>
<td>25.9</td>
</tr>
<tr>
<td>Highest</td>
<td>29</td>
<td>18.2</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These results show that 55.9% of the respondents rated the effectiveness of knowledge gathering in terms of customers’ needs to be low while 44.1% of the respondents who rated the effectiveness of knowledge gathering in terms of customers’ needs to be high. This finding shows that knowledge gathering in terms of customer needs does not influence strategic positioning in telecommunication industry. This finding is in agreement with those of Thomas et al. (2015) that customers goes through complex process of balancing products against perceived benefits, costs, risks and value in use of a products. This makes knowledge gathering complex and predetermined. This is the reasons why customers are making a lot of research about the product before they buy.

It is widely acknowledged today that knowledge is one of the most important resources to organizations. To many companies, knowledge is in fact a product that is sold to customers in one form or in another (Paivi and Ann, 2013). Business need to understand the use to which their customers put the products, the performance benefits, both physical and service, that are most important, and the different cost variables that the customer perceives, such as risk of product failure. Clearly this is not an easy process and many minute calculations are involved. Also once business begins regarding price from the customer’s viewpoint they will begin to see that price is an important variable in the whole product planning and cost structure of a company.
3.7. Sustainability of Customers Relationship

The study was interested in finding out the rate of effectiveness in terms of sustainability of customers’ relationship on strategic positioning in telecommunication industry. Their responses were as indicated in table 5.

Table 5. Sustainability of Customers Relationship

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>16</td>
<td>10.2</td>
</tr>
<tr>
<td>Low</td>
<td>25</td>
<td>15.7</td>
</tr>
<tr>
<td>High</td>
<td>65</td>
<td>41.7</td>
</tr>
<tr>
<td>Highest</td>
<td>50</td>
<td>32.4</td>
</tr>
<tr>
<td>Total</td>
<td>156</td>
<td>100.0</td>
</tr>
</tbody>
</table>

These results show that 74.1% of the respondents rated the effectiveness of sustainability of customers’ relationship and it was found to be high while 25.9% of the respondents who rated the effectiveness of sustainability of customers’ relationship are low. This finding shows that telecommunications industry has embraced sustainability of customers’ relationship and this has improved their strategic positioning. This finding is in agreement with those of Bandara (2019) who posits that building strong term relationships keep customers coming back repeatedly. It is therefore important for organizations to build individual customer relationships in such a way that both the firm and the customer get the most out of the exchange, providing both parties to long term benefits.

Sri et al. (2016), in the study of factors determining value and customer trust building, they argued that relationship marketing and service quality as determinant enhancing the value the value and confidence for customers. Customer trust is shaped from the value obtained by the consumer (Peppers and Rogers as quoted by Fadilah and Rini (2012). Customer value has been related to trust. An increasing customer value can be gained by improving the service quality. Accordingly, customer value can be created through the service quality provided by the company to their customers.

3.8. Correlation Analysis

In order to get the linear relationship between the various independent and dependent variables, Pearson correlation coefficient (r) was used. According to Zikmund et al. (2010) the correlation coefficient tells the magnitude of the relationship between two variables.

Table 6. Correlation Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Strategic positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic positioning</td>
<td>Pearson Correlation 1</td>
</tr>
<tr>
<td>Assets</td>
<td>Pearson Correlation   0.708</td>
</tr>
<tr>
<td></td>
<td>Sig.                 0.000</td>
</tr>
</tbody>
</table>

Results of correlation analysis show the nature of relationship between the dependent and the independent variables of the study. It was also observed that there was a strong positive and significant relationship (p < 0.05) between assets and strategic positioning.

3.9. 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 7. Regression Analysis Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant) 33.386</td>
<td>20.660</td>
<td>33.386</td>
<td>1.616</td>
</tr>
<tr>
<td></td>
<td>Assets .317</td>
<td>.069</td>
<td>.297</td>
<td>4.621</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Strategic positioning

Y = 33.386 + 0.317X

3.10. Relationship between Assets and Strategic Positioning

The study findings established a positive and significant p < 0.05 relationship between assets and strategic positioning. This was in accordance with the expectations of the study that assets can help increase strategic positioning of a telecommunication industry. The regression coefficient of 0.317 implies that holding all other factors affecting Strategic positioning constant, a well-constituted process would increase strategic positioning by 31.7%.
4. Summary Conclusion and Recommendations

The findings on this objective revealed that assets positively influence the strategic positioning of telecommunication industry in Kenya. The results of the inferential statistics especially the regression analysis show that assets is a critical variable of strategic leadership and has a moderate positive significant contribution to the strategic positioning of telecommunication industries in Kenya. This findings point to the role that assets play in enhancing the strategic positioning of telecommunication industry in Kenya.

The study concluded that assets components were all statistically significant to enhancing strategic positioning in the telecommunication industries. Thus, assets model is important in determining the extent to which a strategic positioning will be effective. It is recommended that the directors of the telecommunication industries should ensure the right use of assets. CAK and Ministry of ICT should make it a requirement that telecommunication industries should be submitting reports regularly of the assets they have.

References


